[From the Dallas Times Herald]

THANKS, MR. BUSH

Texas has cause to be thankful that Houston Congressman George Bush was in Washington this summer. Bush gets no small share of the credit for persuading the President not to tamper with the present system of mandatory oil import quotas.

As a Republican and a former oilman, Bush had special credentials for bringing to the President's attention the salient arguments against switching to a tariff system that would admit a flood of foreign oil to this country. Such a system would not only have made us dependent on the notoriously erratic supply of Arab oil—it also would have undermined seriously the economies of oil states like Texas.

Bush readily understood what was at stake. And we thank him for an important service to his state and his nation.

[From the Midland Reporter-Telegram]

OIL OUTLOOK BRIGHTENS

The oil industry looks to the future with a great deal more spirit and confidence than it did just a few days ago.

Monday's White House announcement that President Nixon will discontinue consideration of a proposed tariff system to regulate foreign oil imports was the action which touched off industry enthusiasm.

The tariff proposal was scrapped in favor of the present import quota system.

The President's decision on the tariff proposal was made on recommendation of George A. Lincoln, director of the Office of Emergency Preparedness.

Lincoln, incidentally, was chairman of the cabinet-level task force which recommended six months ago that a tariff system supplant the quota system. This would have opened the oil importing business to any companies willing to pay the tariff, thereby flooding the country with foreign oil. Results would have been disastrous to the domestic oil business.

The recommendation accepted by the President Monday was offered unanimously by task force members, who finally had seen the light.

Congressman George Bush of Houston, formerly of Midland, must be credited to a large degree with bringing about the panel's reversal in policy and certainly in gaining the President's acceptance.

Bush declared his opposition to the tariff proposal at the very beginning, citing sound reasons why it wasn't expedience. He has been a leader in the campaign which now has led to the proposal's withdrawal.

Lincoln explained that recent developments "have increased misgivings about moving to a tariff system at this time and about a tariff system as a feasible method of controlling oil imports."

He said that among the considerations was a reappraisal upward of domestic petroleum requirements because of the delay in the recovery of vast Alaska oil reserves. He said also that developments in the Middle East have had such a drastic effect on the oil situation that the price of Middle East oil delivered to New York now is higher than that of domestic oil.

One of the aims of the tariff proposal was to lower the price of domestic crude and raise the price of foreign oil imports until the two met somewhere in the middle. But it didn't work out this way—as industry spokesmen warned from the start.

Lincoln said there had been a complete turn-around from the situation which existed when the task force made its initial proposal.

And Nixon's acceptance of the latest recommendation also has resulted in a complete turn-around in the outlook of the oil industry.

As Ford Chapman, president of the Permian Basin Petroleum Association, said, "It's wonderful . . . simply wonderful!"

[From the Longview Daily News]

BUSH VIEWS OIL POLICY

Congressman George Bush of Houston was understandably proud Monday when it was officially announced in Washington that President Nixon has accepted a recommendation that his administration discontinue consideration of a proposed tariff system to regulate foreign oil imports and that the United States instead continue with efforts to improve the present import quota system.

This action was recommended by George A. Lincoln, director of the Office of Emergency Preparedness. Mr. Lincoln revealed at a White House briefing that he had recommended abandonment of the tariff plan and retention of the quota system in a letter dated Aug. 13.

George Bush, Republican nominee for the U.S. Senate from Texas, said he was "delighted" with the White House action—and well he should have been, for he was highly instrumental in helping to bring it about.

Congressman Bush, being an experienced Texas oil man in his own right, is one of the best informed men in Congress on petroleum matters. It was only natural that he would be active in oil policy decisions.

"It would have been idiotic, in the face of today's international situation, for the Oil Policy Committee to have taken any other course than to junk the tariff plan and keep the quota system," said Mr. Bush.

The Texan outlines his views on this important decision in the following additional comment:

"The Ways and Means Committee appropriately signed it as the death toll to the ill-conceived tariff system when we passed out a provision ruling against tariff on oil.

"Now the administration has buried the tariff scheme entirely.

"This decision will once and for all remove the cloud that has been hanging over the industry, fostering indecision and inhibiting investment. The tariff scheme would have damaged the domestic industry at this time when we are facing critical gas shortages at home and mounting insecurity abroad.

"My faith in the administration's policy on oil and gas has been partially restored. I plan now to redouble my efforts to try and get full understanding at the White House level on this gas shortage.

"Only by encouraging more drilling can the gas shortage be whipped. We need less control, more incentive to drill, more realistic pricing policies, prompt contract approval by the FPC and sanctity of contracts.

"We now have won the biggest battle of all—killing the ill-conceived tariff scheme that would have caused severe damage to our state and country. Now we must keep battling to help break the gas shortage.

"Jobs in Texas are at stake, but so is the whole general welfare of the country. I pledge to hang in there and keep fighting for more government understanding of what makes this risky business work.

"Industry and labor can solve this shortage problem, but only if government policies are responsive and designed to encourage exploration.

"I'm sure this was a tough decision for the Policy Committee, but it was the right decision.

"A tariff system, designed to weaken domestic industry, would have been sheer lunacy, given the existing world situation."

SENATE—*Tuesday, September 15, 1970*

The Senate met at 9:30 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

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

O God of men and nations, who has taught us to worship as we work, tune our spirits to Thy spirit that this day may be lived in fellowship with Thee and with one another. As here we seek to solve hard problems, to initiate far-reaching programs, and authorize vast sums of money, so may we also bring to the people a good spirit—the spirit of compassion, mercy, and peace.

May we share with the nations of the world our best lest they share with us their worst. Enable us to labor for that day when Thy kingdom comes and Thy will is done on earth as it is in Heaven.

Guide us through this day. Where the way is hard, the burdens heavy, the hours strenuous, we beseech Thee to replenish our energies and renew our strength. And when evening comes give us a good conscience, a peaceful soul, and a holy rest.

And to Thee shall be all glory and praise. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication from the President pro tempore of the Senate (Mr. RUSSELL).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., September 15, 1970.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. JAMES B. ALLEN, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

RICHARD B. RUSSELL,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, September 14, 1970, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the Chair recognizes the distinguished Senator from Arkansas

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

(Mr. FULBRIGHT) for not to exceed 30 minutes.

THE SST

Mr. FULBRIGHT. Mr. President, in the discussion of whether further appropriations should be approved this year for development of the supersonic transport—SST—aircraft, questions have been raised about various economic aspects of developing the SST.

I may say that last Sunday the distinguished Senator from Wisconsin (Mr. PROXMIRE) discussed this matter, I think most effectively, on the television program, "Issues and Answers." It prompted me to supply some additional material with regard to the economic aspects in particular of this problem.

Among the questions which have been asked about the SST are:

What will be the impact on our balance of payments?

Is the SST an appropriate investment for the Government?

What will be the effect on employment?

Some have attempted to disregard what I believe to be rather compelling arguments against the SST—national priorities and the potential environmental problems—concentrating instead on these economic questions.

Earlier this year some young volunteers helping out in my office, along with representatives of the Sierra Club, determined to see what some of the Nation's leading economists thought about these questions. They contacted a representative group of our most eminent economists and received statements and comments from a number of them.

It is difficult to summarize these statements in a few words, but it can be said that there is a near-unanimous belief that proceeding with the SST would be unwise and is not justified on economic grounds.

Much has been made, for example, of the argument that unless we have the SST our balance of payments will suffer badly. This premise is effectively refuted, however, by several of the economists. Most conclude that the balance-of-payments argument is weak and unpredictable at best, and many feel that it should not be a prime factor in consideration of whether to proceed with the SST.

For example, Prof. W. J. Baumol of Princeton says:

> Actually the SST is not apt to make much difference to our balance of payments one way or another. However, if it does have any effect, it is likely to aggravate the problem marginally. By adding to the federal budget, it will make for higher prices in the United States and so will make it harder to sell our products abroad. In any event, the nation's balance of payments problems certainly do not justify additional government support of the SST.

Prof. Paul Samuelson comments:

> As for the balance of payments argument, what we need are efficient exports that can pay their way—including paying their way in terms of providing their needed capital and the risk-taking inherent to sound projects—not contrived, subsidized additions to our balance of payments. If the government is foolish enough to want to spend $1.2 billion in subsidizing uneconomic exports, it can get much better value for its money than by buying a lottery ticket toward what may improve our balance of payments by 1978 to 1990.

Prof. James Tobin of Yale made this comment:

> Over the long run our international payments will roughly balance, whether we sell SST's, buy SST's, or do neither. They will be made to balance by the methods we have seen used the past 10 years—differences in the rates of inflation between countries, changes in exchange rates, adjustments of interest rates, and international lending. We need not and should not distort our priorities regarding use of our productive resources in order to increase exports or reduce imports.

I cite these examples as indicative of the conclusions of nearly all of these distinguished gentlemen.

Another constant strain running through these comments is the belief that the SST is an unwise and improper investment for the Government and that it should stand or fall in the competitive market. As Professor Baumol points out:

> The logic of the free enterprise system is that a new product is worth producing if its potential demand is sufficient to cover its costs and provide an attractive return to the capital invested in it. When private investors are convinced that there will be a sufficient demand for the item, capital will pour in to take advantage of the profit opportunities, and government funding is simply unnecessary. The SST has clearly failed this market test.

Prof. Milton Friedman comments succinctly:

> If the SST is worth building, the market will make it in Boeing's interest to build it without a subsidy; if a subsidy is needed, the SST should not be built.

Mr. Arthur Okun makes a very important point:

> The very fact that proponents of SST have turned to the Federal Government for funds and for the assumption of risks is in itself evidence that SST does not pass the market test. Those who advocate and practice private enterprise should be especially cautious in soliciting aid from the Government.

In the same vein, Prof. Merton Peck of Yale says:

> We ought to insist that Congressmen be just as tough-minded with our tax dollars as investors are with their own. If such a standard prevailed, there would be no need for lobbying; SST advocates could make their case to the investors. If the case were a convincing one, the money would be forthcoming. If it were not, the SST would not be built. This is the free enterprise rule that is applied to other marvels of modern technology from new computers to new chemical processes. I find no reason why SST should be made an exception.

On the "employment" argument, Professor Samuelson's comment is very much to the point:

> Any way that the U.S. government or anyone else spends a billion dollars on goods will make a billion dollars worth of jobs, and it would be a return to the outmoded depression philosophy of makework—in which men are hired to do useless things like digging holes and filling them up again in order to increase jobs and purchasing power—if we were to succumb to the make-jobs argument.

Finally, I would like to refer to two general statements which I think summarize this whole question rather well.

Prof. Kenneth Arrow of Harvard states:

> It seems to be assumed that if the SST program is dropped nothing else will happen. But surely the productive and inventive skills to be invested in the SST program are available for other purposes, and wherever they are used, they will help to create jobs and to lower costs of production and so improve our competitive position abroad. To go no further than the aviation industry itself, if the government is to support research and development, I can easily think of alternative areas with far more social value and less or no social costs. More social value should in turn mean more demand from abroad and therefore a positive effect on the balance of payments.

Prof. Wassily Leontief of Harvard puts matters in perspective:

> The development and construction of these super planes—as their proponents rightly claim—will absorb many billions of dollars of public and private—but mostly public—money, several hundred thousand years of skilled labor and huge amounts of other valuable economic resources. At a time when the shortage of such resources compels us to forgo badly needed improvements in public health care, education, housing, and mass transportation, to give priority to the SST is nothing short of frivolous.

Mr. President, this is a truly outstand- the group of economists and I think their comments merit our careful consideration. Although a very diverse group, I think anyone who reads their statements will recognize a strong consensus in opposition to the SST.

Mr. President, I ask unanimous consent to have printed in the RECORD the list of economists who complied with the request for comments on the SST, together with their complete comments, from which I have simply extracted a few excerpts.

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

ECONOMISTS WHO CONTRIBUTED SST STATEMENTS

Kenneth J. Arrow, Professor of Economics, Harvard University, leading economic theorist, expert on technology and public investment.

Francis Bator, Professor of Political Economy, Harvard University, Special Consultant to Secretary of the Treasury (1967–69).

W. J. Baumol, Professor of Economics, Princeton University, expert on business behavior and growth.

William M. Capron, Associate Dean, John F. Kennedy School of Government, Harvard University, Asst. Budget Secretary under LBJ.

Milton Friedman, Professor of Economics, University of Chicago, nation's leading monetarist economist.

John Kenneth Galbraith, Professor of Economics, Harvard University.

Walter W. Heller, Professor of Economics, University of Minnesota, former Chairman of Council of Economist Advisers.

C. P. Kindleberger, Professor of Economics, Massachusetts Institute of Technology, leading expert on international trade (balance of payments) and the international corporation.

Wassily Leontief, Professor of Economics, Harvard University, Director of Harvard Economic Research Project, expert on structure of the American economy, president of American Economics Association.

Richard R. Nelson, Professor of Economics, Yale University, formerly economist with Rand Corporation, expert on technology and economic growth.

Arthur M. Okun, former Chairman of Council of Economic Advisers.

Merton J. Peck, Chairman of Department of Economics, Yale University, expert on economics of competition in the transportation industries. Former member of Council of Economic Advisers.

Paul Samuelson, Professor of Economics, Massachusetts Institute of Technology, author of the leading introductory economics textbook.

Robert M. Solow, Professor of Economics, Massachusetts Institute of Technology, leading economic theorist, books published include *Capital Theory and the Rate of Return, Sources of Unemployment in the U.S.*

James Tobin, Professor of Economics, Yale University, President-Elect, American Economics Association, member of Council of Economic Advisers, 1961–62.

Henry C. Wallich, Professor of Economics, Yale University, member of Council of Economic Advisers, 1959–60; chief consultant to Treasury Secretary Kennedy.

STATEMENT ON THE ECONOMICS OF THE SST

(By Paul Samuelson)

The economic case for the SST is so weak, and the economic arguments against it are so strong, that only one conclusion is warranted:

The U.S. government should immediately cut back on its SST program, cutting our losses and making whatever compensation payments are legally due and are equitable to those corporations and laborers in the aircraft industry who will be hurt by this decision.

Until one has read the arguments that the Boeing Company tries to make for the SST, one does not realize how very weak indeed is the case for it. The fact that private enterprise in our huge financial markets will not touch the project without having government advance the preponderance of all the money involved and having government take on its shoulders the bulk of all the risks is itself a warning that the project is an uneconomical one—and only if the strongest possible case is made in terms of public interest could one even pay any attention to the proposal.

Even if the SST had no adverse effects upon the environment, in the form of supersonic booms and contamination of the atmosphere, it would be an economic and a political disaster. The strongest economic argument that the Boeing Company can put forward for it is that from 1978 to 1990 it may add substantial sums to the export side of our balance of payments. The strongest political argument that they can make for it is that it will make jobs. Any way that the U.S. government or anyone else spends a billion dollars on goods will make a billion dollars worth of jobs, and it would be a return to the outmoded depression philosophy of makework—in which men are hired to do useless things like digging holes and filling them up again in order to increase jobs and purchasing power—if we were to succumb to the makes-jobs argument.

As for the balance of payments argument, what we need are efficient exports that can pay their way—including paying their way in terms of providing their needed capital and the risk-taking inherent to sound projects—not contrived, subsidized additions to our balance of payments. If the government is foolish enough to want to spend $1.2 billion is subsidizing uneconomic exports, it can get much better value for its money than by buying a lottery ticket toward what may improve our balance of payments by 1978 to 1990. By such a date, our balance of payments may be in any shape, be in surplus where further exports would be the worst thing in the world rather than a benefit. No one has the wisdom now to be doing detailed planning for 1984, or 1978 or 1990. Any rational calculation shows that no committee of reasonable men can expect with reasonable assurance the 300–500 SSTs will be sold that would have to be sold if the SST is not to go down as one of the worst scandals in American history. Congress should act immediately to end what must be regarded as an economic fiasco.

STATEMENT OF KENNETH J. ARROW, HARVARD UNIVERSITY

The prima facie case against the supersonic transport is strong, so strong that its defenders feel the need to go far afield to defend it. In the first place, and most important from the viewpoint of an Administration which sets great store on the workings of the free enterprise system, the SST does not meet the test of the marketplace. No one denies that development would not even be contemplated if the government did not assume the bulk of the risks. These risks are real; the uncertainties of demand and of competition are too great to have any assurance that the government's huge investment will be repaid. Indeed there is no assurance that the costs of development to the prototype stage will be limited to the $1.5 billion currently estimated; experience with the overruns on comparable military developments is hardly encouraging.

There is another sense in which the development of the SST fails the test of the competitive market. It is hard to believe that airlines would consider buying planes so much more expensive than the present ones if their services were not being offered on such a strongly cartelized market. If the fares on the North Atlantic routes were allowed to fall to anything like a competitive level, interest in expensive high-speed planes would deteriorate rapidly.

In the second place, the market, while it exaggerates the gains, understates the true social costs. If the airlines had to compensate those who suffer from the noise and the boom created, if, for example, they had to buy from those under their flight paths the right to use their air space with all of the discomforts they create, the economic calculations would be obviously adverse.

Because of such considerations, the proponents of the SST do not defend this vast government investment as a social value, the creation of a new service to mankind. Rather they bring out one of the hoariest of chestnuts, the creation of employment, and add to this an argument familiar enough in the 18th century but so long unused that it appears new, the favorable effect on the balance of payments. The first argument can easily be dismissed; though economists have many differences over full employment policy, all agree that a suitable combination of monetary and fiscal policy, together with the natural recuperative forces of the economy, can achieve a tolerable level of full employment with or without the SST. The effects on the balance of payments are in any case conjectural in magnitude, though no doubt the United States will sell its SSTs abroad and at home. Ones confidence in the figures quoted is not improved by the tortured logic used to justify them. We are told, for example, that the threat of the United States SST will lead the Concorde manufacturers to improve the qualities of their second generation and thereby increase the cost to American airlines if they have to buy them; but of course if the U.S. withdrew from the SST competition, the threat to the Concorde would be gone and, on the basis of this reasoning, its makers would have no incentive for upgrading.

But there is a more fundamental criticism of the full-employment and balance of payments arguments. It seems to be assumed that if the SST program is dropped nothing else will happen. But surely the productive and, inventive skills to be invested in the SST program are available for other purposes, and wherever they are used, they will help to create jobs and to lower costs of production and so improve our competitive position abroad. To go no further than the aviation industry itself, if the government is to support research and development, I can easily think of alternative areas with far more social value and less or no social costs. More social value should in turn mean more demand from abroad and therefore a positive effect on the balance of payments.

For one example, consider the possibility of cheap, highly dependable transport planes, requiring lower skills for operation and maintenance. Low-cost operations can expand greatly the scope of air travel and air freight even in the United States but especially in underdeveloped countries. The value to society in terms of increasing the average speed of people and goods would be far greater than increasing still further the speed of the relatively small number of individuals who currently have the opportunity of flying the oceans. This policy would be consistent with the development of the United States automobile industry, which excels not in cars of great luxury or high speed for the use of the relatively few, but in producing cheap dependable transportation available to the great bulk of individuals.

Even from the viewpoint of speed, the SST has low priority. The jets have already brought us to the point where the time in the air between airports is frequently a minor portion of the entire trip from starting point to ultimate destination. The great value of better distribution between airport and starting point or destination is frequently remarked, yet no effort remotely comparable to the SST has been mounted. Surely research and development in vertical or short takeoff and landing aircraft would be both more valuable socially and more profitable in terms of foreign demand than transports whose sole value is the reduction of the time in air over the Atlantic from six hours to three.

STATEMENT OF W. J. BAUMOL, PROFESSOR OF ECONOMICS, PRINCETON UNIVERSITY

I find it difficult to conceive of any legal activity that deserves government support less than the SST. The predictable and self-serving arguments adduced in its support have rarely been so hollow.

That government subsidy of the SST will create employment is undeniable. But so will many other types of government expenditure—outlays on schools, housing, pollution control and on any other of a wide variety of pressing social needs. There is even less substance to the contention that support of the SST will help to solve our balance of payments problem. Actually the SST is not apt to make much difference to our balance of payments one way or another. However, if it does have any effect, it is likely to aggravate the problem marginally. By adding to the federal budget, it will make for higher prices in the United States and so will make it harder to sell our products abroad. In any event, the nation's balance of payments problems certainly do not justify additional government support of the SST.

The real and very powerful case against the SST rests primarily on other grounds. The logic of the free enterprise system is that a new product is worth producing if its potential demand is sufficient to cover its costs and provide an attractive return to the capital invested in it. When private investors are convinced that there will be a

sufficient demand for the item, capital will pour in to take advantage of the profit opportunities, and government funding then is simply unnecessary. The SST has clearly failed this market test.

Economists have long maintained that in such a case governmental support may still be warranted if the new product will provide social benefits that would otherwise go uncompensated—training of ghetto residents, preservation of natural resources, etc. But here we have a case in which precisely the reverse is true. It is proposed to subsidize a product that will add to atmospheric pollution, create intolerable noise, damage property, congest airports and in a variety of other ways affect the quality of life adversely.

By all the logic of economic analysis, the SST is a prime candidate not for government subsidy, but the very opposite. Its further development should actively be discouraged. Neither the government nor private enterprise should be tempted to throw in good money after bad. Everything necessary should be done to facilitate the transfer of the capital and labor now tied up in the development of the SST to other activities that do serve the public interest.

STATEMENT OF MILTON FRIEDMAN

1. The balance of payments argument is a complete "red herring" as is obvious if you reverse the question and ask whether, if somehow our balance of payments were to move toward a large surplus, Boeing would then urge that the SST project be dropped. The virtue of free trade is that it is not so tender a plant as to depend on statistics. Given that the world is on a dollar standard, the U.S. has no balance of payments problem. This is all a highly complex and technical question that I cannot explain in full for this purpose, hence I am driven to pure assertion.

2. I oppose government financing of the SST as I oppose almost all other government subsidies. If the SST is worth building, the market will make it in Boeing's interest to build without a subsidy; if a subsidy is needed, the SST should not be built.

3. Almost all conservationist arguments against the SST and similar ventures display roughly the same level of rationality as Boeing's arguments for the SST. Boeing tends to list the benefits and omit the costs; conservationists, the reverse.

4. I do not mean by my point #2 to deny the existence of costs and returns that do not enter into market calculations (economic externalities) but only that such costs and returns are etremely hard to pin down and estimate, and the presumption should be against giving in to special interests on these grounds unless the evidence is very strong and the magnitude of the externality very large.

JULY 27, 1970.

DEAR SENATOR FULBRIGHT: Since it is late Friday afternon—and since I understand that Senator Stennis's Subcommittee may be making decisions about the SST early Monday morning—I shall not attempt a detailed brief on why I believe the United States should stop spending money on the further development of the SST. I have carefully examined the arguments of Boeing and of the Administration. Suffice it to say that I find the arguments totally insufficient, and in many critical respects preposterous on their face. In terms of our national priorities, continued spending on the SST is grotesque.

Sincerely yours,

FRANCIS M. BATOR,
Professor of Political Economy, Harvard University.

STATEMENT OF WILLIAM M. CAPRON

These remarks are not addressed to the question: Should the U.S. aircraft industry develop and produce a supersonic transport? I claim no special technical expertise directly relevant to this question. As a layman, I assume that—without federal support—at some point in time a decision to undertake this effort might well be made by one or more U.S. firms in the aerospace industry. (Whether such a venture will succeed will depend not only on a satisfactory resolution of many technical and economic issues; economic success will also depend upon the judgments we make regarding the serious environmental hazards which appear to be involved in supersonic aviation.)

The issue I am addressing is much narrower: Should the U.S. government continue to underwrite and manage the development of an SST? On this issue I continue to be skeptical. In this brief statement, I will focus on one general point—a point which I believe relevant to consideration of several of the major arguments advanced by proponents of this undertaking, and a point frequently overlooked. It is argued that SST support is good policy because (1) it will strengthen the U.S. balance of payments, (2) it promises significant employment in the aerospace industry, and (3) it will help to maintain this country's "technological leadership." My point can be put as a question I would ask those advancing each of these arguments: Is federal investment in the SST program on the scale called for the most effective way of accomplishing the particular purpose in question? Once one argues for SST on balance of payments, employment, or "technological leadership" grounds he should, it seems to me, demonstrate that this use of public funds is the preferred way of moving in the direction he desires. I would suggest that there are a number of projects and programs whose promotion are strong competitive candidates for consideration if we assume that several billion dollars of public funds are to be used for these purposes. Other new technology may promise much greater balance of payments gains than the SST—assuming that the analysis showing positive balance of payments gains from SST is to be believed, an assumption I am not yet willing to make. There can be no question that other industries will employ directly more people per dollar of private subsidy than will SST. (For one thing, the aerospace industry employs a relatively large number of highly skilled workers per dollar of effort; it offers relatively little direct employment to those groups in the labor force most in need of public help. For another, the total employment effect of a dollar of federal spending is about the same no matter what program spends the dollar in the first instance.) There are other new technologies whose support may very well contribute much more significantly than the SST in terms of this country's making the most effective use of its impressive scientific and technical capabilities—or, if one prefers, maintaining its "technological leadership."

My basic question is always relevant and appropriate when a proposal to add to the federal budget is made. It is especially important when the country and the Congress are asked to commit us to a very large program (which is relatively uncertain of success) in a period of agonizing budget stringency. Even if one concludes that the current SST program has a positive benefit-cost outcome—an assumption about which I remain skeptical—he must also satisfy himself that it represents a better use of scarce public resources than competitive claimants for public dollars.

One other point I want to make very briefly: I do believe there are sound arguments in favor of federal support for the basic science and technology necessary to build and operate supersonic aircraft economically. In addition, of course, there is no question about the need for government support of the development of military aircraft—developments which do give significant spillover benefits to commercial aviation. But the rationale for these activities is very different from the arguments necessary to support the view that the federal government should underwirte and promote a specific commercial vehicle. Aviation research has rightly received massive government support over the years, especially for military purposes. But until now specific commercial aircraft have had to meet the test of the marketplace—which remains the surest and soundest way of assessing true economic viability.

In short, I would argue, first, that the federally subsidized SST program seems to me questionable on its own merits but, more important, cannot be given the kind of priority it would require, given alternative claims on public funds, to be judged an appropriate addition to the budget at this time. Second, even if one were to accept as appropriate and high priority policy objectives the things proponents of the SST say it will accomplish, it is by no means clear that this use of the dollars involved is the right way to move toward these objectives. And, third, it is not clear that this is a situation in which we should depart from our traditional practice under which commercial ventures are privately undertaken and privately financed.

STATEMENT OF JOHN KENNETH GALBRAITH

All judgments on the balance of payments effects of building the SST are purely speculative. By choosing the figures and selecting the assumptions, one can reach whatever results he wants—there can be a big adverse effect from an adverse tourist balance or a favorable effect from the planes sold. The truth is that these calculations are strictly fraudulent and should detain no one.

What is certain is that the SST will cost a great deal of money that is needed for other things, and that it isn't needed. Anyone who has the time to take a trip to Europe can perfectly well afford to take another couple of hours. And additionally, there is the known noise and the unknown effect on the upper atmosphere. So the appropriation should certainly be turned down. The time has long since passed when—because something is new or the airplane companies want some business—we should go ahead blindly to get it whatever the cost.

If the Department of Transportation is all that concerned about speeding up travel, let it spend a few million dollars on studying better baggage handling and paying for faster customs clearance.

STATEMENT OF WALTER W. HELLER

I don't need to repeat the familiar arguments about the terrible noise pollution, the sonic boom, and the dangerous disturbance to the upper atmosphere. But perhaps I should add a few words on the dubious economics of the SST.

My doubts on this run way back to 1963 when I was on Vice President Johnson's Interagency Committee on the SST. At that time, Kermit Gordon, Bob McNamara, and I stood against the majority on grounds that the SST would be far costlier and involve far more government subsidies than its proponents believed. That prediction has already been borne out in terms of actual costs incurred and upward revision of estimates of future costs and subsidies.

It is, of course, possible that the U.S. will lose some ground on the balance-of-payments front if it does not develop the SST. But this is by no means a sure thing. Given a growing concern about the environment and the quality of life, isn't it a fair possibility that any flights of the SST will be prohibited in the U.S.? That would severely curtail the markets for the Concorde and the Soviet SST.

Further, the passenger and freight costs per mile of the SST may be so high that they will find it tough to compete with the 747's and the Air Bus. There will remain a vast market for subsonic jets in any case. If our research and productive genius is concentrated on these planes, we will continue to have a thriving export market, even if we leave the SST field to foreigners.

With all the above, I haven't even mentioned the critical point of balancing the dubious potential gains from the SST against the desperate dangers of failing to fund our critical social programs. Even if everything expected of the SST were to materialize, I believe that the payoff in human welfare on other uses of the money would be greater than on the SST.

I really believe that the arguments against the SST are compelling.

IMPACT OF THE SST ON THE U.S. BALANCE OF PAYMENTS

(By Prof. C. P. Kindleberger)

I do not know what the effect of the SST would be on the balance of payments of the United States, and I do not care. The SST should not be discussed in terms of balance-of-payments considerations. There will doubtless be positive effects in expanding airplane sales, and negative effects in encouraging tourist expenditures abroad by Americans, but the SST should be decided, for or against, on micro-economic considerations, not macro-economic. It is either a good thing or a bad thing in itself, and the balance of payments should adjust to a decision made on these grounds, not the other way around. Let me suggest the analogy of Prohibition or Repeal. These actions had balance-of-payments impacts, but to cite them for or against prohibition or repeal is a meretricious debater's device of appealing to unknown fears and worries. More easily seen though perhaps is the appeal to employment. It makes no sense to argue that we ought to produce something we don't need because we need the employment, or not to produce something we do need because we already have full employment. The question of employment, and of balance of payments adjustment should be separated from the issues of what we buy within the total budget.

BEWARE OF THE SST

(By Professor Wassily Leontief, Harvard University)

The SST represents a prime example of "technological progress" of which we should beware. While saving a few hours of travel time for a relatively small group of persons who for business or pleasure make many intercontinental trips a year, it would expose millions of people again and again to the nervewracking experience of shattering sonic booms, not to speak of the suspected negative effects on the already intolerably polluted atmosphere.

The development and construction of these super planes—as their proponents rightly claim—will absorb many billion dollars of public and private—but mostly public—money, several hundred thousand years of skilled labor and huge amounts of other valuable economic resources. At a time when the shortage of such resources compels us to forgo badly needed improvements in public health care, education, housing and mass transportation, to give priority to the SST is nothing short of frivolous.

The proponents of the SST project proclaim that this country's international leadership is at stake; this is indeed true, however, in a different sense than they mean it. If the U.S. Congress proves incapable of defending public welfare against the unrelenting pressure of special interests, how can other governments be expected to do so? Should the Congress, on the other hand, take the lead in protecting its own, and incidentally the citizens of other countries from this threat, other governments would have to follow suit.

The "estimate of balance of trade losses" that this country would allegedly sustain, were the SST project dropped, makes little sense. It is based on the assumption that having banned the supersonic plane as a major threat to our well-being, the U.S. government will turn around and authorize the import of three hundred and eighty such planes of foreign make. This makes no sense. Even if we cynically permitted American air companies to pollute foreign ears and atmosphere while protecting our own, this number would be substantially smaller. Moreover, in view of the fact that the U.S. accounts for a lion's share of the world's air traffic, if both foreign and domestic SST's were excluded from our airports, other governments too would have to abandon the support of their construction and everybody would be better off.

I'm sure that if the air carriers in this and other countries could choose between introducing the SST—for competitive reasons—and a situation in which no one would be permitted to introduce these planes at all, the air carriers would overwhelmingly favor the second option.

Instead of spending billions of dollars and adding one more major environmental threat to all the others against which we are now struggling, we should invest whatever funds can be spared to improve the efficiency and convenience of the present air transportation system. Anyone who doubts this should ask the people who crowded our inadequate airports during Labor Day weekend.

STATEMENT OF RICHARD R. NELSON

If the policy rationale that justifies the SST program is adopted as generally legitimate, the nation can expect over the coming years a major expansion of the range and costs of these kinds of programs, and a significant de facto revision in the institutional structure within which a considerable portion of American industry operates.

The program has the following characteristics: First, it represents an almost unprecedented extent and kind of governmental subsidy for the development of a product for production and sale by a private company through the market to the general public. It is a major new policy departure. Second, in no sense can it be argued that there is a pressing "need" for this new departure. Rather, this program was pushed to attention at the Federal policy making level as a technological opportunity that "should" be exploited. Further, the early advocacy of this program came largely from within Government, not from outside. Thus the genesis, as well as the nature, of this program warrants a hard look for precedent. Third, the arguments for the program were and are that industry would not undertake it rapidly or intensively enough without massive Governmental aid. Yet very little in the way of detailed persuasive analysis was, or is being, presented as to why the conservative attitude of private industry were counter to the public interest. The rationale for this program needs to be made much more explicit, and be subject to careful scrutiny. Fourth, what I believe to be the implicit rationale for the program poses basic issues regarding the "standard ways of doing things" in this industry. Only the blind cannot foresee that after the particular program in question is completed there will be a next generation of programs posing virtually the identical policy issues. More important, there will be projects in other technological fields presented as candidates for this kind of subsidy. While this seems largely to have been ignored, the basic issues posed by this program involve the whole institutional structure of industrial R and D including who proposes, who decides, and who funds and takes the risks.

We should not underestimate the ability of capital markets and firms now to undertake ventures of size, risk and time horizon that would have been unthinkable years ago. Boeing recently was able to borrow more than $500 million to finance the 747. And many companies have shown a willingness to support R and D on projects where it was anticipated that returns would be quite distant and uncertain. Even in the late 1920's the electrical companies were undertaking R and D on television and Dupont on long polymers.

The key reason why American industry has shown unwillingness to undertake R and D investment on the SST of a magnitude and kind that the advocates think appropriate is that the expected rate of return is very low, much below that of other uses of funds and resources. Cost benefit studies by program advocates show this, even under what many outsiders regard as rigid assumptions. . . .

It is clear that where other countries have jumped ahead of the United States we often easily have caught up with and surpassed them. Consider aviation. The British after all pioneered the jet commercial airliner. Yet, we quickly established our supremacy in subsonic commercial jets. It is now clear that the earlier efforts were premature, and wasteful of resources, and that we wisely bided our time. . . . It is hard to believe that the long run U.S. position will be jeopardized if we do not push through our present SST design—which, while better than the Concorde, certainly is a more costly and less efficient aircraft than one we will be able to build five years from now. . . .

If past experience be a guide, the conscious national decision to achieve very high rates of technical progress is a particular field is tantamount to a decision that traditional decentralized modes of R and D organization, decision making and risk taking, be superseded by a much more concentrated and centralized structure.

It is a good bet that Boeing would not have persisted so long in pushing its swing wing SST design had the bulk of the funds been its own, and had it the ability to make that decision on its own. The signals are clear enough that the present design is in trouble. Only momentum and lack of an alternative carry the project forward.

STATEMENT ON SST

(By Arthur M. Okun)

In judging the merits of public funding of the development of supersonic air transport, one need not decide whether SST is a good or a bad thing. That is not the issue. The real issue is whether the benefits of SST would be so generally diffused over the entire public that it ought to be paid for by American citizens as a group through higher taxes or a sacrifice of other essential public services.

A myriad of new products and technological advances have enhanced the material welfare of the American people throughout the life of our Nation. Where technological advance yields a marketable product to the civilian sector of the economy, opportunities for profits through a competitive market system encourage research and development. The developers and producers bear the risks and costs; if successful, they collect their rewards from the consumers who benefit directly from the product. This competitive market test is not infallible—it may lead to the digging of dry wells and the development of Edsels, and it may not generate ideally prompt action in many cases. But it is better than any other available test, and we have been wise as a Nation to rely on it as our principal instrument to encourage the development of new, marketable civilian products.

The very fact that proponents of SST have turned to the Federal Government for funds and for the assumption of risks is in itself evidence that SST does not pass the market test. Those who advocate and practice private enterprise should be especially cautious in soliciting aid from the Government. In seeking to shift the boundaries of division between Government and private responsibilities, they may set unfortunate precedents. People who keep asking the Government to do things for them may find it impossible later to prevent the Government's doing things to them.

None of the specific circumstances surrounding SST suggest to me that it qualifies as an exception to the basic principle. The prospective benefits will accrue to specific consumers who ought to pay enough to reward successful producers. Exceptions to the principle must be cases which clearly yield general benefits rather than a marketable product and cannot be expected to be developed by profit-seeking private enterprise. Examples of these cases abound in education, certain types of health research, and even space exploration. They do not apply to SST. If SST is a good investment, it ought to be a good investment for the aircraft industry and for the financial community. And if it is a poor investment from the point of view of the market, then I cannot see how it can be a good investment from the point of view of the American public at large.

The costs to the public are substantial. Any addition to the Federal Budget for SST means either the sacrifice of other Government programs or the acceptance of higher taxes, or a higher budget deficit (whether visible or hidden in the accounting). At a time when areas clearly in the public sector have urgent needs that strain the budget, expanding the role of Government into fringe areas is especially regrettable.

ECONOMICS OF THE SST

(By Merton J. Peck)

The Boeing Company's January press release suggests what's wrong with the SST proposals. The SST advocates have chosen the wrong forum: they should be pressing their case with investors rather than with Congressmen.

The press release says the proposal "is not a subsidy. It is an investment in the future," and the government's $1.2 billion will be "repaid in full by the time the 300th SST is sold and when 500 SST's are sold the government will be repaid an additional return of $1 billion on its investment." Thus the SST appears to promise two dollars back for every dollar invested, a deal that should arouse dramatic interest in the investment community. Why doesn't it?

The press release says only "This is a lot of money. No private company has the financial reserves for such a commitment." Yet many big companies are involved in the SST program and the automobile industry has regularly managed to privately finance $500 million each year for its model changes, whereas the SST $1.5 billion prototype program runs for several years. Surely what is suggested as a very profitable investment ought also to be able to find private finance.

There may be, however, another reason the SST cannot be privately financed. The high returns are subject to very high risk—so much so that the investment community is not interested. We ought to insist that Congressmen be just as tough-minded with our tax dollars as investors are with their own. If such a standard prevailed, there would be no need for lobbying; SST advocates could make their case to the investors. If the case were a convincing one, the money would be forthcoming. If it were not, the SST would not be built. This is the free enterprise rule that is applied to other marvels of modern technology from new computers to new chemical processes. I find no reason why SST should be made an exception. All the standard arguments—employment, balance of payments, and so forth—could equally justify public investments in other industries, indeed, often with less harmful environmental effects and with more positive economic gain.

STATEMENT ON SST

(By Robert M. Solow)

The public should help pay for the SST only if the public gets something out of it. But unless loud noise is actually good for you, there is no reason to suppose that the SST will create benefits for our society over and above what its users should be expected to pay for. Quite the contrary: its users ought to be required to pay their one way and to compensate the Silence-loving Majority. You might call it hush money. Those who want urgently to cross the ocean in three hours instead of six must be mostly people with higher incomes than the average taxpayer. Many will be business travelers whose trip is half paid for by the Federal Treasury anyway.

Subsidizing the development of the SST out of public funds, therefore, amounts to the subsidization of luxury travelers by ordinary taxpayers. There is no excuse for this when many more urgent uses of resources compete for scarce Federal funds.

STATEMENT OF JAMES TOBIN

I am strongly opposed to the SST project, and I certainly regard the balance of payments argument as irrelevant and misleading.

Over the long run our international payments will roughly balance, whether we sell SST's, buy SST's, or do neither. They will be made to balance by the methods we have seen used the past ten years—differences in the rates of inflation between countries, changes in exchange rates, adjustments of interest rates, and international lending. We need not and should not distort our priorities regarding use of our productive resources in order to increase exports or reduce imports. Given the commitment of the various countries to international monetary equilibrium, U.S. exports of SST's will ultimately be balanced by imports or reduced exports of other goods or by U.S. long-term lending to finance the sales to foreign airlines. If the SST were a good idea but happened to increase U.S. demand for foreign currency, it should not be disqualified on that account. If the SST is, as I think, a bad idea, it should not be undertaken simply because it will increase foreign demand for dollars.

It seems foolish to me to invest in speeding up air travel, when anyone can see that the main delays are due to congestion enroute to, in, and above airports. I further suspect that the only possible way SST's can be made to appear to pay their own way is by jacking the fares on jumbo subsonic aircraft up far above cost.

SHOULD THE SUPERSONIC TRANSPORT BE BUILT?

(By Henry C. Wallich)

If it were possible to outlaw supersonic transports, no matter what countries would build and operate them, a strong case could be made for pronouncing such a ban. The gains from faster and more frequent travel seem small relative to the injury from noise and possibly other environmental damage.

Unfortunately, this decision is not in our hands. The Concorde is being built and will fly whether or not the SST is built. If the Concorde proves to be commercially viable, the U.S. then had better proceed to capture such economic advantages as are to be had by building the plane. Failure to build would inflict lasting balance of payments damage with little compensating environmental gain.

The first question, therefore, is whether or not the Concorde is commercially viable. On this, opinions seem to differ. The chances are that if it is not viable without subsidies, such subsidies will be forthcoming and the plane will be bought, given the widespread use of government subsidies to airlines and the competitive factors determining airline equipment policies. Under these conditions, it would be a mistake not to proceed with the SST.

A case can be made for postponing immediate construction of the plane in favor of continued development work. This may lose us some part of the market for the plane, but we might compensate by having a better plane later at lower cost to the government. Meanwhile, urgent priorities facing the government could be better attended to. But work will have to go forward in some form, and we must proceed on the assumption that supersonic transports will fly, ours or someone else's.

Mr. PROXMIRE. Mr. President, at this point will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. PROXMIRE. I congratulate the Senator on a most compelling statement on the SST, and on putting into the RECORD the statements of some of the outstanding economists in the Nation.

I have served as chairman of the Joint Economic Committee, and am now vice chairman of the Joint Economic Committee, and almost all of these men have appeared before that committee during the past several years. I can assure the Senator from Arkansas that there are no more able economists in the Nation than the men whose statements are included here, and who with a single exception emphatically counsel Congress not to fund the SST appropriation.

I might also point out to the Senator that this is a most varied group of economists. This does not represent a liberal or conservative viewpoint. This is not a group of economists who have a particular view; it includes Milton Friedman, whom most people view as a conservative economist; he was an enthusiastic supporter of Senator GOLDWATER, strongly supports free enterprise in every way, and is an extraordinarily able man. It includes Walter Heller, Chairman of the Council of Economic Advisers under President Kennedy, and Arthur Okun, Chairman of the Council of Economic Advisers under President Johnson; James Tobin of Yale University, a former member of the Council of Economic Advisers. It is a remarkable group of capable economists, who analyze the supersonic transport, I think, extraordinarily fully, and have given opinions that will be most useful to us.

There is one point I would like to make with the Senator from Arkansas, and that is that in their answer on the balance of payments, I have only had a chance to glance through these statements, but I get the impression that they argued that it is questionable whether or not the sale overseas of supersonic transports made in this country will be of significant benefit in the 1980's and 1990's to our balance-of-payments account.

What seems to have been overlooked was the reaction the Treasury had when they opposed the SST in the ad hoc report, which I think is very important, and that is that if America enters the

supersonic transport market, with our great productive facilities, and is able to make 500, 700, or 800 SST's, it will mean there will be tens of thousands or hundreds of thousands of Americans flying overseas every year. What will they do when they get overseas? They will be spending American dollars; so that, whereas we might gain some benefit from selling SST's, to foreign airlines, we will be losing far more in terms of the hundreds of millions, indeed billions, of dollars, which we will lose on the travel account.

This is why the SST advocates who formerly talked about the balance-of-payments argument now talk about the balance-of-trade argument, because, of course, the spending by tourists abroad is an item included in the balance of payments, but not in the balance of trade.

So I think, in addition to the excellent economic arguments made in these statements, there is this further factor which could very well have a seriously adverse effect on our balance of payments in the coming decades.

Mr. FULBRIGHT. One of these statements, I would say to the Senator, makes that very clear. It says that on the balance-of-payments argument, it is likely to have very little effect, and, if any, it may be marginally adverse. It mentions the point the Senator has made.

I did not realize that the Senator from Wisconsin was present in the Chamber when I first started speaking. I commented that the Senator was extremely effective last Sunday on television on this whole subject, and that was one of the things that prompted me to put into the RECORD these supporting arguments by the leading economists of this Nation.

As the Senator correctly said, they include economists of all orientations—conservative, liberal, progressive, et cetera, representing some of the leading institutions of the country. I do not know how anyone could question the backgrounds and qualifications of these economists.

That leads me to the most puzzling question of all. Why, in the opinion of the Senator from Wisconsin, has this rather ridiculous program acquired such momentum? Why has it become a part of this administration's program? It did not originate with this administration. It had its origin years ago, I believe, somewhat under the same circumstances as the space program originated, in the idea of competing with the Russians. To not let the Russians outdo the Americans we had to be first in everything, in space and now in the SST. I think it is a sort of childish emotional compulsion that started this thing. But it gets started, and then certain Members of the Senate and the administration and industry become involved and get interested in it, and you cannot stop it.

There is not one good argument I have heard of that in substance supports the SST; not one. Can the Senator think of one really persuasive argument, among all of them, that has merit?

The Senator from Wisconsin has given more thought to this matter than anyone I know. I cannot think of any argument in its favor. It is incredible how this project's life tends to be immortal; no matter what you say or do, it just goes on, and they simply ignore the vast mass of arguments and reasoning brought to bear on the subject by leading economists and businessmen. I do not know of any businessman not directly connected with the industry who supports this program, and it is a mystery to me.

Mr. PROXMIRE. The Senator from Arkansas has been in the Senate substantially longer than I. I have been here 13 years, about half as long as the Senator has been here.

It is my feeling, though I could be wrong, that this is in effect a pork barrel project. It is pork barrel—something that is going to benefit, at least in the short run, a certain section of the country, a certain State, a certain company. The subcontractors who work for that company are going to make money out of it. They are going to provide some jobs for people in a particular area, and therefore the Senate is going along, because we like the Senators from the State involved, they have a lot of clout, a lot of influence; and the result is that we have the ball rolling here, with very powerful interests pressing to move ahead.

The Senator is familiar with what has happened with pork barrel projects of this kind in the past. It is very, very hard to stop, no matter how strongly the logic is against it or how good a case you can make in the public interest in favor of stopping the program.

Mr. FULBRIGHT. I have never seen anything quite like this. There is no real substance to it. Some people use the phrase "pork barrel" with regard, for example, to development of conservation projects. It has been said that the levee of the Mississippi River is a pork barrel. But there is always something tangible in the Government's public works programs, which have been going on since the time the country started. They call that pork barrel. This is a very special kind of pork barrel, because I can see no substantive, concrete benefit to anyone, even Boeing.

It seems to me that the benefit is of very marginal quality, because if this plane is not economically sound—and it obviously is not—this Federal support will only be a shot in the arm. It very likely will suffer the same fate as Lockheed, which was given a shot in the arm, but it was on an uneconomic basis which did not provide for the future of Lockheed. I do not think this will be of great benefit to Boeing.

Mr. PROXMIRE. From the standpoint of Boeing and the airlines, if only a few of these planes are sold, they will make a profit; but the taxpayer will lose his entire investment under those circumstances.

Mr. FULBRIGHT. That could have been said about Lockheed. If a few C–5A's were made, the company would make money. Has it really made money?

Mr. PROXMIRE. This is a more favorable arrangement so far as Boeing is concerned. The Boeing Co. cannot lose a great deal on this, because 90 percent of the development cost will be paid for by the Federal Government. Some will be paid for by the airlines. The airlines have a little investment, a million dollars per plane, which is approximately 2½ percent on the down payment.

Usually, they have to make a 5-percent down payment or more. Even if the SST is a flop the airlines can be compensated by favorable consideration for air routes and that kind of thing. The private sector cannot lose much, and they can gain. There is a slight prospect that it may work out. If it does, they get an excellent return. It is a matter of using the Federal Government's money for a long-shot gamble. If the gamble fails, the taxpayer loses. If the gamble succeeds, the taxpayer still loses, but the corporation gains. So it is a pretty good proposition.

Mr. FULBRIGHT. It may be. I am sure that Lockheed thought it was a good proposition when they went into the C–5A, but still they are broke, and they are still asking us for further subsidies.

I am not at all convinced that that is very helpful for private enterprise in the long run. It is in the short run. It gives them a handout. But it is contrary to the very principles of private enterprise. I think it tends to downgrade the effectiveness of their regular business. Boeing has had a good business in making the 727, for example. It has been an economic plane, as I understand it. It is competitive. It sells in competition with other planes. It has been a good business. I think this is very dubious, even on that ground, although in the short run, I grant that the Senator is correct.

As with any other Government handout, it will be useful for a while, but they will sacrifice, in my opinion, other activities to which they could much better give their attention and could do it on a sounder economic basis than this program.

Mr. PROXMIRE. I think the Senator is correct. I doubt that Boeing would take the advice of the Senator from Wisconsin and the Senator from Arkansas in this respect, but I think they ought to take a careful look. They have succeeded well with their commercial aircraft operations. Once the Federal Government gets into this operation the way it is getting into it now, gets into it with 90 percent of the development cost, and very likely in the production phase, having to guarantee some of the funds to be available, then you go down a road where you do not let the market determine whether to go ahead with it, but on the basis of how much money you can get from the Federal Government; and that is a long, rocky, dangerous road, as Lockheed has found out.

Lockheed is going to get bailed out on the C–5A. I received a document with respect to this the other day. They are going to convert the C–5A contract into a form of cost-plus operation, so Lockheed will come out whole. They feel that once they get the Federal Government involved, the Government is not going to let go. If there are any losses, it is the taxpayer who suffers.

Mr. FULBRIGHT. If they are bailed out, it is not with my vote, as the Senator knows.

I think it is disgraceful. It is contrary to our professed belief in private enterprise. This is the worst form of socialism. It is the worst form of private enterprise and socialism. Nothing commends this kind of activity, because it destroys what benefit there is in private enterprise. At the same time, it does not really create an ongoing Government corporation. I think it would be preferable to let the Government make it outright and have it a wholly Government operation, and it probably would be more efficient.

Mr. President, the Paragould Daily Press has joined a number of other Arkansas newspapers in expressing editorial opposition to further development of the SST.

I think the editorial in the Daily Press of September 1, 1970, sums up the argument against the SST very well, and I ask unanimous consent that it be printed in the RECORD.

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

SST

It's almost unbelievable but the $290 million appropriation for the supersonic transport has run into foul weather.

A subcommittee of the Joint Economic Committee in Congress has recommended that the SST be shelved.

The reasons?

It's uneconomic.

It poses disastrous environmental threats.

This wasn't an easy decision.

It followed months of testimony, most of it from experts, and bi-partisan study.

So, why the big fuss?

The SST program asks that the American people provide at least a $3 billion subsidy to the aircraft industry to develop a plane designed to reduce flying time across the Atlantic Ocean by three hours.

Is a three-hour Atlantic trip worth that kind of money?

The subcommittee also pointed out that the 1,800 mph supersonic speed of the SST, would unloose energy waves in the atmosphere that could result in terrible weather, broken windows on the ground, and an atmospheric foul-up.

The SST, finally, is designed for privately-owned airlanes, some of whom actually doubt its value.

Against all this is the plea for emergency green stuff for the hard-hit aircraft industry.

It would seem that the nation would be better served to just give the $80 million each SST is estimated to cost to each stricken aircraft manufacturer than to build a supersonic plane with it.

Another argument is that we must maintain our "prestige" in the air by continuing to outdo the Russians, French, and English.

Humbug!

Once again it looks like somebody is aiming at the wrong target—the wrong set of national priorities.

We could, if we pursue this SST thing, wind up with the brass ring reserved for monumental follies.

Mr. FULBRIGHT. Another statement on the economic aspects of the SST which I think is of special importance and interest is that made by George Eads, assistant professor of economics at Princeton, before the Transportation Subcommittee of the Senate Appropriations Committee.

Mr. Eads' major field of research has been in the economics of the airline and aircraft industries. He makes some particularly interesting comments on the history of jet transport development in this country and the role of the Federal Government in financing aircraft development.

Mr. President, I ask unanimous consent that Mr. Eads' statement be printed in the RECORD.

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

TESTIMONY OF GEORGE EADS

As important as the environmental doubts surrounding the SST are, the economic arguments *alone* dictate that the Federal government should not appropriate $290 million to finance construction of the particular SST prototype you are considering.

Neither Boeing nor G. E. has adequately explained why, for the first time in the history of U.S. commercial aviation, the Federal government should pay the overwhelming majority of the costs associated with the construction of a civilian transport aircraft prototype. In view of the unfavorable experience of other countries that have taken the route of Government support of prototype development, one would expect that serious consideration would be given to the possible future consequence for the U.S. commercial aircraft industry of taking such a step.

The proponents of Federal support for prototype construction argue that the sums required are so large that no single company can be expected to raise them. In this regard it is instructive to look at the history of jet transport development in this country.

In the late 1940's there was considerable support within the aircraft industry for proposals that the Federal government put up between $100 and $250 million to finance the construction of a jet transport prototype. The primary motivation was the fear of British competition, for during the immediate post-war period the British government spent an estimated $300 million for prototype support in the hopes of winning markets for the British aircraft industry and improving Britain's balance of payments. The following statements are typical of those that appeared in contemporary aviation trade journals:

"It has been more than obvious for a long time that this country will see no further development of civil transport and cargo airplanes unless some agency of government foots the very heavy developmental costs. . . . It is very clear that private industry alone cannot finance such projects." [1]

"Leading aircraft manufacturers or their representatives urged immediate enactment of [a bill authorizing Government sponsorship of a prototype] after all had declared that private industry, in its present financial condition, could never hope to undertake the construction of a prototype aircraft. Under questioning by Senator Owen Brewster, chairman of the Congressional Aviation Policy Board, all of these witnesses said that time was of the essence because the British are 18 months to three years ahead of this country in jet transport development." [2]

The aircraft proposed in 1948 would have been powered by 5000 to 8000 pound thrust engines, the best then available, and would have had operating costs per seat mile of between 25 and 35 percent higher than propellor aircraft existing at that time.[3]

Airline representatives, while concurring in the view that the Government would have to support prototype construction if a jet transport was to be produced at that time, nevertheless were highly skeptical of the utility of the aircraft that the manufacturers were proposing to produce. For example, C. R. Smith, President of American Airlines, stated:

"The time has passed when a new airplane can be said to have economic merit simply because it has superior speed. Today, air transportation of 300 mph. is sold at the conventional price. The number of people who will pay a substantial extra fare for speeds greater than 300 mph. is limited indeed.

"Only when superior speed can be provided without a corresponding increase in cost, with resultant savings to the public, will the new plane have wide public appeal and become a useful earning vehicle for the air transport operator . . . the jet plane today is an exceedingly expensive machine to design, build and operate." [4]

Eddie Rickenbacker, President of Eastern Airlines, declared that Eastern would use the proposed jet aircraft only if the manufacturer would pay the initial operating costs and demonstrate that it could compete with the aircraft he already employed.[5]

Congress, to its everlasting credit, did not agree to the aviation industry's request, and, contrary to expectations, the skies were not filled thereupon with British aircraft. No U.S. operator placed an order for the Comet I or Comet II (which were, incidentally, *privately* financed ventures of deHavilland) and with the possible exceptions of the Dove feederliner and the Viscount turboprop, the aircraft supported by the British government in the hopes of aiding the British balance of payments, such as the Princess flying boat, the Tudor, the Bristol Barbazon, the Momba-Marathon, and the Apollo—never got off the ground economically. Pan Am did finally order three Comet III's in late 1952, three years after the original comet prototype flew, partly, it was felt, to spur U.S. interest in jets.

The rest is history. In 1952 the Boeing company decided to invest $16 million of its own funds, twenty-five percent of its net worth, to construct a jet transport prototype. This prototype was the first of a series of privately-financed American jet transport designs that set standards for the world in speed, comfort, and, most important, economy of operation.

Why did sixteen million dollars suffice to develop a jet transport prototype in 1952 when the industry had estimated in 1948 that as much as a quarter of a billion dollars would be required? The primary reason was that in the intervening four years jet engine technology, the primary limiting factor, had advanced to a point where, without paying the great costs always associated with any attempt to expand the technological base rapidly, the industry could build a commercially viable transport offering increases in speed at no increase in seat-mile operating costs. Given the state of technology and the uncertainties of the market, it was unlikely that any single aircraft manufacturer could have financed the full development of a jet transport in 1948. Once technology had advanced, due in large part to Federal support of aircraft engine development, the risks were reduced so that it lay within a single company's resources to build a jet transport prototype without Government assistance.

This is a strong analogy between the early efforts of the manufacturers to obtain Federal prototype support and the efforts by Boeing, G.E., and their supporters to obtain the same thing today. As far as the possibility of building a commercially viable product is concerned, current SST technology is in the same state that jet transport technology was in 1948. Federal assistance is again sought because substantial improvements

[1] American Aviation, Editorial, p. 1, June 1, 1948.

[2] *Ibid*, p. 14.

[3] *Aviation Week*, November 28, 1949, p. 40.

[4] *Aviation Week*, December 19, 1949, p. 44.

[5] *Aviation Week*, October 24, 1949, p. 52.

are required to translate existing technology into a salable commercial aircraft. And again, as in 1948, the airlines seem to have their doubts and are not standing in line to pay substantial amounts of money to aid in the development of the aircraft.

What is required now, as was required in the late 1940's, is further progress in the basic technology. In particular, the engine currently proposed for the SST prototype is a marginal performer and cannot bear the weight or thrust penalties that would be imposed in order to make the aircraft conform to any reasonable noise standards. Likewise, titanium technology remains a problem as the recent change in structural material for the aircraft indicates.

As in 1948 the *least* economic way of achieving the needed advance in such areas would be to proceed with a prototype which of necessity must embody existing technology. As the British and French have painfully discovered with the Concorde, the redesign of a prototype while in the middle of construction is a very expensive proposition. Students of the economics of technological change agree that the only case in which simultaneous development of a prototype and the basic technology underlying it can be justified is where national defense considerations make time, not cost, the *only* relevant constraint. It certainly is not the way to develop *any* commercial product.

My primary worry is that the Government will commit this country to produce an SST that would be both an ecological and an economic disaster. To do so would do great harm to the competitive position of the U.S. aircraft industry.

Much has been made by Boeing and G.E. of the alleged balance of payments and employment benefits of the supersonic transport. Most economists and many agencies of Government have expressed skepticism over these claims. Yet even if accepted, these claims do not support construction of the prototype you now are considering. Employment benefits during the prototype phase will be minimal. Boeing imported 25,000 workers into the Seattle area in 1966 to support production rates on the 727. It added 12,000 more workers in 1967 to support production of the 747. The building of the SST prototype will require only 2500 workers in Seattle.[6] If you are seriously worried about the current unemployment in the aerospace industry, consider actions that would stimulate sales of the 747, the DC–10, and the Lockheed 1011. Increased foreign sales of these aircraft would, of course, also have an immediate favorable impact on the aircraft account in the balance of payments.

You should keep in mind that regardless of what you spend to finance prototype construction, the SST can help domestic employment and the balance of payments only if the aircraft sells. Great Britain, after financing the prototype *and* production of the VC–10 and Super VC–10 was able to export only seven of the aircraft—two to Ghana Airways and five to East Africa Airways. After it had supported the development of the Trident, only thirteen were sold overseas. The quickest way to make the U.S. commercial aircraft industry as uncompetitive as the British is to push uneconomic prototypes in the vain hope of balance of payments or employment benefits. American transports sell because they are the best and they are the best because *all* to date have been forced to meet the test of the free market. While the Government may indeed have a legitimate duty to support research in basic aircraft technology—a duty already fulfilled to a large degree in the case of the SST—it has no business financing aircraft prototype development. This case was perhaps best put in an enthusiastically pro-Boeing book about the development of the 727—*Billion Dollar Battle*, by Harold Mansfield. It states:

"Now he (Jack Steiner, head of the 727 project) was in a position, he thought, to show what an American company headed by one of the country's grittiest free enterprisers, Bill Allen, could do in a sharply contested field against half-socialist Europe . . . much of the money that would go into the de-Havilland (Trident) would be government money. The money that had gone into the Caravelle was government money. Boeing, on the other hand, had to sail on its own, though it gained wind for its sails from the expenditures of the government on military contracts which helped the whole enterprise." [7]

After detailing how Boeing bested its "half-socialistic" European competitors, the book concludes:

"Jack got back in his car along Building 4–20, drove across the street and through another main plant gate. The big sign, always there, caught his eye. 'Stop. Do not enter unless you are interested in making a Quality Product in a Safe manner.' Suddenly it struck him with new meaning. He was back on the world tour (made to sell the 727). He was thinking of the crucial contest with the Trident, of the ones yet ahead, of George Sandborn's enthusiastic hope: 'We're going to have this airplane all over Europe, all over the world.' Wasn't the 727 case typical of something far greater than Boeing?

"Wasn't the whole of U.S. industry struggling with the same problem of American high cost versus world competition? Wasn't the answer to it the one he had, by such a long and tedious process, been forced or squeezed or led or inspired to take? Wasn't this a sign which could be hung over America? 'Stop. Do not enter unless you are interested in making a Quality Product.'" [8]

When technology has advanced to the point (perhaps with some additional Governmental assistance) where a commercially viable and ecologically acceptable SST can be built, I have no doubt that the U.S. commercial aircraft industry will be able to build it with no Government prototype support—that is, unless its competitive position has been eroded by Government actions of the sort you are now being asked to take.

Mr. FULBRIGHT. In conclusion, Mr. President, I again want to compliment the Senator from Wisconsin for the vast amount of work he has done on the SST, as he has done on some other matters, such as the C–5A. But I think the SST is one of the clearest cases he has brought to the attention of the country, in an effort to try to save for the Government and the taxpayers some billions of dollars. I think he deserves a great deal of credit for it. I know that none of the businesses involved will compliment him. The people who ought to appreciate his efforts are the taxpayers, the common, ordinary citizens of this country, who have to pay the taxes for these outrageous programs that waste the public's money.

Mr. PROXMIRE. Mr. President, I want to compliment the Senator from Arkansas on an excellent statement, a most useful statement, in connection with the debate which is going to take place on the SST when the Department of Transportation appropriation comes before the Senate.

[6] *Aviation Week*, June 29, 1970, p. 15; July 6, 1970, p. 46.

[7] Harold Mansfield, *Billion Dollar Battle: The Story Behind the "Impossible" 727 Project, 1965*. David McKay & Co., New York, p. 11.

[8] *Ibid*, p. 174.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the transaction of routine morning business, with a limitation of 3 minutes on statements therein.

THE SST AND THE ENVIRONMENTAL QUALITY ACT

Mr. PROXMIRE. Mr. President, last Sunday, on "Issues and Answers," an American Broadcasting Co. network program, Mr. William Magruder, of the Department of Transportation, who is an expert on the SST and, I might say, an extraordinarily competent and able man, appeared with me. He engaged in what I can only term as "supersonic transport McCarthyism" on that show. This is why I say that.

The Department is trying to pull the wool over our eyes, to persuade Congress and the public that it had complied with the recently enacted Environmental Quality Act. The Department has done nothing of the sort.

On Sunday, when I appeared in the debate with Mr. Magruder, Mr. Magruder waved in front of the camera what purported to be—what he said was—a report that complied with the Environmental Quality Act. He said:

> Speaking of pollution I would like to say again we have complied with the Act on the environment, paragraph 102, which was submitted to the Chairman . . .

I am quoting from the transcript of what Mr. Magruder said. He said:

> We have recently complied with the Environmental Quality Act by issuing the response to paragraph 102.

The chairman to whom Mr. Magruder referred was Russell Train, Chairman of the President's Council on Environmental Quality.

Paragraph 102 is section 102 of the Environmental Quality Act, recently enacted by Congress, which requires the filing of a report on the environmental impact of Federal programs.

Yesterday, I asked my legislative assistant to have the Department of Transportation provide us with a copy of the report. It turns out that the so-called report Mr. Magruder waved in the air on national television, before an estimated audience of 5 or 6 million people, was nothing more than a rejected preliminary draft.

I repeat, a rejected preliminary draft. This is what Mr. Magruder waved in front of the TV cameras as "the response to paragraph 102 of the Environmental Act." Under these circumstances, the Department of Transportation is engaging in SST McCarthyism.

Following the Department's refusal, I had my legislative assistant check with the Council on Environmental Quality to see whether anything at all—preliminary draft or no—had been filed. I learned that Mr. Magruder last Tuesday hand-delivered a draft of a section 102 report to the Council. And the Council's response? They told Magruder that the report required reworking, that additional information and revisions were

required. And they asked for another submission.

It is the Council's position that the Department has not complied with section 102 of the Environmental Quality Act.

As of 5 p.m. Monday, yesterday, there had been no further submission from the Department. In other words, Mr. Magruder knew that the preliminary draft that he had hand-delivered over to the President's Council had been rejected, and that no further effort had been made to comply, at the very time he waved what purported to be a final report in front of the cameras on nationwide TV and claimed that he had complied with the Environmental Act.

This is an outright distortion—an outright lie. It is true that $290 million is at stake. It is true that many private interests stand to benefit from Uncle Sam's eventual expenditure of several billion dollars. But when the Department of Transportation stoops to this sort of glib misrepresentation, the public must come to realize how desperate has the effort become to convince the Congress to throw away hundreds of millions of dollars on the SST.

Last night, Mr. Magruder called my office and said that he would have another draft available Tuesday (today) at 1:30 p.m. If this episode results in prompting the Department to file an acceptable report with the Environmental Quality Council, it will have achieved a most useful purpose. And the public will be the beneficiary.

I might point out, Mr. President, that even if the report is filed today under the environmental quality legislation we passed, 30 days are required for comments by the various agencies before the report is completed and accepted completely.

Under these circumstances, it is obvious that we will not have the benefits of those comments before we act within a week or so on the SST. So that the Department of Transportation has succeeded already in preventing Congress from having the kind of information the law requires to provide us with what is a crucial aspect of the SST; namely, the pollution of our environment which we can expect from the SST in the views of many, many scientists.

I think this is a most serious failure on the part of the Department of Transportation and on the part of Mr. Magruder. It certainly raises a serious question as to their credibility in the entire SST matter.

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.

FOREIGN ASSISTANCE FOR THE SEVENTIES—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 91-385)

The ACTING PRESIDENT pro tempore (Mr. ALLEN) laid before the Senate the following message from the President of the United States, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

FOREIGN ASSISTANCE FOR THE SEVENTIES

Today, I am proposing a major transformation in our foreign assistance programs.

For more than two decades these programs have been guided by a vision of international responsibilities conditioned by the aftermath of World War II and the emergence of new nations. But the world has been changing dramatically; by the end of the Sixties, there was widespread agreement that our programs for foreign assistance had not kept up with these changes and were losing their effectiveness. This sentiment has been reflected in declining foreign aid levels.

The cause of this downward drift is not that the need for aid has diminished; nor is it that our capacity to help other nations has diminished; nor has America lost her humanitarian zeal; nor have we turned inward and abandoned our pursuit of peace and freedom in the world.

The answer is not to stop foreign aid or to slash it further. The answer is to reform our foreign assistance programs and do our share to meet the needs of the Seventies.

A searching reexamination has clearly been in order and, as part of the new Administration's review of policy, I was determined to undertake a fresh appraisal. I have now completed that appraisal and in this message I am proposing a set of fundamental and sweeping reforms to overhaul completely our entire foreign assistance operation to make it fit a new foreign policy.

Such a major transformation cannot be accomplished overnight. The scope and complexity of such an undertaking requires a deliberate and thoughtful approach over many months. I look forward to active discussion of these proposals with the Congress before I transmit my new assistance legislation next year.

Reform No. 1: I propose to create separate organizational arrangements for each component of our assistance effort: security assistance, humanitarian assistance, and development assistance. This is necessary to enable us to fix responsibility more clearly, and to assess the success of each program in achieving its specific objectives. My proposal will overcome the confusion inherent in our present approach which lumps together these separate objectives in composite programs.

Reform No. 2: To provide effective support for the Nixon Doctrine, I shall propose a freshly conceived International Security Assistance Program. The prime objective of this program will be to help other countries assume the responsibility of their own defense and thus help us reduce our presence abroad.

Reform No. 3: I propose that the foundation for our development assistance programs be a new partnership among nations in pursuit of a truly international development effort based upon a strengthened leadership role for multilateral development institutions. To further this objective,

—The U.S. should channel an increasing share of its development assistance through the multilateral institutions as rapidly as practicable.

—Our remaining bilateral assistance should be provided largely within a framework established by the international institutions.

—Depending upon the success of this approach, I expect that we shall eventually be able to channel most of our development assistance through these institutions.

Reform No. 4: To enable us to provide effective bilateral development assistance in the changed conditions of the Seventies, I shall transmit legislation to create two new and independent institutions:

—A U.S. International Development Corporation, to bring vitality and innovation to our bilateral lending activities and enable us to deal with lower income nations on a business-like basis.

—A U.S. International Development Institute to bring the genius of U.S. science and technology to bear on the problems of development, to help build research and training competence in the lower income countries themselves, and to offer cooperation in international efforts dealing with such problems as population and employment.

Their creation will enable us to phase out the Agency for International Development and to reduce significantly the number of overseas U.S. Government personnel working on development programs.

Reform No. 5: To add a new dimension to the international aid effort insuring a more permanent and enduring source of funds for the low income countries, I have recently proposed that all nations enter into a treaty which would permit the utilization of the vast resources of the seabeds to promote economic development.

Reform No. 6: I propose that we redirect our other policies which bear on development to assure that they reinforce the new approach outlined in this message. Our goal will be to expand and enhance the contribution to development of trade and private investment, and to increase the effectiveness of government programs in promoting the development process. A number of changes are necessary:

—I propose that we move promptly toward initiation of a system of tariff preferences for the exports of manufactured products of the lower income countries in the markets of all the industrialized countries.

—I am ordering the elimination of those tying restrictions on procurement which hinder our investment guarantee program in its support of U.S. private investment in the lower income countries.

—I propose that all donor countries take steps to end the requirement that foreign aid be used to purchase goods and services produced in the nation providing the aid. Complete untying of aid is a step that must be taken in concert with other nations; we have already begun discussions

with them toward that end. As an initial step, I have directed that our own aid be immediately untied for procurement in the lower income countries themselves.

THE FOUNDATIONS OF REFORM

These are the most fundamental of the many far-reaching reforms I propose today. To understand the need for them now, and to place them in perspective, it is important to review here the way in which we have reexamined our policies in light of today's requirements.

Two steps were necessary to develop a coherent and constructive U.S. assistance program for the 'Seventies:

—As a foundation, we needed a foreign policy tailored to the 1970's to provide direction for our various programs. For that, we developed and reported to the Congress in February the New Strategy for Peace.

—Second, to assist me in responding to the Congress and to get the widest possible range of advice on how foreign assistance could be geared to that strategy, I appointed a distinguished group of private U.S. citizens to make a completely independent assessment of what we should be trying to achieve with our foreign aid programs and how we should go about it.

The Task Force on International Development, chaired by Rudolph Peterson, former President of the Bank of America, drew upon the considerable experience of its own members and sought views from Members of the Congress and from every quarter of U.S. society. In early March the Task Force presented its report to me, and shortly thereafter I released it to the public. The Task Force undertook a comprehensive assessment of the conditions affecting our foreign assistance program and proposed new and creative approaches for the years ahead. Its report provides the basis for the proposals which I am making today.

I also have taken into account the valuable insights and suggestions concerning development problems which were contained in the Rockefeller Report on our Western Hemisphere policy. Many of the ideas and measures I am proposing in this message in fact were foreshadowed by a number of policy changes and program innovations which I instituted in our assistance programs in Latin America.

THE PURPOSES OF FOREIGN ASSISTANCE

There are three interrelated purposes that the U.S. should pursue through our foreign assistance program: promoting our national security by supporting the security of other nations; providing humanitarian relief; and furthering the long-run economic and social development of the lower income countries.

The national security objectives of the U.S. cannot be pursued solely through defense of our territory. They require a successful effort by other countries around the world, including a number of lower income countries, to mobilize manpower and resources to defend themselves. They require, in some cases, military bases abroad, to give us the necessary mobility to defend ourselves and to deter aggression. They sometimes require our financial support of friendly countries in exceptional situations.

Moreover, our security assistance programs must be formulated to achieve the objectives of the Nixon Doctrine, which I set forth at Guam last year. That approach calls for any country whose security is threatened to assume the primary responsibility for providing the manpower needed for its own defense. Such reliance on local initiative encourages local assumption of responsibility and thereby serves both the needs of other countries and our own national interest. In addition, the Nixon Doctrine calls for our providing assistance to such countries to help them assume these responsibilities more quickly and more effectively. The new International Security Assistance Program will be devoted largely to these objectives. I shall set forth the details of the proposed program when I transmit the necessary implementing legislation to the Congress next year.

The humanitarian concerns of the American people have traditionally led us to provide assistance to foreign countries for relief from natural disasters, to help with child care and maternal welfare, and to respond to the needs of international refugees and migrants. Our humanitarian assistance programs, limited in size but substantial in human benefits, give meaningful expression to these concerns.

Both security and humanitarian assistance serve our basic national goal: the creation of a peaceful world. This interest is also served in a fundamental and lasting sense, by the third purpose of our foreign assistance: the building of self-reliant and productive societies in the lower income countries. Because these countries contain two-thirds of the world's population, the direction which the development of their societies takes will profoundly affect the world in which we live.

We must respond to the needs of these countries if our own country and its values are to remain secure. We are, of course, wholly responsible for solutions to our problems at home, and we can contribute only partially to solutions abroad. But foreign aid must be seen for what it is—not a burden, but an opportunity to help others to fulfill their aspirations for justice, dignity, and a better life. No more abroad than at home can peace be achieved and maintained without vigorous efforts to meet the needs of the less fortunate.

The approaches I am outlining today provide a coherent structure for foreign assistance—with a logical framework for separate but interdependent programs. With the cooperation of Congress, we must seek to identify as clearly as possible which of our purposes—security, humanitarianism, or long-term development of the lower income countries—to pursue through particular U.S. programs. This is necessary to enable us to determine how much of our resources we wish to put into each, and to assess the progress of each program toward achieving its objectives.

There is one point, however, that I cannot over-emphasize. Each program is a part of the whole, and each must be sustained in order to pursue our national purpose in the world of the 'Seventies. It is incumbent upon us to support all component elements—or the total structure will be unworkable.

EFFECTIVE DEVELOPMENT ASSISTANCE—THE CHANGED CONDITIONS

The conditions that surround and influence development assistance to lower income countries have dramatically changed since the present programs were established. At that time the United States directly provided the major portion of the world's development assistance. This situation led to a large and ambitious U.S. involvement in the policies and activities of the developing countries and required extensive overseas missions to advise governments and monitor programs. Since then the international assistance environment has changed:

First, the lower income countries have made impressive progress, as highlighted by the Commission on International Development chaired by Lester Pearson, the former Prime Minister of Canada. They have been helped by us and by others, but their achievements have come largely through their own efforts. Many have scored agricultural breakthroughs which have dramatically turned the fear of famine into the hope of harvest. They have made vast gains in educating their children and improving their standards of health. The magnitude of their achievement is indicated by the fact that the lower income countries taken together exceeded the economic growth targets of the First United Nations Development Decade. These achievements have brought a new confidence and self-reliance to people in communities throughout the world.

With the experience that the lower income countries have gained in mobilizing their resources and setting their own development priorities, they can now stand at the center of the international development process—as they should, since the security and development which is sought is theirs. They clearly want to do so. Any assistance effort that fails to recognize these realities cannot succeed.

Second, other industrialized nations can now afford to provide major assistance to the lower income countries, and most are already doing so in steadily rising amounts.

While the United States remains the largest single contributor to international development, the other industrialized nations combined now more than match our efforts. Cooperation among the industrialized nations is essential to successful support for the aspirations of the lower income countries. New initiatives in such areas as trade liberalization and untying of aid must be carried out together by all such countries.

Third, international development institutions—the World Bank group, the Inter-American Development Bank and other regional development organizations, the United Nations Development Program, and other international agencies—now possess a capability to blend the initiatives of the lower income coun-

tries and the responses of the industrialized nations. They have made effective use of the resources which we and others have provided. A truly international donor community is emerging, with accepted rules and procedures for responding to the initiatives of the lower income countries. The international institutions are now in a position to accelerate further a truly international development effort.

Fourth, the progress made by lower income countries has brought them a new capability to sell abroad, to borrow from private sources, and to utilize private investment efficiently. As a result, a fully effective development effort should encompass much more than government assistance programs if it is to make its full potential contribution to the well-being of the people of the developing nations. We have come to value the constructive role that the private sector can play in channeling productive investments that will stimulate growth. We now understand the critical importance of enlightened trade policies that take account of the special needs of the developing countries in providing access for their exports to the industrialized nations.

EFFECTIVE DEVELOPMENT ASSISTANCE—THE PROGRAM FOR REFORM

To meet these changed international conditions, I propose a program for reform in three key areas: to support an expanded role for the international assistance institutions; to reshape our bilateral programs; and to harness all assistance-related policies to improve the effectiveness of our total development effort.

My program for reform is a reaffirmation of the commitment of the United States to support the international development process, and I urge the Congress to join me in fulfilling that commitment. We want to help other countries raise their standards of living. We want to use our aid where it can make a difference. To achieve these goals we will respond positively to sound proposals which effectively support the programs of the lower income countries to develop their material and human resources and institutions to enable their citizens to share more fully in the benefits of worldwide technological and economic advance.

1. EXPANDING THE ROLE OF INTERNATIONAL INSTITUTIONS

International institutions can and should play a major creative role both in the funding of development assistance and providing a policy framework through which aid is provided.

Such a multilateral approach will engage the entire international community in the development effort, assuring that each country does its share and that the efforts of each become part of a systematic and effective total effort. I have full confidence that these international institutions have the capability to carry out their expanding responsibilities.

—I propose that the United States channel an increasing share of its development assistance through multilateral institutions as rapidly as practicable.

We have already taken the first steps in this direction. The Congress is currently considering my proposals for a $1.8 billion multi-year U.S. contribution to the Inter-American Development Bank and a $100 million contribution over three years to the Asian Development Bank. These two requests together with authorizations for increases in our subscriptions to the World Bank and International Monetary Fund are critical to our new assistance approach.

Moreover, I am pleased to note the recent statement by the World Bank that there is widespread agreement among donor countries to replenish the funds of the International Development Association at an annual rate of $800 million for the next three years, beginning in fiscal year 1972. I shall propose that the Congress, at its next session, authorize the $320 million annual U.S. share which such a replenishment would require.

—In order to promote the eventual development of a truly international system of assistance, I propose that our remaining bilateral development assistance be coordinated wherever feasible with the bilateral assistance of other donor countries, through consortia and consultative groups under the leadership of these international institutions. These institutions and groups like the CIAP in Latin America will provide leadership in the development process and work out programs and performance standards with the lower income countries themselves.

Moving in this direction holds the promise of building better relations between borrowing and lending countries by reducing the political frictions that arise from reliance on bilateral contacts in the most sensitive affairs of nation-states. It will enhance the effectiveness of the world development effort by providing for a pooling of resources, knowledge, and expertise for solving development problems which no single country can muster.

2. RESHAPING OUR BILATERAL PROGRAMS

If these worldwide initiatives are to be fully effective, we must also refashion and revitalize our own institutions to assure that they are making their maximum contribution within a truly international development system. This will be neither an easy nor quickly accomplished task; it calls for thorough preparation, and an orderly transition. It is essential to undertake this task if our programs are to reflect the conditions of the Seventies.

The administration of bilateral assistance programs is complex and demanding. New institutions are needed so that we can directly focus on our particular objectives more effectively.

U.S. INTERNATIONAL DEVELOPMENT INSTITUTE

—I shall propose establishment of a U.S. International Development Institute, which will bring U.S. science and technology to bear on the problems of development.

The Institute will fill a major gap in the international development network. It will match our vast talents in science and technology with institutions and problems abroad. Research has created the basis for the Green Revolution—the major breakthrough in agricultural production—but continued progress in the 1970's will require the lower income countries to deal with more, and more complex, problems. The Institute will concentrate on selected areas and focus U.S. technology on critical problems. This requires flexibility, imagination and a minimum of red tape. If we can provide this Institute with the operational flexibility enjoyed by our private foundations, we can make a major contribution to the lower income countries at modest expense.

An Institute, so organized, could

—Concentrate U.S. scientific and technological talent on the problems of development.

—Help to develop research competence in the lower income countries themselves.

—Help develop institutional competence of governments to plan and manage their own development programs.

—Support expanded research programs in population.

—Help finance the programs of U.S.-sponsored schools, hospitals and other institutions abroad.

—Carry out a cooperative program of technical exchange and reimbursable technical services with those developing countries that do not require financial assistance.

—Cooperate in social development and training programs.

—Administer our technical assistance programs.

—Permit greater reliance on private organizations and researchers.

Given the long-term nature of the research operation and the need to attract top people on a career basis, the Institute should be established as a permanent Federal agency. To provide the necessary financial continuity, I propose that Congress provide it with a multi-year appropriation authorization.

U.S. INTERNATIONAL DEVELOPMENT CORPORATION

—I shall propose establishment of a U.S. International Development Corporation to administer our bilateral lending program. It will enable us to deal with the developing nations on a mature and business-like basis.

This Development Corporation will examine projects and programs in terms of their effectiveness in contributing to the international development process. It will rely strongly on the international institutions to provide the framework in which to consider individual loans and will participate in the growing number of international consortia and consultative groups which channel assistance to individual lower income countries. It should have financial stability through a multi-year appropriation authorization and authority to provide loans with differing maturities and differing interest rates, tailored to the requirements of individual borrowers. The Corporation would also have limited authority to provide grant financed technical assistance for projects closely related to its lending operations.

Both the Institute and the Corporation will be subject to normal executive and legislative review, relating their performance directly to their objectives.

Both these new institutions involve a fundamental change from our existing programs. As I have emphasized, the detailed plans and the complete transition will take time. In the interim, I am directing the administrators of our present development programs to take steps to conform these programs, as much as possible, to the new concepts and approaches I have outlined. For example, our program planning for consortia will be based more on analysis and general guidance developed in country studies prepared by the World Bank and other international institutions. Greater utilization of international institutions will permit us to reduce the number of government personnel attached to our assistance programs particularly overseas and make major changes in our present method of operation.

OVERSEAS PRIVATE INVESTMENT CORPORATION

—I am submitting to the Senate my nominations for the members of the Board of the Overseas Private Investment Corporation, which I proposed a year ago to promote the role of the private sector in development and which the Congress approved.

I expect this institution to be an important component of our new bilateral assistance program. The most important efforts of this new agency will be operation of the investment insurance and guaranty program and a strengthened program for assisting U.S. firms to undertake constructive investment in developing countries.

INTER-AMERICAN SOCIAL DEVELOPMENT INSTITUTE

—A few weeks ago I submitted to the Senate my nominations for the members of the Board of Directors of the Inter-American Social Development Institute, which was authorized by the Congress in the Foreign Assistance Act of 1969.

This Institute will provide grant support for innovative social development programs in Latin America undertaken primarily by private non-profit organizations, and will be aimed at bringing the dynamism of U.S. and Latin American private groups to bear on development problems and at broadening the participation of individuals in the development process.

The keynote of the new approach to our bilateral programs will be effectiveness: We will ask whether a program or individual loan will work before we decide to pursue it—and we will expect the international institutions through which we channel funds to do so as well. We will concentrate our activities in sectors in which we can make a significant contribution and in areas where long-term development is of special interest to the United States.

This Administration has been undertaking for some time a full review of all of our foreign economic policies. Those policies, including our new foreign aid policy and programs, must be closely related and mutually supporting. Therefore, I intend shortly to establish a new mechanism which will plan and coordinate all of our foreign economic policies, including our various foreign assistance programs, to assure that they are all effectively related.

3. PROMOTING EFFECTIVE DEVELOPMENT THROUGH IMPROVED ECONOMIC POLICIES

In addition to a new emphasis on the role of international institutions and a new shape to our bilateral programs, I propose initiatives that will enhance the public and private sector contribution to the development process.

—To open further the benefits of trade to the lower income countries, I have proposed that the international community initiate a system of tariff preferences for the exports of manufactured and selected primary products of the lower income countries in the markets of all of the industrialized countries.

The lower income countries must expand their exports to be able to afford the imports needed to promote their development efforts, and to lessen their need for concessional foreign assistance.

Market growth for most of the primary commodities which have traditionally been their major sources of export earnings is insufficient to enable them to meet these needs. I will submit legislation to the Congress recommending that we eliminate duties on a wide range of manufactured products purchased from the lower income countries. We will move ahead with this approach as soon as we achieve agreement with the other industrialized countries to join us with comparable efforts.

—I propose steps to expand the constructive role of private investment in the development process.

In order to eliminate the present tying restrictions on procurement which hinder our investment guarantee program, I am now directing that coverage under the extended risk guarantee program be extended to funds used in purchasing goods and services abroad. This will enhance our support of U.S. private investment in the lower income countries. In addition, we support early inauguration of an International Investment Insurance Agency, under the auspices of the World Bank, to provide multilateral—and thereby more effective—guarantees against expropriations and other political risks for foreign investments. We also support an increase in the scope of operations and resources of the International Finance Corporation, to further promote the role of the private sector—particularly within the lower income countries themselves—in the international development process.

—I propose that all donor countries end the requirement that foreign aid be used to purchase goods and services produced in the nation providing the aid.

Because recipients are not free to choose among competing nations, the value of the aid they receive is reduced significantly. These strings to our aid lower its purchasing power, and weaken our own objectives of promoting development. Aid with such strings can create needless political friction.

Complete untying of aid is a step that must be taken in concert with other nations and we have begun talks to that end with the other members of the Development Assistance Committee of the Organization for Economic Cooperation and Development. In the expectation that negotiations will soon be completed successfully, I have decided to permit procurement now in the lower income countries under the U.S. bilateral lending program—an expansion of the initial step I took with our Latin American neighbors. In addition to improving the quality of our assistance, this should expand trade among the lower income countries, an important objective in its own right.

—I propose that the United States place strong emphasis on what the Peterson Task Force called "the special problem of population."

The initiative in this area rests with each individual country, and ultimately with each family. But the time has come for the international community to come to grips with the world population problem with a sense of urgency. I am gratified at the progress being made by the new United Nations Fund for Population Activities and propose that it undertake a study of world needs and possible steps to deal with them. In order to cooperate fully in support of this international effort, the proposed U.S. International Development Institute should focus the energy and expertise of this country on new and more effective measures for dealing with the problem of population.

—I also believe that the United States should work with others to deal effectively with the debt service problem.

The successful growth of the past has been financed in part through external borrowings, from private as well as government sources which the borrowers are obligated to repay. Furthermore, a portion of their borrowed resources have gone to build roads, schools and hospitals which are essential requirements of a developing Nation but which do not directly generate foreign exchange. The debt incurred has heavily mortgaged the future export earnings of a number of lower income countries, restricting their ability to pay for further development.

This problem calls for responsibility on the part of the lower income countries, cooperation on the part of the lenders, and leadership by the international institutions which must take responsibility for analyzing debt problems and working closely with the creditors in arranging and carrying through measures to meet them. The United States will play its role in such a cooperative effort.

THE FUNDING OF DEVELOPMENT ASSISTANCE

International development is a long-term process. Our institutions—like the multilateral lending institutions—should have an assured source of long-term funding. Foreign assistance involves the activities of many nations and the sustained support of many programs. Sudden and drastic disruptions in the flow of aid are harmful both to our long-term development goals and to the effective administration of our programs.

In the past this country has shown its willingness and determination to provide its share. I confirm that determination and ask the Congress and the American people to assume those responsibilities which flow from our commitment to support the development process.

I agree with the conclusion of the Peterson Task Force that the downward trend of U.S. contributions to the development process should be reversed. I also agree with the Peterson Report that the level of foreign assistance "is only one side of the coin. The other side is a convincing determination that these resources can and will be used effectively."

A determination of the appropriate level of U.S. assistance in any one year will depend on a continuing assessment of the needs and performance of individual developing countries, as well as our own funding ability. It must also be influenced by a further definition of the proposals which I am outlining in this message, the responses of other donors and the performance of the international institutions.

As a long-run contribution to the funding of development, the U.S. will seek the utilization of revenues derived from the economic resources of the seabed for development assistance to lower income countries. I have recently proposed that all nations enter into a treaty to establish an international regime for the exploitation of these vast resources, and that royalties derived therefrom be utilized principally for providing economic assistance to developing countries participating in the treaty.

* * * * *

Foreign assistance has not been the specific interest of one party or the particular concern of a single Administration. Each President, since the end of World War II, has recognized the great challenges and opportunities in participating with other nations to build a better world from which we all can benefit. Members of both political parties in the Congress and individuals throughout the nation have provided their support.

The U.S. role in international development assistance reflects the vision we have of ourselves as a society and our hope for a peaceful world. Our interest in long-term development must be viewed in the context of its contribution to our own security. Economic development will not by itself guarantee the political stability which all countries seek, certainly not in the short run, but political stability is unlikely to occur without sound economic development.

The reforms that I propose today would turn our assistance programs into a far more successful investment in the future of mankind—an investment made with the combination of realism and idealism that marks the character of the American people. It will enable us to enter the Seventies with programs that can cope with the realities of the present and are flexible enough to respond to the needs of tomorrow. I ask the Congress and the American people to join me in making this investment.

RICHARD NIXON.

THE WHITE HOUSE, *September 15, 1970.*

REPORT OF THE ATLANTIC-PACIFIC INTEROCEANIC CANAL STUDY COMMISSION—MESSAGE FROM THE PRESIDENT

The ACTING PRESIDENT pro tempore (Mr. ALLEN) 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 Commerce:

To the Congress of the United States:

I am transmitting the sixth annual report of the Atlantic-Pacific Interoceanic Canal Study Commission covering its activities through June 30, 1970.

The Commission is now developing its final report for submission on or before December 1, 1970, and only a brief letter report is forwarded at this time in conformance with the provisions of Public Law 88–609, as amended.

RICHARD NIXON.

THE WHITE HOUSE, *September 15, 1970.*

EXECUTIVE MESSAGES REFERRED

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

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

PROPOSED AMENDMENT TO THE BUDGET, 1971, FOR DEPARTMENT OF TRANSPORTATION (S. Doc. No. 91–104)

A communication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1971, in the amount of $35,000,000 (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

REPORT ON FISCAL YEAR 1971 OUTLAY LIMITATION

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on fiscal year 1971 outlay limitation, as of July 31, 1970 (with an accompanying report); to the Committee on Appropriations.

STATISTICAL SUPPLEMENT, STOCKPILE REPORT

A letter from the Director, Office of Emergency Preparedness, Executive Office of the President, transmitting, pursuant to law, the statistical supplement, Stockpile Report, for the period ended June 30, 1970 (with an accompanying report); to the Committee on Armed Services.

AMENDMENT OF ACT CREATING THE SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the Act creating the Saint Lawrence Seaway Development Corporation to terminate the accrual and payment of interest on the obligations of the Corporation, and for other purposes (with accompanying papers); to the Committee on Commerce.

NOTICE OF CONTINUATION OF SEGREGATION OF PUBLIC LANDS CLASSIFIED FOR TRANSFER OUT OF FEDERAL OWNERSHIP

A letter from the State Director, Nevada, Bureau of Land Management, Department of the Interior, transmitting, pursuant to law, a Notice of Continuation of Segregation of Public Lands Classified for Transfer Out of Federal Ownership, published in the Federal Register on September 10, 1970 (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PROPOSED IMMEDIATE RETIREMENT OF CERTAIN FEDERAL EMPLOYEES

A letter from the Chairman, U.S. Civil Service Commission, Washington, D.C., transmitting a draft of proposed legislation to permit immediate retirement of certain Federal employees (with an accompanying paper); to the Committee on Post Office and Civil Service.

PROTECTION OF PERSONS AND PROPERTY ABOARD UNITED STATES AIR CARRIER AIRCRAFT

A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to provide for the protection of persons and property aboard United States air carrier aircraft, and for other purposes.

Mr. BYRD of West Virginia subsequently said: Mr. President, I ask unanimous consent that a communication at the desk from the Secretary of Transportation on the protection of persons and property aboard U.S. air carrier aircraft be jointly referred to the Committees on Finance and Commerce.

The PRESIDING OFFICER (Mr. CRANSTON). Without objection, it is so ordered.

PETITION

A petition was laid before the Senate and referred as indicated:

By the ACTING PRESIDENT pro tempore (Mr. ALLEN):

A resolution adopted by the City Council of Elizabeth, N.J., praying for the enactment and enforcement of legislation designed to prevent hijacking of planes; to the Committee on Commerce.

EXECUTIVE REPORTS OF A COMMITTEE

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

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

John A. Hannah, of Michigan, John Richardson, Jr., of Virginia, Augustin S. Hart, Jr., of Illinois, George Cabot Lodge, of Massachusetts, and Charles A. Meyer, of Pennsylvania, to be members of the Board of Directors of the Inter-American Social Development Institute;

William B. Buffum, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Lebanon;

John N. Irwin II, of New York, to be Under Secretary of State;

Charles W. Yost, of New York, Christopher H. Phillips, of New York, JACOB K. JAVITS, U.S. Senator from the State of New York, CLAIBORNE PELL, U.S. Senator from the State of Rhode Island, and Glenn A. Olds, of New York, to be representatives of the United States of America to the 25th session of the General Assembly of the United Nations; and

Seymour M. Finger, of New York, Helen G. Edmonds, of North Carolina, Richard H.

Gimer, of Virginia, and Aloysius A. Mazewski, of Illinois, to be alternate representatives of the United Nations.

BILLS INTRODUCED

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

By Mr. WILLIAMS of New Jersey:

S. 4345. A bill to adjust the amounts of retirement income for which a tax credit is allowable under the Internal Revenue Code of 1954 in order to provide benefits thereunder comparable with tax benefits accorded social security recipients; to the Committee on Finance.

(The remarks of Mr. WILLIAMS of New Jersey when he introduced the bill appear below under the appropriate heading.)

By Mr. YOUNG of North Dakota:

S. 4346. A bill for the relief of Geoffrey Ernest Cornell; and

S. 4347. A bill for the relief of Bruce Garry King; to the Committee on the Judiciary.

S. 4345—INTRODUCTION OF A BILL UPDATING THE RETIREMENT INCOME CREDIT

Mr. WILLIAMS of New Jersey. Mr. President, I introduce for appropriate reference a bill to amend the Internal Revenue Code to update the retirement income credit for Government annuitants.

Today, there are many retired teachers, policemen, firemen, Federal annuitants, and others who have little or no social security benefits, but receive retirement income from public or private pension plans. These individuals depend upon the retirement incomec redit for comparable tax treatment as social security beneficiaries.

Social security benefits are, of course, exempt from Federal income tax. Government annuitants receive substantially equivalent tax treatment by being able to claim a 15-percent credit on their taxable retirement income—pensions, annuities, rents, interest, and dividends.

Under present law, the credit is 15 percent of the following:

First. An individual's retirement income or $1,524—$2,286 for a married couple—whichever is lower.

Second. Minus—

Social security or railroad retirement benefits, and

Certain amounts of earned income, depending upon the retiree's age and the extent of his earnings.

However, the maximum amount for computing the credit has not been updated since 1962.

During this period there have been three badly needed social security increases enacted into law. With the 15-percent raise passed last December, the maximum annual social security benefits are now $2,278 for a single person and $3,417 for a married couple.

Yet, the retirement income credit has not been revised for 8 long years, although many elderly taxpayers are in great need of tax relief.

As a result, the credit no longer provides equivalent tax relief for Government pensioners or retirees forced to live primarily on investment income.

Equity in our tax system presents a very compelling reason to place these taxpayers on a par with recipients of social security benefits.

My bill—which is enthusiastically supported by the National Retired Teachers Association-American Association of Retired Persons and the National Association of Retired Civil Employees—would help to correct this long-standing inequity in our tax structure.

First, the bill would raise the present maximum amount for computing the credit from $1,524 to $2,278, the maximum benefit payable to an individual under the Social Security Act. In enacting the retirement income credit in 1954, it was the intent of Congress "to conform the tax treatment of all individuals to those who now receive tax exempt social security benefits." This clear expression of congressional intent should, I believe, be implemented.

Second, the maximum amount for computing the credit would be adjusted automatically with increases in social security benefits. This is essential to prevent long delays in keeping the credit current for persons living on limited, fixed incomes.

Under existing law, the maximum income credit is $229—$1,524 multiplied by 15 percent. My bill would raise this maximum credit to $342—$2,278 multiplied by 15 percent—an additional tax savings of $113 for the overburdened elderly taxpayer.

For a married couple, my bill would raise the maximum credit from $343—$2,286 × 15 percent to $513—$3,417 × 15 percent—$170 more than is allowed now.

In 1967 about one out of every four returns filed by elderly taxpayers—1,617,000 returns—claimed the retirement income credit. This resulted in a tax savings of nearly $171 million for older Americans.

In my own State of New Jersey, it is estimated that about 64,000 returns filed by senior citizens took the retirement income credit—resulting in about $7 million in tax relief.

But, these individuals—desperately in need of tax relief in many instances—are losing precious tax dollars because the credit has not been updated.

Enactment of this measure will help to restore fairness in our tax law and to place Government annuitants on a substantially equivalent basis with persons receiving social security benefits.

But, there is also an administrative matter that merits immediate attention. This deals with the intricacies in computing the retirement income credit, which requires an entire separate schedule with accompanying instructions on the back page to complete.

It is estimated that perhaps one-third of those eligible for the credit may not be claiming it because of its complexity and numerous form transfers.

Moreover, a recent study of Federal retirees revealed that 75 percent reported their annuities inaccurately. It is quite apparent that most of them were not attempting to cheat the Government, since two-thirds of those reporting inaccurately paid too much in taxes.

The retirement income credit in the Internal Revenue Code is undoubtedly a complicated provision. But, a number of steps could be taken to simplify schedule R and to avoid unnecessary form transfers which completely bewilder many unsuspecting elderly taxpayers and confuse them beyond recognition.

At the Senate Committee on Aging's hearing on "Income Tax Overpayment by the Elderly," several concrete recommendations were offered by tax experts to simplify the computation of the credit.

Recently the Commissioner of Internal Revenue called a meeting with some of these witnesses to discuss these measures and other proposals for providing additional tax assistance for older Americans. This conference was a constructive step forward in seeking solutions for greater simplicity in preparing tax returns. And, it is my sincere hope that this meeting will lead to the adoption of measures to make tax preparation easier for older taxpayers.

Mr. President, I might also add that the Senate Committee on Aging, of which I am chairman, plans to issue a report in the near future to recommend several proposals to simplify the gobbledygook presently required.

Because the Committee's jurisdiction is limited to problems affecting the elderly, the scope of the report will necessarily be confined to the aged. This report, however, will be of importance to all age groups, since tax issues usually apply with equal force to the young as well as the old.

With this two prong approach in my bill and the recommendations from the Committee on Aging's hearing, we can achieve two crucial objectives:

First, our tax system can be made more equitable for elderly retirees.

Second, we can make tax preparation more readily understandable and workable for the aged and other age groups.

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

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

The bill (S. 4345) to adjust the amounts of retirement income for which a tax credit is allowable under the Internal Revenue Code of 1954 in order to provide benefits thereunder comparable with tax benefits accorded social security recipients, introduced by Mr. WILLIAMS of New Jersey, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 4345

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 37 of the Internal Revenue Code of 1954 (relating to retirement income credit) is amended—

(1) by striking out "$1,524" in subsection (d) and inserting in lieu thereof "$2,278";

(2) by striking out "$2,286" in subsection (1) (2) (B) and inserting in lieu thereof "$3,417"; and

(3) by redesignating subsection (j) as (k),

and by inserting after subsection (i) the following new subsection:

"(j) Annual Adjustments of Limitations.—

"(1) Certification by Secretary of Health, Education, and Welfare.—Before the beginning of each calendar year (beginning with 1971), the Secretary of Health, Education, and Welfare shall certify to the Secretary or his delegate the largest old-age insurance benefit that could be payable for any month during such year under title II of the Social Security Act to any individual who, in such year, attained age 65 and first became entitled to monthly insurance benefits under such title.

"(2) Substitution of limitations.—for taxable years beginning within the calendar year 1971 and each calendar year thereafter—

"(A) subsection (d) shall be applied by substituting, for the $2,278 amount contained therein, the amount certified under paragraph (1) for such calendar year; and

"(B) subsection (i) (2) (B) shall be applied by substituting, for the $3,417 amount contained therein, one and one-half times the amount certified under paragraph (1) for such calendar year."

(b) The amendments made by subsection (a) shall apply to taxable year beginning after December 31, 1970.

ADDITIONAL COSPONSORS OF BILLS

S. 1812

At the request of the Senator from New Mexico (Mr. ANDERSON), the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of S. 1812, to amend title XVIII of the Social Security Act so as to include chiropractor's services among the benefits provided by the insurance program established by part B of such title.

S. 3650

At the request of the Senator from Nebraska (Mr. HRUSKA), the Senator from Wisconsin (Mr. PROXMIRE) was added as a cosponsor of S. 3650, to amend section 837 of title 18, United States Code, to strengthen the laws concerning illegal use, transportation, or possession of explosives and the penalties with respect thereto, and for other purposes.

S. 4344

At the request of the Senator from California (Mr. CRANSTON), the Senator from Virginia (Mr. SPONG) was added as a cosponsor of S. 4344, to amend the act of August 24, 1966, relating to the care of animals used for purposes of research, experimentation, exhibition, or held for sale as pets.

SENATE RESOLUTION 461—SUBMISSION OF A RESOLUTION AUTHORIZING THE PRINTING OF ADDITIONAL COPIES OF PART 24 OF HEARINGS ENTITLED "RIOTS, CIVIL AND CRIMINAL DISORDERS"

Mr. MCCLELLAN submitted a resolution (S. Res. 461) authorizing the printing for the use of the Committee on Government Operations of additional copies of part 24 of its hearings entitled "Riots, Civil and Criminal Disorders," which was considered and agreed to.

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

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 455

At the request of the Senator from Pennsylvania (Mr. SCHWEIKER), the Senator from Illinois (Mr. SMITH) was added as a cosponsor of Senate Resolution 455, designating January 22 as Ukranian Independence Day.

SOCIAL SECURITY AMENDMENTS OF 1970—AMENDMENT

AMENDMENT NO. 903

Mr. SPARKMAN submitted an amendment, intended to be proposed by him, to the bill (H.R. 17550) to amend the Social Security Act to provide increases in benefits, to improve computation methods, and to raise the earnings base under the old-age, survivors, and disability insurance system, to make improvements in the medicare, medicaid, and maternal and child health programs with emphasis upon improvements in the operating effectiveness of such programs, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

AMENDMENT NO. 904

Mr. PERCY submitted an amendment, intended to be proposed by him, to House bill 17550, supra, which was referred to the Committee on Finance and ordered to be printed.

ADDITIONAL STATEMENTS OF SENATORS

WHAT HAS HAPPENED TO AMERICA?

Mr. GRIFFIN. Mr. President, in a recent editorial, Mr. John S. Knight, editorial chairman of the Knight Newspapers and one of the Nation's most distinguished editors, raised some sobering questions about the apparent course of our Republic.

I ask unanimous consent that the editorial, published in the Detroit Free Press of Sunday, September 13, 1970, be printed in the RECORD.

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

ENEMIES WITHIN THREATEN OUR CHERISHED TRADITIONS

(By John S. Knight)

What has happened to America?

Why, in our madness, do we turn to riots and destruction, to contempt for revered institutions which made the American dream possible, to nostrums instead of cures for our economic ills, to sleazy, cheap political devices rather than exercising at least a modicum of statesmanship?

Are we indeed a part of the world revolution which seeks only to destroy while parading under the banners of democracy, Marxist style?

Why are Americans, who enjoy greater freedoms under our Constitution than are permitted anywhere else in the world, berating "the system" which makes these precious liberties possible?

How long must we permit a small band of revolutionaries to disrupt our colleges and universities, to bomb government research centers, kill innocent people and ruin the careers of devoted scientists?

What kind of a country do we live in where the flouting of law has become a national pastime, where a law officer automatically becomes a "pig," an object of derision and attack by an untutored, undisciplined and unprincipled rabble?

Where, indeed, are our leaders, the parents of our youth, the educators and the great body of law-abiding, responsible citizens?

Are the leaders too politically oriented, too concerned with their personal ambitions to stand up and be counted?

Have the educators become so supine, so dependent upon government grants or so cowardly that they stand meekly by while their institutions of learning are defiled and brought to heel by roving bands of professional anarchists?

Must we yield to the sophistry that the right of dissent—as stated so forthrightly in Article I of the Bill of Rights—can be taken as license by those willful violators of the law who cannot distinguish between dissent and disobedience?

Ironically, the destroyers who abuse our constitutional liberties would find themselves prisoners of the Marxist police state of the authoritarian world to which they give such frenetic devotion.

The greatest of all government documents—the United States Constitution—provides ample safeguards against tyranny and injustice.

Yet the Center for the Study of Democratic Institutions has drafted a new constitution for the United States that would concentrate all authority in the national government, strengthen the presidency, weaken the national judiciary and create new branches of government to oversee planning, elections, and economic regulations.

Dr. Rexford G. Tugwell, 79-year-old former member of Franklin D. Roosevelt's "brain trust" and author of the document, observes that cherished traditions and institutions which no longer serve the needs of modern society must be pulled down as "impediments to progress."

Along with the Black Panthers, who have also put together a new constitution, Dr. Tugwell typifies the fuzzy and radical left who would tear apart our system of government while offering the absolute authority of statism in its place.

These are the true revolutionaries—along with socialists in the teaching profession—who are more to be feared than college youth expressing their frustrations on the campus.

Yes, our young people are being taught that there is something inherently evil about the capitalistic system, that its rewards for the industrious and thrifty segments of our society are unfair, that a "people's capitalism" would somehow solve all of our problems.

Why is it, Americans, that we of the world's most affluent society now wish to embrace the fatuous economic doctrines which have failed so miserably wherever they have been tried?

Are we like the lemmings who migrate at intervals to their own destruction?

Where were our statesmen when Congress fueled the fires of inflation by passing a "tax reform measure" which insured a huge deficit?

Can you tell us please, why such responsible black leaders as Whitney Young and Roy Wilkins constantly criticize the total community for the excesses of young blacks while making no substantial contribution of their own in the direction of restraint?

Does it bug you that elementary school teachers once dedicated to character building are now setting a sorry example for our youth with their union-directed strikes on the eve of a new school year?

Or that labor's power monopoly is able to cripple the economy by making a farce of collective bargaining?

Can these distortions of an orderly society be attributed solely to the war in Indochina? Or is the current unrest symptomatic of a world society in revolution?

Whatever the cause, this is a time for the rededication of all Americans to the proposition, as stated in the Preamble of the Constitution, that this nation was conceived to "form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

These were the wise and profound thoughts of our Founding Fathers.

That we have strayed so far from the paths of righteousness is a serious indictment of the weaknesses of man who in the almost 200 years of our Republic now finds himself for the first time seemingly incapable of constructive self-government.

For our enemies within would destroy the union, make a mockery of justice, insure domestic anarchy, gut the national defense, disregard the general welfare and repress the blessings of liberty.

This is what is happening to America, known in happier days as the land of the free and the home of the brave.

IMPROVEMENTS IN SOCIAL SECURITY—ADDRESS BY SENATOR TYDINGS

Mr. WILLIAMS of New Jersey. Mr. President, the Senator from Maryland (Mr. TYDINGS) has been one of the leading advocates for major reform in social security and medicare during his 6 years in the Senate.

Recently he joined me in proposing comprehensive improvements in these essential, but still imperfect, programs.

His outstanding leadership and support are needed because the elderly are experiencing a retirement income crisis which is worsening, rather than improving.

Today, elderly persons are twice as likely to be poor as compared to younger persons. One out of every four persons 65 and older—in contrast to one in nine for younger individuals—now lives in poverty.

Moreover, older Americans are falling further and further behind in terms of economic well-being. They comprise 10 percent of our population, but nearly 20 percent of the Nation's poverty population. In 1968 they were 18 percent of the total number of persons in poverty.

More important, census statistics for 1969 reveal that the aggregate number of elderly persons living in poverty has actually increased by 157,000 since 1968—from 4,630,000 to 4,787,000. In sharp contrast, the number of younger persons who would be considered poor declined by 1,257,000.

These figures clearly show that piecemeal, stop-gap social security measures are just not going to work.

In a recent speech before a group of senior citizens in Washington, the Senator from Maryland (Mr. TYDINGS) aptly stated the compelling reasons for immediate and far-reaching action on several fronts to modernize social security and medicare.

Mr. President, I commend this excellent statement to the Senate and ask unanimous consent that it be printed in the RECORD.

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

ADDRESS BY SENATOR JOSEPH D. TYDINGS

This opportunity for us to meet together today is particularly timely. For right now the Senate is considering a number of amendments to the Social Security Act which are of enormous importance to retired Marylanders.

I don't have to tell you that social security benefits are still too low. With the inflation we've been having, you simply cannot live decently in Maryland on $75 or $100 a month.

Last year, despite opposition from the administration, we were successful in raising social security benefits 15 percent. But they need to be raised again.

In May, the House of Representatives voted to increase social security benefits another 5 percent beginning this January. However, the cost-of-living has gone up 6 percent in the last year. So a 5 percent increase won't even make-up for the buying power your social security check will have lost during 1970.

I think we can and must do better for our senior citizens.

Therefore, I have cosponsored an amendment to the Social Security Act which would raise benefits 10 percent in January instead of 5 percent, and then raise them an additional 20 percent the following year. After the 20 percent increase, benefits would automatically go up as the cost-of-living went up.

In addition, this amendment would:

Raise the minimum monthly social security payment for a single person from the present level of $64 to $90 by this January, and then to $120 by the following January.

Extend medicare to cover the cost of out-of-hospital prescription drugs.

And eliminate the $127 a year premium cost for part B of medicare and make it free.

Taken together, these improvements in social security benefits and medicare are a big step toward providing retired Americans with the real economic security they so richly deserve. And I promise you this: I will do everything in my power to see that this amendment is passed by the Congress this fall.

In addition, today I introduced two amendments to the social security legislation now before the Senate to help solve certain problems which I know many older Marylanders face.

My first amendment would provide homeowners over 65 years old with property tax relief of up to $300 a year. Many retired homeowners in Maryland and across the Nation are being forced to sell their homes because they cannot afford to pay the property taxes on them.

By giving these hardpressed homeowners a Federal tax credit to offset excessive property taxes, my amendment would help these retired Marylanders keep their homes.

Retirees who rent their homes or apartments would also be eligible for the same relief by assuming that 25 percent of their rental payments represent property taxes.

My second amendment would provide Federal grants to colleges and universities to train qualified nursing home administrators. With the number of retired Americans living in nursing homes expected to double to two million by 1975, dramatic action is required to ensure enough qualified administrators to provide top patient care.

This amendment will see to it that this critical need is met.

In my opinion, the generation that has played the most important role in the development of this country into the greatest nation in the world is your generation.

For it was your generation that guided this nation victoriously through two terrible world wars.

It was your generation whose sweat and toil built America into the greatest industrial power in the world.

And it was your generation whose years of backbreaking work and sacrifice created the affluence and high standards of living that younger Americans enjoy today.

As a result, each of you has *earned*—I repeat earned:

The right to a decent income.

The right to full economic security free from worries about how the next grocery or medical bill is going to be paid.

The right to good health care.

And the right to self-respect and an esteemed place in the community.

During my six years in the Senate, we have won some important battles in the struggle to secure these rights. But as you and I both know, the fight isn't over yet.

However, this I promise: as long as I am a member of the United States Senate, I shall continue to push forward until the fight to give retired Americans the rights they deserve is fully won.

THE PRESIDENT'S AID MESSAGE

Mr. SCOTT. Mr. President, new and rapidly changing needs among nations call for new and realistic approaches. President Nixon's aid message today outlines a fresh blueprint for our program to stimulate social and economic progress among the developing nations and incorporates a broad, long-range strategy adapted to the needs of the 1970's.

The world today consists of more than 130 nations that are legally independent, but in almost every other way are interdependent. Inevitably and inescapably, problems which affect them also affect us.

Long ago, Congress determined that leadership among nations carries with it a responsibility to assist the newly emerging countries in the common effort to improve the human condition.

Beginning with the Marshall Plan, our programs to share some of our resources and some of our know-how in nation-building have had some of the character of an experimental effort, surely a pioneering effort. Now we have more than 20 years of experience. A monumental task still lies before us in the struggle against poverty, hunger, and disease. This new plan for helping poor countries modernize, develop, and move forward sharpens the tools needed to do the job.

The fundamental redesigning of our foreign aid program is part of the President's new strategy for peace. It is a priority item on any sensible agenda for the future.

The new plan calls for eliminating the present aid administrative structure and creating new administrative entities with specialized functions upon which responsibility can clearly be fixed.

It calls for systematic and planned progression toward extending the bulk of our aid through associations of nations acting in concert to achieve mutual goals.

It builds in a desirable degree of stability and continuity for the development assistance program, so that Congress need not pull up the plant four times a year to see how it is growing.

It will open new opportunities for overseas development to be carried on

in larger measure by private instead of Government capital and for more private U.S. individuals and organizations to participate in progress.

It establishes machinery for bringing about really meaningful and effective coordination of all governmental policies and activities which contribute to international development.

It will generate more development per dollar invested, because the new blueprint ends the requirement that all aid dollars be used to buy goods and services in the country providing the aid.

It will bring about better coordination of our bilateral aid programs with those of other donor countries, to insure against overlap, duplication, and confusion.

The world of today is very different from what it was when our aid programs began; the barnacle-encrusted set of programs inherited from an era in which the United States was virtually the sole provider of aid on a significant scale will no longer suffice.

In his foreign policy message to Congress early in the year the President pointed out that imaginative thought about our foreign policy is a demand of the times. His message on foreign aid reflects the promise he made at that time:

> Our assistance program, like the rest of our foreign policy, will be changed to serve the future rather than simply continue to reflect the habits of the past.

The changes proposed fully recognize the profound national interest in cooperating with developing countries in their efforts to improve conditions of life in their societies. The innovations proposed will serve this interest.

AMERICAN MARKETS FLOODED WITH LOW-PRICED GOODS

Mr. CRANSTON. Mr. President, I am a long-standing advocate of lower trade barriers and increased international trade. Trade, however, is a two-way street. I am becoming increasingly disturbed by practices and restrictions abroad which seriously damage the livelihood of American workingmen and their families by flooding our markets with low priced foreign goods without offering equal opportunities for American produced goods to enter freely into foreign markets.

The latest group to suffer from these practices are the men and women working in our film industry. There are many thousands of craftsmen, artists, and technicians in the Motion Picture Industry in southern California and the shocking fact is that 46 percent of these people are unemployed at this time. Under such circumstances I believe we must take a hard look at the real problems these men and women face and at the practices and policies which led to their present fight.

In this connection, I ask unanimous consent that the resolution recently passed by the delegates of the Hollywood A.F.L. Film Council be printed in the RECORD.

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

RESOLUTION TO HALT THE UNRESTRICTED IMPORTATION OF FOREIGN-PRODUCED MOTION PICTURE AND TELEVISION PRODUCTIONS

Whereas, the unrestricted importation of foreign-produced American-interest motion picture and television productions is creating serious and drastic unemployment conditions among workers in the U.S. domestic film industry; and,

Whereas, the AFL–CIO Economic Policy Committee has reported to the Federation's Executive Council that the old concepts of "free trade" and "protectionism" are outdated and irrelevant, in the face of world trade realities in the 1970's which demand a thorough revision of U.S. Government policies and attitudes regarding foreign trade; and,

Whereas, the U.S. Government has learned no lesson from the shocking period of accelerated deterioration of the U.S. position in world trade during the 1960's and today still has failed to recognize that foreign governments directly and indirectly bar the free flow of imports of American-made motion picture and television productions to their countries, while subsidizing and encouraging exports to this country of their foreign-made products; and,

Whereas, the skyrocketing rise of foreign investments by U.S. motion picture companies and their overseas subsidiaries has reached the critical position where, for example, U.S. interests now are reported to own and control 90% of the British film industry, and this development has resulted in the export of U.S. motion picture production "know-how" and the export of American motion picture and televison jobs; and,

Whereas, the AFL-CIO Economic Policy Committee has recognized that increasing foreign imports and U.S.-owned foreign operations has resulted in the loss of important job opportunities for American workers with a wide variety of skills, talents and professional abilities,

Now therefore be it resolved that the Hollywood Film Council demand that the AFL–CIO initiate and the U.S. Government adopt the following changes in our government's foreign trade policies and attitudes:

1. Establishment of adequate tariff and trade regulations to curb the unrestricted flow of imported motion picture and television productions into the United States;

2. Repeal of Item 807 and other similar provisions of the Tariff Code which provide financial encouragement to foreign production and the juggling of operations by U.S.-based multi-national corporations;

3. Institution of direct restrictions and controls on U.S. investment of capital in production activities in developed foreign countries;

4. Creation of a more effective and workable trade adjustment assistance program to protect American workers displaced by foreign imports; and

5. Enactment of other appropriate legislative measures needed to protect American workers from unfair and discriminatory foreign trade practices and to provide for the improvement of the U.S. relative trade position in the interest of all the American people on a truly reciprocal basis;

Be it further resolved that the Hollywood A.F. of L. Film Council recommends that the Forty-Fifth Convention of the California State Theatrical Federation concur and support this Resolution;

Be it further resolved that the California State Theatrical Federation recommend that the Eighth Convention of the California Labor Federation, AFL-CIO, endorse and support this Resolution.

Submitted by: Hollywood A.F. of L. Film Council.

H. O'NEAL SHANKS,
Secretary.

USE OF CHEMICAL AND BIOLOGICAL WEAPONS COULD LEAD TO GENOCIDE

Mr. PROXMIRE. Mr. President, for the past 3½ years I have spoken out consistently on various human rights issues, in association with our nonratification of the Genocide Convention. Today, I would like to direct the attention of the Senate to the inhumane consequences that could result from the use of chemical and biological weapons of war.

According to the hearings held during the 91st Congress, before the Subcommittee on National Security Policy and Scientific Development of the Committee on Foreign Affairs in the House of Representatives, control of chemical and biological weapons is next to impossible. Use of these types of weapons could possibly result in severe damage to the civilian population of a given country. For example, defoliants aimed at destruction of the food sources of the enemy, would most probably result in starvation of the civilian population before affecting the enemy armed forces. In my opinion, the act of starving an entire population would be an unconscionable act, as well as an act of genocide. Biological agents directly affecting man are also uncontrollable and could conceivably destroy, or greatly weaken the population of an entire nation.

By ratifying the Genocide Convention, the United States would go on record as opposed to the use of these inhumane weapons. Now is the time for us to act on this great human rights document.

In this regard, I ask unanimous consent that a portion of appendix c of the hearings before the Subcommittee on National Security Policy and Scientific Developments of the Committee on Foreign Affairs in the House of Representatives be printed in the RECORD.

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

A. HUMANE WEAPONS

Some proponents of chemical and biological warfare dream of "wars without death." They claim that military objectives can be achieved without the necessity of killing the enemy. They envision sleeping armies, soon to wake captives of a merciful opponent.

For some chemical and biological weapons, this argument is clearly irrelevant. Nerve gas and deadly plagues are no more humane than the conventional weapons they seek to replace or supplement. For other agents, previous military usage indicates that they have been used in conjunction with tactics which seek to kill the enemy.

Biological agents aimed at crops or animal life are used to deprive the enemy of his food supply. Yet any starvation tactics hit the army slowly—after the rest of the population has suffered from malnutrition while the army commands scarce food reserves. The policy of starvation is inhumane as conceived and unconscionable as practiced, since it first hurts those most in need of food and only eventually cuts the rations of the enemy forces.

Biological agents which affect man are also inhumane. Mild forms of disease are not militarily useful because they do not sufficiently guarantee an incapacitated enemy to insure peaceful victory. The lethal agents are just as deadly as conventional weapons and they invariably affect civilians. Certainly, weapons which deal not only death but indiscriminate death cannot be considered humane.

Chemical agents have been developed and used to defoliate large areas identified as enemy strongholds or to destroy crops. Those which seek starvation are indeed inhumane. Those which defoliate enemy hiding places do not result in humane treatment either. Fields of fire and bombing targets are revealed as leaves slowly wither. An enemy caught in these areas cannot expect merciful treatment. Instead, he can fear unobstructed shelling and bombing raids. His death is made more likely because chemical weapons were used by his enemy.

There are both lethal and non-lethal chemical weapons which are used directly against men. Lethal agents, primarily nerve gases, are certainly not humane. In fact, there is less possibility of being merely wounded by nerve gases than by conventional weapons. Even a small dose of these gases can be fatal. Thus, mortality rates are increased when nerve gases are used.

Riot-control gases and harassing agents are not designed to be fatal. If administered in laboratory-prescribed doses they do not kill or permanently damage their victims. But in battlefield conditions, too much gas is usually preferred to too little and there are strong probabilities of permanent damage or even death if an "overdose" strikes an enemy.

Chemical weapons which are theoretically capable of achieving victory without bloodshed have frequently been used to increase enemy casualties. Although the gases themselves are not fatal, they are often employed in tactical situations when the enemy is concealed from conventional weapons. Chemicals are then used to drive the enemy from his hiding place so that he can easily be fired upon.

The inhumane deployment of these weapons during battlefield situations may not be more inhumane than the use of comparable conventional weapons. However, chemical and biological weapons can continue to be inhumane long after the battle is ended. The area may remain contaminated for days, years, perhaps centuries. No conventional weapon is likely to cause this much prolonged suffering. Weapons aimed at plant or animal life may cause serious ecological imbalance, break natural food chains and disrupt environmental stability. Biological agents could cause damage of this magnitude in wide-range areas. It is conceivable that entire species, perhaps even man, would move toward extinction after a large attack.

Theoreticians have not realized their visions of wars without death. As now employed, chemical and biological weapons are usually used to kill the enemy directly or indirectly. At times their use kills scores of non-combatants.

THANK YOU, MR. VICE PRESIDENT

Mr. HANSEN. Mr. President, my State of Wyoming had the very real privilege of being host to Vice President SPIRO T. AGNEW last Thursday at Casper for the beginning of the 1970 political campaigns.

It was my high honor to share the speaker's platform with the Vice President and to listen to his dynamic, hard-hitting address. He was forceful and forthright and made a number of points that will be of interest to the people of this country.

Mr. President, in order that those interested in the 1970 campaign might have the opportunity to ponder the Vice President's remarks, I ask unanimous consent that his address to the Wyoming Republican rally at Casper on September 10, 1970, be printed in the RECORD.

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

ADDRESS BY THE VICE PRESIDENT

What a delight and privilege to be in your beautiful Wyoming this first day of the critical 1970 campaigns.

And what a pleasure to be on the platform with my valued friend, Stan Hathaway. We came to our governorships together and shared ideas along the campaign trail. Stan has been a great man for Wyoming and a great leader among the other Governors. He is as energetic, candid, and decent out of the State as he is in. He just doesn't know how to be any other way. Professionally, his efforts to attract new industry to Wyoming and, at the same time, to keep your environment clean have won national acclaim. I know the people of Wyoming are proud of Stan, and I know they will reelect him.

Yours is a stand-up-and-be-counted state—one that gave President Richard Nixon in 1968 a resounding vote of confidence. For that we remain both proud and grateful, and tonight I have come to report on our promises to you—our pledge to brake inflation, to reestablish law and order, to begin the redistribution of power from Washington back to the States and the people of this country.

I report tonight that, to the maximum of his ability, our President has kept his word. He has taken all the executive action within in power; he has sent to Congress measure after measure to achieve his goals. And now it is plain that a recalcitrant Congress blocks the path between the President and fulfillment of his commitments to the people of the United States.

That is why I am here in Wyoming—to suggest how we can best attain those objectives for which we worked together in the fall of 1968.

So I gladly and emphatically speak up for the election of John Wold to the United States Senate. The proposition is a simple one. You elected President Nixon to lead this nation in 1968. Now I hope you will send to Washington another Senator who can be depended upon to work with your President to carry out our common aspirations for this country.

Two of the great issues confronting this country are: the war in Vietnam and the state of the economy. The first issue is preeminent, as it involves the lives of American men.

Twice I have been into the farthest reaches of the Pacific in the last year—both times, therefore, at federal expense.

Last year John Wold was also in Southeast Asia. But not at government expense. He went there, not on a government tour, but paid his own way to learn firsthand the problems of American policy in this divisive war. This is the kind of personal drive, of commitment and concern, that we need in Washington—that you of Wyoming need in the next man you send to the United States Senate.

Let's briefly recall some of the positions taken and legislation proposed by Wyoming's next Senator.

John Wold, as your Congressman, has proposed no fewer than two dozen measures to preserve the environment and conserve our natural heritage. He has fought, far more than most other Congressmen, to prevent the use of the United States mails as transmission belts for pornography. He has introduced his own legislation to control the traffic in narcotics and drugs that is ravaging an entire generation of our young people. And I can certify this—on his anti-crime proposals, the President of the United States has had no stronger supporter in either House of Congress than John Wold of Wyoming. If we had fifty more men like him in Congress—in short order the cities of this country would be a lot safer to walk in and to visit. And on the paramount question of peace with honor in Southeast Asia, this stand-up legislator—in a time of demonstrations, in a time of disorder and violence—has stood foursquare behind the President of the United States. And on that issue above all others, that's where you want your Congressman to stand in this day and age.

On my way here this evening, a fellow stopped me and asked if I could think of any reason why John Wold ought not be in the Senate. I said the only reason I could imagine is that we need to save his seat in the House.

But then it didn't take me a half second to remember that we have Harry Roberts running for John's seat. He's going to win, too. So I suggest to you of Wyoming that there is every reason to send us John Wold as your next United States Senator.

On the other great domestic issues, this fine Congressman has won his spurs for the Senate.

Take Federal spending.

My friends, I hardly need to tell you that this problem of controlling Federal spending has become critical. If we fail in this, runaway inflation would resume. Prices and interest rates would skyrocket again, and new taxes would become inevitable. In any case, I regard government indulgence of inflation as a breach of faith with the American people. For inflation is a thief. It steals away the value of the savings the working person puts away; it robs him of the purchasing value of the dollars he earns.

So I feel deeply that inflation is far more serious than a political issue—it is very much a moral issue. We intend—with the help of men like John Wold—to keep faith with the working people, the retired people, and the poor people of this country. We are determined to do whatever is in our power to see that their income, their savings, their insurance are not cynically stolen away by fiscal irresponsibility and political profligates.

History abounds with tragic accounts of countries too witless or weak to stand up to inflation. When prices rise faster than the incomes of working people, their confidence ebbs in their country's economy, and soon their confidence in the integrity of their government is lost. When that last trust has been forfeited, all is lost.

So let's focus briefly on the reasons behind the economic problems we have been moving to solve.

While economists disagree on almost everything, they do seem to agree on the basic cause of our current inflation. Basically, the inflated prices you now have to pay in your supermarket can be directly traced to the huge budget deficits incurred before President Nixon took office in 1969. Those deficits totaled, from 1961 to 1969, $57 billion. In fiscal year 1968 alone, we overspent our income by $25 billion. That one year we went deeper in debt than we have ever before in any entire Administration since World War II.

So now you are paying more for your food and clothing and your children's books and shoes because fiscally myopic and politically irresponsible men were unwilling to live within the limits of Federal income during a time of furious economic activity.

I think the trend to spend far more than we

could afford is symptomatic of something deeper in our society.

This is part of a philosophy that says "anything goes." It is an outlook toward life that loves the dance but hates to pay the piper. It is a belief that—no matter what we do to it—the American free enterprise system will keep delivering an ever-higher standard of living.

In life as in economics, things just don't work out that way. We cannot abuse our economy, we cannot strain our system to breaking point, without expecting a reaction.

We are now going through a great awakening. Millions of Americans are opening their eyes to the consequences of the wild ride of the Sixties. And we are determined that the American people march into the Seventies with their eyes wide open.

That's why we lay it on the line—why we level with the people about spending. You pay for what you get—there is no such thing as something for nothing. You pay for that spending in terms of higher prices and higher taxes.

That is not a message the radical economists or the promissory politicians like to hear. But it's the truth, and the American people are mature enough and intelligent enough to hear it.

The party and the men who fed that inflation have made careers of professing their heartfelt concern for the very poor and the elderly in our society. I know of nothing more cynical, more cruel, in American politics. It is always the poor and the elderly who suffer the most in the kind of inflation generated in the recent past. These people who have feasted politically on the illusory boom times of inflation know very well that this is so.

There is another way to measure these deficits, for which we are still paying every day. In 1960, the interest on the Federal debt came to $9 billion. By fiscal year 1970 it had zoomed to $19 billion because of the fiscal irresponsibility of the 1960s. We are still paying, and years from now our grandchildren will still be paying, for that wild spending binge.

If we had that extra ten billion dollars of interest payments to spend on other things, there's a lot we could do. We could triple Federal aid to primary and secondary education; we could triple the funding for vocational education; we could triple Federal money for hospitals; we could double our spending for medical research—and then we would still have billions left over.

This huge sum just to pay the interest on the debt has grown into the third largest item in the Federal budget, right behind defense and Social Security.

As I mentioned this noon in Springfield, Illinois, by the time President Nixon took office, the economy was doing a hundred miles an hour in a thirty mile zone. Now at last we are bringing it under control.

The rate of inflation has been cut in half. Wholesale prices have turned down. Interest rates have begun to decline. Business indicators are looking up. We are making real progress after twenty months of the hardest kind of discipline.

But, my friends, this is a tough, no-quarter fight that we can't walk away from. If we are not to go down the same inflationary road all over again, we need more men in the United States Senate who will stand up with conviction and courage for responsibility and common sense in fiscal affairs. Here in Wyoming in 1970, that means one thing—you need, and we need, John Wold in the Senate.

If you would like hard proof of this fact, let me urge you to study a new analysis of the spending record of all Congressmen. This is compiled every two years by an independent, non-partisan group, and it separates the spenders from the savers on the key votes of the past session.

Here's how John Wold's opponent stands: when it comes to saving money, he has one of the lowest economy records in the Senate—a rating of 25%. That means that three times out of four, when he had a chance to choose between spending and saving, he chose to spend your money.

In contrast, here's how John Wold stands: when it comes to saving the taxpayer's money, he has one of the highest economy records in the House—an economy rating of 90%. Nine times out of ten, he cast his vote against the big spending that drives up prices.

Now, it isn't often that voters are presented with such a stark contrast in spending philosophy. John Wold has proven he will strongly support the President's fight against inflation—and we need him now more than ever to turn back the tide of Federal spending.

There's another point, too. In 1966, John's opponent laid heavy emphasis on his party affiliation with the President of the United States. He said, and I am taking this quote from the *Rocky Mountain News*, "A state . . . should realize that when you have a Democrat in the White House, you need to have Democrats in the Senate."

Well, he can't have it both ways. Today, we need men in the Senate who will support our President in fighting big spending and high prices.

Now, many people ask: Why does the Vice President of this Republican Administration come to Wyoming to speak for a man running against a Democratic incumbent who has supported that Administration on some important occasions? And I will tell you why.

It is because the election of John Wold's opponent would help to guarantee that those who oppose the President up and down the line in Congress stay in their positions of majority power. It is because the election of John Wold's opponent would be a defeat for those who want to rein in Federal spending and curb inflation. It is because the election of John Wold's opponent would help to leave in the positions of power in the Senate the same radical liberals who control that body today and who have already seized many of the levers of power in the Democratic Party. That is why a victory for John Wold is necessary in the great state of Wyoming on the Third of November.

If your concern is foreign affairs, as well as of sound fiscal management, just remember this: if you can change the makeup of the Senate this fall, in January you will change the chairmanships of every Committee in the United States Senate. A vote for John Wold is, therefore, a vote for new leadership of the Senate Foreign Relations Committee. And that, we surely agree, would sit well in Wyoming. It would serve America's interest, believe me—it would do wonders for the United States Senate.

My friends, in these times we hear a lot about women's rights. I recall that the Territory of Wyoming gave women the vote a half-century ahead of the rest of the Union. That's the kind of political pioneering we need right now. By giving the nation another Senator who will help our President achieve the goals which we promised and you approved two years ago, you of Wyoming can—and I believe you will—lead the way.

TRIBUTE TO DR. MARTIN JENKINS

Mr. TYDINGS. Mr. President, last Friday I had the opportunity to attend a testimonial dinner for Dr. Martin Jenkins, outgoing president of Morgan State College, in Baltimore, Md.

When Dr. Jenkins came to Morgan, the school was small and relatively unknown. Today, it is nationally recognized as one of the truly fine liberal arts colleges in the United States. The remarkable changes in Morgan's physical, academic, and intellectual development that have occurred during Dr. Jenkins' term as president testify to his leadership and creativity.

I ask unanimous consent that a tribute to Dr. Jenkins, published in the Baltimore News American of June 14, 1970, be printed in the RECORD.

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

[From the Baltimore News American, June 14, 1970]

MORGAN STATE: ON THE CUTTING EDGE OF SOCIETY'S CRUCIAL PROBLEMS

(By Michael Olesker)

That was, in part, what the presidents of 15 predominantly black colleges said May 20 in a meeting at the White House with President Nixon.

"They are pretty strong words to say to the President of the United States," Dr. Martin Jenkins, President of Morgan State College, says without apology. "I wrote the punchy part."

Publicly and privately, Jenkins has had a lot to say since he took over as head of Morgan State 22 years ago. His remarks on education and urban affairs, and on the general plight of black Americans, have drawn anger and self-righteous indignation from some quarters, but rarely charges of lack of truthfulness.

Some people have even said that, for a black college president, Jenkins has been an "uppity nigger."

"The presidents of black institutions are sort of stereotyped in some people's minds as very conservative, hat-in-hand, Uncle Tom people," Jenkins smiles. "As a matter of fact, this is not generally true."

For Jenkins, it is not true at all. The man who lifted Morgan State College into the 20th century has had the ear of three American presidents—Kennedy, Johnson and Nixon—and he has not gone to them with hat in hand.

His meeting with Nixon—"We talked about the deplorable situation of this nation and of his administration"—was merely the latest opportunity to speak out as a college president.

It also was his last opportunity. On July 31, Jenkins retires from his presidency. It is a retirement in protest.

"I could have—and would have—stayed four more years," he says. "I'm retiring in protest of state policies of insufficient budgetary support, and what I consider an unfriendly, lily-white Budget Bureau. I want that to be very clear."

Morgan State came under the purview of the Board of Trustees of State Colleges in July 1967. Its purse strings are controlled by the Budget Bureau and Jenkins blames it for Morgan's subsequent "deterioration."

"They are very reactionary," he says, "and the fact is that there are no blacks at all to convey any feeling to them and not even a secretary in the organization. They have been unfriendly both in the recommendations of appropriations and in inappropriate control of the administration of appropriated funds.

"Morgan State is a very special institution which relates directly to our nation's two most crucial problems—race relations and urbanization. Although we're in the process of racial integration, the current enrollment of black students is larger than the combined enrollment of black students in all the public and private four-year colleges and universities in the state of Maryland.

"Deterioration of the educational program at Morgan State means a reduction of educational opportunity for a majority of the black students in Maryland. We are in a strategic position to contribute to the alleviation of urban problems, but we can assume this role only if adequate financial support is provided."

Morgan State shares with other state colleges the problems of insufficient financial support. Maryland ranks 39th among the 50 states in its support of higher education.

With his retirement from Morgan State nearing, the stocky, 66-year-old Jenkins last week sat in his office at Carter Grant Wilson Administration Building, on the Cold Spring Lane campus, and looked back on his life and times.

"It's always been my view," he said, "that blacks must be educated the same way whites are, and that has been our thrust at Morgan State. In addition, though, we must attempt to engender a sense of social responsibility.

"I do not think that the rhetoric of protest—although it is necessary—is any real solution to the problems which confront our society. And so, we educate our students as do other colleges, for living, for making a living, and for effective citizenship in a democratic social order."

Jenkins rejects the idea of black power.

"I am, without a policy, an integrationist. I say that at every opportunity. My students know that, even those who disagree with me.

"The black power idea is that, if blacks are to be effective in this nation, and secure the full rights, we can do it only after we establish a power base—political, economic and social—and that we can do it only by separating ourselves and acting as a separate group.

"I disagree with it because I think a more effective way is for blacks to become integrated and to work in the American society. We take, for example, if Baltimore becomes an all-black city, we'll have the political power, but it will become very difficult to establish a viable economic base for the city.

"I would prefer, rather than exclusively back business in the ghetto, to see blacks incorporated into the economic structure of the nation, as well as doing business in the ghetto."

He can remember the days when Morgan students were not at all interested in politics, when the goal was simply to graduate and find a job in the professions.

Jenkins was a professor at Howard University then—"It was, and still is, the top predominantly black university in the nation, although I think Morgan has a better undergraduate program"—and arrived at Morgan just as money had come through to expand the college's physical plant.

"There were only a few buildings when I came here, and an imperative need. When I got here, the first of the new buildings was under construction, so almost all the buildings on campus have been constructed during my tenure.

"There's a great difference between the student mood in 1948 and what we have today. There was none of the militancy that we see now among students. I suppose the only causes of student unrest in those days was the dining hall food.

"The students were adjusted psychologically to a racially segregated society. Almost all of them were preparing for the professions. A great majority were preparing for teaching, some for law and medicine.

"Only a few were preparing themselves for business. There were no opportunities whatsoever for college educated blacks in industry or business, and very little in government."

When he arrived in Baltimore in April 1948, Jenkins did not like what he saw. He called Maryland's educational system "inconsistent with our democratic philosophy," and said that the state's higher education opportunities for black students was "just as bad and in some cases worse" than in states further south.

Jenkins had made his mark studying black educational problems. On the basis of a survey he conducted of Negro higher education in the southern states in the 1940s, he made what he calls "my most important scholarly contribution." It is today regarded as a classic and landmark study.

He showed that "the scores of the brightest Negroes are as high on intelligence tests as those of the brightest whites," which proved something of a shock to people 25 years ago.

"The general interpretation by psychologists then," Jenkins recalls, "is that blacks were not as bright as whites."

Looking back, he was "amazed moving from Washington, which was also strictly segregationist then, that the major Baltimore department stores did not want to sell Negroes a bar of soap, let alone a suit or dress. They did not want blacks to enter their doors. There was no law against entering, but you might find trouble.

"For that reason, for the first 10 years I was here, I didn't enter a Baltimore department store. In this particular sense, this city was probably the most rigidly segregated city in the country, because even in the deep South, that problem did not exist.

"Baltimore school teachers, who were the most affluent group of black people at that time, were found on trains going to Philadelphia to shop after payday. We had our connections in Washington, so we did our shopping there."

Jenkins began pushing for higher black education standards, for general racial equality and, more than once, appears to have been slightly ahead of his time on public issues.

He urged racial integration before it became a widely accepted goal. He later condemned South Africa's apartheid policies well before most people were even conscious of them. He also welcomed African students to Morgan, and in 1955 received the Humane Order of African Redemption.

"Our interest at Morgan," he says, "developed long before the now-popular affinity for African roots."

Nevertheless, he thinks Afro-style haircuts are "fine. I would not personally wear one, because of the configuration of my hair, but it's a matter of personal choice.

"It's a protest against purely white values, and I think it gives the young people who wear these a sense of personal integrity and personal pride. We're in a white culture where the standard of beauty is white, with straight hair, and this is simply a way of manifesting that there are other kinds of beauty which are equally valid."

He does not advocate violence "or the burning of cities," but adds, "I don't draw the line anywhere on demonstrations. I can understand the utter frustration of many blacks who have lost confidence and hope in this society. And I also understand that it takes pretty drastic moves to get the attention of the Establishment.

"I have been defined as a racial moderate. For decades I have been, along with many others, pointing out the ills of our society. But it really began to get some action when there was violence and when there was burning.

"This is one of the sad elements in our contemporary society—it is almost necessary to impress violently upon people that some changes in the present deplorable situation are necessary."

And that was what he and 15 other college presidents told Nixon.

"He was very interested in what we had to say, but made no commitment. I would not like to make a judgment of Mr. Nixon from that two-hour meeting, but from a historic standpoint up to date, I don't believe that the Nixon administration offers very much hope to the black population."

Regarding the role of the 15 black educators at the meeting, Jenkins says: "The black college presidents are the most militant group of presidents in the United States. It is inconceivable, for example, that a group of presidents of predominantly white institutions would say to the President of the United States what we said to him.

"This is because the white college president is really a member of the Establishment, and can't afford to attack it too much, because he will then have his board of trustees and his clientele after him."

It is precisely this sense of responsibility and fearlessness that have enabled Jenkins to keep the respect of his students, who have not generally been among the nation's noisiest voices.

"I think I've been very successful in relations with students," Jenkins says. "I like to think it's because we've taken an interest in them. We had students on faculty committees—and listened to them—long before that became popular.

"My door is always open in this office. If a student comes in, I see him immediately if I'm not in conference at the moment. We have a real respect for students without turning the institution over to students."

A native of Terre Haute, Indiana, Jenkins earned his B.S. from Howard University and his Ph. D. in philosophy from Northwestern. He is one of the few black men his age who can say, "It was always understood that I would go to college.

"I had a very fortunate childhood. I've always been a middle class person. My father was a very remarkable man, a highway bridge contractor. Both my parents were college graduates.

"My parents were very sensitive to the kind of experience a growing boy would profit from. My father had an extensive library. And I remember him taking me to the zoos in St. Louis, Chicago and Cincinnati.

"I remember, too, my mother taking me to public reading sessions at the library. My grandfather's picture hung in the library as one of the prominent citizens of Terre Haute in the 19th century. One of my grandmothers was the first black to finish high school in Terre Haute."

Jenkins was one of 12 black students in his high school—all of whom, remarkably enough, later graduated from college—and he was captain of the school track team. "I used to be quite a hign scnooi and college sprinter," Jenkins says.

That was long ago. Now, he plays out the last days of his presidency and talks about hopes and regrets.

"I think my greatest regret is that we have not yet been able to have this as a truly integrated college at the undergraduate level, and my other regret is that I won't be here for what I think is going to be a great breakthrough for the school."

The breakthrough includes $15 million for a few new buildings, and money for a new Center for Urban Affairs, which begins at Morgan July 1.

Sponsored by the state, and with a $600,000 grant from the Ford Foundation, the center will try to meet pressing urban problems. It will include six programs that, Jenkins says, "will put us in the very forefront of American colleges in urban affairs."

On all counts, he sees Morgan State as one of Urban America's last best hopes.

"For at least the last decade, we have been sensitive to our role as an urban institution—to what we might contribute to upgrading Baltimore City. Our urban thrust reaches down to the disadvantaged to give them an opportunity to be constructive citizens rather than rock throwing citizens.

"Since blacks are going to play an increasing role of leadership, and since we do have a majority of black students in this state—

this is the place where the future leadership for the Baltimore area is being produced.

"My greatest disappointment has been my failure to convince the governor and state fiscal officials of the need to provide adequate financial support for Morgan State College. This college is on the cutting edge of our society's crucial problems—the cities, blacks, and youth. Adequate support of this institution would yield great social dividends."

Jenkins' leadership will now assume much larger proportions. He has been appointed director of the American Council on Education's director of urban affairs.

The council is the nation's largest organization of colleges and universities, and the office which Jenkins will assume is newly created.

"I will be working with colleges and universities all over the United States, attempting to get them to relate their programs to urban needs. As I have indicated, I have an obsession with this."

Jenkins has had a way of turning his obsessions into constructive action. Countless Morgan State students can attest to that. So can some American presidents.

FOREIGN AID

Mr. DOLE. Mr. President, I wish to express my support for the President's recommendations concerning the restructuring of our foreign aid programs.

The President's proposals will make our aid program germane to the period which we are now entering, and enable it to support the foreign policy of this administration.

The United States should assume a "lower profile" in our foreign aid programs through shifting as rapidly as possible to multilateralism, especially in the area of development loans. This will involve the channeling of more loan capital through regional development banks and other international agencies, which will enable the developing countries themselves to decide in favor of regional, international, or bilateral programs as they prefer. At the same time, the recipient nations will take an increasing share of the responsibility for the effectiveness of their programs.

In the period of change of emphasis from bilateral to multilateral institutions, the President proposes the establishment of a U.S. International Development Corporation, to provide bilateral financing and a new International Development Institute to provide the finest scientific and technical knowledge available in the world.

From another aspect, Mr. President, the President has reaffirmed his commitment to the involvement of private enterprise in the effort to raise standards of living throughout the world. Indeed, this Congress has already enacted that concept into law in the form of the Overseas Private Investment Corporation. This institution, soon to open its doors, will help to promote additional American investment of capital and technology in those countries with fewer resources than ours and will also help to further American participation in the world markets of the future, when the developing countries have achieved self-sufficiency. Foreign aid has already demonstrated its long-range favorable impact on our balance of payments, an impact that will continue to grow in importance with the emergence of the developing nations as customers for American goods and services.

Mr. President, I urge Senators to examine these proposals carefully and to bear in mind the importance of recognizing that these suggestions will lead to viable economies in the developing nations and that these viable economies will lead to a thriving world market. Our reluctance to participate now could mean shrinking markets and fewer friends. I commend the President for his proposals.

THE EDITORIAL IN THE GREENVILLE NEWS ENTITLED "LABOR GETS ITS BACK UP"

Mr. THURMOND. Mr. President, an editorial entitled "Labor Gets Its Back Up" was published in the Greenville News of September 11, 1970. Because of the editorial's concise and direct appraisal of the great dangers of the many welfare programs prevalent in this country, I feel it appropriate that it be printed in the CONGRESSIONAL RECORD. I urge each Senator and Representative to read the warning set forth therein.

Mr. President, the Greenville News is known for its first-class objective coverage of every issue and its concern for the direction in which this country is headed. I commend the editors of this outstanding newspaper and ask unanimous consent that the editorial be printed in the RECORD.

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

LABOR GETS ITS BACK UP

Don't look now, but organizd labor as well as business is fed up with politicians and sociologists who defend the right to loaf at government expense under the guise of welfare.

Latest indication is a letter to New York Mayor John Lindsay from the city's leading unions, trade associations and civic groups. They demand that antipoverty groups quit ridiculing jobs they consider "unworthy" of acceptance by able-bodied welfare dolesters.

The letter said New York will die if it gets a reputation as a city whose people don't want to work and whose administration thinks poverty can be licked without putting primary emphasis on work and economics.

New York isn't the only place in danger of being ruined by a philosophy that work is demeaning and loafing at government expense is a right. The whole country can fall victim to that sociological disease.

AGNES E. MEYER—RENAISSANCE WOMAN

Mr. TYDINGS. Mr. President, last week we all suffered the passing of a true renaissance woman. Mrs. Agnes Elizabeth Meyer—writer, lecturer on education, health, welfare and human rights, literary critic, linguist, authority on Chinese art, champion of quality public education, and unabashed intellect—was, in the words of Historian Arthur Schlesinger, Jr., "copious and volcanic—a force in public affairs, bearing down like a galleon in full sail, all guns firing, on the enemies of education, on civil rights or free speech."

When Adlai Stevenson presented Agnes Meyer with the 1965 National Brotherhood Award of the National Conference of Christians and Jews, he commented:

She has withstood that heat of a turbulent century and brought light to many dark corners.

An excellent article published in the Washington Post, written by Elsie Carper, captures the spirit and lists the accomplishments of this truly remarkable woman. I ask unanimous consent that it be printed in the RECORD.

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

AGNES E. MEYER: WRITER, CRITIC, CHAMPION OF REFORM

(By Elsie Carper)

Agnes E. Meyer was a woman of the 20th Century, successfully combining the responsibilities of a large family of five children with a career devoted to public service.

She was the wife of the late Eugene Meyer, chairman of the board of The Washington Post Co., a distinguished investment banker, government official and newspaper publisher.

She also was a nationally known figure in her own right, a writer and lecturer on education, health, welfare and human rights, a literary critic, a linguist and an authority on Chinese art.

A strikingly handsome woman, tall and imposing, Mrs. Meyer was fiercely and unashamedly intellectual. Her strongly held views on social problems often involved her in controversy. She denounced the late Sen. Joseph R. McCarthy for his witchhunt tactics, the Catholic Church for its opposition to federal aid for public schools, and the white establishment for its treatment of black Americans.

She used her talents as a writer and her own wealth and position in society to champion reforms.

"COPIOUS—VOLCANIC"

In the words of historian Arthur Schlesinger Jr., she was "copious and volcanic . . . a force in public affairs, bearing down like a galleon in full sail, all guns firing on the enemies of education or civil rights or free speech."

The late Adlai E. Stevenson called her "a fearless, tireless incorrupted spirit" and said in presenting her with the 1965 National Brotherhood Award of the National Conference of Christians and Jews: "She has withstood the heat of a turbulent century and brought light to many dark corners."

The turbulence of her own spirit was recognized by astronomer Harlow Shapley, when on her 70th birthday he named a great whirl of stars that he had discovered "the Agnes Spiral."

She remained intellectually active long after arthritis had put her physically on the sidelines. She formed and was chairman of the National Committee for Support of the Public Schools, a national effort of laymen—businessmen, civic leaders and concerned citizens—to increase financial support for education at all levels of government.

After signing the landmark bill for federal aid to education, President Johnson said it was Mrs. Meyer who had persuaded him of the need for federal funds to improve the quality of the Nation's schools.

The Meyer Washington residence at 1624 Crescent Pl. NW, attracted artists, musicians and literary figures, scientists and philosophers as well as government figures forming a lively addition to Washington society and the cultural life of the city. Author Thomas Mann described her as "the best hotel-keeper on two continents."

WRITER, LECTURER

It was as a writer and lecturer, championing the democratic ideals of freedom of thought, justice and a better life for all that Mrs. Meyer gained her reputation.

Her articles frequently appeared in the pages of this newspaper in the 1940s and 1950s and were widely reprinted. She also was a contributor to magazines, including the Atlantic Monthly.

For the most part, her stories dealt with social problems of a nation emerging from a depression and the dislocations of two wars to face the strain of a continuing cold war.

Many dealt with education. She wrote about schools in Washington where education foundered in a morass of overcrowding and aged buildings and about schools in the suburbs "inundated by a constantly augmenting lava-flow of housing and humanity." She went into the schools to interview principals and teachers, setting a pattern for education reporters throughout the country.

Her series on Prince George's County won a first place award from the Education Writers Association in 1951 as "a penetrating analysis of school conditions."

Long before the 1954 Supreme Court decision outlawing segregation in schools, Mrs. Meyer had written about the fallacy of thinking that schools could be both separate and equal.

After the decision, Mrs. Meyer made a foray into the hard-bitten segregationist area of Prince Edward County, Va., where officials closed the schools rather than comply with the Court order. As she moved through the county, in her stylish dress, big hat and chauffeur-driven limousine, she made a lasting impression.

COURAGE, JUDGMENT

Mrs. Meyer believed that the prime requisite for a reporter is the ability to work with intelligence and dedication. She was an indefatigable fact-gatherer. She had the courage and the mature judgment to draw conclusions and to state them unequivocally.

Her writing had enormous force and impact. If what she wrote made some people uncomfortable, they had no occasion to complain about inaccuracy.

When Mr. Meyer purchased The Washington Post in 1933 after leaving government service, Mrs. Meyer became vice president of the company. Two years later she was named part owner.

The paper later was incorporated and Mr. and Mrs. Meyer transferred all voting stock to their son-in-law, the late Philip L. Graham, who was named president, and to their daughter Katherine Graham who succeeded her husband as president.

In 1950, Mr. and Mrs. Meyer turned over the bulk of their nonvoting stock to the Eugene and Agnes E. Meyer Foundation for the support of scientific, charitable and cultural activities in the Washington area. Five years later they gave nearly a half-million dollars worth of nonvoting stock to veteran employes of the newspaper.

During the years in which the newspaper lost substantial sums of money, Mrs. Meyer encouraged her husband to hold onto the newspaper and was willing to pledge her own funds to keep it going.

The paper needed a strong financial base, which it did not have. When the competing Times-Herald went on the market in 1949, her husband and son-in-law made an unsuccessful try for its purchase. (The Times-Herald was not purchased until five years later.)

"THROW IN THE HOUSE"

A substantial sum of cash was needed. Meyer and Graham called in Mrs. Meyer.

"Throw in the house," she told her husband. "I don't need to live so elaborately."

Even when part owner of the paper, Mrs. Meyer steered clear of management decisions and editorial policies, preferring to make her contribution through her reporting and writing.

Mrs. Meyer was no newcomer to journalism when Meyer purchased The Washington Post. Before her marriage she was a reporter for the old New York Sun and one of the first women to work in the city room of a metropolitan newspaper.

While Mrs. Meyer was of the 20th Century, casting aside the view that a woman's place should be limited to her own hearthside her roots were deep in the 19th Century. In her autobiography, "Out of These Roots," published in 1953, she wrote:

"I have all my life been grateful for the fortunate accident that I grew up in an American society which developed in all of its members a fierce independence, self-reliance, and the courage when necessity arises to go it alone regardless of accepted ideas, the power of authority, and the stigma which is now frequently placed upon the individual who thinks for himself."

BORN IN NEW YORK

Agnes Elizabeth Ernst was born in New York City, Jan. 2, 1887, the daughter of Frederic H. Ernst, an attorney, and the former Lucy Schmidt. Her parents were North German immigrants and her paternal ancestors were prominent Lutheran clergymen.

She said her upbringing in the then rural village of Pelhamville, N.Y., was in the German burgher tradition "sober, ethical, restrained, hard working, yet full of gaiety, music and romantic idealism."

She attended public high school in New York City, studying Latin, Greek, ancient history and French. Later, because of her own schooling, she was to become a passionate defender of the public schools, urging their improvement and readjustment to new social demands.

With a scholarship earned by high marks on the entrance examination, she went to Barnard College, in 1903 at the age of 16. Expenses were met with part-time jobs tutoring and working in a settlement house in the tough Hell's Kitchen neighborhood.

At Barnard she met philosopher John Dewey. He encouraged her love of freedom and her intuitive drive toward self-development through his teaching that freedom is in reality the power to change one's disposition and character by intelligent choice and discrimination.

Writing college news for the New York Sun led to her newspaper job after graduation. She found her own assignments, among them interviews with Alfred Stieglitz and Edward Steichen, then experimenting with photography in an attic room. They became her life-long friends.

Miss Ernst left the Sun in 1908 to go to Paris to study at the Sorbonne, borrowing $500 to make the trip and writing articles to meet expenses.

Bursting on the scene with characteristic vitality, the attractive young woman became a part of the artistic colony. Rodin, the sculptor, was her guide through the art galleries. She met the composers Gustav Mahler and Darius Milhaud, the critics Gertrude and Leo Stein. She took fencing lessons with Madame Curie.

"I lived," she said, "totally in a world of ideas."

She developed a love of art that led later to her purchase of French Impressionist paintings, a collection that will go to the National Gallery of Art.

She recognized the artistic genius of Brancusi when he was a struggling young sculptor. He later was to do her portrait—a black marble abstraction, which he called "La Reine pas Dedaigneuse"—the not disdainful queen.

Despiau also did a portrait bust, now in the Musee d'Art Moderne in Paris.

In Europe, she fell under the spell of Chinese art, and became a serious student of Chinese history and philosophy.

Her book "Chinese Painting as Reflected in the Thought and Art of Li Lung-mien" won the award of the American Typographical Society as the handsomest book of 1923.

Her knowledge of oriental art was recognized by Charles L. Freer, donor of the Freer Gallery. He listed four persons in his will who could make contributions from their own collections to the Gallery. Mrs. Meyer was the last survivor of this small group. She donated Chinese bronzes, ceremonial bronzes, jade and Chinese paintings. She also was named by Freer to serve on a committee that approved acquisitions for the Gallery to assure that they were of the highest quality.

Miss Ernst and the very successful young banker Eugene Meyer were married in 1910 after a courtship that began in a New York art gallery. Meyer saw her across the room, wangled an introduction, and pursued her to Paris.

"COMMON ETHICAL IDEAS"

She wrote of her marriage: "We were both to discover as we met life's problems together, that common ethical ideals are probably the most essential bond that man and wife can possess."

They were a remarkable pair, Eugene Meyer, already a force on Wall Street, and the stunning blond girl, 12 years his junior.

After marriage, Mrs. Meyer showed no inclination of settling down to the conventional life of the wife of a man of wealth and influence. She enrolled in the graduate school of Columbia University, served with a committee that founded maternity centers in New York City and began her art collection.

"I never received any credit for making good investments on my own," Mrs. Meyer said. "I bought those paintings after I was married and had some money. The most I ever paid for one was $10,000. Now they are worth millions."

While rearing a family of four girls and a boy, Mrs. Meyer pursued a program of self-development. She carried on an extensive correspondence with author Thomas Mann and the French Catholic poet and dramatist Paul Claudel. Her correspondence with Mann and Claudel, along with copies of their manuscripts, were presented to Yale University in 1957. Both authors wrote to her on the progress of their literary works and their philosophies and political beliefs.

PRAISE FROM STEVENSON

"I suspect," said Adlai Stevenson, "there are few who could match the abundance of her interests and knowledge, who could simultaneously write a book on Chinese art, translate Thomas Mann from German, and raise a large family."

When Russell Sage College gave her an honorary degree, one of 14 she was to receive, she was hailed as "an example of the American woman" that the college "wishes her graduates to be."

Mrs. Meyer had a more wry comment. She wrote in her autobiography: "Why my husband did not quietly murder me and call it a day is more than I can now understand."

In later life, Mrs. Meyer campaigned for better utilization of the brain power of women, recommending that they become interested in politics.

She was jolted into public service by the genial Republican boss of Westchester County, William L. Ward. The Meyer home, Seven Springs Farm, is located in Westchester County.

"It was 1921 and we were having one of those jamborees," Mrs. Meyer recalled. "Ward approached me and said 'Young woman, what are you doing for your country?"

"A PRACTICING CITIZEN

"He drove me out of being a no-good intellectual and into becoming a practicing American citizen. He taught me that there is no

justification for political power unless it is used for promoting the welfare of the people."

She and the late Eleanor Roosevelt quarreled publicly over political issues. Later common interests in education, welfare and human rights were to draw them together in a mutually cherished friendship.

Under Boss Ward she learned to ring doorbells and get out the vote. She was so successful that she was named a delegate to the 1924 Republican National Convention, was invited to become vice chairman of the New York State Republican Committee and was urged to run for Congress.

She turned down both jobs that would have required a steady responsibility.

In 1923, Mrs. Meyer was named chairman of the Westchester County Recreation Commission. During the 18 years that she was its head, playgrounds sprang up all over the County, an auditorium was built, and choral groups, concerts, festivals and summer camps were organized.

CONTRIBUTED TO POST

Mrs. Meyer remained an active Republican until 1956 when she cast her first Democratic vote. It was for Stevenson. Four years later she quit the Republican Party for good to work for Stevenson's renomination at the Democratic National Convention. After Stevenson lost the nomination, she became a national vice chairman of Citizens for Kennedy and Johnson.

Although the activities of Mr. and Mrs. Meyer kept them frequently in Washington, they maintained their home in Westchester County. In 1958, they gave the village of Mt. Kisco more than a quarter of a million dollars to purchase a 308-acre site of woods and lake adjoining their home for public recreation.

Mrs. Meyer began contributing articles to The Post shortly after her husband purchased the paper.

In the 1930s she wrote a critical and widely discussed series based on her observations of the Public Works Administration in Westchester County.

It was during World War II as a correspondent overseas and on the home front that Mrs. Meyer hit her stride as a reporter. She wrote a series of stories on Britain under the blitz. She followed this up with a tour of war plants in the United States.

For weeks on end, she witnessed "the frightful disintegration of family life and individual character that were the penalty of a disorderly environment and disorderly living." The theme that frequently appeared in her later speeches and writing was that the United States can prosper only as the home and community are strengthened.

Months of preparation went into her articles about the American home front. She toured 27 industrial centers, working from 12 to 18 hours a day, visiting factories, shipyards, overcrowded tenements, schools, hospitals, day care and recreational centers and housing projects.

EXPANDED INTO BOOK

The articles were widely reprinted and aroused government officials and citizens. Poor morale and lagging production as reported by Mrs. Meyer at one industrial center led to a congressional investigation.

The articles were expanded into her book "Journey Through Chaos," which the Saturday Review of Literature said was "the best, more nearly comprehensive report on social conditions in wartime America."

After the war Mrs. Meyer again toured the country writing about what communities were doing, or more often failing to do, to convert to peacetime living. She spent four months in 1946 studying and writing about the problems of migratory labor.

Other articles dealt with the corruption of the Crump machine in Memphis and riots in Columbia, Tenn., in which 23 Negroes were arrested. Her well documented stories were introduced at the trial and were instrumental in freeing all but two.

Her series on conditions in the East Kentucky coal mines became a part of a congressional hearing. Another series dealt with problems in postwar Germany. In 1960, she toured Israel, writing about Arab refugees and studying labor unions.

SOCIAL WELFARE LOBBYIST

She was an effective lobbyist for social welfare and improved educational opportunity for all children. In appearances before congressional committees and in lectures across the country, she campaigned for federal aid to public schools.

It was her view that educational handicaps imposed on children in communities that cannot afford to maintain good schools constitute "an unendurable injustice" and "a crime in a country as rich as ours." She took a public position vigorously opposing released time in schools for religious instruction as well as the use of public funds for sectarian schools.

During the height of the McCarthy era, when it took courage to oppose the views of the Wisconsin Senator, Mrs. Meyer received national attention when in a speech before school administrators at Atlantic City she tore into Sen. Joseph R. McCarthy's record as an investigator, calling it "shameful."

Educators acclaimed Mrs. Meyer as their champion. When Columbia University granted her an honorary degree in 1957, the citation called her "an eloquent advocate of intellectual freedom and a persuasive proponent of responsibility in public affairs." The District of Columbia Board of Education named an elementary school for both Mr. and Mrs. Meyer, waiving a rule against honoring a living person.

HELPED HUNGRY, UNPROTECTED

In presenting her with the D.C. Teachers Union Award in 1963, Superintendent of Schools Carl F. Hansen said that Mrs. Meyer had anonymously "sponsored many programs that have helped the hungry and the unprotected in our schools."

She supplied funds to initiate elementary school libraries, a summer lunch program, the early morning physical fitness project that provides a warm breakfast and showers as well as exercise for boys in poor areas of the city, and the Cardozo Custorial Training Program to give schoolwork experience to boys who otherwise would be likely to drop out of school.

The Eugene and Agnes E. Meyer Foundation provided money for the first school social workers, for a talent search project and for psychological services.

The Foundation, which is managed by an independent board of directors, has given out more than $10 million in grants since 1944 in fields of education, community services, health and the humanities.

On the national scene, Mrs. Meyer led a campaign for the establishment of the federal Department of Health, Education, and Welfare.

She helped organize and was president of Social Legislation Information Service to keep local welfare agencies informed on federal programs.

She served on numerous local and national committees and was appointed to various commissions and delegations by six Presidents from Hoover through Johnson.

The Federal Bar Association honored her in 1963, with a citation that said her "life has been spent in enrolling the power of the fortunate and the privileged in behalf of the unfortunate and the underprivileged."

Mrs. Meyer's surviving children are Dr. Eugene Meyer III, of Baltimore; Mrs. Pare Lorentz, of Armonk, N.Y.; Mrs. Philip L. Graham, of Washington, and Mrs. William A. Epstein, of Scarsdale, N.Y. Florence Homolka of Los Angeles, died in 1962. There are 12 grandchildren and two great-grandchildren.

POW PROPAGANDA

Mr. HANSEN. Mr. President, a few days ago, some American families got welcome news. Their husbands and sons were not dead; they were prisoners of the North Vietnamese.

The information did not come in an official announcement of the Hanoi regime—the North Vietnamese have never released the names of those they held captive. The families of these men saw their loved ones on television when North Vietnam released a propaganda film purportedly showing how well prisoners were treated.

A propaganda film. Were this only a callous exploitation of American servicemen, it would be bad enough, but Hanoi has added insult to injury. They refuse to give our men the treatment their status as prisoners of war deserves; they refuse to allow communications with their families; they refuse even to release the names of those they hold.

And now this. American children must see the exploitation of their fathers even to know if they are alive.

The cruel practices of the Hanoi regime are a shameful insult to civilization. Hanoi has nothing to gain by its intransigence, and by these acts it only further alienates the great masses of American people, and continues to draw the condemnation of all civilized nations.

RETIREMENT OF JACK FORSYTHE AS GENERAL COUNSEL OF THE SENATE LABOR AND PUBLIC WELFARE COMMITTEE AFTER 16 YEARS

Mr. SCHWEIKER. Mr. President, I wish to join with my many colleagues today in honoring Jack Forsythe, general counsel of the Committee on Labor and Public Welfare, who is retiring after 16 years of working with the committee, and 4 years beforehand with the House Education and Labor Committee.

As a member of the Committee on Labor and Public Welfare since coming to the Senate last year, I have had the privilege of working closely with Jack on committee legislation. As a Senator from Pennsylvania, I am especially pleased to note his accomplishments today, since he hails from Pennsylvania. Born in Canonsburg, Washington County, 20 miles south of Pittsburgh, he attended the public schools there and was graduated from Geneva College in Beaver Falls, Pa., 30 miles north of Pittsburgh.

Jack has participated in drafting all major education and health legislation which has been considered by Congress during the period while employed as general counsel for the Committee on Labor and Public Welfare. He has devoted his great energies and abilities to bringing important legislation into being, and I know that he will be missed by those of us who have worked closely with him in the Senate. We wish him the best.

THE QUEST FOR EQUALITY OF EDUCATIONAL OPPORTUNITY

Mr. SPONG. Mr. President, this morning, Mr. Wilson C. Riles, deputy superintendent of public instruction for the State of California, testified before the Senate Select Committee on Equal Educational Opportunity. Prior to becoming deputy superintendent of public instruction, Mr. Riles was director of the compensatory education program in California. He was a member of President Johnson's Task Force on Urban Educational Opportunity and chairman of President Nixon's Task Force on Urban Education.

In a question period which followed his prepared testimony, Mr. Riles said it was his objective to bring reason to bear upon the present quest for equality of educational opportunity. I believe that both his prepared testimony and his response to questions directed to him represent a fine attempt to meet his objective.

In particular, Mr. Riles discussed three aspects of educational policy which I believe deserve foremost attention. First, he noted that our primary concern must be with education, with the educational needs of each child at whatever academic or scholastic level he might be. Second, he referred to the need for planning—for the provision of adequate resources and the leadtime for local school officials to organize and implement their programs. As a longtime advocate of advanced funding for educational programs, I am particularly aware of this problem which Mr. Riles discussed. Third, he noted that the States must continue to play an important role in our public education systems. While I have supported all Federal education programs which have been proposed since I became a Member of the Senate, I am becoming more and more certain that the flexibility which our schools need in order to meet the problems of disadvantaged children and of desegregating our public school system will only result from permitting local officials leeway—while still requiring accountability—in determining how funds will be utilized.

I wish that all Members of the Senate had had the opportunity to hear Mr. Riles' testimony. Since they did not, I ask unanimous consent that the text of his prepared remarks be printed in the RECORD.

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

STATEMENT BY WILSON C. RILES, DEPUTY SUPERINTENDENT OF PUBLIC INSTRUCTION FOR CALIFORNIA

Mr. Chairman and Senators: Thank you for this opportunity to share my views with you today.

This nation, I believe, must begin now to view the question of equal educational opportunities as an educational issue, rather than a civil rights issue.

If we are to provide the maximum learning situations for the youngsters—all of the children—we have to keep the goal of quality education as the essential part of any planning.

Much of my experience as an educator has been related to the task of providing maximum learning situations and equal educational opportunities. I was a teacher and principal for 14 years. I worked as a consultant in the California Department of Education to help establish equal employment opportunities for teachers in California. I served as the Director of the Compensatory Education program in California, with a budget of more than $100 million a year.

Those duties, and others, have involved not just the process of desegregation, but rather the effort to make integration a success—particularly in de facto segregation situations.

I concluded that the real effort should be to make any process of integration a creative educational experience for all of the children. The real task is to make it work, while avoiding polarization, conflict and confusion in the schools and communities.

The basic conclusions I have reached during my experience are these:

First: As we seek to establish the maximum learning situations for children, we should not speak or think of quality education and integration as an either/or problem, but rather as goals which are compatible.

Second: Not only is quality education itself important, but also the parents—no matter what their ethnic background—must *believe* that their children are getting quality instruction.

Third: In the effort to upgrade education, it is essential that there are sufficient resources for all the children—including resources to provide compensatory help for children in the greatest need.

There has long been—and still is—too much confusion about the relationship between racial background and the learning process. There is today too much emphasis on the color of a child's skin in discussions about educational problems. The concept which suggests that black children will learn better because they are bused to another school is not only invalid. It is condescending.

The truly important factor which inhibits a child from learning is his socio-economic status. The fact is that poor children who are culturally isolated from the mainstream of society tend to do less well than other children, regardless of their color.

The solution to the basic problems of education must come through teamwork among federal, state and local authorities, with the states taking a key responsibility. The states, traditionally, have had the main responsibility for education. Today, more than ever before, each state must act on its responsibility to help provide sufficient funds for quality education and to offer calm leadership in efforts to resolve local conflicts. Washington is too far away to fulfill that role effectively, and the local school districts are often so caught up in the heat of a controversy that they are unable to conciliate between conflicting forces. The state is both close enough and detached enough to help bring progress to education and peace in the schools.

The Federal government has a right and a duty to support public education. It also has the right to expect efficient, maximum use of its funds and other resources, and a duty to establish broad policies which clearly set forth the intention of Federal legislation.

However, because of the great *variety* of educational situations in the nation, the Federal government is in no position to mandate specific methods to achieve either quality education or school integration. The specific techniques which will best bring progress vary locally.

Each state does have a major responsibility to assure that the intent of Federal statutes are clearly interpreted and efficiently administered. The states must also be responsible for accurate reporting of the results of all programs and to evaluate the results of those programs in the constant effort to improve instruction for the children.

RUTHLESS AIRLINE HIJACKINGS

Mr. ALLOTT. Mr. President, the September 12 issue of the Economist contains a lead editorial which expresses the indignation we all feel concerning the epidemic of ruthless airline hijackings.

The editorial is properly indignant; it is also constructive in its advice on how to begin preventing these barbarous acts. So that all Senators may consider the Economist's thinking, I ask unanimous consent that the editorial be printed in the RECORD.

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

HOSTAGES OF DAWSON'S FIELD

Men who bargain with the lives of children, packing them round with sticks of gelignite and exposing them to the diseases bred of stinking lavoratories, are not entitled to describe it as a brilliantly planned military coup. What the Arabs have permitted to happen to the three jets hijacked to Dawson's Field is even more degrading to them than it is to the 280 wretched hostages enduring sweltering desert day after freezing night, while the western governments, with infinite caution, gradually call the kidnapers' bluff. How much further can they push it? By Thursday the guerrillas' first deadline had come and gone without incident. The five gunmen in Swiss and West German prisons had not been released; and in Britain the posturing Miss Khaled was still at Ealing police station, reported to be complaining about the canteen food. The original 72 hour ultimatum, by which time the guerrillas had threatened to blow up the jets and the hostages inside them if their demands were not met, had been extended by a further 72 hours, Tentative offers were being made to the Red Cross to release all the women and children among the hostages. There was a smell of anticlimax in the air.

The lives of the hostages are still on a knife edge and it is in the guerrillas' interest to keep them there. Only by cooping their victims inside the jets, which can then be blown up at a moment's notice, can they insure against a swift military rescue bid. Paratroops cannot be dropped fast enough to save the hostages if they are inside the aircraft, whereas troops probably could stage a rescue if the guerrillas allowed their prisoners to move any distance outside them. And the guerrillas know very well that western governments would not hesitate to mount a rescue operation if it appeared to have the slightest chance of succeeding. There is a bigger sense of outrage than officialdom has allowed to appear on the surface, for fear it would upset the delicate cat-and-mouse discussions conducted by the Red Cross out there in the desert.

The angriest of the four governments with aircraft or nationals directly involved is the Swiss; this is now the third assault Switzerland has suffered at the hands of the Popular Front for the Liberation of Palestine. Just over 18 months ago, this particular guerrilla organization attempted to blow up an Israeli jet at Zurich airport, together with all the passengers on board. That attempt ended with the death of one Arab and 12-year jail sentences on the other three (for whose release the guerrillas are now bargaining. It was followed this February by the brutal blowing up in mid flight of a Swissair jet with 47 people on board, who watched their death approaching through the smoke as the aircraft slowly disintegrated around them. The Swiss collective conscience is still raw from this outrage, carried out by the same group; hence their government's reaction was sharper and less immediately conciliatory than those of the other governments who have not had their nationals killed by this

particular guerrilla organization—or, at least, not yet.

The West German government, ultrasensitive to kidnapping threats since its own ambassador was shot by kidnappers in Guatemala earlier this summer, was all for giving in to the guerrillas' demands. Some of Germany's allies were afraid that the Germans might even be ready to send back the two Arabs jailed for their part in a gun battle at Munich airport this February, in return merely for the west German nationals on board the three jets at Dawson's Field, without thought for what happened to the remaining passengers of other nationalities. The other three countries most deeply involved—Britain, the United States and Switzerland—were more determined to insist that whatever bargain they strike must include all the passengers. However, the guerrillas, while they were prepared to swap western passengers for their comrades in western jails and for Miss Khaled at Ealing police station, were saying on Wednesday that they would only release the 50 or so Jews on board (some with American passports) in return for Arabs held in Israel. This is an open-ended commitment with which Israel cannot comply.

The reasons why the western governments have been holding out are not entirely humanitarian. They realise that if the Jews on board are not released then Israel, with troops only 30 miles away, will use its own strongarm tactics to get them out. What the Middle East would look like after that operation is something their foreign offices would rather not contemplate.

So what happens? The most common assumption on Thursday afternoon was that the guerrillas would blow up all three jets belonging to the British Overseas Airways Corporation, Swissair and Trans World Airlines, just as they blew up Pan American's hijacked jumbo in Cairo on Sunday, and that they would hold on to the hostages and continue bargaining over terms for their release. This will be presented, if it happens, as a great humanitarian gesture on the guerrillas' part. It will, in fact, be a considerable salutary slap in the face for them. The fact that the west did not cave in immediately before the threat of mass murder, and did not rush Miss Khaled and her fellow thugs back before Thursday's first dawn deadline, is in itself a defeat for the blackmailers and a reward for a very considerable degree of moral courage shown this week by the governments. In a situation like this, dealing with men and women without compassion and with a marked blood lust, even at the last moment the negotiations could go horribly wrong. But with every hour that passes it does become increasingly difficult for the guerrillas to order in cold blood the mass execution of nearly 300 hostages.

There are two reasons why their blackmailing tactics have succeeded up to the point that they have. The first is that very few of the innumerable aircraft hijackings carried out in America—for example on the Cuba run—have been the work of criminals; most of the hijackers have been psychological misfits. Hijacking was not considered an action of the wholly sane.

What governments and airlines were wholly unprepared for was that hijacking would turn, in Europe, into piracy on a scale and of a viciousness that the world has not seen since the eighteenth century. They could not conceive it happening. So last week when the Israeli airline, El Al, warned Pan American not to take two suspicious looking passengers that El Al had refused to carry, the Americans gave them a cursory frisking and allowed them to board. What happened next is common knowledge; the two passengers hijacked Pan American's jumbo to Cairo and there blew it up on the ground. El Al itself, for all its precautions, failed to identify Miss Khaled and her companion. It let them aboard, and only a mid-flight gun battle prevented the pair from carrying out the second successful hijack of the day. But on the same afternoon Trans World Airlines and Swissair both let guerrillas on board and their jets ended up side by side at Dawson's Field. Within three days BOAC allowed a jet to be hijacked to join the other two in the desert.

The airlines cannot prevent hijacking. To tell the truth, they are not prepared even to try. The Israelis, living in a more or less permanent state of war, can and must take whatever precautions science and muscle power have to offer, from armed guards to electronic detecting equipment. But the rest of the world is not at war. Air transport is the world's main link between one country and another. Millions travel by air, and several thousand are airborne and in transit at any given moment of the day. It is intolerble that they should have to endure inspection, frisking by police, questioning by airport staff and the prodding and pushing around of baggage. Free passage is a basic human right in and outside the Middle East; and, present emergency excepted, airlines are right to refuse to put any more restrictions on it than they must. If this sort of piracy is going to be stopped, it is governments who will have to stop it.

When, if God is merciful, the hostages are safely home from the desert, then the inquest will start. The first point to attack are the forged passports on which the guerrillas are all now traveling. These are easily acquired in Beirut. Honduras and Senegal are the preferred nationalities, but there are others. A man traveling on a Honduras passport should be able to speak Spanish.

The Swiss, in their present frame of mind, are likely to go further than this. They may simply cut Switzerland off from the Arab world, until the Arabs as a whole begin actively to disapprove of the open piracy followed by their guerrilla fringe. Among the means that the Swiss could use to bring about this Arab change of heart is pressure on the very considerable bank accounts, personal as well as official, held in Switzerland by residents of the Middle East. But underlying it all, the feeling remains that the only lasting solution might be military.

That would mean the forceful break-up of organisations like the Popular Front that are less like patriots and more like groups of roughnecks organised by middle-class layabouts. This is a policy that should be supported by all men of any decent emotions, whatever their feelings about the wrongs and rights on either side in the Israeli-Arab conflict. If any harm comes to the hostages held in the desert, troops will go in to wipe out these particular guerrillas and no one will care overmuch what nationality they are. And in that fact, conveyed to the guerrillas by the Red Cross, lies the hostages' best chance of safe homecoming.

A RESPECTED LEADER SPEAKS ON EDUCATION

Mr. HRUSKA. Mr. President, recently the University of Nebraska regents spent the better part of 3 days discussing the economic, ecological, and social development of the State of Nebraska. One of the participants in these discussions was Mr. Thomas S. Nurnberger, Jr., president of Northwestern Bell Telephone Co.

Mr. Nurnberger's address to the regents emphasized the relationships between industry and institutions of higher education, with special reference to the unique advantages of midwestern colleges and universities.

In a day when much of the media's attention to higher education is tuned to demonstrations and riots, it is refreshing and enlightening to hear one of our most respected industrial leaders describe the intimate relationship between the educational institution and society's needs.

It may surprise some to learn that universities, such as the University of Nebraska, are still in the business of training and educating young people to assume the important functions of our society. They are not, as some would have us believe, simply providing an environment in which revolution and irresponsibility can be learned.

Our universities and colleges have always represented a critical resource to progress; progress in the arts, the humanities, the sciences, and industry. They are the incubators of this progress, and they provide the impetus toward the goals we all seek. Mr. Nurnberger discusses there matters with both skill and candor. I would hope that all the Members could have the benefit of his remarks.

I ask unanimous consent that Mr. Nurnberger's remarks at the University of Nebraska be printed in the RECORD.

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

HOW A UNIVERSITY CAN STRIVE FOR EXCELLENCE

(By Thomas S. Nurnberger)

When Chancellor Varner asked me some 10 days ago to come here this noon, I had real doubts that I was the man he wanted. On that particular day, I was just completing my second month on the job. But as you men have undoubtedly learned, he's a hard man to turn down. As I thought about it, the idea kind of appealed to me and now I consider it a privilege to be asked to come here, and to have the opportunity to express my views to a group of University of Nebraska Regents.

But before I get to that, I've put together a few facts and figures that I think will give you some perspective about the kind of a business I represent.

As some of you probably know, Northwestern Bell operates in five states: Nebraska, Iowa, Minnesota and both Dakotas. We're an Iowa Corporation. We do by far the largest percentage of our business in Minnesota . . . some 45% of it. Yet our headquarters are in Omaha. We employ about 26,000 people with about 4,600 of them in this state. Our total plant investment in Nebraska is something over a quarter of a billion dollars. In the last twelve months, we've spent about $76 million to run our Nebraska operation and pay our taxes. In that same period we've laid out another $33 million in capital expenditures.

In addition to Northwestern Bell, there are other Bell System partners operating in Nebraska. Western Electric, for example, our manufacturing and supply arm, has a multimillion dollar plant in Omaha that employs another 7,500 people.

TAXES AND BENEFITS

I mentioned our role as taxpayer. We're the state's largest, I believe. There are times when we think that's a dubious distinction, but we're not complaining . . . yet! However, we do have a heavy tax investment in the state's colleges and universities . . . about a million dollars a year, as close as we can figure. Like you, we want to see that money spent to bring the widest possible benefits to the state. Frankly, that's one of the reasons I accepted this invitation.

In talking about benefits to the state and relating it to the University, I guess it's only natural to think first in terms of the

quality of your product, the graduating senior that we see when we visit your campuses. I don't want to dwell on this because I'm sure you know the strengths and weaknesses of your various departments and colleges far better than I do. But I would like to observe that you're being entrusted with one of the most important functions that any group of men in the state is asked to take on . . . namely the education and preparation of our best young people. And while I've said that it's not my purpose today to be evaluating the strengths and weaknesses of the University, I'm sure you know that a business like mine has a great deal of interest in this subject. It's extremely important to us, for example, that your engineering college or your science and math departments be able to attract and they be equipped to provide an education that is literally second to none.

We'd like your faculties to be known and recognized for their research leadership. We think it would be great to have them available as a resource to do consulting work with business and industry. To put it plainly, I am concerned that the University of Nebraska gain and maintain a widespread visibility and reputation for excellence.

Now I don't really expect to get any argument on that. But maybe my reasons for wanting the University to have a reputation for excellence are slightly different from yours. So let me spell out a little more clearly what I mean. As a businessman, I'm interested in economic growth. When you talk economic growth today, for the most part you're saying either attraction of new business and industry or development and expansion of existing industry or both.

WHAT A UNIVERSITY CAN DO

Let's take the attraction of new industry as an example and see how a university with a well established reputation for excellence can affect the economy of a community or even a region.

It's common knowledge that many businesses located in the highly congested supercities of our nation are getting fed up. They're tired of fouled up transportation, poor labor markets, polluted air and water, crowded cities, and you name it. They're beginning to look around with considerable interest at places "out in the sticks."

Some of these industries are described by the economists as "foot-loose industries." In other words, they aren't tied to a given area or region of the country by virtue of dependence on raw materials or market. Electronic component manufacturers, precision instrument companies, computer related industries and many others all fit the description. Well, what do they look for when they're considering a new plant location? One of the first things is probably labor supply. Does the University have a responsibility in this field? The answer is pretty obvious. If it's a technically oriented industry, its management will be interested in the caliber of engineers and science and math grads they can hire. They'll be interested in continuing education opportunities for the personnel they bring along. Graduate degrees. Educational opportunities for other members of the family. Vocational and technical training. Research. Consulting assistance. And on and on.

Along with labor supply, they'll be interested in things like plant sites, taxes, government attitude toward business, transportation, utilities, environmental control and so forth. Can the University be of service in improving the attractiveness of these features? The answer is again a resounding yes. Research projects on city planning, tax reform, industrial park development, transportation studies, air and water pollution studies . . . all are the proper province of a research-minded university. And the extent to which the University develops expertise or excellence in these fields determines the extent of its actual influence.

Once an industry has satisfied itself that its basic needs can be met equally well in any one of several communities or regions, the selection process narrows to the amenities of life . . . cultural attractions, symphony orchestras, theater, art, even zoos, and without doubt, recreational facilities. Again, it's obvious that the alert and dedicated university can play an important role in serving the community.

ADVANTAGES THE MIDWEST HAS

I mentioned earlier the disenchantment that some industries are experiencing at their plant sites in the larger metropolitan areas. Let's think just a minute about some of the natural advantages that we have in the midwest. Plenty of uncrowded and relatively inexpensive land. A good supply of workers who aren't afraid to work. An environment that is largely (though not completely) free of water and air pollution. And Nebraska has one of the greatest underground water reserves of any state in the nation. A central location. An abundance of good transportation facilities . . . air, water, railroad, trucking.

I'll personally attest to one advantage in Nebraska that I'll bet not many of you think about if you've never been away from here. I thought about this for two years while I was with Indiana Bell. And when the opportunity presented itself to come back to Nebraska, one of the greatest appeals was recreation . . . hunting and fishing and golfing and the proximity to good skiing. Now if you're not a sportsman, maybe this wouldn't be such a big factor, but I know it was to me. And I think when companies are considering location of a plant or an office . . . after all the primary considerations like labor and raw materials and market are considered . . . quite often the top man starts rationalizing a few things and his recreational interests have a way of getting into the picture.

In short, what I'm saying is that where we used to be considered "out in the middle of nowhere" I think we're now being rediscovered as being "right in the middle of everywhere." The TWA, AA and Eastern route allocations by the CAB this week underscore this. And gentlemen, that's where the role of a dynamic university comes to the fore. You can be the planner, the catalyst, the coordinator, the consultant that attracts things our way.

Now, I'd guess that right about now some of you might be thinking, "What in the Sam Hill does he think we've been trying to do over the past few years?"

Well, let me say this. Businessmen are not unaware of what you've been doing and trying to do. We know that you're conducting economic research and developing a data bank in connection with the center for urban affairs at the Omaha campus. We know about and applaud the establishment of permanent off campus quarters—to improve the quality of instruction at inner city schools—on North 16th Street in Omaha. We're pleased at the tremendous progress of the medical school in Omaha. We know about and sympathize with the problems you face in trying to construct a new Law College building on the Lincoln campus. We congratulate you on the adult education program offered at the College of Continuing Studies in Omaha. We were aware that you took a hand in trying to find new job opportunities for displaced packing house workers. We know you're trying more and more to involve the University in the problems of the cities. And we've seen what you can do in the development of agri-business products and processes. So, gentlemen, we know you're not sitting on your hands. We commend you for this kind of involvement and hope we'll see even more of it in the future.

PROBLEMS TO CONSIDER

Earlier I said that being out in the "middle of everywhere" has some great advantages. But let's not forget that it also has some associated problems. Lack of a concentrated population, for example, does limit the market potential for some types of business. This means our greatest appeal will be to industries that have a high "value added" potential. Or it means that the industry's product must be small or light in weight so that transportation costs don't put it at a competitive disadvantage. As I mentioned earlier, electronic components manufacturers, precision instrument companies and similar businesses are among the "naturals" for our territory. But again, these are the businesses that are most demanding of technical back up. They're the ones whose employees are among the most demanding of "excellence" in the schools they'd like to attend. They're the businesses that "rule out" any location that can't fill this bill.

A couple of examples that you're probably all familiar with are M.I.T. and Cal Tech. The economic growth they've attracted to their area is tremendous. The University of Michigan is another that on a less dramatic scale, is busily doing the same thing.

So, if there's one thing I'd like to urge you to do it's to take a very careful look at your engineering school and your math and science departments. I'm aware, of course, of the building going on right now, but I'm talking about more than a building. And I'm convinced the investment you put there will come back to you in spades.

At the start of my talk I mentioned that my company has over a quarter of a billion dollars of plant investment in this state. A lot of that's in the ground or in buildings and it's here to stay. Our growth and our earnings in Nebraska are tied extremely closely to the economy of the state. During the decade of the 60's, annual personal income in the state (using constant dollars) grew some 57%. Our growth in telephones during the same period was just over 60%. It is clear that our growth parallels the growth of the state economy. A lot of other businesses are in the same situation.

I think you can see what I mean when I say an investment in University excellence which leads to growth of the Nebraska economy makes good business sense to a service business like mine. It would lead to expansion of the tax base, more jobs and better jobs for our residents and the retention at home of more of our best young men and women. All worthy objectives.

It's been my pleasure to be here and to have the opportunity to visit with you about this very important subject. Thank you for inviting me.

ADDRESS BY THE VICE PRESIDENT AT SPRINGFIELD, ILL.

Mr. SMITH of Illinois. Mr. President, I ask unanimous consent to have printed in the RECORD an address by the Vice President of the United States at Springfield, Ill., September 10, 1970.

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

ADDRESS BY THE VICE PRESIDENT

People of Illinois. This noon we formally open the national campaign to determine the leadership of the seventies—a campaign to determine which party will control the next Congress of the United States. This is, of course, profoundly important to the future of every American. Because the Illinois campaign is not an isolated campaign; and the election here is not an isolated referendum.

Here in Illinois, and across America this fall, there is occurring a second critical phase in the historic contest begun in the fall of 1968—a contest between remnants of the discredited elite that dominated national policy for forty years and a new national majority, forged and led by the President of the United States—a contest to shape the destiny of America.

Some months ago, discussing the bitterness and violence of the last decade, the *Wall Street Journal* wrote:

"The source of (America's) pathology is in the American elite.

"In any society the task of the elite is to supply the bonds that hold together diverse and potentially competing factions . . .

"Over the past decade . . . the American elite has not been protecting those social bonds but systematically assaulting them . . . the message pouring out of our most prestigious universities, our most respected media, our largest cultural centers, our most successful political party . . . (is) that American society is utterly undeserving of respect . . ."

As the stream of contemptuous commentary has poured forth from America's old elite—small wonder it has been embraced by the disgruntled who seek the reason for personal failure everywhere but in themselves.

The objective, then, of this campaign as in 1968 is not simply to win or hold offices; it is also to give America a new leadership of faith, courage and optimism. It is to replace those who moan endlessly about what is wrong with their country with men and women of the wit and will to stand up and speak out for what is right about America.

This means sending to Washington men of the character, courage and vision of Paul Findley, your Congressman—and Les Arends, the whip of the Republican Party in the House. It means returning Senator Ralph Smith to the Senate because he is needed by his nation, and because your country just cannot afford any more ultra-liberals in the United States Senate. There was a time when the liberalism of the old elite was a venturesome and fighting philosophy—the vanguard political dogma of a Franklin Roosevelt, a Harry Truman, a John Kennedy. But the old firehorses are long gone. Today's breed of radical-liberal posturing about the Senate is about as closely related to a Harry Truman—as a Chihuahua is to a timber wolf.

Ultraliberalism today translates into a whimpering isolationism in foreign policy, a mulish obstructionism in domestic policy, and a pusillanimous pussyfooting on the critical issue of law and order.

PEACE AND FOREIGN POLICY

Consider its record in foreign policy. While Congressional isolationists have ceaselessly prattled about peace, our President has been moving to achieve it.

Today, America is moving to ratify the Geneva agreements forbidding chemical and biological warfare. American negotiators in Helsinki and Vienna are working toward agreement to halt the arms race. America has reversed the course of involvement in Asia. Where the past Administrations sent 535,000 troops to Vietnam—President Nixon will have almost half of them home by next April.

These achievements, however, have not mollified for a second the caterwauling critics in the Senate. When the President ordered destruction of the enemy sanctuaries in Cambodia, the radical-liberals called his decision "ghastly." They said it would "increase American casualties,"—that it would "lead to the borders of China."

Though events have proven them all wrong, none has stepped forward to admit it.

We did not go "to the borders of China." We went 21 miles into Cambodia and were out in 60 days, precisely as the President promised. American casualties did not go up, they went down, precisely as the President predicted. Ten days ago, when I was in Saigon, American casualties had fallen to the lowest level in four years. And what on earth is "ghastly" about a decision that guarantees the withdrawal of American forces and saves the lives of American men?

One of the great questions Illinois will help to answer in November is this: What kind of men will determine America's foreign policy? Will it be Fulbright and his faction in the Senate? Or will it be stand-up Senators like Ralph Smith to help the President of the United States?

At the time of the peace-at-any-price demonstrations, a year ago in the streets of Washington, David Broder of the *Washington Post* wrote:

"It is becoming more obvious with every passing day that the men and the movement that broke Lyndon B. Johnson's authority in 1968 are out to break Richard M. Nixon in 1969."

Ralph Smith's opponent, should he win, would join the ranks of those benighted men; his election would strengthen that misguided movement. On the other hand, the election of Senator Smith would return to the Senate a man whose presence there strengthens the hand of a President who has brought us closer to a just peace than any analyst would have predicted possible twenty months ago.

LEGISLATION AND THE 91ST

In domestic policy as well, this campaign presents us with a clear choice—between the troglodytic leftists who dominate Congress now, and the moderate, centrist and conservative supporters of President Nixon—between the tried irrelevant Liberalism that made the Ninety-First Congress a citadel of reaction—and the New Federalism of the nineteen seventies.

Within the framework of that New Federalism, the President has proposed: consolidation of the multi-billion-dollar maze of Federal grants-in-aid; an historic overhaul of the chaotic, demeaning, bankrupt welfare system; an unprecedented sharing of Federal tax revenues with states like Illinois. Nearly a year ago, the President also proposed that a cost-of-living escalator be written into the Social Security Act to protect twenty-five million Americans from the scourge of rising prices. Last February he sent Congress the most far-reaching legislation any President has ever proposed to deal with air and water pollution. Not one of these initiatives has returned to the President's desk to be signed into law.

The President's adversaries in Congress apparently prefer *no* legislation to *new* legislation bearing the name of Richard Nixon.

My far-left friends in Congress never weary of telling me *they* are the Good Samaritans; that *they* are more sensitive to the needs of the impoverished; *they* are the chosen representatives of the poor.

Well, we believe in representing the poor too; and we do; but the time has come for someone also to represent the working-men of this country, the Forgotten Man of American politics; white collar and blue collar; and the President and I are applying for that job—just as Ralph Smith is applying for it here in Illinois.

That is why we have acted to increase unemployment benefits and extend them to nearly five million American workers; that is why the President proposed three billion dollars for manpower training; that is why new health and safety standards have been advanced—and enacted in mining and construction; that is why forty-six computer job banks have been established; that is why working families—as well as welfare families—would benefit from the President's family assistance program; that is why low-income workers have been exempted from Federal income taxes.

Rejected and written off by the old elite—the workingman has become the cornerstone of the New Majority. We are also asking in the election the support of the working women of America, whether they labor in home, factory, or office—or just breach the ramparts at McSorley's Bar.

There is a new deadlock of democracy today—between a progressive President, carrying out his mandate for reform, and a reactionary Congress in the grip of bitter men who forfeited that mandate. Look over the time cards of the Ninety-First Congress; they explain a great deal about its performance. In 1969, members put in only 50 to 60 percent of the hours they spent in session in the first year of Presidents Kennedy or Johnson. The Congressional goldbrickering has been monumental, and public esteem for Congress last March sank to its lowest depth in five years.

PORNOGRAPHY AND CRIME

Nowhere has this Congress been more derelict than in its ho-hum, business-as-usual attitude to the President's program to control and reduce the crime and filth in our society.

Sixteen months ago, the President proposed the toughest bill in the nation's history to uproot the corrupting influence of organized crime. The bill still sits there, languishing in Congress.

Fourteen months ago, the President asked unprecedented power for the Justice Department to crack down on the narcotics merchants who are growing rich destroying the lives of thousands of our young people. That bill, too, just sits there, languishing in Congress.

How many children, my friends, must we pick-up out of the gutters and alleys of our great cities, dead of overdoses of heroin, before Congress decides it's time to act?

Sixteen months ago, the President sent to Congress three measures to safeguard your homes and families from the pornographic filth being sent unsolicited through the mails.

Portions of one bill were written into the President's postal reform; but the others have been lost in the shuffle by an apathetic Congress.

How do you fathom the thinking of these "radical-liberals" who work themselves into a lather over an alleged shortage of nutriments in a child's box of Wheaties—but who cannot get exercised at all over that same child's constant exposure to a flood of hard-core pornography that could warp his moral outlook for a life-time. It's high time these ultraliberals put *their* priorities in order.

BOMBINGS AND "REPRESSION"

Last March, the President proposed that the transportation and use of bombs and molotov cocktails be made a Federal crime—with penalties to match the crime. People are dying today from these bombs—but Congress has yet to be jolted into action.

These bombings reached a new plateau of horror just last month with the death of the graduate student at the University of Wisconsin. The moderate *Wisconsin State Journal* said it well in a single paragraph:

". . . it isn't just the radicals who set the bomb in a lighted, occupied building who are guilty. The blood is on the hands of anyone who has encouraged them, anyone who has talked recklessly of 'revolution', anyone who has chided with mild disparagement the violence of extremists while hinting that the cause is right all the same."

On this question of domestic violence and disorder, I contend that the testimony of Ralph Smith's opponent disqualified him for the U.S. Senate.

In December of 1968, Senator Smith's opponent said that the report on the Chicago disorder:

"Speaks eloquently of the results of denying the parks for peaceful assembly and peaceful protest. The storm troopers in blue were the result."

Any public official, especially from the State of Illinois, who still believes the riots at the Chicago convention were the result of quote "denying parks for peaceful protest," has no business in the United States Senate.

Any individual who, in these times, will slander the men of the Chicago Police Force by calling them "storm troopers in blue," ought to be retired from public life.

In the last eight months alone seven policemen, men from that force this gentleman branded the "storm troopers," have died in the line of duty—most of them shot to death by urban terrorists.

And, by the way, it is certainly time that somebody stood up in a public forum and spoke the truth—that the enduring and grave injustice done by that convention was not done to the demonstrators in the streets; it was done to the good name of the great city of Chicago, and its mayor, Richard J. Daly.

Whenever the President or I raise the anti-crime issue the chorus comes back from Capitol Hill: "Repression, repression, the Nixon Administration wants repression." Well that's either slander or stupidity. No citizen who respects the law need fear anything from this government. No Administration is more committed to the civil rights of every American. But, the President's definition of "civil rights," encompasses the right of black Americans to be secure in the central city, the right of small businessmen to be free of violence at the hands of drug addicts, and the right of the women of this country to be free to walk the streets and parks without being attacked or molested by hoodlums and thugs.

Clearly those civil rights are not going to be restored until we get a new Congress that cares about law and order.

RESTORATION, RENEWAL AND REFORM

But there are Presidential initiatives that *have* succeeded on Capitol Hill; there are issues where Congress *has* been forced off dead center, thanks to the overtime of men like Senator Smith.

Selective Service has been reformed. The draft is now as just and equitable as we can make it, short of our dream and goal of a volunteer army. The United States Post Office has been completely overhauled. The food stamp program has been extended to cover nearly all of America's poor. Historic airways and airports legislation that will benefit businessmen and vacationing workingmen for generations has been enacted.

Not, for 120 years, since Zachary Taylor, has a first-term President taken office with both Houses controlled by hostile majorities. Even with this massive opposition, however, the President has been able to inaugurate a new era of restoration, renewal, and reform. Give him a Congress to work with and you will bring on an era of prosperity and progress, the like of which America has never seen.

THE ECONOMY

But it is about the economy that the weeping and wailing of the Congressional left-wing has been loudest—and least convincing. When President Nixon took office, the nation had run seven straight budget deficits totaling 57 billion dollars; prices were rising at the fastest rate since the Truman Administration; interest rates were the worst since the Civil War; a ten percent surtax had been imposed on business and labor; and the real take-home pay of American workers had not risen a dime in three years.

Today, much of that has been reversed. The surtax is gone. Short-term interest rates have dropped. The wholesale price index is declining. Business indicators are reading their best gains in 15 months. Inflation is being brought under control.

After twenty months, as America has moved away from war and toward peace, the President has steered the economy successfully over some rocky terrain. We appear to be back on the highway again. But we ought never to forget our narrow escape. When the President took the wheel in 1969, the economy had been clocked at well over a hundred in a thirty-mile zone and was headed straight for the cliff.

Because of the way they raced the engine of the economy, the ultraliberals in Congress should have had their licenses revoked in 1968. Until they demonstrate a little more judgment and a little more maturity, they shouldn't be given the keys to the car again.

For twenty months, the President has fought the unpopular fight for an honest budget—fought it against a fraternity of Big Spenders who will never be housebroken of the habit of spending more money than we can afford.

Last month Congress raised the President's education bill $453 million. They raised his housing bill—$541 million. When the President proposed an unprecedented ten-billion-dollar sewage treatment plan—the junior Senator from Maine rallied at his desk to raise him $15 billion. Now for that Senator, who is not widely known for advocating the taxes to pay for his spending schemes, playing with billions of taxpayers dollars can be a lot like playing Monopoly. Everybody has a good time, and nobody gets hurt.

The problem is when that Senator and his friends *did* have control of the Federal Budget in the nineteen sixties, tens of millions of Americans *did* get hurt and they are still getting hurt—because when that Senator and his friends thought they were playing with Boardwalk and Park Place, they were playing with the savings and income, the hopes and dreams, of the whole American people.

If this Congress is turned just 10 more degrees toward the Radical Left—then the President's efforts to protect your income and savings will be overridden, and the country will go off on another spending spree like the last one. Prices will shoot up; interest rates will rise; and taxes will go through the roof. And you will end up with a bloated bureaucracy in Washington that will make the featherbedding of the current big spenders look like the work force at the corner drug store.

If any of you are regular readers of the Liberal Eastern press—the organ grinders of the old elite—you will probably read on your editorial pages tomorrow "That terrible Mr. Agnew has done it again."

Don't let this bother you as, assuredly, it does not bother me. When you have been head-to-head with our Korean ally for six hours of tough negotiation—you are not likely to be stampeded off the range by an editorial writer for the *Washington Post*.

Let them run right up the wall. We are going to be out with the other "happy warriors" on the campaign trail this fall—roasting marshmallows along the way.

Long ago, President Lincoln wrote words with profound meaning for all of us today:

"The dogmas of the quiet past," he said, "are inadequate to the stormy present. The occasion is piled high with difficulty and we must rise with the occasion. As our case is new so we must think anew, and act anew."

And we too shall rise with the occasion; and we too shall think anew and act anew. For our goal is not less than to give the new men and the new thinking a crack at these challenging new times.

Yes, there will be hard going. There will be harsh criticism; there may be political casualties. But our cause is far more important than any individual who may be a part of it, including a Vice President.

And in this fateful collision of political philosophies, we can say as Churchill did in a collision of arms:

"I avow my faith that we are marching toward better days. Humanity will not be cast down. We are going on—swinging bravely forward along the grand high road—and already behind the distant mountains is the promise of the sun."

FEDERAL SPENDING POLICIES AND THE HOUSING MARKET

Mr. ALLOTT. Mr. President, the Wall Street Journal of September 4 contains a wise article on the relationship between Federal spending policies and the difficulties experienced by the housing market.

The article was written by Mr. Leif Olsen, senior vice president and economist of New York's First National City Bank. Mr. Olsen argues that it is mistaken to blame the housing slumps of 1966 and 1969 on tight money.

He does not doubt that tight money is bad for the housing industry. But he does not think that tight money policies just happen; no one thinks tight money policies are good for their own sakes.

Tight money policies are necessitated by a constellation of related Government actions. Many of these actions are of immediate concern to Congress. Mr. Olsen is especially cogent in reminding us all that the housing market may be adversely affected by monetary policies that will be necessitated by any large deficit in the current fiscal year.

So that all Senators may consider Mr. Olsen's argument, I ask unanimous consent that his article be printed in the RECORD.

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

EXPANSIVE POLICY AND THE HOUSING SLUMP

(By Leif Olsen)

In 1966 and again in 1969, the U.S. housing market slid into a steep decline. The popular diagnosis of these two severe contractions is that they were caused by Federal Reserve tight money policies.

You may well remember that the Federal Reserve was condemned by many for needlessly pursuing a deliberate high interest rate policy to the detriment of housing. In 1966, it was argued that commercial banks in the competition for funds enjoyed unfair advantages vis-a-vis the other savings institutions and this hurt the housing market. Increases in the commercial bank prime rate were almost always said to cause mortgage rates to go up, again to the detriment of housing. Heavy corporate borrowing in the long-term capital market in competition with mortgage borrowers was another element blamed for the problem of home construction.

Tight money episodes may indeed expose in the structure of the capital market some rough edges and sharp corners for mortgages. But the point I want to emphasize is simply this: For all of the finger pointing, for all of the accusations about who is hurting housing, for all of the complaints about a restrictive monetary policy, the real culprit was the overly expansive monetary and fiscal policies followed from 1965 through 1968.

But this idea is a long way from replacing the widely held Populist view that a sure-fire way to lower interest rates is simply to rapidly increase the supply of money. This Populist argument is heard on every street corner when restrictive monetary policies are applied as a remedy to inflation. You hear it

from elected officials, the general public, representatives of organized labor and many businessmen. But this idea has been refuted, not just in theory, but in experience. The truth is that a rapid acceleration in the rate of increase in the money supply leads initially to a moderation in interest rates but after a time causes higher rates. This concept is now accepted and understood in the capital markets.

The Populist theory confuses the cost of credit with the value of money. By rapidly increasing the supply of money, you can certainly cheapen the value of money as you can cheapen the value of any commodity if you sufficiently increase its supply. But the value of money is not measured by interest rates. The value of money is measured in terms of the amount of real goods and services that it can buy.

The cost of credit is something entirely different. This is the price of a service. A cheapening of money is manifested in terms of an increase in prices, and as prices rise people seek and demand more and more credit. They want to borrow money because they feel it is advantageous to invest that money or to buy real assets because prices are rising. As the demand for credit goes up, the price for that service—namely interest rates—also rises. You simply cannot reduce interest rates by pursuing an ever-accelerating increase in the nation's money supply. This is a little like trying to smother a fire with gasoline.

The only way to bring about a reduction of interest rates is to pursue a restrictive monetary policy to increase the value of money by slowing down the rate of price inflation. Suppose the Federal Reserve, during the past 18 months, had continued to pursue the same rate of expansion of money as in 1968 or accelerated that expansion. Would you doubt that the rate of inflation today would be even higher than what we are experiencing? Would you doubt that interest rates instead of moderating, would be higher now, and perhaps rising rapidly?

Let me go back in history for a moment to pick out where concern for the mortgage market and the housing industry should have started. In 1966—the year of the credit crunch—interest rates, both long- and short-term, peaked out in late August to about mid-September in response to the monetary restraint that later produced the mini-recession of 1967.

Monetary policy shifted from restraint to expansion in early 1967. That shift has gone down in the record books as one of the most abrupt and excessive we have ever experienced. Money supply, which had declined slightly from April through December, then grew at an 8% annual rate in the first six months of 1967. Now here we have a case where the Federal Reserve was being very generous in supplying reserves to the banking system. More money was being made available, and one would expect that interest rates should decline. But instead long-term interest rates bottomed out in the first quarter after a brief period of decline. Long-term capital issue rates in the market began to rise more rapidly and they continued right into 1968.

It was in early 1967 that the future problems of the housing industry began, and at that point it was foreordained that the housing market would ultimately pay the price for the overly expansive monetary and fiscal policies then being pursued. At some point, the monetary printing press would have to slow down. At some point, we would have to draw the line on inflation. When that occurred, as it did in 1969, the long-term credit market, notably mortgage lending, by its very nature, would bear the brunt of the change in direction.

This, of course, is history but it is still relevant today. The U.S. economy experienced a mild recession this year. Now there is no agreement about how soon or how much the economy will recover. Those who doubt that the economy will experience any significant recovery have been urging more expansive monetary as well as fiscal policies.

Some economists are already urging an increase to 7% in the rate of growth of the money supply, close to the rate of increase in the first half of 1967 when so much of today's inflation received its initial push. These economists have criticized the Federal Reserve Board's target of 4% to 5% as being too low. What we know about monetary policy is that when the rate of growth of money accelerates, as it has this year over last year, it will result in an increase in the rate of growth of the economy with a lag of some six to nine months. And, in fact, recent evidence suggests that the response is coming through right on schedule. We cannot, however, be so confident about the degree of the response. Therefore, it is a risky game to step harder on the monetary accelerator.

While money is important, the role that Government spending plays in maintaining economic stability should not be minimized. One of the reasons for the very expansive monetary policy of 1967 was the fact that the Federal Reserve felt compelled to provide for the financing of the extraordinary Federal deficit of over $25 billion that surfaced in fiscal 1968.

If Congress pursues an expansive spending policy that enlarges the deficit in the current fiscal year and beyond, the Federal Reserve may once again feel that it must satisfy this extraordinary demand for money on the part of the Federal Government. On the other hand, if the deficit is not financed by a more rapid growth in bank credit, then it will have to be financed in competition with private borrowers including mortgage borrowers. A tight spending policy is the most constructive policy Congress can pursue if it wants to do all it can to help housing.

I find it rather curious that even as inflation begins to lessen, imaginative lawmakers and economists become very busy designing direct controls and structural changes to try to protect housing and other sectors from the pressures of anti-inflationary policies. It would make more sense to try to avoid the causes of inflation rather than build into our economy accommodations to inflation. We may very well have future periods of inflation. But if we understand that excessively expansive monetary and fiscal policies cause the inflation in the first instance, shouldn't we make a strong effort to avoid these policies?

Some structural changes in the mortgage and savings market are probably needed. Some kind of variable rate for outstanding mortgages could help to provide future strength to lending institutions and provide greater stability to the mortgage market.

It is worth remembering when we talk about the uneven impact of inflationary interest rates that the new home buyer gets a lot of sympathy. It is seldom pointed out that the millions of home owners with fixed-rate mortgages taken out more than five years ago have enjoyed a decline in the proportion of their income assigned to mortgage payments.

But what blesses one during inflation, penalizes another. Fixed rates limit the rise in income to mortgage lenders and thus cripple their ability to compete for savings during tight money periods. As a consequence, we have interest rate ceilings which aim at equalizing the ability to compete for the public's money. But such ceilings invariably are set to accommodate the weaker institutions. Then you get efforts by others to get around the restraints. One method has been to set up a housewares department on the banking floor and to supplement cash interest payments with kitchen utensils, television sets and small appliances. This is an excellent example of how controls distort markets and create inefficient and costly practices.

The severe difficulties of 1966 and 1969 have had a marked influence on the thinking of mortgage lenders and home builders. The general tendency is to seek changes or selective controls that will protect housing from the effects of tight money. However, it would be a serious mistake if, in reaction to the events of the recent past, new controls were introduced that would further impede the efficient functioning of free markets. When you look around at the chaos caused by present restrictions, the housewares, the "free" gifts, the absence of mortgage lending at any price in some communities, then your response should be to get rid of existing controls and ceilings instead of building new ones. And instead of seeking to accommodate inflation and high interest rates, we should seek to prevent new waves of inflation from occurring.

JAPAN IS FIRST BILLION-DOLLAR MARKET FOR U.S. AGRICULTURAL PRODUCTS

Mr. BELLMON. Mr. President, today the country of Japan was honored at a luncheon given by the National Grain and Feed Association because of the unique position Japan has achieved in becoming the first billion-dollar market for U.S. agricultural products.

This was truly a significant occasion because it also served to point up Japan's desire to increase trade between our two countries. As one who is vitally concerned about the agricultural economy of the United States, I was greatly encouraged by the statement by Ambassador-Designate Nobuhiko Ushiba that Japan is endeavoring to remove all unnecessary barriers to international trade. His announcement that by this time next year, residual import restrictions will be removed on more than 50 additional items is certainly good news for American producers.

Mr. President, the $1,100 million in farm products that we sold to Japan during the past year represents more than the total value of all farm products in the State of Oklahoma. It represents production from an estimated 10 million acres of land.

The country of Japan, its Government, and its citizens deserve the highest commendation for being such good customers for American farmers and ranchers.

Credit also must go to the trade associations of the wheat, soybean, and feed grain industries for the splendid job they have done as salesmen for these products.

The U.S. Department of Agriculture should be recognized for its aggressiveness in helping to create a climate which has made this kind of trade possible.

Finally, we should compliment American agricultural producers for adopting methods that have made our products competitive in world markets.

With the growing prosperity and the increasing population of Japan, this mutually beneficial trade will continue and grow.

Unfortunately, a very small amount of the trade between the United States and Japan is represented by commerce in

beef, and I feel strongly that the removal of restraints against the importation of beef by Japan from this country would be of immense value to both countries. It is my hope that the "continuous and irreversible movement" toward the removal of trade barriers which Ambassador Ushiba spoke of will lead to the relaxation of these restrictions on beef imports.

Mr. President, in order that Senators may appreciate the full significance of the milestone which has been achieved in international trade, I ask unanimous consent that the remarks of Ambassador Ushiba and Secretary of Agriculture Clifford M. Hardin, which were made today, be printed in the RECORD.

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

REMARKS BY AMBASSADOR-DESIGNATE NOBUHIKO USHIBA

Secretary Hardin, other leaders of the Administration, distinguished members of the Congress, leaders of American agriculture, ladies and gentlemen, I appreciate the words of tribute to Japan and the warm welcome to Washington. I want to add my word of appreciation to the National Grain and Feed Association, our hosts for this occasion.

Mr. Secretary, for me, in many respects, coming to Washington is like a reunion with old friends, and I am pleased to see that so many of mine have prospered and advanced. I am glad to say that many of the leaders of American agriculture are longtime friends of mine. Assistant Secretary Clarence Palmby and I have had several occasions in the past, while he was with the U.S. Feed Grains Council, to work together. Mr. Carl Campbell, of the National Cotton Council, and I have known each other for over 20 years and had many fruitful conversations about American cotton, and there are others whose friendship I am looking forward to renewing.

I am happy that my first public speech after arriving in Washington is at an event to commemorate such a significant milestone, the fact that Japan has become the first billion-dollar customer for the United States agriculture. I might add that forestry products are not included in that figure, and if they were added, agricultural and forestry product sales to Japan would have exceeded $1.5 billion.

While in one sense Japan is the honoree today, the real honorees are the American farmers and their (as I would call them) "supersalesmen." American agriculture in a number of commodities is competitive in price and quality, and importantly for Japan, on a continuing basis. And, as the affluence of the Japanese consumer increases, the demand for more and better increases. For example, present per capita consumption of red meat is only 17 pounds per year. To grow more red meat, more grain, mostly from the United States, will be necessary. Bread is another item of increasing importance in the Japanese diet, increasing the demand for wheat, again substantially from the United States. The market for soybeans, your biggest agricultural export item, is also expanding in Japan. During the 1960's Japanese consumption of United States soybeans increased 115 percent; wheat 120 percent; feed grains just more than 400 percent. It is my sincere hope that these agricultural products will continue to be supplied to Japan on a stable basis in the years to come.

Your agricultural marketing experts, many of whom are present at this luncheon, have served the Japanese market well. Their innovative ideas, such as the promotion of the livestock and poultry industries as a means of increasing demand for United States feed grains, have contributed to the increased sales of American agricultural products in Japan.

In the broad perspective, today's commemoration is also a tribute to the policy of free trade which has been mutually beneficial to both our countries. Each is the other's best offshore customer. The United States has been for years in the foremost leadership position in seeking free world trade. This policy has worked well for both countries. During the past ten years, for example, Japan imported $21.4 billion worth of American products and exported $24.1 billion worth of Japanese products to the United States. In the first seven months of 1970, according to United States Department of Commerce figures, United States exports to Japan are up 46 percent and imports from Japan are up 18 percent compared with the figures for the corresponding period of the last year. The 46 percent increase in sales to Japan is more than twice the 20 percent average increase in American exports to all countries. These figures accurately indicate the importance that each country's market is to the other, and they also indicate a significant strengthening of the U.S. balance of trade position.

A continuation of free trade policies is essential if the successes of the past decade are to be exceeded during the 1970's. By free trade, I mean free trade in all countries. Although Japan had to establish artificial barriers to trade during its reconstruction period, it is incumbent upon Japan, now that the Japanese economy has emerged as the second strongest in the free world, to remove all unnecessary barriers to international trade.

I am happy to say that, at a time when many countries of the world are erecting or threatening to erect new trade barriers, Japan is removing its trade restrictions. On September 11, my Government announced a new accelerated schedule for trade liberalization. By the end of September, 1971, residual import restrictions will be removed on more than 50 additional items. In 1963 Japan had more than 200 such items. It had been reduced to 121 by 1968. According to the new schedule, in years time, the number will be drastically reduced to fewer than 40, which compares favorably with those of other industrial countries. I know that this has not been done as rapidly or dramatically as some of our foreign friends would have wished, but *it is a continuous and irreversible movement.*

As you might imagine, the affected industries have resisted the liberalization, but the Japanese Government has been persistent. In political terms, increased liberalization at home while Japanese products are discriminated against in European and other markets has been controversial. The question is often asked by Japanese businessmen, "Why should Japan liberalize at a time when other countries are establishing new trade barriers?" But the consensus in Japan is that trade liberalization must continue in Japan's own interest, in order to effect the most efficient allocation of resources—and this is why it will be carried out notwithstanding the objection of some of the Japanese interests that are affected.

I think that Japan and the United States have in the past few years reached a new relationship; as statesmanship has defused some of the political explosive issues, the focus of attention is now being placed increasingly on economic problems, which are bound to arise in a relationship between two countries enjoying the volume of mutual trade of nearly $10 billion. It is, however, not easy for us to grasp full implications of this development or to find out how to tackle these problems. At any rate, it is essential that decisions be generated out of the inner life of Japan and not appear to be dictated from abroad. In my opinion this is a healthy development, which will strengthen our friendly relationship of mutual respect and trust, and create the circumstances in which to work out differences.

In closing, Mr. Secretary, I want to note that your "supersalesmen" have not been content with reaching the goal of selling $1 billion worth of agricultural products to Japan. They exceeded it by over $100 million. It seems to me that they are well on their way to selling Japan $2 billion worth of American farm products. Knowing many of them as I do, I am sure they will in typical American fashion reach that goal ahead of schedule, and I am already looking forward to commemorating that event.

REMARKS OF SECRETARY OF AGRICULTURE CLIFFORD M. HARDIN

Mr. Ambassador, Minister Yoshino.

Distinguished Members of Congress, embassy guests, leaders in American agriculture and the councils of international trade.

Mr. Theis and others of the National Grain and Feed Association—our hosts on this memorable occasion.

We are here to celebrate a landmark year in agricultural trade relations between our two countries.

We do this in optimism that the success we celebrate will continue and grow.

We do this in recognition that trade is essential to good living in both of our countries.

And we do this in tribute to a remarkable island people whose energy and productive genius have made this observance possible.

The Japan story is without precedent—without parallel.

The Japanese economy is the third largest in the world—and growing at a rate that is unmatched by any nation in history.

In the 1950's, Japan's gross national products grew at a rate approaching 10 percent a year.

In the 1960's, it rose at an annual rate of 11.4 percent.

In recent years, the pace has quickened still further—to above 13.5 percent in the past two fiscal years.

This growth in the Japanese economy has paralleled that nation's growth in trade.

In the years between 1960 and 1965, Japanese shipments in world trade more than doubled. By 1969, they had almost doubled again, reaching $16 billion. Shipments to the United States increased in those nine years by more than four times—to $4.9 billion.

Of course, these figures are important only if they benefit people. And when you apply the yardstick to better living and family prosperity the Japan story is just as dramatic.

The Japanese householder's disposable income has more than tripled since 1960.

His demand for meat, milk, and eggs—a good "horseback" measure of consumer prosperity—has increased by more than four times in 15 years.

He is diversifying his eating habits as his income goes up. For example, per person consumption of wheat flour in this traditionally rice-eating society has increased by 30 percent in a decade and a half.

It is this remarkable economic rise—plus an equally remarkable ability of American agriculture to produce efficiently the food and feedstuffs demanded by increasing affluence—that have brought us together at this luncheon today.

Ten years ago, Japan's agricultural imports from the U.S. were $440 million. In the fiscal year just past, they were more than twice as great—nearly $1.1 billion.

That's good! But we think Japan can do even better. And we're going to be pushing

you to do it. I still think, Mr. Ambassador-Designate, that it would be to Japan's advantage and ours to entirely remove your duty on soybeans.

But agricultural exports are only one aspect of a beneficial trading relationship that can be summarized very simply: In terms of total exports, the United States is Japan's best customer, and Japan is the United States' best off-shore customer.

As you might expect, two-thirds of U.S. shipments to Japan last year were raw materials, mineral fuels, and food-stuffs while 90 percent of Japan's shipments to the U.S. were manufactured goods.

But this is the basis of beneficial world trade—an exchange of goods based primarily on production efficiency.

It is this principle that led Japan to look to efficient producers on the broad farm lands overseas for the feed grains needed to satisfy its people's rising demand for livestock products.

As a result, imported feed grains have triggered a rapid expansion of Japanese livestock production. This has brought Japanese consumers more meat and poultry at better prices; it has opened opportunities for Japanese farmers for new and profitable livestock enterprises; it has meant an important and expanding feed grain market for world agriculture.

And I am happy to say here that it has been particularly important for U.S. agriculture, which shipped more than 6 million tons of feed grains to Japan last fiscal year—just about one-third of our feed grain exports. The dollar value of U.S. feed grain exports to Japan last year was $335.5 million, a dramatic contrast to shipments of $13.7 million in 1960.

Soybean and wheat exports to Japan have also gone up dramatically. In 10 years, soybeans increased from $103 million to $251 million—wheat from $54 million to $136 million.

In fiscal 1970, we supplied Japan with more than two-thirds of its imports of fats and oils, and of feed grains; more than half of its wheat, and hides and skins; Japan took nearly half of our lemon exports. Japan is our best cotton customer, taking one-fourth of its cotton from us. We sold Japan $50 million worth of tobacco last fiscal year, up almost 40 percent from the previous year.

Almost the whole range of U.S. farm commodities finds Japan a leading customer.

Japan wants, needs and can afford these products, and the U.S. can supply them in any system of international trade in which price quality and availability are the primary factors.

I am not here to tell you that we have no problems. I am not here to pretend that all questions relating to market access have been solved. But I can tell you that I am optimistic that we can resolve any differences—and that trade between our countries will continue to grow. As far as I am concerned, the record of the past year is simply a new "take-off" level, and I will do everything I can to make that proposition come true.

And now, Mr. Ambassador-Designate, may I take a few moments to recognize the U.S. farm producers and marketers who have contributed and are contributing so much to trade between our countries.

In a world of competition, export expansion means salesmanship and service as well as price, quality and availability. The producers and marketers of the major U.S. agricultural products have understood this, and they support some 68 private trade organizations formed to develop markets overseas in cooperation with the Department of Agriculture. This is, of course, a mutual effort—with many strong Japanese organizations bringing to it their special knowledge, their special abilities.

Today, I want to recognize with a special certificate the producers and marketers of three U.S. commodities who have, through their trade organizations, maintained offices and market development programs in Japan for 10 years or more, and who last year, among them, exported two-thirds of our agricultural exports to Japan.

For the feed grain industry:

Mr. Clayton W. Johnson of the U.S. Feed Grains Council.

For soybeans:

Mr. Leslie Tindall of the American Soybean Association.

For wheat:

Mr. Don Woodward, representing Western Wheat Associations and Great Plains Wheat, Inc.

Mr. Ambassador-Designate, before I take my seat, I give you a special welcome to this country—on behalf of my colleagues and American agriculture. You have our best wishes for a most successful and enjoyable tour of duty in the United States of America.

DISARRAY OF INSTITUTIONS OF HIGHER LEARNING

Mr. ALLOTT. Mr. President, the Wall Street Journal of last Wednesday contains a very intelligent letter to the editor.

The author of the letter is Mr. Charles M. Blair, of Fullerton, Calif., and he comments on an essay by Prof. Robert Nisbet, which was published a few weeks ago in the Journal. When Professor Nisbet's essay appeared, I was pleased to have it printed in the RECORD. Today I wish to share with Senators Mr. Blair's comments on that essay.

Mr. Blair suggests that Professor Nisbet left out one major culprit when he was listing the persons and institutions that have contributed to the current disarray of our institutions of higher education. According to Mr. Blair, "the real culprit is the Congress of the United States."

Mr. Blair believes that Federal largess has distorted the natural and orderly growth of academic institutions.

His charge is serious. If true, we here share a large burden of guilt for the condition of our colleges and universities. I ask unanimous consent that the letter be printed in the RECORD.

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

CONGRESS AND THE CAMPUS

Professor Nisbet ("The Restoration of Academic Authority," Aug. 19) very correctly attributes the widespread disturbance on our campuses to the breakdown of institutional authority, but I regret that he did not go further and identify the cause of breakdown.

He does refer vaguely to "liberalization of traditional authority," weak college presidents and the faculty tenure system. But universities have lived with these faults for centuries. Actually, the real culprit is the Congress of the United States.

Federal programs of recent years have had a sudden and devastating effect upon the institutions of higher education, diverting their purposes, perverting their values, emasculating their administrators and effectively eliminating liberal arts education in this country.

Following Sputnik in 1957, Congress accelerated appropriation of large sums of money for the expressed purpose of improving higher education and furthering research in all fields through use of Federal grants. These sums were—and still are—administered by agencies such as the Department of Defense, National Science Foundation, Atomic Energy Commission and National Institutes of Health. Within a short time these grants were being dispersed at the rate of approximately two billion dollars per year.

The overwhelming alteration of our educational institutions by these programs arises, perhaps, not so much from the very large sums involved as from the method of their allocation. Generally, the grants have been made directly to individual investigators for research or study on specific projects. Grants to schools—so-called "institutional grants"—which are not project-directed and which are administered by the institution in the traditional way have been relatively few.

The effects of these huge project grants handed out on an individual basis should have been easily foreseen. The faculties have stampeded to the trough in Washington, leaving behind the student and the university. The former has become a distracting nuisance and the latter a bumbling landlord. If the dean presumes to insist on the professor meeting a few undergraduate classes, the latter can, if he is displeased at the idea, take his grant, graduate students and equipment and move to a more permissive campus.

Compared to students of earlier times, those of today are much more numerous, more aware of current issues, less experienced in interpersonal relations with the adult world, over-exposed to a diversity of unqualified statement and opinion and less fixed in their values and judgment. They are especially needful and desirous of thoughtful and educated views and interpretation from adult scholars. Yet they have been arriving on campuses which are generally not disposed to provide such liberal arts education and are lacking in the central authority to control the resulting student malaise.

CHARLES M. BLAIR.

FULLERTON, CALIF.

MARK TRICE

Mr. RUSSELL. Mr. President, I wish to join in recognizing and saluting my warm friend, Mark Trice, on the occasion of his completion of 50 years of service to the U.S. Senate.

Having spent more than half my life as a Member of this body, there are times when I begin to feel like one of the old-timers here. However, this feeling is quickly dispelled whenever I recall that Mark Trice had already been here over 12 years when I arrived as the Senate's youngest Member in 1933.

Mr. President, half a century of service to any institution is a noteworthy accomplishment, but service to the greatest deliberative body man has ever known for that length of time is truly outstanding. On the floor of the Senate, men and events have collided to shape the events of our time and Mark Trice has not only been a close observer, but also an active participant. The impact of his service as an adviser and confidant of Senators reaches further than we realize.

History would assuredly be served if he would chronicle his recollections and experiences and I join others in suggesting that he should undertake to write a book.

Mr. President, Mark Trice is a man who does his duty with diligence, devotion, and intelligence and has earned the admiration and respect of countless Senators on both sides of the aisle. May I join in extending to him best wishes for many more years of successful service.

PREFERENTIAL TREATMENT FOR TRANSIT

Mr. ALLOTT. Mr. President, Mr. W. W. Owen, president of the City Transit Co., of Dayton, Ohio, is one of the most respected transportation experts in this Nation.

In his presentation, entitled "Preferential Treatment for Transit," which he made at the American Transit Association midyear conference in St. Paul, Minn., Mr. Owen made an outstanding case for preferential treatment for transit vehicles in metropolitan areas.

He was instrumental in the steps which the city of Dayton and two of its suburbs took recently to speed up bus service in the metropolitan Dayton area. Mr. Owen's suggestions are practical and effective. So that all Senators may have the benefit of his wisdom, I ask unanimous consent that his speech be printed in the RECORD.

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

PREFERENTIAL TREATMENT FOR TRANSIT

Mr. Chairman, gentlemen: My comment regarding the broad subject of preferential treatment for transit will be narrowed down to the simple, inexpensive, and unglamorous, but basic proposition of giving ordinary buses the right-of-way on ordinary city streets. The objective is to upgrade the bus and upgrade the status of the bus rider in the general movement of traffic. This action would recognize the bus rider as the greatest contributor to the expeditious movement of general traffic and the least contributor to air pollution. Giving buses the right-of-way is in keeping with a statement that appeared in a United International Public Transport publication some time ago, as follows: "The person who makes the greatest contribution towards the relief of traffic congestion is not the traffic engineer, the town planner, or the builder of new roads, but the passenger traveling in a public means of transport, who is satisfied with sufficient room for one, instead of a seat in a car which takes up 70 square feet of road space." This statement comes from Europe where they have small cars; in America, the 70 feet would change to 120.

All but the extremely modern and far-sighted traffic engineers devote their energies to the movement of general traffic with no selective priority. A public bus carrying 50 passengers is required to move at the same pace in the general traffic pattern as the swarms of private automobiles which cause the congestion, and carry but one or two people. When the traffic engineers make traffic counts they count a bus the same as an automobile—they consider the number of vehicles—not the number of people. Only within the last year or so has it dawn on them that it is people with whom we are concerned, not vehicles.

More than 30 years ago, A.T.A. published a 32-page booklet entitled "Moving the Masses—in Modern Cities." This booklet talked then about the very things we talk about now—except air pollution—that has been added. The facts were impressive. There is no date on the booklet, but it was published during the administration of Charlie Gordon as Managing Director, and this has been a while back. Its teachings were disregarded for all these years while the American cities have done everything they could think of to encourage use of the private automobile. Now that we are being smothered with bad air and stopped dead in traffic, we are opening our eyes just a bit to the catastrophic results of our mistakes.

Any conveyance carrying people should be given preferential treatment in the movement of traffic in direct proportion to the number of people carried or waiting to be carried by that conveyance. Should a bus occupied by 50 people be given no more consideration than an automobile occupied by 1½? The bus right-of-way provides a means of shifting recognition from the automobile rider to the bus passenger. This is so simple and economical that it is apt to lose favor with some of the glamour seekers because it is so obvious and inexpensive. The idea of public transit riders having the right-of-way goes back to the streetcars, when every city in which they operated gave them the right-of-way by ordinance. In spite of the difference in flexibility between the streetcar and the bus the basic reasons for giving the public conveyance preferential treatment in general traffic still prevail, and because of the tremendous increase in private automobiles, become even more impelling.

When city after city converted from streetcars to trolley buses not one had the foresight to transfer the provisions granting preferential rights to the users of streetcars to the users of trolley buses, and this might have been done at that time. We transit people were content to accept the flexibility provided by a range of 12 feet on each side of the trolley wire as assurance of getting through—just like an automobile—and that is exactly what we have been burdened with—just like an automobile. Only buses have to make frequent curb stops, and an automobile doesn't. Running trolley buses, or motor buses for that matter, was going to be a lead pipe cinch. I remember a short movie put out by General Electric, which showed a tired, harassed, streetcar executive, worn and frustrated with his problems. Then, after his company converted to trolley buses, this same executive was relaxed, 20 years younger, happy and contentedly playing golf, his problems having vanished. Unfortunately, it didn't work out that way. Vehicle drivers were afraid to take undue advantage of a streetcar, but they readily abuse the flexibility of a bus.

The City of Dayton was the first city to recognize these facts and again grant the right-of-way to public transit by such an ordinance, passed last November. The adjoining cities of Kettering and Oakwood, did likewise this spring. The right-of-way for buses is, of course, not in the same degree as for emergency vehicles such as the police and fire, but it does raise the standing of the bus—and the people in it— to a higher level than the private automobile and truck. For example, in Ohio we have a statute giving a funeral procession the right to proceed uninterruptedly.

Therefore, a bus would not have the right under our ordinance to cut through a funeral procession. But, our ordinance does give the bus the right-of-way over other traffic not specifically granted such rights by ordinance or statute, and this includes a lot of automobiles under a lot of different traffic conditions.

In the framing and application of a right-of-way ordinance for buses it is extremely important to remember the legal definition of right-of-way. I haven't checked this definition in other states, but I think it is a fair assumption that they all follow a similar pattern. In Ohio, the statutory definition is: "Right-of-way means the right of a vehicle, streetcar, trackless trolley or pedestrian to proceed uninterruptedly, *in a lawful manner*, in the direction in which it or he is moving in preference to another vehicle, streetcar, trackless trolley, or pedestrian approaching from a different direction into its or his path." The words, *"in a lawful manner,"* provide a strong rebuttal to the claim that giving bus drivers the right-of-way is a menace and would result in their extreme carelessness and the Company using the ordinance unfairly in the defense of claims or law suits.

Suppose a bus is pulling away from the curb and must go around a parked car and collides with an automobile approaching from the rear of the bus. Ordinarily, the bus driver would be given a ticket just because he was changing lanes, with no question raised about the driver of the automobile exercising due care. With this right-of-way ordinance in favor of the bus the question certainly should be raised of where was the automobile when the bus driver gave a signal and started to change lanes. If the automobile was far enough back to have slowed or stopped, the passengers on the bus should have been allowed to proceed.

If the bus driver started to change lanes when the automobile was so close that it could not have been slowed or stopped in the exercise of ordinary care, and taking into account that the bus had the right-of-way then the bus driver would have forfeited his right-of-way by his own failure to exercise due care.

This could develop into a chicken and egg controversy, but the right-of-way ordinance at least puts the bus in the ball park, and gives its advocates a tool to work with. The question of being in the lawful use of the street is a tricky one. Take for example the common rule that the pedestrian has the right-of-way on a crosswalk. Under the Ohio definition of right-of-way, he loses his right if he crosses against a traffic light or on the wrong side of the crosswalk—because we have an ordinance that says pedestrians should use the right side of the crosswalk—so if a pedestrian is hit while using the left side he is negligent per se—not in the lawful use of the crosswalk and therefore, forfeits his right-of-way.

Enforcement is just like the enforcement of any other ordinance. Its success or failure depends upon the particular circumstances and proof of what happened. If our objective was to arrest and prosecute as many drivers as we could, it would be difficult to get convictions, as in the enforcement of many other ordinances. However, it is there on the books for use in flagrant cases and to be remembered by vehicle drivers who might otherwise thoughtlessly interfere with the free movement of the bus. It is more than we have had as a legal assist in traffic since the same type of preferential treatment was inadvertently lost when the last street car went to the car barn.

The other day we were discussing buses in the City Manager's office in Kettering. He said he was driving down Shroyer Road and he never realized before the difficulties the bus had in getting back into traffic. Now—since we have gone through the right-of-way ordinance bit in Kettering—this difficulty registers. He had seen it many times before, but paid no attention to it. This is one of the principal benefits. We tell everybody the bus has the right-of-way by carrying signs on the back—"Please consider bus riders—this bus has the right-of-way by ordinance."

We will no doubt sometime become involved in a law suit that will test the validity and effectiveness of this ordinance. However, our attorneys made a searching investigation during its preparation and are of the opinion it is constitutional and proper legislation. It was argued by those who opposed it that it was unconstitutional, illegal, discriminatory, dangerous, self-serving, and a menace to other traffic. Fortunately, so far the opinions of our opposition have not prevailed. Our opposition consisted of the Dayton Automobile Club, the new car dealers, the retail merchants, the two newspapers, and seven

out of seventeen municipal councilmen and commissioners. Some of these people joined in a concerted radio effort to encourage opposition by declaring that the buses were trying to take over the streets, for, of course, only the benefit of the bus company. I mention this not to dignify the selfishness and short-sightedness of the opposition, but to emphasize that the overwhelming evidence on facts must have been on our side, for the ordinance to have been passed against such formidable objection. Fortunately, enough people did see the wisdom of trying to do something about the increasing traffic congestion and air pollution by restoring in some degree recognition of the users of public transit.

This is the ordinance that was passed in Dayton last November, and in the cities of Kettering and Oakwood the first of this year.

"SEC. 249. Right-of-way granted to electric trolley and motor buses.

Electric trolley and motor buses operating on fixed routes and published schedules shall have the right-of-way over all other vehicles, except any vehicle which is entitled to the right-of-way under any other provision of law.

This section does not relieve the driver of any electric trolley or motor bus of the duty to drive with due regard for the safety of all persons and property upon the highway.

Any person convicted of a violation of this section shall be punished in accordance with the provisions of Section 322, Code of General Ordinances.

Section 322 is a general penalty ordinance providing for a fine for the first offense of not more than $50.00 and on up for a second and third offense to $200.00 and 30 days. In promoting the right-of-way ordinance we were not as concerned with convictions or fines—although some penalty is important—as we were with changing the psychology and the balance of rights in terms of the relationship of bus riders to auto drivers.

Has it helped? Yes . . . we think it has . . . but not nearly as much as it could if more people would get on the "band wagon" and promote the idea. The people who could do this the most effectively are the city commissioners, councilmen, managers and city department directors.

The unfortunate obstacle is that few are willing to lift a finger, if in so doing, they deprive the private automobile of its place upon the throne of the American way of life; even though King Automobile is a tyrant, leading us to destruction, which will come if we believe some scientists, sooner than you think, if we do not reverse the trend back to a satisfactory balance between the use of the private automobile and the various forms of public transit, predominantly bus.

Our operators tell us more and more automobile drivers hold up to let the buses through and from our observation this is true. However, we have not gained enough improvement in speed to increase our average per mile, and we have not yet accomplished the initial purpose of getting more people to ride and thus improving the fare box revenue. A reasonable question would be, "Then why go through all of this bother to get a right-of-way ordinance for buses if it has not brought more passenger and more revenue? I believe the answer to this is that ever since the end of the Second World War, government at all levels has done everything that anyone could think of to encourage the sale, use, and reuse of the private automobile. It is hard to find a city that has not sacrificed prime land, churches, factories, playgrounds, and walled off whole areas to make way for expressways and supplemental one-way streets, literally pushing aside public transit lines to take whatever was left. The bus rider was disregarded; the automobile driver was supreme.

To break this pattern is a monumental task—if it is ever accomplished, short of dire and calamitous consequences.

We still run trolley buses in Dayton; 75% of our daily mileage of about 18,000 miles is by trolley bus. The other 25% is by 102" wide, 43-passenger diesels. All of our buses are equipped with the signal arm at the left front corner, which is extended when the bus needs to change lanes. We got this idea from Milwaukee 16 years ago. When extended, some of the paddles say "Please" and some say "Thank you." We think these extended signs have helped, and we think the right-of-way ordinance supplements them. We think, sooner or later, cities will wake up to the facts which were emphasized more than 30 years ago by the American Transit Association in its booklet entitled, "Moving the Masses" which I have already mentioned—Move people instead of vehicles.

Notwithstanding the many efforts by both publicly owned and privately owned transit companies to do things to entice people from their automobiles, it is my firm conviction that this alone will accomplish nothing really. It will require additional restrictions, controls, and economic penalties on the automobile, plus improvement in the orthodox methods of conducting public transit, to bring about a better balance between the two. All the money the Federal Government spent in Flint, testing out all the gimmick proposals there, failed to show any improved results. It would be just great if the Department of Transportation would, in addition to suggesting innovations to outdo the luxury of the private automobile, emphasize more controls, and restrictions, and penalties to be built into the driving of private cars. The combination, if properly balanced, could and would do the job. We must get over our timidity to control and regulate the private automobile—and treat it with the discipline it deserves.

A good friend of mine—a retired police chief of Dayton—said, when he was captain of the traffic section, "There are just too many automobiles." This was some thirty years ago. Ten or twelve years ago he was one of the advocates of expressways and one-way streets. Now he is the editorialist in one of our TV and radio stations. In an editorial last March he said: "Whatever is necessary to convince more automobile drivers and passengers that they should use public transportation should be done—and done in the immediate future. At the present rate of increased traffic volume, total stagnation is not far away." Whatever is necessary should be done.

There are a number of good reasons to reverse the trend which has caused such havoc in our cities and for that matter, in our entire environment. Two are most outstanding—air pollution and street space. Dayton is located in Montgomery County which has an area of 465 square miles. The latest figure available for vehicle miles operated in the county is for the year 1968—8,600,000. This is a daily average of 18,494 vehicle miles per square mile, and translated into gasoline consumption using the figure of 16 miles per gallon, we burn 1,156 gallons of gasoline in each square mile in our country every day. According to Dr. Jack G. Calvert, a professor in the Department of Chemistry at Ohio State University, every ten gallons of gasoline burned creates 29 pounds of carbon monoxide. Applying this formula, the combustion engine spews 3,352 pounds or more than a ton and a half of carbon monoxide into the atmosphere over every square mile of our country every day. It would be interesting to know what this figure is for Los Angeles County—or for your own county at home.

Of course, the effect of carbon monoxide depends on the degree of air saturation, the body chemistry of the individual, and the duration of inhalation. We know that our blood absorbs carbon monoxide in preference to oxygen—and we know that carbon monoxide is a "killer."

Recently, we have heard a lot about removing lead from gasoline, and yet a study by the Department of Health, Education and Welfare, in 1966, showed that if all of the lead were eliminated from all of the gasoline, we would reduce the air pollution caused by the automobile, by ¼ of 1 per cent.

The other most impelling reason for a better balance between the use of the private automobile and public transportation is street space. In 1961, General Motors put out a 25-minute color movie entitled, "Everybody's Business." In this movie they advocated not driving your car downtown, but taking a bus, and they ended the movie with the statement—"All that is needed is the right-of-way." We still have that movie and it's too bad we have not followed the admonition it so effectively advocates. Because so many automobiles are driven downtown on streets clogged with parked cars our cities suffer from civic cholesterol. It's no wonder the hearts of our cities become weaker and weaker, while our personal blood pressure rises higher and higher as we fume and fret in traffic and bad air.

I was fortunate enough to go with the ATA group to Europe last May. While touring the subways in Milan, I asked our guide if Milan had an ordinance giving streetcars the right-of-way and he replied that it did. Then I asked him if trolley buses and diesel buses also had the right-of-way and he said, "No, but we are trying to get it for them."

Milan has an excellent transit system of subways, streetcars, trolley buses and diesel buses, with much of their equipment articulated. Yet, they are still losing passengers to the automobile—which they allow to double park, park on sidewalks, and favor with a high degree of other permissiveness. This must be curbed if transit is to have a chance to do its job.

We have now three cities in this whole world—as far as I know—which have given their buses the right-of-way. Where we go from here depends upon the continued efforts of those who are concerned enough to find and apply practical answers. The cities of Dayton, Kettering, and Oakwood, Ohio, have at least shown the understanding, good judgment, and foresight to make a start.

Thank you for your kind attention and the privilege of appearing before you.

HONOR TO ST. LAWRENCE HOSPITAL, LANSING, MICH.

Mr. HART. Mr. President, on September 19, in Lansing, Mich., citizens of Michigan will take part in the dedication of the Community Mental Health Center and the 50th anniversary of St. Lawrence Hospital.

This is an appropriate occasion to honor this hospital on its years of contribution to the community and the Sisters of Mercy who have served in the hospital during the 50 years.

In January 1920, the Lange Sanitarium, having a capacity of 28 beds and located on West Willow Street, was leased by the Sisters of Mercy. The hospital was named St. Lawrence, honoring Lawrence Price, who left $100,000 to the city of Lansing for the erection of a hospital to be directed by the Sisters of Mercy. The City Council requested the doors be opened to the influenza victims. Not until March was the hospital opened for general use.

By April 1922, Mr. and Mrs. Joseph Gleason had donated a site for a new and larger building. Campaign funds totaled $207,000.

In September 1923, the first graduate of the School of Nursing completed the program. The following year the new hospital was dedicated.

Since that time, the medical staff has grown from 18 to 275 physicians. The average number of patients receiving inpatient care each day has increased from 22 to 252. The number of emergency patients treated in 1969 was more than 33,000. These expanded services were realized with new and enlarged facilities. Additions to the hospital were completed with new and enlarged facilities. Additions to the hospital were completed in 1936, 1942, 1949, 1959, and 1960 and now, in 1970, a Community Mental Health Center is to be opened to make available more services to more people. Seven Sisters have served as administrators of the institution throughout the 50 years.

In a period when we hear of so much destruction and violence, we do well to pay a tribute to 50 years of dedicated service to mankind, as illustrated in the history of St. Lawrence Hospital and the creation of the new Community Mental Health Center.

On a personal note, during the years my family lived in Lansing—from 1953 to 1960—most of our children, as well as their parents, were patients at St. Lawrence. I speak from personal experience when I voice thanks to all who have served in any role at St. Lawrence.

THE GREAT ENVIRONMENTAL MOVEMENT

Mr. FANNIN. Mr. President, there is in this Nation a great awakening of the need to conserve our environment. This is good.

But some people in the great environmental movement would carry it to the extreme.

Obviously, there is a sensible middleground that must be worked out.

We can learn to employ the new technology, enjoy the products of our age, and protect our environment.

I believe that we must take the immediate human costs into consideration in determining how to best preserve and improve our environment.

Mr. President, on September 13, 1970, the Tucson Star-Citizen published an editorial which pointed out the callousness of some zealots. I ask unanimous consent that this editorial be printed in the RECORD.

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

POOR WILL BE HURT

One of the most powerful conservation organizations in America has taken this position on electric power:

1. Economics is of no consideration in fighting its generation and transmission.

2. Let the price of power soar, for that will discourage the use of electricity.

Who will be hurt if the price of power is forced up by overzealous conservationists?

The poor people.

The people who are in the $15,000-a-year class, or are more prosperous, will grumble over higher bills, but they'll pay.

The people in lower brackets, who are caught in the economic squeeze, with the price of everything grinding into their purses, will be less able to meet any increase.

Ira B. Joralemon, noted mining engineer, once pointed out that food is not the only thing that is likely to prove a problem with population growth. People use copper, steel, aluminum and many other things which, while not edible, affect whether people eat and certainly whether they live decently.

Electric power is prime among the things people of all economic levels need if they are to have minimal standards of living from the standpoint of comfort, sanitation and freedom from hunger.

NATIONAL DISTRICT ATTORNEYS' ASSOCIATION ENDORSEMENT OF ORGANIZED CONTROL ACT

Mr. McCLELLAN. Mr. President, I call to the attention of my colleagues here in the Senate and in the other body a resolution recently adopted by the board of directors and general membership of the National District Attorneys' Association. On August 18, the board of directors of the association unanimously endorsed S. 30, the Organized Crime Control Act of 1969, in the form in which it passed the Senate on January 23, by a vote of 73 to 1. On August 22, 1970, the general membership of the association unanimously added their endorsement to that of its board of directors.

I welcome this formal support of the National District Attorneys' Association. I am hopeful that our colleagues in the House will take this strong new endorsement into immediate consideration and expeditiously on this badly needed legislation. Too long already—nearly 8 months—this important anticrime bill has languished in the House Judiciary Committee.

Mr. President, further procrastination and delay in the processing of this legislation is wholly unwarranted. Should delay result in the failure of this legislation to pass at this session of Congress—such failure will only serve the interests of and protect those criminal elements against whom its provisions are directed.

Mr. President, I ask unanimous consent that the text of the resolution of the National District Attorneys' Association be printed in the RECORD.

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

RESOLUTION ON S. 30 PASSED BY THE NATIONAL DISTRICT ATTORNEY'S ASSOCIATION

Resolved: The National District Attorneys' Association strongly supports S. 30, the "Organized Crime Control Act of 1969" and urges its prompt enactment by the Congress.

Organized crime continues to grow in America, despite the continued efforts of those responsible for the enforcement of the criminal laws to combat it with available legal weapons. The criminal syndicates are entrenched and flourishing in our great cities, and their corrosive presence is now apparent in many towns and suburbs.

Organized crime controls a substantial market in both legal and illegal goods and services. It has captured a virtual monopoly over illegal gambling across the nation, and it controls vast enterprises dealing in usurious loans, narcotics, illicit drugs, and alcohol and tobacco trafficked in violation of State and Federal revenue laws. Today it is increasingly operating in the field of legitimate business where it drives out lawful ownership, exploits labor unions, and extracts exhorbitant profits from a captive public.

The enactment of this legislation is essential to provide criminal investigators and prosecutors the necessary tools for the more effective control of this menace to our social and economic institutions.

We, as prosecutors, particularly wish to endorse the measures of S. 30 which are designed to strengthen the evidence-gathering and procedural processes in organized crime cases. These include:

Provisions for additional Federal grand juries to be impanelled for the conduct of organized crime investigations;

A new general witness immunity statute to permit government prosecutors lawfully to compel the testimony of reluctant witnesses;

A new statute to fortify the contempt powers of the court in dealing with recalcitrant witnesses in trial and grand jury proceedings;

A provision to abolish the unnecessary and anachronistic rules of evidence which hamper perjury prosecutions;

A deposition procedure to guarantee the preservation of material testimony of witnesses in criminal cases;

A limitation to minimize court and attorney time consumed in hearings upon tenuous claims relating to the admissibility of evidence, particularly unsupportable claims concerning the use of electronic investigative techniques prior to the availability of a statutory warrant procedure; and

Special sentencing provisions which will permit the imposition of extended terms of imprisonment upon certain classes of dangerous felons including leaders of criminal syndicates.

We also firmly support those provisions of S. 30 which will permit increased Federal prosecution of illegal gambling enterprises—the principal source of organized crime's vast revenues—and those provisions which will bring the panoply of remedies of the anti-trust laws to bear upon organized crime's infiltration of legitimate business activities. The new legal tools which they will make available should be materially helpful in freeing American commerce and industry from the grasp of organized crime.

S. 30 was passed by the Senate by a vote of 73 to 1 on January 23, 1970. We urge the Members of the House of Representatives to act favorably upon the bill at their earliest opportunity, so that enactment by the 91st Congress will be assured.

THE AUTOMOBILE INDUSTRY AND AIR POLLUTION CONTROL

Mr. NELSON. Mr. President, S. Smith Griswold has long had a well-deserved reputation as "Mr. Air Pollution Control," an expert in the administration and implementation of air pollution abatement and enforcement programs. This reputation derives first of all from his remarkable role in building the first effective governmental air pollution program. As air pollution control officer of the Los Angeles County Air Pollution Control District from 1954 to 1965, S. Smith Griswold initiated a series of actions which made the California program the uncontested leader and model of tough air pollution programs.

These actions included setting up the

first motor vehicle laboratory for the testing of air pollution emissions from automobiles, the establishment and vigorous enforcement of abatement procedures covering virtually every stationary source of air pollution in the Los Angeles basin, and giving impetus to the first program of automobile emissions control.

This record of achievement and innovation in air pollution control was continued on a national scale from 1965 to 1968 when Mr. Griswold served as the Chief Abatement Officer for air pollution control with the U.S. Department of Health, Education, and Welfare and the National Air Pollution Control Administration.

Mr. Griswold's experience since 1954 in fighting to abate and control the poisons which are spewed into our atmosphere from the automobile and other motor vehicles offers a valuable documentation of the frustrating opposition and delay which the automobile industry has continually offered to all governmental attempts to clean up the internal combustion engine.

In a 1964 speech at the annual meeting of the Air Pollution Control Association in Houston, Tex., Mr. Griswold recounted his California experience with the auto industry's delaying tactics. Mr. Griswold said in 1964:

Everything that the industry has disclosed it is able to do today to control auto exhaust, was possible technically 10 years ago. No new principles had to be developed, no technological advance was needed, no scientific breakthrough was required. Crankcase emissions have been controlled by a method in use for at least a half century. Hydrocarbons and carbon monoxide are being controlled by relatively simple adjustments of those most basic engine components—the carburetor and ignition systems. Why has this action required ten years? One is forced to ascribe it to arrogance and apathy on the part of this, the nation's largest industry.

Six years later, in 1970, the situation has not changed very dramatically although the air pollution crisis is more serious. In a speech before the American Society of Newspaper Editors on May 13, 1970, Mr. Griswold reported:

It has been a disturbing and disillusioning experience to be officially involved and technically concerned with the problem of pollution from motor vehicles for more than 16 years. Disillusioning, because so little has been accomplished by the wealthiest, most powerful, and reputedly, most talented industry in the world. Disturbing, because the industry upon which nearly 200 million Americans are increasingly dependent for transportation has behaved so irresponsibly.

Mr. President, as the Senate approaches its deliberations on legislation to set a deadline on polluting automobile engines, and the cries of anguish from the automobile industry ring through the halls of Congress, it would be informative for the Congress and the Nation to consider the experience of S. Smith Griswold in this frustrating battle and I ask unanimous consent that the two speeches to which I referred earlier be printed at this point in the RECORD.

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

REFLECTIONS AND PROJECTIONS ON CONTROLLING THE MOTOR VEHICLE

(By S. Smith Griswold)

As a past president of this organization, and as one who has just completed a decade of service as director of a governmental agency concerned with a somewhat notorious community problem, it is a pleasure for me to be invited to reflect upon the past, and speculate about the future of the automotive aspect of the air pollution problem.

We in Los Angeles have had a long and intimate connection with the series of events leading to the recent announcement by the automobile industry that cars of the 1967 model year will conform with the present requirements of the State of California in regard to exhaust contaminant emissions.

I recall that late in 1950, research by the Los Angeles County Air Pollution Control District directed by Dr. Arie J. Haagen-Smit, revealed that hydrocarbons were capable of reacting with oxides of nitrogen under the influence of sunlight to produce photochemical smog.

By 1953, we had established that the automobile was the largest source of air contaminants in our area, and the principal source of smog-forming hydrocarbons. The APCD then undertook a program of basic research into automobile operation, local driving conditions, and the composition of gasolines to ascertain the effect of these factors on smog formation.

From the earliest time information became available, we made efforts to induce the automobile industry to accept its share of the responsibility for the exhaust problem. As a result of extended discussions, the automobile industry in late 1953 took official notice of the existence of the automotive contribution to air pollution, and established the Vehicle Combustion Products Sub-Committee of the Engineering Committee of the Automobile Manufacturers Association.

During early 1954, this committee met in Los Angeles, and in conjunction with the APCD and other organizations, worked out a program of investigation and research. We set a target date for installation of what then appeared to be a promising method of control, induction system devices that controlled the emissions of hydrocarbons during deceleration. The objective was to have these devices on the 1958 models, out in 1957.

I recall visiting Detroit in 1956, and being shown an array of induction devices for various makes and models of cars.

Later that year, the Air Pollution Control District and the Air Pollution Foundation called a meeting in Pasadena of leading firms and figures in the chemical and automobile accessory fields, with the aim of stimulating their interest in the development of catalytic or other types of exhaust controls.

Our District set up an automotive combustion laboratory, and built environmental test chambers to evaluate approaches to vehicle emission control. After being developed for years, that automotive test facility and its trained personnel were turned over to the State of California. It is now the principal test center for the State program.

Due primarily to the efforts of the Board of Supervisors of Los Angeles County, the legislature of the State of California was prompted to occupy the field of automotive control and in 1960 enacted the legislation that is now in effect. To administer the program, the legislature created the State Motor Vehicle Pollution Control Board. As part of this program, California has established the first Standards for Air Quality and for Motor Vehicle Emissions.

In 1959, the automobile industry announced that crankcase emissions were a significant source of smog-forming hydrocarbons, and at the same time offered a means of controlling approximately 80% of emissions from this source. The Los Angeles County Air Pollution Control District immediately undertook a pilot installation on cars of its own fleet to prove that the "closed system" constituting 100% control of crankcase blowby might be preferable, and whether there might be negative effects. The study afforded a basis for full-scale installation upon the entire fleet, and provided experience to guide the State Board. Subsequently, the State Board acted to make such installations mandatory on cars sold in California, and today all cars manufactured in the United States can have the "closed" crankcase emission control rather than the less efficient "open" system.

During the many years this was going on, the APCD followed up another lead, the regulation of fuel composition. After thorough investigation, we enacted our Rule 63 which restricts the amount of olefins that may be contained in gasoline sold in Los Angeles County. This has reduced the eye-irritating characteristic of gasoline vapors and exhaust hydrocarbons and consequently has reduced the severity of eye irritation experienced in Los Angeles County.

The most recent action of the State Board has been to certify four exhaust control devices; three have been accepted only for new cars, and one has been accepted for both new and used cars. As the law is now written, new cars sold in California in 1966 must be equipped with one of these devices, or perform equivalently.

The knowledge that this action was coming undoubtedly prompted the automobile industry to come forward with its announcement that the 1967 cars would conform to the California standard without the necessity of these new devices.

The industry announcement also may have been motivated partially by the policy adopted by the County of Los Angeles, of buying new vehicles only if they meet specified restrictions upon exhaust emissions. This action was commended by formal resolution of the Los Angeles County Medical Association.

Only one manufacturer is sufficiently advanced in exhaust control technique to be able to produce a car to these specifications, and the policy has drawn bitter objections from dealers whose lower bids were turned down because their cars could not qualify. This blow to the pocketbook, and the militant evangelizing of this policy to other governmental jurisdictions and operators of large fleets, is perhaps the clearest message: the great delaying action is at an end and it is time for Detroit to move.

I term it a great delaying action, because that is what I believe that auto industry has been engaged in for a decade. Everything that the industry has disclosed it is able to do today to control auto exhaust, was possible technically ten years ago. No new principles had to be developed, no technological advance was needed, no scientific breakthrough was required. Crankcase emissions have been controlled by a method in use for at least a half century. Hydrocarbons and carbon monoxide are being controlled by relatively simple adjustments of those most basic engine components—the carburetor and ignition systems.

Why has this action required ten years? One is forced to ascribe it to arrogance and apathy on the part of this, the nation's largest industry. Control of air pollution does not make cars easier to sell, it does not make them cheaper to produce, and it does not reduce comebacks on the warranty. To people interested in profits, expenditures for the development and production of exhaust controls are liabilities.

For nearly a decade, the auto industry has been telling us they have been spending a million dollars a year on air pollution control. Their announced expenditure has totalled

about nine million dollars during that period. This provides an interesting contrast with a recent survey which revealed the earnings of the 44 highest paid executives in the country. Of these, one-half, 22, are employed by the auto industry. Their combined 1963 earnings were about nine and one half million dollars. In short, during the past decade the industry's total investment in controlling the nation's number one air pollution problem, a blight that is costing the rest of us more than eleven billion dollars a year, has constituted less than one year's salary for 22 of their executives.

The industry is spending over one billion dollars to change over its models this year. Their annual expenditure for air pollution control development is one-tenth of one per cent of one billion dollars. For that, the industry has bought ten years of delay and unhampered freedom to pour millions of tons of toxic contaminants into the atmosphere. This has caused unmeasurable misery, and undoubtedly has seriously impaired the health of many.

What has the industry accomplished during these ten years?

Until recently, very little. In 1953 a pooling of efforts was announced. Through an agreement to cross-license, progress by one would be progress by all. How has this worked out? Apparently it has served to guarantee that no one manufacturer would break ranks and bring into the field of air pollution control the same kind of competitive stimulus that spokesmen for the industry frequently pay homage to as the force that has made them what they are today. It has induced a complaisance, such as that demonstrated early in 1962 when Chrysler let it be known that it had devised a method of engine modifications, which was proving fruitful. The County of Los Angeles immediately obtained twenty of these clean air packages and tested them. General Motors and Ford each took one. Or, another example: oxides of nitrogen are acknowledged as the next problem to be solved in automotive emissions. Five years ago there were public reports of successful reduction of oxides of nitrogen by recirculation of exhaust. All that this work has drawn from the auto industry so far is catcalls; instead of pursuing this lead, industry spokesmen have criticized its advocates at professional meetings, such as this one, and exhibited indifference to its potential.

In May, the California State Department of Public Health held a hearing to consider the adoption of an air quality standard for oxides of nitrogen. Ford and General Motors sent their leading air pollution experts. Their contribution was to challenge the need for any control of this contaminant and to abuse the Department. These experts assailed the lack of experimental evidence to support the proposition that control of oxides of nitrogen would be beneficial, yet they produced only a fragment of experimental data of their own to controvert it. What makes this particularly striking is that the greatest achievement in air pollution control proffered by General Motors to account for its years of effort is the construction of an environmental study chamber, in which they have been duplicating much of the work that has led to the conclusion that auto exhaust is the basic ingredient of photochemical smog. So far there is little evidence of constructive contributions to existing knowledge or techniques.

Apparently, not everyone in Detroit has yet read the message. I am prompted to suggest that what is good for the rest of the country may be good for General Motors.

We are all a little bored and disillusioned with the past, so let us venture into the future. In order that some future speaker will have a basis to measure progress, I would like to submit a few predictions:

1. Exhaust control devices will be on the 1966 model automobiles sold in California rather than the 1967 models as the industry has announced. I base this upon the fact that the State of California has certified more than two devices that can meet the California State Standard, and the law automatically requires that cars sold in 1966 have this equipment, or perform with equal effectiveness. One company has already demonstrated that it can meet this standard of performance without such devices. This leaves the remainder of the manufacturers faced with the choice of accelerating installation of their own systems or of buying for production line installation one of the devices certified by the California State Motor Vehicle Pollution Control Board.

2. California's allowed hydrocarbon emission standards will be lowered, perhaps down to 180 ppm for the official driving cycle, and the 1968 models will have to meet this standard. I base this upon the fact that such a level of control is attainable by a reasonably priced combination of existing devices and methods, and there is no excuse for delay.

3. There will be a standard set reducing oxides of nitrogen at least 80 percent, and by 1970 automobiles will come equipped with a control for this contaminant.

4. I predict that no later than 1968 new models will have closed fuel systems that will end fuel tank evaporation and slop-over as well as hot soak losses from carburetors and manifolds. I base this upon the fact that closed systems already existing and in operation can stop this, and that existing open fuel systems:

(a) Contribute significantly to air pollution,

(b) Waste natural resources,

(c) Are a needless economic loss to motorists through wasted fuels, and to communities in unnecessary erosion of streets and parking areas due to corrosion by gasoline spilled on them.

In my opinion, closed fuel systems would be on all models today if real competition existed between automobile manufacturers to reduce or eliminate contamination from their product.

5. If catalytic converters come into widespread use, either by themselves or in combination with engine modification systems, then lead as a gasoline additive will be replaced by other methods of increasing octane rating.

6. I also predict that before the end of the year there will be some top level executives of the auto industry appearing before Congressional committees to answer some pertinent and perhaps embarrassing questions.

7. Finally, I predict that the toxic emissions from motor vehicles will be brought under tight control at the national level, and there will be an end to air pollution from this notorious source.

PROGRESS IN THE CONTROL OF AIR POLLUTION FROM MOTOR VEHICLE EMISSIONS

(By S. Smith Griswold)

It has been a disturbing and disillusioning experience to be officially involved and technically concerned with the problem of pollution from motor vehicles for more than 16 years. Disillusioning, because so little has been accomplished by the wealthiest, most powerful, and reputedly, most talented industry in the world. Disturbing, because the industry upon which nearly 200 million Americans are increasingly dependent for transportation has behaved so irresponsibly.

Why do I make such statements? The reasons are legion. They range from the dilatory and diversionary tactics employed by the auto industry to avoid recognition of its responsibility for air pollution from its product to the inadequate control equipment the industry is now providing for which the vehicle owner is paying and will continue to pay with his substance and his health.

It was recognized as early as 1912 in Chicago that fumes from motor vehicles would constitute an air pollution problem in metropolitan areas. During research on the new kind of air pollution which had invaded Los Angeles in the 1940's, photochemical smog was produced by irradiating auto exhaust in Caltech and Los Angeles Air Pollution Control District laboratories in 1950. In 1953, a Vehicle Combustion Products Subcommittee of the Engineering Committee of the Automobile Manufacturers Association was formed, allegedly to participate in investigation and research. Instead, its major function was "finger pointing" at waste incinerators, refineries, and other pollution sources as the chief culprits in Los Angeles County and elsewhere.

It was only after every stationary source in the County was controlled to the limit of engineering technology, and smog not only remained but was increasing, that the industry could not muster enough cynicism to continue denying the role of the auto in air pollution.

Control devices were not installed on new cars sold in California until 1966. Faced with California State law requiring certain performance levels, the industry chose in-house technology as the alternative to purchasing millions of so-called tack-on devices developed by qualified companies outside the industry. This technology was available when Dr. Haagensmit created artificial smog 15 years earlier.

The story of these difficult years was recounted in a paper I gave at a meeting of the Air Pollution Control Association in Houston, Texas, in June, 1964. Ralph Nader read that paper and, as a result, convinced the Department of Justice that an investigation of the industry's activities in controlling air pollution was in the public interest. Five years, several million dollars in public cost, and 40 million polluting vehicles later, the Justice Department's antitrust suit for product fixing ended in a consent decree. For those interested in ancient history that 1964 paper, entitled "Reflections and Projections in Controlling the Motor Vehicle" is available.

But 1964 was six years ago. What is the situation today?

Promises "to do something" about motor vehicle emissions are still being made by the auto industry. Now, however, such pledges are made by officials at a higher level though with little more realism. One company president recently illustrated on network TV why auto emissions aren't really very harmful to health. This upgrading of the industry's concern with the environment appears to be more than casually related to the fact that the political utterances of California State officials of the '50's have now found voice in Congress and the White House.

An inexcusably limited amount of motor vehicle surveillance test data—inexcusable both on the part of the industry and the Federal government—has shown that about 80 percent of the supposedly controlled vehicles are not meeting Federal vehicle emission standards after less than 15,000 miles of public use as compared to the 50,000 miles for which certification was officially granted.

A careful analysis five years ago indicated that devices installed on 1966 cars in California—the same system installed nationwide in 1968—would, if operating to maximum potential, in the face of the increasing motor vehicle population, only reduce air pollution by about 2 percent per year. What then is the public buying for over $200 million a year? The fact that the American people have spent nearly $1 billion to date on exhaust control devices which are not providing the benefits for which they were purchased is reprehensible and a reflection on both industry and government.

The latest absurdity is the generous offer of the industry to provide devices for installation on older vehicles for $10 plus installation. If a $20-plus investment for an inadequate exhaust control system on a new

$4000 car is distasteful, how anxious is the public to spend $10 plus at least another $10 in installation charges for an equally poor device for a car that "blue books" for $500? Add to this the fact that if every garage and superservice station in Los Angeles could install this device in 20 minutes they could do nothing else on 4 million vehicles for two years.

Everyone here has read the statements of the company presidents upon announcing annual price increases for new cars. In the fall of 1967, 1968, and 1969 the reasons were the same: cost of improved safety equipment, smog control equipment, and the escalation of employees salaries and materiel prices. Personally, I am certain that the cost of smog control equipment installed on 1969 models was identical to or less than that installed on 1968 models since the Federal standards for the two years were the same. In any event, new engineering was not required since the same system had been installed on 1966 and 1967 models for sale in California. I feel equally as sure that the equipment to control the emissions of hydrocarbons and carbon monoxide installed on 1971 models for national distribution will not be more expensive than that for 1970 models since, again, the Federal standards for these emissions are the same for both of these model years. The evaporative loss controls required by tne Federal standards for 1971 models are already engineered and installed on 1970 models being sold in California. Hopefully, each successive year's increase in prices attributed to air pollution control equipment is not cumulative! This would be indefensible in any case, but especially so since Ford, GM, American, and many foreign manufacturers are adapting the Chrysler clean air system to their vehicles to reduce costs regardless of whether they perform on their particular vehicle as well as the more expensive equipment originally used on 1966 and 1967 model years in California and nationally in 1968.

Blaming automobile price increases on safety and emission control requirements is, indeed, old-hat and routine. However, I was interested to read recently that American Motors holds them partially responsible for its rather substantial second quarter losses. Such pronouncements do little to promote stockholder enthusiasm for cleaning up an auto-polluted atmosphere.

Gentlemen, the automobile industry must give more than lip service to its public policy statements. To meet the American public's need for a clean, safe vehicle, conventional cost-benefit considerations must be placed in temporary limbo. The nearly two billion dollars spent for restyling between model years must be spent on cleaning up the internal combustion engine from a design or a fuel standpoint or developing a completely different and clean power package.

The intramural competition to earn dividends for stockholders must be interrupted long enough to provide upwards of 10 million annual customers with a vehicle that will not pollute the atmosphere—vehicles capable of this performance no matter how they are driven and regardless of the degree of maintenance provided. The industry must not be allowed to transfer the financial responsibility for continued effective performance to individual auto owners who are dependent on too few qualified service mechanics.

In the late fifties and early sixties the industry took pride in spending a combined total of $1 million a year on smog control research. This spending has, of course, increased, although even inquiries from members of Congress have not produced meaningful estimates.

GM recently reported that it would spend $112.8 million this year on controlling automotive emissions, up from $65.1 million in 1969. This is the first time the company has given the public a clue as to the amount of its outlays to combat auto pollution. However, lacking a categorical break-down of this figure, it still leaves us to wonder how much is being spent on inventive research and how much on engineering and manufacturing of devices for which consumers will ultimately pay. Even assuming a relatively similar expenditure by the other major companies, the total would still be far short of the billion-plus spent for superficial and sales-oriented styling changes between model years.

Six years ago in the paper I mentioned I made some predictions regarding what would happen and when. While I do not claim the skill of Nostradamus, the predictions were reasonably accurate. Based on this preliminary success and fortified by six years of age and experience, I will venture a few more predictions. There is one major difference—this time I hope that on some of them I am not even close to being right.

1. The automobile industry, faced with declining sales this year, will dust off the "buy now and help everybody" pitch it used during the 1958 recession. It will not be nearly as effective because of the industry's tarnished image with respect to air pollution and safety.

2. The UAW will take an increasingly strong stance on air pollution and, possibly, safety, in contract negotiations this summer. The industry's image is of great importance to its members' job security, and additional bad publicity or a severe air pollution episode in one or more urban areas, or even a restriction on the use of vehicles during such an episode, could trigger a public boycott or deferred purchasing movement.

3. Public indignation at paying for ineffective controls will force industry and government to pay more attention to policing the motor vehicle control program and there will be call-backs on engine-carburetor-transmission combinations which do not consistently meet Federal emission standards while in public use.

4. Legislation will be enacted requiring that each engine be evaluated for compliance with Federal emission standards as it leaves the assembly line and the display of a certificate showing vehicle emission performance. Only when this is done can the public be assured of honest and open competition in developing a cleaner vehicle. The air pollution potential of a particular model could then be considered by the purchaser along with other vehicle characteristics.

5. The auto industry will inform California authorities that vehicle purchasers in that state can have controls for oxides of nitrogen, one of the toxic gases emitted, on 1971 model-year vehicles for about $300 and a 10 percent increase in fuel consumption.

6. The retro-fit of control devices for older cars will fall flat on its face.

7. The industry's attempt to control emissions from the internal combustion engine with a catalytic tack-on device, even in conjunction with unleaded gasoline, will find tough going. This is likely particularly in view of negative statements by the industry six years ago when such control systems were developed using Universal Oil Products, American Cyanamid, and W. R. Grace and Co. catalysts and its own experience with vanadium pentoxide and other catalysts.

8. The auto industry will be required to give serious consideration to the development of a replacement for the internal combustion engine instead of caricaturing the current deficiencies of such engines which have not benefitted from engineering attention to the degree the internal combustion engine has for forty-five years.

9. The current concern on the part of younger people regarding the environment will not wane but will become increasingly militant and possibly violent. This concern could be manifested in a movement to make the jalopy the "in thing" rather than the hot new "four on the floor."

It is not pleasant or satisfying to be cynical and faultfinding in times such as these. To the contrary, we need to face facts honestly, impartially, and constructively. You as editors of the nation's press, are in a position to assist in this objective on a national scale, just as the mass media in Los Angeles County and the State of California did locally 20 years ago. They initiated and supported rational policies at a time of near public hysteria, and it is because of their understanding and good working relationship that the agencies of the County and the State lead the world in air pollution control today. This same type of understanding and cooperative effort can result in an effective national program. If such an effort cannot be organized and sustained, the atmosphere in our urban areas will continue to deteriorate each day.

ADDITIONAL DEATHS OF CALIFORNIANS IN VIETNAM AND SOUTHEAST ASIA

Mr. CRANSTON. Mr. President, between Thursday, August 13, 1970, and Thursday, August 27, 1970, the Pentagon notified 13 more California families of the death of a loved one in Vietnam and Southeast Asia.

Those killed:

Sp4c. Neal V. Bainter, son of Mr. and Mrs. Marshall M. Bainter of San Clemente.

Spc. Kirk O. Barkley, son of Mrs. Estella M. Barkley of Poway.

Sgt. Dennis W. Baxley, husband of Mrs. Wanda R. Baxley of Garden Grove.

Pfc. Ivery L. Baxter, son of Mrs. Helen D. Esco of Los Angeles.

Sgt. Brian J. Bennett, son of Mr. and Mrs. Clarence J. Bennett of Stockton.

Cpl. Curtis C. Colyear, son of Mr. and Mrs. Charles C. Colyear of Santa Cruz.

Pfc. David R. Denna, son of Mr. and Mrs. David M. Denna of Wilmington.

First Lt. Ralph N. Duemling, husband of Mrs. Ralph N. Duemling of La Crescenta.

Pfc. Michael A. Gage, son of Mr. and Mrs. Cleveland D. Gage of La Mesa.

Sp4c. Nickalas P. Gurnias, husband of Mrs. Virginia Gurnias of Hollister.

Sgt. James C. Junge, brother of Mr. Jon B. Junge, of Alhambra.

Pfc. Theodore C. Kappmeyer, son of Mr. and Mrs. Eugene L. Kappmeyer of San Jose.

Sgt. John A. Premenko, husband of Mrs. Elizabeth J. Premenko of Pacifica.

First Lt. Lawrence G. Swarbrick, husband of Mrs. Jean K. Swarbrick of Lancaster.

They bring to 4,206 the total number of Californians killed in the war.

MOLLENHOFF ARTICLES ON THE IMPROPER AWARD BY NASA FOR A COMMUNICATIONS SATELLITE

Mr. PROXMIRE. Mr. President, when hundreds of millions of dollars are at stake, when giant economic interests bid for Government contracts under noncompetitive conditions, and when one or two men have the power to influence gigantic awards, great dangers for the public interest exist.

In recent times, the contracts for the

TFX and the C–5A stand as testimony to this fact. Now another major case has come to the surface where power and influence appear to have had more effect on the award of a huge contract than the technical excellence and low bid of a contractor. The case is that of a NASA contract for a $50 million communications satellite in which the smaller, technically competent, low bidder Fairchild-Hiller, initially lost the contract to the giant General Electric Co.

An examination of the circumstances by the General Accounting Office soon indicated that there were major irregularities. Not least among the questionable facts was that the head of NASA, Dr. Thomas O. Paine, who apparently greatly influenced the award, not only came to NASA from General Electric but is now returning to that company as a vice president.

Needless to say, the circumstances are very curious. Clark Mollenhoff of the Des Moines Register, has written a series of articles detailing the circumstances behind this contract. My own view is that even though the original award to GE has been rescinded, and that Fairchild-Hiller has now rightly received the contract, the circumstances behind this contract have such universal application that the matter should be examined in detail. It should be examined to make certain that proper safeguards are established in the awarding of contracts for millions of dollars. In fact, it is a sad commentary that after years of experience with both space contracts and defense contracts a situation of this kind could exist.

I have, therefore, asked the staff of the Joint Economic Committee's Subcommitee on Economy in Government to investigate the circumstances of this award, and the inconsistent stories which have been given by the agency concerning the circumstances of the award.

Meanwhile, I ask unanimous consent that a series of articles by Mr. Mollenhoff, who has dug deeply into the contract and the events surrounding it, be printed in the RECORD.

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

[From the Des Moines Register, Sept. 13, 1970]

TELL STORY BEHIND NASA BID CHANGE—HOW FAIRCHILD WON CONTRACT

(By Clark Mollenhoff)

WASHINGTON, D.C.—In the history of big government space contracts, the name of Fairchild Hiller will go down as a giant-killer.

The Fairchild Hiller Corp. is not a small firm, but beside such industrial giants as General Electric, it is a dwarf. Yet in the toughest competition the Fairchild team did the impossible—it upset the award of a $50-million communications satellite contract to GE.

And what is more important, after knocking GE out of the award, Fairchild won the contract that had just been taken away from the larger competitor.

UNWRITTEN RULE

The way the defense and space contract games are played at the agencies, there has been a kind of an unwritten, but often referred to, rule that if you protest you won't get the award, but will simply see the agency give it to some third party.

General Electric can still try to contest the award in the face of a General Accounting Office (GAO) report charging "irregularities" in the initial award, and in the face of a "reconsideration" of the award by the National Aeronautics and Space Administration (NASA).

However, in making the decision as to whether to make another challenge, GE must keep in mind the fact that Dr. Thomas O. Paine, former administrator of NASA, will become a vice-president of General Electric on Tuesday.

Paine, a GE employe for 19 years prior to joining NASA in 1968 under the Johnson administration, had the major role in making the decision for General Electric. He also continued a major role in defending the award.

Officials at Fairchild carefully avoided a direct challenge on the "conflict of interest" issue, but an examination of the entire record in detail from February through August gives a real insight into why GE has some fear that Paine could become the issue.

Fairchild Hiller's team, headed by President Edward Uhl, had been in the space contract game for years and had developed a high degree of competence on certain types of contracts. The firm wasn't as large as GE and some other giants, but the members had confidence in their ability to compete with the best, and they knew they had lower overhead costs and had the advantage of price.

NO DESIGNS

Fairchild and GE had been awarded NASA contracts for the development of a complex communications satellite, and the innovations and technological expertise were as important as any other factor. There were no designs. NASA said what it wanted, and both contractors were turned loose to come up with ideas on how to do the job.

Contracts for both firms carried through the A, B, and C phases. Then it got down to production of the two communications satellites on phase D, and that competition started in September, 1969.

From the outset, Fairchild knew it had a tough fight. General Electric is a big firm, and at the head of NASA was Dr. Paine, a man who only recently had headed General Electric's Tempo program.

Plans were submitted and evaluated in September and in December, and the initial plan called for award of the contract in February.

Fairchild officials became a little concerned on Jan. 5 when NASA officials insisted that they make available some technical developments to GE. But, it was explained that the technical competition was really through, and that the only thing involved from here on out was the price problem.

In the first week in February, Fairchild was still ahead of GE on the basis of evaluations of satellite design and performance and on the basis of price. However, the lead in both areas had slimmed.

On Feb. 5, Paine decided there should be a stretch-out of the satellite program, which necessitated another round of competition between Fairchild and GE.

DEADLINE SET

On Feb. 8, NASA sent out instructions stating that proposals under the new competition had to be in by Feb. 27 at the latest. Both companies were notified that they should advise Goddard Space Center if they would be able to meet the deadline.

On Feb. 16, Fairchild officials wrote the contracting officer stating that every effort would be made to meet the Feb. 27 deadline, but expressing the hope that some additional time might be available. GE simply stated it could not guarantee submission of a proposal before Mar. 4—five days after the deadline.

On Feb. 25, Fairchild officials asked NASA to extend the time from Friday, Feb. 27, to Monday, Mar. 2, but were advised if they failed to meet the Feb. 27 deadline it would be at their own peril of being disqualified.

Faced with that flat rejection, Fairchild officials delivered the proposal to Goddard Space Center by hand at 4 p.m. on Friday.

PROTEST DELAY

When Fairchild officials went to Goddard on the next Tuesday to deliver an alternate proposal, they discovered for the first time that GE had not met the Feb. 27 deadline.

Dr. Coleman Raphael, vice president in charge of Fairchild's space division, protested the fact that NASA officials had given General Electric a delay.

He also requested that NASA officials hold the Fairchild proposal in security until the GE submission had been made, explaining that he feared "a leak" of crucial information on pricing and even further technical transfusion to GE.

NASA officials said the Fairchild information had already been distributed to their technical evaluators. NASA later argued that GE had made some special arrangement to delay past Feb. 27.

On Mar. 6, GE finally submitted its proposal. It was essentially the same as the Fairchild proposal at this point, and the price was just 2 per cent under the Fairchild bid.

It was done by General Electric lopping millions of dollars off cost estimates through a controversial proposition that the work be done in an off-site plant at substantially lower overhead rates. Fairchild said later that it had considered such a method of cutting its costs, but had rejected the idea because an official at Goddard had indicated such a device was not acceptable.

On Mar. 11 and 12, NASA officials met with GE officials for "refinement" of the cost figures of that firm, and approved a reduction in overhead by GE that was later criticized by Senate investigators as "an artificial device" for bringing costs down.

Although Fairchild did not know what actions NASA officials had taken on the cost figures, they did not like the general atmosphere surrounding the competition. There were many things about it that smacked of "unfairness" in Uhl's opinion, and he sat down on Mar. 17 and wrote a long letter to Paine expressing his concern about some of the tactics.

CONCERN RECORDED

In the first paragraph, Uhl said the letter was being prepared prior to final award "in order to set out the concerns of Fairchild Hiller in this competition at a time when we still have a strong probability of success."

The letter was not to be delivered until after the award, but Uhl added: "I do feel it essential that our concern be recorded and their probative value not be diminished by our success or lack thereof in the competition."

He stressed the "long competition process" that tended to equalize the competition, and the government problem of funding both contractors "through ultimate award."

"The best demonstration of what a contractor can achieve is to be found in that 'blind' initial proposal," Uhl wrote. "I know we at Fairchild put our best efforts into that aspect of the program and believe we submitted a superior technical and cost package. In our opinion, everything since September (1969) has tended to weaken, not strengthen, the competitive nature of the program."

With regard to cost, Uhl also declared that a "leveling process" had been occurring.

"The principal efforts of NASA personnel in the cost area were to force Fairchild to come (up) close to the NASA 'estimate' of what the program should cost," Uhl said.

EQUALIZE COSTS

"In general, these efforts were aimed in the direction of raising our price," Uhl said. "I can only assume that such efforts were also made in the GE situation—whether they resulted in increases or decreases in GE's prices, I do not know. The effect of the process, however, is to equalize costs."

The above process seems designed to present the administrator with two equally acceptable choices so that he is 'safe' from criticism regardless of his selection," Uhl said. "The result, however, is accomplished at the cost of fair competition and of obtaining for NASA the best competitive proposal in the technical and cost areas.

"The system inherently favors large contractors versus smaller enterprises," Uhl said. "If carried through in all major NASA procurements, the system will eventually squeeze the smaller, more innovative organizations out of the spacecraft business and leave the field to a very few large industrial giants."

Uhl and John Dealy, vice-president and general counsel for Fairchild, arranged to have the letter ready for delivery to Paine, and figured that was about all they could do until such time as Paine made his decision.

FAIRCHILD OFFICIALS FRANTIC

Fairchild officials found reason for alarm in a Philadelphia Inquirer story on Wednesday morning, Apr. 8, stating flatly that General Electric won the $50-million satellite pact.

There were immediate calls to the White House and to NASA to determine if the story were true. Dealy and Bill Emerson, the director of government relations, were told by the White House liaison with NASA that he did not know if the contract was to be awarded to GE.

NO ANNOUNCEMENT

At NASA they were told that there had been no public announcement on the award, but that there would be in the afternoon.

Meanwhile, Senator Hugh Scott (Rep., Pa.), who had been quoted in the Philadelphia Inquirer story, rose to make the announcement that NASA would award the contract to his home-state firm, General Electric.

It was just before Scott was to vote in favor of the nomination of G. Harrold Carswell as an associate justice on the Supreme Court, and Fairchild officials tried to read a possible connection into the two events.

Fairchild officials were frantic. Dealy and Emerson called to the Capitol to try to find someone with an interest in Fairchild. They finally contacted Representative Clark MacGregor shortly after 2 p.m.

MacGregor, a Republican with good credentials at the White House, had a local stake in Fairchild since Honeywell, a Minneapolis, Minn., firm, was joined with Fairchild on a subcontract.

It was about 2:30 p.m. when MacGregor called the White House to register a protest that his information indicated that the award of the contract "is scandalous."

"From what I have been told, this could be another TFX contract scandal," MacGregor said.

MacGregor said that the important things were simply these: General Electric had incorporated a lot of Fairchild ideas into the design. GE was given an extra week for submission of its last technical and price data. Dr. Paine had taken part in the decision to award the contract to his former employer.

"TRY TO STOP IT"

"Just try to stop the announcement on this contract until it can be examined to see if these facts are true," MacGregor explained.

By the time the conversation was concluded, and a call placed to NASA, the announcement of the award to General Electric had taken place.

Spencer Beresford, NASA general counsel, confirmed that many Fairchild ideas had been transfused into GE's program, and that GE had been given an additional week to make a submission.

"It was Dr. Paine's decision. I didn't agree with it, and I can see why the Fairchild Hiller people are all upset about it."

Later that day, Beresford called to Fairchild President Uhl to try to explain the matter.

He said that Paine had authorized him to try to make peace with Fairchild.

If Fairchild would simply avoid making a fuss, Beresford said, he had Paine's assurance that Fairchild could settle a long-time patent matter as Fairchild wanted it settled. Also, Paine had said there would be about $3 million in contracts that could be given to Fairchild until there was an opportunity to make it up to them in some other way.

After Beresford hung up, Uhl got in touch with his general counsel, Dealy, and his government relations man, Emerson. He said he had been sure for some time that NASA was trying to give the contract to General Electric, but that there was now no doubt in his mind at the unfair tactics used and the wrongness of the decision.

Meanwhile, Dealy and Emerson had picked up information to corroborate Beresford's statement that Paine had in fact made the decision on the contract. Also, they felt they could assure that they could get help from Senator Mac Mathias (Rep., Md.) and from at least three Republican congressmen—Rogers Morton and Glenn Beall of Maryland and MacGregor.

[From the Des Moines Register, Sept. 14, 1970]

HOW GE LOST $50-MILLION NASA AWARD—PROBE UNCOVERED IRREGULARITIES

(By Clark Mollenhoff)

WASHINGTON, D.C.—Officials of the Fairchild Hiller Corp. were frantic on April 8 when the National Aeronautics and Space Administration (NASA) announced that it was awarding a $50-million satellite contract to General Electric.

Fairchild officials and their supporters in Congress leveled the charges that GE had incorporated a lot of Fairchild ideas into its design; that GE was given an extra week to submit its final bid; and that GE was allowed a "special arrangement" that lopped millions of dollars off the price estimate.

PAINE DECISION

Underlying these charges was that the decision on the contract was made by former NASA administrator Thomas O. Paine, who worked for GE for 19 years before coming to NASA, and who is rejoining GE Tuesday as a vice-president.

Congressional protests on "the unfairness" of the NASA decision had made it obvious that an investigation would be requested through General Accounting Office (GAO) or some congressional committee. On April 9, Dr. Paine took the initiative and asked for a GAO probe.

The next day, Fairchild formalized its request for an investigation by GAO and also contacted the Senate permanent investigating subcommittee, headed by Senator John McClellan (Dem., Ark.), and the Senate Space Committee.

Paine rejected a suggestion by Fairchild President Edward Uhl for a face-to-face meeting on the protest. It would be inappropriate, he said, since the GAO was investigating, and suggested that they delay a meeting until after the GAO had made its report.

Uhl and John Dealy, vice-president and general counsel, regarded this tactic as a stall, and said so in talks with their congressional allies, Representatives Rogers Morton and Glenn Beall, both of Maryland.

On April 16, Paine cut off the funding for Fairchild. Fairchild complained to Congress and the White House that this, too, was an unfair tactic since it could cause them to shut down their satellite operation. They called attention to the fact that NASA was continuing to fund GE through July.

SOUGHT RECORDS

Fairchild tried to expedite the GAO probe, and sought access to NASA records on the evaluation of the competition. On Apr. 23, Beall set out the basic contention that GE was "unfairly favored." There was no response from Paine.

On May 1, Dealy wrote to Paine setting out the allegation of "serious irregularities involved throughout the procurement process."

"The information requested is information that should normally be open to public examination under the Freedom of Information Act," Dealy said.

He asked for GE cost proposals, the Source Evaluation Board reports and information on briefings.

Dealy noted in the final paragraph that it was urgent that he receive the information, or a reply that he could not have it. He noted his office telephone number for an immediate call. There was no reply and no acknowledgement to this letter.

On May 12, Dealy wrote a second letter to Paine stating he was "deeply disturbed as a lawyer and businessman that our requests for documents have gone unanswered through today's date—a period of approximately 20 days."

"I cannot understand the reluctance of your organization to even reply to our requests," Dealy wrote. Dealy noted that prior to the decision "we asked for meetings to discuss irregularities and inadequate source selection procedures we believe have occurred in the program."

NO CLAIM

Dealy said it was "inconceivable" that NASA would not release the appropriate documents for review. He noted the information was paid for by U.S. government funds, and that there could be no justifiable claim that any information was "proprietary." But Dealy said he was willing to let NASA hold out pages they felt might be confidential.

He said that Fairchild Hiller was willing to pay "any reasonable fee" for the documents. He argued the law, and then added that "fundamental fairness" required that the information be made available.

FUROR IN THE HOUSE

One day later, Dealy received a telephone call from NASA stating that the documents he requested would not be made available, and the next day Representative Beall rose on the House floor to denounce NASA's action:

"I think it is a shocking thing when a public agency throws a cloak of secrecy over its own record which—under a pre-existing law—not only a protector but any member of the public is guaranteed the right of examination."

"In order to maintain the integrity of the appeal procedure in the award of federal contracts, I would hope that NASA would see fit to make information available and cooperate in any way to assure a fair hearing on a matter involving commitment of $50 million of taxpayers' money," Beall added.

He told the House that only full disclosure of records and a full investigation would protect Paine from a charge of "favoritism" as a former long-time employee of General Electric.

A few days later, Uhl wrote to Paine to state that he believed "a frank discussion . . . would identify to you personally some very disturbing aspects of the ATS (Applications Technology Satellite) procurement."

Fairchild Hiller officials noted that Paine had said NASA was bombarded with letters on behalf of Fairchild both before and after

the award. Fairchild officials said they were "unaware of any letters or telegrams sent to NASA before the award on behalf of Fairchild. . . ."

SCOTT "CREDIT"

"On the contrary, we note from press releases issued by Senator (Hugh) Scott's office (including an item that the Pennsylvania senator knew of the ATS award prior to NASA's announcement to Fairchild or the White House) that he takes credit for intervening personally with NASA officials to expedite the award to General Electric," Fairchild officials wrote to Paine.

They said they were "advised by your general counsel (NASA counsel Spencer Beresford) that the basic reason for your position not to release GE's proposal until after GAO has rendered its decision is that you are afraid of giving Fairchild an unfair competitive advantage in the event this procurement must be resolicited. We submit that your action—continuing GE's funding and proceeding with negotiation of a contract with them while Fairchild's funding has been cut off—provides GE with a distinct unfair competitive advantage in the event the program is resolicited. Apparently, however, unfair competitive advantages are acceptable as long as they are on GE's side."

Fairchild officials commented that they found "such a double standard extremely disturbing."

It was noted that Dealy had been told by Bernard Moritz, acting NASA associate administrator for organization and management, that documents could not be released because NASA feared that the source selection procedures would be "ruined if NASA officials had to act under fear of public disclosure of their deliberations."

The Fairchild officials wrote to Paine stating that it was their opinion "that if NASA officials 'fear' public disclosure of their deliberations, they are not equal to the public trust placed in them by Congress and the American people."

INACCURATE INFORMATION

Dr. Paine supplied inaccurate information to at least two top White House aides in early June, and it found its way into a letter to Representative Morton.

On June 4, a special assistant to President Nixon wrote to Morton stating that he had compiled the following information:

"A charge has been made that in awarding the disputed NASA contract to GE, that GE was granted an extension of time while Fairchild Hiller was denied an extension. The facts are as follows:

"When submissions were called for, a cut-off date by which submission had to be in was stipulated. It was further stipulated that if an extension beyond this date was requested, such request would have to be in several weeks prior to the submission date. GE made such a request in advance of that earlier date and a delay of about a week was granted.

After the earlier date by which requests for extension had to be made had passed, Fairchild Hiller telephoned to the contract officer at NASA and asked for a delay of several days. The contract officer denied this request.

"From the above, it is clear that NASA followed the book with regard to this aspect of the contract.

"A charge has been made that Dr. Paine was not totally objective in his selection of GE in that he had previously been employed by this firm. This award was made by a three-man board of which Dr. Paine was a member. The vote was unanimous and Dr. Paine voted last.

"Recognizing the considerable conflict surrounding this award, Dr. Paine warned everyone that the award should be conducted in a way that would stand vigorous investigation. Immediately after the contract was awarded, Dr. Paine asked GAO to conduct an investigation which is currently under way."

TO WHITE HOUSE

When Dealy saw the letter, he was struck immediately by the misstatements about both the award procedure and Paine's role.

The erroneous explanation in the letter to Morton prompted Dealy and Beall to go to the White House on June 12 to see special assistant Peter Flanigan. When Flanigan gave the same explanation as the letter, Dealy stopped him and told him it was probably erroneous.

Dealy reached into his briefcase for the NASA report to GAO to establish the error in the explanation sent to Morton. Also, he related evidence of conversations that disagreed with the Paine explanation on the vote.

Flanigan noted that Paine had explained that a GAO rule permitted exchange of information when two firms were close in competition. Dealy challenged this, and also set out other reasons for believing that Paine or someone else in NASA had made an improper decision in giving the contract to GE.

On June 19, Fairchild officials finally had a one-hour audience with Paine. Stress was on the unfairness of the procedures, and Paine made little reply.

Dealy noted public comments on the relationship of Paine and GE. He said he had not made an issue of it, but that the unfairness of the procedures made it a possible issue.

Dr. Paine replied that he had severed all relationship with GE when he joined NASA in 1968, and that he had no intention of returning to General Electric. That statement in front of Fairchild Hiller officials and several top NASA staff people was to come back to haunt Paine later.

CRITICAL REPORT

Paine and other top NASA people were confident the award to GE would not be upset by GAO. In the first week of July, NASA informed Commerce Business Daily that the award would be made to General Electric.

On July 2, Comptroller General Elmer Staats made his report criticizing "irregularities and deficiencies" in NASA contract procedures. GAO rejected Paine's defense of the GE award, and also his claim that a GAO ruling justified the use of different deadlines for the two firms.

REJECTS ARGUMENT

In the GAO report, Staats flatly rejected Paine's argument that a GAO procurement regulation, No. 69–5, of Mr. 10, 1969, authorized the controversial discussions by NASA with GE.

"Our office has never approved any procedure whereby information which would give an unfair competitive advantage to any proposer would be disclosed during the negotiation process," Staats stated. "We do not read this regulation as authorizing such a procedure."

The GAO directed "reconsideration" of the award, but to the embarrassment of Paine and NASA, the Commerce Business Daily carried the following note: "For Phase D of the ATS spacecraft. NASA procurement office will contract with General Electric Co., Valley Forge." That blooper, a week after the GAO report, was corrected in the July 16 Commerce Business Daily.

On July 9, Senator McClellan made a Senate speech scoring NASA for its unfair procedures that had favored GE. He noted that there were four rounds of competition, and that NASA in February had secretly made a substantial adjustment of the Fairchild proposal to reflect a probable cost overrun predicted by the agency.

At the time that NASA officials were arbitrarily boosting Fairchild's cost figures, they were secretly permitting GE to use a questionable device to cut costs, McClellan charged.

"NO SECRETS"

"I believe that the proceedings of such source selection boards should be made fully available to all competitors after the contract decision has been made," McClellan declared. "There should be no secret decisions which are followed by inadequate and unsatisfactory explanations . . ."

The game was too hot for Paine to continue direct participation, and he agreed to establish a blue ribbon seven-member committee to re-evaluate both submissions. Paine said it was to be composed of men with no role in the initial evaluation.

However, Fairchild officials were uneasy. They noted that all members were Paine's subordinates, and the actual selection was to be made by a three-man group that included Paine's closest associates. At least one of these men, Bernard Moritz, had been a defender of the initial award to GE.

John Dealy knew it was to be an uphill struggle, but he was encouraged because the blue ribbon panel was headed by Bruce Lundin, director of NASA's Lewis Research Laboratory in Cleveland, Ohio.

Lundin's first contact with Dealy indicated a desire to get all the facts and the assurance that this would be a fair evaluation.

"It was the first show from a NASA official of any real desire to get to the bottom of this," Dealy said later. "We were wary, but we are encouraged."

On July 27, GE made its presentation to the Lundin committee. The next day it was Fairchild Hiller's turn, and company officials took a total of 10½ hours. Dealy wound up with four hours on law and the facts.

UNEXPECTED ASSIST

Lundin and others assured Dealy that they would make the decision on the facts, and at a break in the proceedings that day Fairchild Hiller received an unexpected assist. It was announced that Paine was resigning from NASA, and would become a vice-president of General Electric on Sept. 15.

At a press conference the next day, Paine told reporters he had severed all of his relations with GE when he came into government. He said he had no intention of returning to GE but that in recent weeks he had decided to return.

NOT INVOLVED

Paine said that he would not be involved in space activities for GE, and that while at NASA he had never "cast a vote in favor or against GE". He said he had "rigorously excluded" himself from the ATS competition between GE and Fairchild Hiller.

In a last letter to the Lundin committee on Aug. 4, Dealy wrote:

"In press stories concerning Dr. Paine's recent news conference, he was quoted as saying that he had never been in a position during his tenure as administrator to cast a deciding vote for or against General Electric. On the contrary, Fairchild Hiller was informed by high NASA officials within a week of the ATS selection that the ATS decision was made by Dr. Paine, and in fact was made by him on price and general confidence in GE criteria."

Dealy also noted that "Dr. Paine made the specific point that he had no connections with General Electric, that his old associations were long past and that he had no intention of any future connection with General Electric. There were numerous witnesses to those statements.

"Fairchild is not interested at this time in drawing a conclusion from these apparent inconsistent statements, but we do believe they should be placed on the record before your review committee."

On Aug. 13, TRW, Inc., challenged another $50 million NASA contract award to GE to build the Earth Resources Technology satel-

lite. TRW claimed its design would have been simpler and cheaper if NASA had not delayed sending the company a preliminary study that had been made available to GE.

TRW asked a review of the July 15 award on grounds that there was "significant information available to our competitor and not available to TRW during the period of competition."

RECOMMEND FAIRCHILD

On Aug. 26, the Lundin committee filed a unanimous but still secret report recommending an award to Fairchild Hiller.

The committee found "that Fairchild was superior in nearly all aspects of project organization and overall management."

On the technical side, the panel considered Fairchild "superior in the important areas of systems engineering and in several features of the subsystem design."

SERIOUS CHALLENGE

Although there had been unjustified juggling of cost, the committee said it was impossible to make a determination if the $1.3 million which Fairchild claimed could have been realized. There was a "very real probability" that "some cost reduction could have been realized by Fairchild had more time been available," the report said.

Under serious challenge on two awards, Paine on Sept. 3 ordered a review of the NASA procurement system. He had suddenly become aware that there might be something gravely wrong.

It would have been difficult for any group to reject the strong unanimous view of the Lundin group in that atmosphere. On Sept. 5, at 6 p.m., NASA made the announcement that the committee had unanimously voted to reverse Paine and give the award to Fairchild Hiller.

That three-member NASA committee said it could not concur with Lundin's group on concluding Fairchild "superior in nearly all aspects" of the organization, but it did concur that Fairchild was ahead where it counted.

Dr. Paine said Friday that he considers the second report as indicating "a narrow margin" for Fairchild. He said he now believes that both awards—the initial award to GE and the subsequent award to Fairchild—were "right" on the basis of information before the top level NASA committees at the time of decision.

He said the first selection group included Spencer Beresford and George Lowe, the deputy administrator. He said the three "wrestled with the decision from 2 p.m. until 8 p.m. on Apr. 7" before making a "unanimous" decision that the award had to go to General Electric because "it was a better price."

Paine said that he did not know then that GE had been given an extra week—a key to the GAO critical report. He said that even after he discovered that GE had been given an extra week he did not consider this as having an important bearing on the price consideration.

He said he feels that the decision of the second group was right on the basis of the Lundin report.

A spokesman for Senator Scott said that he does not consider the matter to be concluded, and will press further to win the award for GE, whose headquarters are in his home state of Pennsylvania.

Paine said he does not know if GE plans a challenge and when he returns to GE on Tuesday he plans to keep out of it.

GE is in the process of a debriefing to determine if there will be a challenge. But with the record that has been made, it is considered unlikely that GE or Paine would wish to call public attention to the details of the story that have escaped public scrutiny.

Also, the Nixon administration is not likely to want a review of the details even if the key figure would appear to be Dr. Paine—a man inherited from the Johnson administration.

The success of Fairchild Hiller was not a walk on the moon, but it did represent a giant step forward in the area of space and defense contracts.

[From the Philadelphia Bulletin, Sept. 13, 1970]

IT WAS JUST A "LITTLE" $50 MILLION CONTRACT MATTER NASA HANDLED

(By Clark Mollenhoff)

WASHINGTON.—In a day of lunar missions and $200 billion federal budgets, it is difficult to get public attention focused on the details of a "little" $50 million procurement matter at the National Aeronautics and Space Administration (NASA).

NASA publicists are geared to keep public attention on the big picture—the moon and the role of the U.S. in space in the year 2000.

However, it is equally important to remember that strict compliance with procurement or inspection standards is vital to all government programs. A flaw at any stage can mean nicking the taxpayers for millions or billions of dollars in overrun. It can mean tragedy for the astronauts, and the difference between success and failure of a space mission.

OVERALL PERFORMANCE

In judging the overall performance of retiring NASA administrator Dr. Thomas Paine, it is as important to examine his role in awarding a $50 million satellite contract to General Electric as it is to recall that he headed NASA when the U.S. put a man on the moon.

On Saturday, Sept. 5, 1970, NASA reversed Paine and switched the $50 million contract for two experimental communications satellites from General Electric to Fairchild Hiller. That unanimous decision by a three-man NASA committee followed the unanimous recommendations of a seven-man blue ribbon evaluation group headed by Bruce T. Lundin, director of NASA's Lewis Research Center in Cleveland.

Paine, for 19 years an employee of General Electric, took a full role in the contract award to General Electric last April 8. He fought officials of Fairchild Hiller who challenged the decision, and, when the question of "conflict of interest" was raised, he declared he had severed his relationships with General Electric and had no intention of returning.

GAO WAS CRITICIZED

Paine criticized the Government Accounting Office (GAO) recommendation that the satellite contract be reconsidered and he criticized members of the Senate and House who backed the Fairchild Hiller challenge to his decision. Significantly, Paine will become a vice president of General Electric when he leaves NASA next week.

There is no contention that Paine did anything illegal, but his record on this contract represented endorsement of procedures that GAO found "irregular, deficient and inconsistent." Some would probably use stronger terms for Paine's actions.

In February, when Fairchild Hiller seemed likely to win the satellite competition on price and technical performance, Paine approved orders for a stretch-out of the program because of budget cuts. It gave General Electric another chance.

GE GIVEN TIME

Fairchild Hiller was forced to meet a Feb. 27, 1970, deadline for submission of bids under threat of disqualification, but General Electric was given an additional week, until March 6, to complete its cost submissions. NASA's Goddard Space Center distributed Fairchild Hiller's proposal to evaluators before the General Electric proposal was received. It was done over the warnings of Fairchild officials that they feared a leak. Paine approved and defended this.

In a lawsuit filed in connection with the original GE award, Fairchild Hiller claimed results of its original research work on the satellite appeared in the GE technical data submitted with the bid.

Despite long association with General Electric, Paine took a full role in the contract decision. He was senior NASA man on a three-member panel that unanimously voted for General Electric.

INVESTIGATIONS BEGUN

Complaints of improprieties and irregularities in procedures resulted in investigations by GAO and the McClellan Permanent Investigating Subcommittee, but Paine defended the award as proper and fair. As the GAO probe went forward, Paine cut off the developmental funds to Fairchild Hiller on April 16, but agreed to funding of General Electric through July.

Paine rejected Fairchild Hiller's demands for access to contract documents containing evaluation information. He continued to withhold this information from Fairchild Hiller even as Rep. Glen Beall declared it should have been available to the public under the Freedom of Information Act, and blasted NASA procedures as unfair.

Paine made erroneous reports to the White House on his role and the NASA procedures. As late as June 19, Paine told Fairchild Hiller officials and NASA officials he had severed all ties with General Electric and had no intention of returning to that firm.

REVIEW COMMITTEE

In the face of serious criticism, Paine established a blue ribbon review committee made up of his subordinates at NASA.

John F. Deal, counsel for Fairchild Hiller, emphasized the problem of convincing Paine's subordinates they should overrule him. As the Lundin committee was considering that issue on July 28, it was announced that Paine would return to General Electric.

The seven-member Lundin committee ruled Paine's decision should be reversed. The committee agreed with GAO on the irregularities, deficiencies and inconsistencies in the procedures awarding the contract to General Electric.

GREATER STABILITY

There was somewhat greater stability in Fairchild costs, the Lundin committee said, but it concluded that costs were "not amenable to precise analysis" and not important in the light of design superiority of Fairchild. The three-member selection group concluded that "'on the technical side there exist differences in important areas" of auxiliary propulsion, systems engineering and others that represent "a clear basis for selection" of Fairchild Hiller.

Dealy called the decision a "rare occasion when an administrative agency takes . . . courageous action." "I believe it is encouraging evidence of the ability of our government and the people in it to remedy errors in an expeditious and meaningful manner," he added.

To the American people, the satellite contract reversal should re-emphasize this message: It is possible to find and correct the flaws in contract procedures as well as the mechanical flaws in a spacecraft. It is more important to catch and report those flaws than it is to record the dramatic words commemorating any successful space mission.

[From the Des Moines Register, Sept. 15, 1970]

INVESTIGATION OF $50 MILLION CONTRACT

(By Clark Mollenhoff)

WASHINGTON, D.C.—Senator William Proxmire (Dem., Wis.) said Monday that an in-

vestigation is in order on the "inconsistencies" in the explanations of NASA on the initial award of the $50 million space contract to General Electric.

The Wisconsin Democrat said he will have investigators for his Joint Economic Subcommittee examine the circumstances under which the "inconsistent" stories were told about the manner in which NASA made its decision for General Electric rather than for Fairchild Hiller.

Following a GAO report charging NASA officials with "irregular" and "inconsistent" procedures in the award, a top level NASA team reversed the initial award and gave the contract to Fairchild Hiller.

Senator Proxmire declared that although this would appear to right the major wrong, that the explanations being given by Dr. Thomas O. Paine and others at NASA are "inconsistent" and deserve examination.

The Wisconsin Senator, famous for his tough investigation of the overruns of the C5A military transport contract, stressed that it appears that Dr. Paine has given different stories on his responsibility at different times.

The inconsistencies in the story told by Dr. Paine and other NASA officials emerged in two stories in the Des Moines Register over the weekend.

Dr. Paine, 19-year employee of General Electric, has been with NASA since 1968 when he was appointed by President Lyndon B. Johnson. He was named as assistant administrator as a result of his service as head of a Scientists for Lyndon B. Johnson Committee in 1964.

Dr. Paine was boosted to the job of administrator by President Nixon in March of 1969 upon the resignation of James Webb to try to give some continuity to the leadership in the space program in the period just prior to the moon launch.

The role of Dr. Paine in making a decision for General Electric, his former employer, was controversial from the time it was made last April 8. However, new controversy was added on July 28 when it was revealed that he will return to General Electric as vice president in charge of the nuclear power development program.

In the period immediately after the contract was awarded, Dr. Paine identified himself to a number of people in Congress as the man who made the decision for General Electric. However, as it became apparent this created a "conflict of interest" controversy, Dr. Paine advised the White House that he did not make the decision.

Dr. Paine told the White House that he was only one of three men involved in the decision. The others have been identified as Spencer Beresford, general counsel for NASA, and George Low, the assistant administrator of NASA.

Letters and explanations from the White House to Members of Congress, including a letter to Representative Rogers Morton (Rep., Md.) stated that Dr. Paine did not make the decision but had been a member of a three-man panel, and had in fact voted last so he would not be the decisive person.

However, this explanation is inconsistent with the initial explanation reportedly given by Beresford in a conversation with Edward Uhl, president of Fairchild Hiller on the night of April 8, 1970, a few hours after NASA announced the award.

Dr. Paine said that his discussions with General Electric on the question of his return "have been after that (award to GE) and not before of course."

"And since I started my discussions (of employment) with G.E. in the last few weeks, I have rigorously excluded myself from any matter affecting them, and will of course continue to do so."

It was on July 15 that Dr. Paine appointed a seven-man committee of his subordinates to engage in a second evaluation of the space contract in line with a GAO order for "reconsideration."

"I have operated in this job in a way that did not favor General Electric or anybody else," Dr. Paine says. "I called the shots without fear or favor as I saw them."

Fairchild Hiller contended that the entire procedure was shot through with favoritism for General Electric from the decision for a contract stretch-out to give General Electric another chance, through a decision to permit General Electric to have an extra week to make a submission.

The GAO report and a bulky report by the NASA evaluation committee now establish the "irregularities" and "inconsistencies" in the contract procedures.

However, Senator Proxmire does not believe this is enough and he said the "full answers" to the "inconsistencies" should be explored before the $50 million contract is forgotten.

Records of the investigations and correspondence include a memorandum in which it is alleged that Beresford told Uhl that he disagreed with the decision for General Electric, but that it was made by Dr. Paine.

In that conversation, Beresford reportedly told Uhl he was authorized by Dr. Paine to discuss placing $3 million in contracts with Fairchild Hiller. Beresford also stated that he was authorized to enter into some agreement with Fairchild Hiller on a long standing patent infringement dispute.

When Dr. Paine was asked on July 29, about the controversy over his relationship with General Electric and his return to General Electric, Dr. Paine said:

"The question of a return to General Electric was very frankly one that I have asked myself very carefully. The implication of a person from industry coming into government and then being—favoring that particular company, and then going back out again into a lush job, as a sort of reward for this, is obviously a model that people looking for venality might adopt."

Dr. Paine stated that "very frankly, when I left General Electric, I had no intention whatsoever of ever returning, and I'm rather surprised that it has turned out this way."

Paine commented that he had "divested myself of all of my stock, at the top of the market, I might add."

"And since that time, I have participated actually in rather few matters where General Electric was involved, and at no time have I ever been in a position where I cast a deciding vote in favor, or against G.E. as far as that goes," Dr. Paine said.

BLACKBEARD IS ALIVE AND WELL IN THE MIDDLE EAST

Mr. MONTOYA. Mr. President, recent events have shown us that the oldest evils and acts of barbarism can be resurrected and repeated in modern dress. Galleons no longer ply the Caribbean, preyed upon by craft flying the Jolly Roger. Cannons no longer boom out the freebooter's challenge. Yet the spirit of piracy lives and thrives in the Middle East today. The happenings of the past week or so are the stark evidence of the truth of such a contention.

Airliners costing millions have replaced the ships. They carry at least as many people as the old vessels. Today's helpless passenger can only sit in frustrated apprehension in the face of this threat. Today's modern pirates hold hundreds of lives in their irresponsible hands. Once caught, the modern traveler finds his rights have been abrogated, and he has become a pawn in a deadly game.

American planes have been hijacked and destroyed. American citizens have been held illegally as captives by groups who blend criminal behavior and fanaticism in equal parts. World war is being risked by such misguided people, who clothe their fanaticism in philosophical goals. Such has been the excuse of every similar group throughout man's recorded history. In the name of idealism, mountains of corpses have been created and uncounted wars have been fought. Now the ultimate danger looms because of such irresponsible behavior. Even Nasser looks tame beside these people, who dash with excited whoops through the most potentially lethal powder magazine in the world.

Capturing women and children to use as stakes in a game is as unjustified as an army marching to combat with noncombatants held in front of them as hostages. This is self-defeating. It is disgusting. It brings their entire cause into disrepute.

There is no reason in the world for this country to kowtow to such groups as the Palestinian terrorists. Nor should this Nation allow any passengers to be singled out on religious grounds for prejudicial treatment. These are the same people who make war on school buses full of Israeli children. Are we to allow them to dictate terms to us over our own citizens? I fervently hope not.

These terrorists are not soldiers who stake their all on open combat with an armed enemy. I see no record of them challenging the Army of Israel to battle. Therefore, I see no reason why we should allow them the respectability they obviously seek by giving in to their demands.

I applaud the President's decision to place armed guards aboard airliners. Although I would prefer to see a boycott of nations harboring pirates, this is an excellent first step.

In the end, it is essential that this Nation impress upon such people as the terrorist groups that acts against any American citizen or their property is a sterile undertaking. They will not gain from such an endeavor. Rather, they will only insure the ill will of this Nation toward their cause, which commands little American respect to begin with. Finally, they are toying with incurring the open and vehement dislike of the vast majority of Americans.

Kidnaping women and children; holding them hostage at gunpoint in hostile surroundings; seeking to discriminate against Americans because of their religious faith; all of these, taken cumulatively, are a disgusting exhibition of bigotry, hatred, and violence which any thinking person must condemn and view with revulsion.

ACTION NEEDED AGAINST HIJACKING

Mr. BYRD of West Virginia. Mr. President, civilized nations around the globe have condemned the barbaric actions of the Arab terrorists who have seized and destroyed commercial airliners and held innocent persons hostages to gain political ends.

Piracy is nothing new in the world. It is

an ancient and dishonorable trade. Our country has had to deal with it before, dating back to the days of the infamous Barbary pirates when our Nation was young.

But never before in the history of the civilized world has piracy presented the threat to international passenger movement, and to international relations, that is now presented by the bold bands of gangsters who hijack airplanes.

It is not enough simply to condemn the terrorism of these vicious blackmailers. Strong and forthright action to put them out of business is called for.

I believe President Nixon's action in placing plainclothes armed guards on international and some intracontinental flights is justified. I believe the knowledge that such agents are aboard unspecified aircraft will in itself serve as a deterrent for would-be kidnapers in the skies.

But this is only one action that should be taken. There are other actions, and they should be equally as direct and positive.

I suppose it is all right to size up boarding passengers with an eye to behavioral characteristics that might be a tipoff for criminal action in the air. And it is also of some comfort to boarding passengers, I suppose, to know that metal detecting devices may disclose a hidden weapon.

But I am skeptical that such measures will, in the long run, deter persons desperate enough to do what the Palestinian commandos have already done—and have up to now, in reality, gotten away with.

Indeed, the evidence thus far shows that one individual dressed in a Latin revolutionary costume was able to get aboard a plane unchallenged and take it over; and that in other instances the detecting devices and the behavior pattern checkers were both "turned off" when hijackers went aboard.

Sterner measures are demanded. The nations of the civilized world simply can no longer tolerate aerial piracy—and they can no longer tolerate half-measures in dealing with it.

The United States, as the leader in world aviation, in my judgment, must take the lead in quarantining any country that, in any way, gives aid and comfort to hijackers. Air service ought to be denied to any country that fails to act decisively against hijackers. The outrages have gone on long enough.

The United States has moved cautiously in so many situations in which international criminal activity was concerned that the time has come to make a stand. I believe the world will applaud, and that other nations will follow.

We have already seen evidence that opinion is hardening against the outlaws. Egypt, which welcomed hijackers only a short time ago, has taken a different line against the Palestinians. No nation is safe where international blackmail is concerned.

I well realize, of course, that the lives of innocent people are now at stake, and I would do nothing at this point to jeopardize them. But the pattern of what we can expect in the future has been clearly disclosed by the series of events in the Jordanian desert, and what we need to do now is to plan for the future.

Our country can act unilaterally in ordering American air carriers to halt service to and from any foreign country that is soft on air criminals. Moreover, the United States could refuse to allow the aircraft of such a country—or the planes of any airline serving such a country—or the planes of any airline serving such a country—to land in the United States.

These are drastic measures, but drastic measures are called for when no one who boards an airliner today knows whether or not he will ever reach his destination. Such sanctions would be justified simply to protect American lives, if for no other reason.

I am aware, of course, that the international agreements covering air travel are complicated—from a legal standpoint, as well as from an economic standpoint. The United States, however, has a long and honorable history of abiding by its agreements, a fact well known to the capitals of the world. In this instance, because of the gravity of the situation and the enormity of the crime of air piracy, I think our Government would be justified in acting as I have suggested.

No air travelers should ever again have to undergo ordeals such as those of recent days—but unless uncompromising action is taken we may be sure that other passengers in the future may not be even so fortunate. Emboldened by success, desperadoes may next time blow up human beings as well as aircraft. Even as it stands now, many hostages are still being held by the Arab guerrillas.

If the United States and other nations had moved decisively at the beginning of the wave of hijackings, we perhaps would not be in such straits now. All nations—including those that have offered sanctuary to hijackers—have a stake in bringing an end to this wave of terror in the skies.

World opinion has already been brought to bear against the outlaws; action to thwart them in the future is now demanded.

ADDRESS BY THE VICE PRESIDENT

Mr. BELLMON. Mr. President, tonight in New Mexico, Vice President AGNEW delivered a hard-hitting speech which I believe deserves the attention of all Americans. I ask unanimous consent that it be printed in full in the RECORD.

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

ADDRESS BY THE VICE PRESIDENT AT A NEW MEXICO REPUBLICAN RECEPTION SEPTEMBER 15, 1970

Since my opening campaign speech in Springfield, Illinois, my friends of the traveling press have been asking for a fuller definition of "radical liberalism." These reporters—I assure their Eastern editors—have done their job and, best I can tell, they have gone at it with enthusiasm.

Herb Adderly, formerly of the Green Bay Packers, never covered a receiver as closely as they have covered me.

Last Saturday—while playing golf with Doug Sanders in California, I was coming up on the tenth green when the voice of the press cried out from the rough, "Mr. Vice President, just who are the radical-liberals?" I three-putted that green.

On through the back nine, and later in the locker room, they continued their hot pursuit. But the question is legitimate, and tonight, in part, they—and you, too—will have the answer.

But to keep this contest of 1970 a clash of philosophies rather than of parties or personalities, I shall continue to hold off—for a time at least—the naming of the men themselves. I think the people will eagerly make their own judgments.

But of those individuals, I should say this first of all: they are not evil, not insincere, not unpatriotic. It would be dead wrong to say they are. One of the most troublesome aspects of this problem is that they believe very sincerely, very deeply in the course they have been following. But in the year 1970 their philosophy is out of step with the times. It makes them neo-isolationists in foreign policy, at a time when neo-isolationism openly invites communist aggression. The same philosophy makes them obstructionists in Congress, at a time when America's need is for progressives who will cooperate with our President in initiating a needed era of restoration, renewal and reform. The same philosophy makes them social permissivists, at a time when America just can't stand more permissiveness if this society is to control the radicalism tearing at its roots.

Make no mistake. This radical liberalism that infects our Congress and poisons our country is at best a bizarre mutation of the Democratic liberalism in the great Wilson, Roosevelt, Truman and Kennedy tradition. To measure the distance the new breed has departed from the enduring principles of the Democratic Party, one need only hear again the eloquent words of President John F. Kennedy:

". . . the adversaries of freedom plan to consolidate their territory—to exploit, to control, and finally to destroy the hopes of the world's newest nations, and they have ambition to do it before the end of this decade. It is a contest of will and purpose as well as force and violence—a battle for minds and souls as well as lives and territory. And in that contest, we cannot stand aside."

You will never, ever, hear that kind of statesmanship and determination from the radical liberals posturing about today in the United States Senate.

As for the great and long American tradition that "politics stops at the water's edge," they have rejected that with impatience and contempt.

Let us contrast two men. When Richard Nixon was out of office through the years of the 1960's, he always defended American foreign policy when he was beyond our shores. At home, he never undercut the President's efforts to win an honorable peace.

Yet, when President Nixon made the courageous Cambodian decision to protect American lives in Southeast Asia—the Democratic candidate of 1968 publicly accused the President of committing an act of "open aggression." If that's the new Hubert Humphrey, I prefer the old.

As for the radical liberals—they make the evening news, and they make their living—by openly and flamboyantly undercutting the President's efforts to win a just peace in Asia.

But some good Democrats will say in response—this is only Mr. Agnew, and he is a partisan Republican. I implore these good people, and there are millions around this country, to listen to the voices of reason and concern within their own Party.

Within the last month, the Governor of South Carolina has expressed his "grave apprehension" at the direction of the Democratic Party, warning, "I do not think our people are ready for a political party of extremism."

Just last week, the Chairman of the Democratic National Committee belatedly urged the Party to purge itself of extremist elements.

Two weeks ago a lifelong Democrat, the head of the nation's largest labor organization, stated:

(The Democratic Party has) "disintegrated . . . It is not the so-called liberal Party that it was a few years ago. It has almost got to be the party of extremists in so far as these so-called liberals or New Lefts, or whatever you want to call them, have taken over the Democratic Party. As they take it over and they move more and more to the left—and I mean way over to the left—I think more and more are going to lose the support of our (labor) members."

That is not the voice of the Vice President—that is the voice of a man whose organization has long furnished both a substantial part of the manpower and the war chest for the Democratic Party.

The great collision of philosophies in 1970 will help to shape the destiny of our country—it will almost surely determine which faction will take control of the Democratic Party. That is why, here in New Mexico, Republicans and Democrats alike have a vital stake in the political defeat of the incumbent and a smashing triumph for your next United States Senator—Andy Carter.

But there are other ways to draw a bead on the radical-liberal. He is the kind who delays, or weakens or opposes every anti-crime bill the President sends up—at least until public pressure becomes irresistable.

He supports every effort to undercut the President's authority in foreign policy.

When the President asks for the money and weapons needed to maintain America's strength and commitments abroad, he will hint darkly that the President has been taken over by the military-industrial complex.

When the President uses force—as in Cambodia—to protect American lives, the radical-liberal gets almost hysterical.

He excuses campus violence as the inevitable and justified response of the alienated—but he luridly denounces the reaction of workers and the peacekeeping efforts of the police as harbingers of fascism.

He will bemoan the rise in prices—but vote for every spending bill that comes down the pike.

In the Senate he wants America to welch on all her commitments to the peoples of Asia—but he acts the jingo in the Middle East—blind to the truth that America's credibility is not something that can be destroyed in one corner of Asia and survive anywhere else in the world. Either our word is good, or it is not—and when we give our word, then it sticks through the tough times as well as the good times.

The radical-liberal will not get exercised over the presence of hardcore pornography at the corner drug store—but don't let him catch your son praying in the public schools.

The radical-liberal will not hesitate to demand the immediate use of the Eighty-Second Airborne to integrate the schools of a southern state—but he will buy his house so far out in the suburbs that you have to take the metroliner to get there.

The radical-liberal will want your child bussed clear across town to meet someone's notion of proper racial balance—but his own kids will be off to Pennsy Prep.

Such, my friends, are the radical-liberals in the Congress of the United States. They destroyed a President from their own Party, Lyndon Johnson; now they are trying to destroy another, Richard Nixon. But they are going to fail. Because in 1970 Democrats, Republicans and Independents, moderates, centerists and conservatives are going to join together to administer the political defeats that they so rightly deserve.

I have watched the radical-liberal move through the Capitol corridors with the aloofness of one who has had a private revelation—that the system founded by our forefathers is no longer of any count.

No matter that this great republic has persevered through two centuries of enormous progress. No matter that the American representative democracy has produced the most flexible and free economy in all the history of man. No matter that individual freedom has been advanced for millions and then tens of millions to a degree previously unknown on this earth. No matter that Americans enjoy the greatest abundance of any people in recorded time. No matter that the spirit of generosity pervades this people as it has no other since history began. No matter—the radical-liberal looks on all this and says the system is increasingly unjust and corrupt.

Without any mandate, without any plebiscite, the radical-liberal will posture as spokesman for the young, the poor, and the black—though most of these Americans do not know who he is and would not like him if they did.

The radical-liberal will tell you that if the war goes on, the best of our young people will scurry off to Canada, he will tell you that the real heroes are the ones who refuse to serve in the armed forces of the United States.

Those may be the heroes of radical-liberals—but they are not our heroes.

Our heroes are the American youth who respond to their country's call, who do their country's bidding in a time of crisis. Our heroes are those who have sacrificed years and some their lives in as selfless a cause as any nation has ever undertaken.

More and more as these radical-liberals read the mood of the American people they disguise their identity, and lately they have started coming to town masquerading as moderates.

Over this weekend, we had a fresh new recruit to the advocates of law and order. A young Massachusetts Senator enlisted suddenly, lashing out at student radicals as "apostles of force," "campus commandos." He compared them to the Palestinian terrorists. How surprising—and how interesting—that this Senator should now come charging in from the far left of the political spectrum toward the center, where the President of the United States has been all the time, and where he stands today.

And this is significant. For this is a Senator who as much as any other in American political life has always had his political course charted out for him in advance by those faithful navigators—the professional pollsters.

But by their past words and deeds we shall know them.

The Senator who rose in the world's greatest deliberative body to say that this "Chamber reeks of blood" will have a hard time convincing us he is a moderate man.

The Democratic Chairman of the Senate Foreign Relations Committee who said that: "(The United States) ought to welcome North Vietnam's preeminance in Indochina" will not be forgotten—and when he is retired from that chairmanship there will be bipartisan rejoicing all over America.

I predict that the economic journalist and self-appointed Democratic Party theoretician who wrote that, "(socialism) describes what is needed . . . the Democratic Party must henceforth use the word socialism," has advised his last President.

As for that Democratic candidate for the Senate who describes himself as a "revisionist Marxist," he needs to be informed by the voters in November, in a massive way, that America just won't have Marxists in the United States Senate.

As for that former Attorney General who publicly accuses President Nixon of appealing to "fear and hatred" and who says, and I quote, "I'm like (Black Panther) Bobby Seale in many ways: maybe not in as many ways as I should be"—the American voters should guarantee that he never holds another elective office as long as he lives.

The criticisms I have made tonight are blunt and stern—but they are valid and they are true and I believe they are necessary.

I ask that these radical-liberals be removed from office—not because of personal animus—but because they are the nation's major roadblock for the remainder of this century both in our quest for World peace and in the progress we must make at home.

And I am not here simply to speak out against radical liberalism, I am here to speak out for all the domestic programs the President has offered that sit idle in the hands of an indifferent Congress. I am here in Albuquerque to ask the people of New Mexico to return your outstanding Congressmen, Manuel Lujan and Ed Foreman to Washington where they will stand with our President—and to send Andy Carter to tip the balance back toward responsibility in the United States Senate—to make that Senate again a chamber of which all Americans can be deeply proud.

Respect for Congress has dropped to its lowest point in five years—we in the Executive Branch do not like that or want that. We want a cooperative Congress working with the President for peace and progress—a Congress that will stand tall again in the eyes of the American people. Ed Foreman, Manuel Lujan and Andy Carter will help make it that kind of Congress again. And I am here, as an ex-Governor, to speak on behalf of a fine candidate—the next Governor of the great State of New Mexico—Peter Dominici.

In Springfield, I closed my speech with a statement of hope made in this collision of philosophies that Winston Churchill made once in a collision of arms.

"I avow my faith that we are marching toward better days. Humanity will not be cast down. We are going on—swinging bravely forward along the grand high road—and already behind the distant mountains is the promise of the sun."

ORDER OF BUSINESS

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is concluded.

DIRECT POPULAR ELECTION OF THE PRESIDENT AND THE VICE PRESIDENT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business.

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

The title of the bill was read, as follows:

A joint resolution (S.J. Res. 1) proposing an amendment to the Constitution of the United States relating to the election of the President and Vice President.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from West Virginia?

There being no objection, the Senate resumed the consideration of the joint resolution.

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

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

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. HOLLAND). Without objection, it is so ordered.

Mr. HRUSKA. Mr. President, the pending business is the consideration of Senate Joint Resolution 1. On last Tuesday I stated that direct election of the President pursuant to that or a similar resolution would produce a number of dangerous consequences.

First, it would destroy the two-party system and encourage the formation of a host of splinter parties.

Second, it would undermine the federal system by removing the States as States from the electoral process.

Third, it would remove an indispensible institutional support for the separation of powers.

Fourth, it would radicalize public opinion and endanger the rights of all minorities by removing incentives to compromise.

Fifth, it would create an irresistible temptation to electoral fraud.

Sixth, it would lead to interminable electoral recounts and challenges.

Seventh, and finally, it would necessitate national direction and control of every aspect of the electoral process.

The Senator from Nebraska stated at that time, when those grounds were laid out and declared, that he would have more to say about each of those matters, and that is what I shall proceed to do at this time.

EFFECTS ON THE PARTY SYSTEM

First. as to the effects of the adoption of direct election on the party system, everyone will acknowledge that the two-party system in the United States has been one of the great stabilizing influences in American political life. The issue before us is not whether a two-party system is desirable, but whether direct election of the President would or would not encourage the formation of splinter parties.

The Senator from Indiana and the Senator from Nebraska had a difference of opinion on this point the other day. The issue was rather unsatisfactorily resolved by a matching of scholarly authorities. The Senator from Indiana cited a number of men who apparently felt that the electoral vote system had little to do with our party structure. The Senator from Nebraska replied by citing a number of eminent authorities who were in sharp disagreement with that view.

After reviewing the evidence again, the Senator from Nebraska remains convinced that the present electoral system has a great deal to do with the character of our political parties. I very much agree with professor, now president, Alexander Heard, of Vanderbilt University, who has said that—

The constitutional feature that most determines the nature of the American party system is the method of electing the President.

The Senator from Indiana, however, is not satisfied with the authorities of the Senator from Nebraska, and since neither of us is a political scientist, I would like to call a temporary truce on this "Battle of the Books," which, if it were to continue, might lead us very far afield. I would like, instead, to try to discuss the matter as concretely and as specifically as possible.

A good way of doing this, I believe, would be to consider the election of 1968, and to compare what actually happened with what might very well have happened if the direct election proposal had been in effect.

My mind runs back to the summer of 1968 and I recall the deeply troubled Democratic Convention which took place in the city of Chicago. I mention that event, not out of any sense of Republican superiority, for we, too, have had our share of divided conventions in the past; I mention it only because I believe that the aftermath reveals, better than any work of political science, why the electorial vote system should be retained.

I think it fair to say that the Democratic Party was dangerously divided in Chicago in the summer of 1968; I think it also fair to say that the party did a pretty fair job of pulling itself together afterward. Indeed, those of us on this side of the aisle were inclined at the time to wish that a little less pulling together had taken place. Nevertheless, despite my partisan affiliation, I think that the coming together afterward was, on the whole, a healthy development for the country. But I also think it worthwhile to consider why such a seriously divided party, which threatened at convention to dissolve into any number of minority factions, managed—temporarily at least—to patch up its differences and do so well afterward.

The answer, I believe, is to be found in the requirements of our present electoral system. What pulled the Democratic Party together was the necessity of capturing a majority in the electoral college. All but the most extreme of the factions understood that they could gain little and lose much by splitting off from the parent organization. Indeed, Mr. Richard Goodwin testified, from his personal experience that if any political advantage could have been had in forming an antiwar party, he would have helped to organize such a party and would have worked vigorously in its behalf. What restrained him—and others—from doing so were the penalties imposed upon splinter parties by the requirements of the electoral college.

The would-be splinter factions, in short, had no place else to go. Staying within the Democratic fold, despite their disagreement with the platform and the candidate, was seen as the best way to gain adherents for their own point of view.

Consider if you will, Mr. President, what the effect might have been under direct election. The badly split factions so much in evidence at convention would have faced no incentive whatsoever to come together afterward. There would have been no reason for them to cooperate with the State Democratic organizations; no reason, indeed, for them to cease going their separate ways. Under direct election, certainly two and perhaps three major Democratic candidates would have run. And I must say, in respect of my own party, that even though our divisions were not so deep nor so wide as those which characterized the Democratic Party in 1968, some of our members might have been tempted to field two or three candidates in our own right.

The result, I believe, would have been nothing short of chaotic. Each of the splinter candidates would have claimed to be the true standard bearer of his former party. None would have faced any necessity to compromise with the others before the first election, none would have felt any necessity to campaign in the smaller, sparsely populated States. Indeed, the smaller States in the Midwest and Rocky Mountain areas, with their significant rural and farming interests, might very well have been compelled to field their own candidate in order to protect themselves. No one, I daresay, would have come anywhere near the 40-percent requirement of the direct election proposal. If the runoff provision of Senate Joint Resolution 1 had been in effect, the top two candidates in a five- or six-man field would have been lucky to get 40 percent between them in the first go-round. If the Griffin-Tydings fallback election procedure had been in effect, it is highly doubtful whether anyone could have garnered a sufficient number of electoral votes, and the electoral mess would have been thrown into a joint session of Congress. And it is anyone's guess as to what might have happened there.

What prevented this nightmare from taking place, I repeat, was the necessity of having to capture a majority of electoral votes, an undertaking that requires serious candidates to cooperate with party leaders within the several States, both large and small. This simultaneously shores up the federal system, serves as a salutary incentive to compromise, and discourages minor party candidates.

The election of 1968, Mr. President, is instructive not only with a view toward what might have happened under direct election, but also with a view toward what actually happened. I refer, of course, to the strong third-party bid of George Wallace. Proponents of direct election like to point to the Wallace candidacy as proof of how the present system is supposed to encourage third-party movements. Quite the opposite is true, Mr. President, as I believe an analysis of 1968 will reveal. This matter is dealt with most effectively in the minority views of the report of the Judiciary Committee, at pages 48 and 49.

It is there argued that the electoral college, far from encouraging third party candidacies of the Wallace type, invariably reduces them to ineffectual movements, and confines them to a narrow base. For under the electoral vote system, a third party which hopes to compete outside a regional base must be able to outpoll the major parties in States where the major parties are strongest. Moreover, this same difficulty is presented even within the regional base of the third party, since the major parties, or at least one of them, will be found competing there, also.

The majority report from the Committee on the Judiciary refers to the Wallace movement as "the most powerful third-party bid since 1924." But the immediate and obvious question is this: What happened to the "most powerful third-party bid since 1924?" The immediate and obvious answer must come forth, and does come forth—to wit, the same thing that happened to every third party movement in American history—namely, nothing.

The decisive question is not what the Wallace movement intended in the past or what it intends in the future. The decisive question, rather, is what actually happened. What actually happened was that, in spite of Governor Wallace's intentions, his presidential effort was necessarily confined to a narrow sectional base. It was confined to a narrow sectional base precisely because the electoral college requires that a successful presidential campaign be conducted in all or most of the States. This requires, in turn, that a candidate make a broadly based appeal to the voters. Moreover, because of the strong two-party structure, many would-be supporters outside the South, and even many within the South, were induced to cast their ballots for one of the major party condidates.

Since the majority report ventures to speculate on what Governor Wallace might do in the future under the electoral college, we are invited to speculate on what he or others might do under direct election. Under direct election, as we indicated earlier, there is absolutely no incentive for a candidate to moderate his views or to seek broad geographical support; nor is there any incentive for a voter who is attracted by a third-party candidate to cast his ballot for what is now called a major party candidate. Under the circumstances, a candidate would have everything to gain and nothing to lose by playing to deep-rooted fears and prejudices.

Given the nature of the passions which have been loosed in our time on both the right and the left, on a growing number of issues, it would not at all be surprising for a splinter party candidate to outpoll one of the so-called major party candidates, especially since the major parties, as we know them now, will probably cease to exist under direct election.

Those who fear George Wallace, in short, will find more fertile ground to plow in direct election than they will in the electoral college.

I find it astonishing, Mr. President, that the proponents of Senate Joint Resolution 1 deny that the electoral vote system has anything to do with our party structure. This denial not only goes against a considered body of opinion, but flies in the face of commonsense. Even a cursory study of our major party organizations will reveal that they bear the stamp of the presidential election system. The fact that they are State based, the fact that they are to be found competing over a large area, the fact that they resist rigid ideological labels, the fact that they cater a broad diversity of interests—all these distinctive features are the products of the unique electoral system under which the parties have operated for a century and a half.

As to the adverse effects of Senate Joint Resolution 1 on our party structure, I need go no further than the telling comments made by Senator GRIFFIN and TYDINGS, themselves sponsors of a competing direct election proposal. The separate views of Mr. GRIFFIN and Mr. TYDINGS, which are found on pages 15 to 19 of the committee report, say all that need to be said about the dangers of party proliferation under the Bayh plan.

As it happens, I do not share the conviction of the Senator from Michigan and the Senator from Maryland that the elimination of the runoff will cure all the ills of direct election. The elimination of the runoff will cure some, but by no means all, of the problems created by direct election. But I agree with Messrs. GRIFFIN and TYDINGS that Senate Joint Resoution 1 will lead to a disastrous multiplication of splinter parties. With some qualification, I believe the same will be true of the Griffin-Tyding proposal.

Mr. President, I quote from the separate views of Senators GRIFFIN and TYDINGS:

> In probing the justifications advanced for for the popular runoff contingency in Senate Joint Resolution 1, a number of disturbing, unanswered questions remain. How, for instance, do we account for the general consensus among political scientists that election of Governors and legislators by plurality vote, without a runoff, has definitely encouraged the two-party system? What relevance to the committee proposal is there in the history of divisive, bitterly fought primary runoffs, particularly in the South, where the first election provides a testing ground for the strength of various ideologies? Even in statewide contests where only a plurality is required, four relatively strong parties have emerged in New York, thereby demonstrating the clout of minor parties.
>
> While a runoff in the House of Representatives is possible under the present electoral system, the inhibiting effect of the unit rule has discouraged the proliferation of minor parties except for those having some type of regional base. Under the winner-take-all feature minor parties have thrown the election into the House only in the case of the 1824 election. Of the 46 Presidential elections since 1789, major third-party challenges have occurred in only eight contests.
>
> Despite this record, popular vote totals in past elections are relied upon for formulating the 40-percent plurality requirement designed to minimize the possibility of runoffs. However, is the history of results under the present system, where a powerful deterrent exists to the entrance of minor parties on the political scene, good precedent for evaluating the success of an entirely new concept lacking the safeguards against ideological candidates?

The Senator from Michigan and the Senator from Maryland go on to say:

> These questions, can be satisfactorily answered only by altering the runoff contingency in order to strike a better balance between the need for direct public participation and the need for institutional stability.
>
> Although it is possible for the present system to produce some peculiar and undesirable results as the committee report emphasizes, it is important not to lose sight of its strong points.
>
> Since 1836 when the unit rule became the general standard in the States for allocating electoral votes, not one election has been sent to the House of Representatives due to the inability of any candidate to receive a majority of the electoral votes. The 1876 election went to the House only to determine which major party candidate should have received the 22 electoral votes in four States where the election returns were in dispute.
>
> As emphasizd during the Senate hearings by Prof. Alexander Bickel of Yale Law School and former Presidential assistant Richard Goodwin, the present electoral system restricts third-party challenges to those candidates who have a strong regional base. The lack of such a base is illustrated by the demise of the Progressive Party. In 1924 Robert La Follette garnered 16.6 percent of the popular vote but carried only Wisconsin with its 13 electoral votes. Henry Wallace, running on the Progressive ticket in 1948, got 2.4 percent of the popular vote but won no electoral votes. That same year, Senator Thurmond, representing the regionally based States Rights Party, received the same percentage of the popular vote as Henry Wallace but collected 39 electoral votes. Of course, the impact of the States Rights Party can be seen today in George Wallace's American Independent Party.
>
> The limitations of even solid regional support on a third party's efforts are strikingly demonstrated by going back to the 1860 election. Although the southern Democratic candidate, John Breckinridge, polled 72 electoral votes and John Bell of the Constitutional Union Party polled 39, Abraham Lincoln won a majority of the electoral vote with only 39.9 percent of the popular vote.
>
> On the other hand, under the 40-percent plurality required for direct election, a minor party or combination of minor parties need only approach 20 percent of the popular vote in order to reach a strong bargaining position. The prospect of two minor party candidates, one regional and one ideological, amassing 20 percent of the vote is quite realistic in the near future of American politics.
>
> In view of this attractive political framework, the direct election plan, as embodied in Senate Joint Resolution 1, opens the door to public political bargaining with the most far-reaching consequences. Concessions wrung from major party candidates either before or after the first election would be made in a heated atmosphere conducive to the creation of public distrust. Given the fact that bargaining before the runoff election would take place under conditions of division and disappointment, cynical political moves might in themselves lead to a crisis of respect and legitimacy in the selection of the President. Undoubtedly, the aura of legitimacy would be all the more in doubt where the runner-up in the initial contest wins the runoff by wooing third-party support. In such a case, the question of legitimacy is sharpened even further if the turnout in the second election is substantially lower than in the first election.

II. EFFECTS ON THE FEDERAL SYSTEM

Mr. President, I turn now to an equally serious matter, the destruction of the federal system. It is here, I believe, that

the truly radical nature of direct election is best revealed. Direct election, it is claimed, would give every man a mathematically equal vote. But in order to accomplish that result, it must abolish the role of the States in the presidential election process. And it is my firm belief that the removal of the States from the electoral process would be a giant step down the road toward the complete abolition of our Federal Union.

The Senator from Indiana professes that he cannot see how direct election would in any way endanger the role of the States in the federal system. I would like to enlighten him, by discussing the matter on two levels, one theoretical, the other practical.

On the theoretical level, I would simply like to direct his attention to the bottom of page 37 and the top of page 38 of the minority views. A question is there asked to which I have yet to receive a satisfactory answer. Let me quote the passage in full:

> The proponents of direct election must be asked how they propose to defend the federal system in principle. It is one thing for them to say that they favor the retention of the federal system; it is quite another for them to make an argument for federalism on the basis of the logic which impelled them to propose direct election in the first place.
>
> The federal system is an explicit departure from the doctrine of mere numerical majorities, from the doctrine of "one-man, one-vote." If no departure from that doctrine is to be permitted in the Presidency, by what reasoning is it to be defended in the federal system? Conversely, if it is to be tolerated in the federal system, why should it not be tolerated in the Presidency?

As I say, Mr. President, I have yet to receive a satisfactory answer to that inquiry. And it was the lack of an answer that prompted me the other day to say that, if the States are removed from an active role in presidential elections, the Senate will be the next to go.

It is realized, perhaps, that this is the farthest thing from the minds of the proponents of Senate Joint Resolution 1. What I argue is that they may not be sufficiently aware of the full implications of their own proposal. This Senator would like to hear the argument by which the proponents of direct election propose to defend the Senate as a necessary and desirable institution.

Mr. President, we would like to hear from the proponents of direct election the argument by which equal representation in the Senate for Alaska and for California can be justified. We would like to hear from the proponents of direct election the argument by which a departure from the one-man, one-vote doctrine is to be tolerated in case A, but is somehow not to be tolerated in case B.

If the reply is given that equal representation in the Senate is desirable because it prevents the small States from being engulfed by the large, then the question will be asked why that same consideration should not apply with equal force to presidential elections?

If it is then said that the small States will not be engulfed by the large States under direct election, then it can be cited for a second time the tabulations printed in the RECORD the other day which revealed that no fewer than 34 States will lose voting power under Senate Joint Resolution 1.

Mr. President, I ask unanimous consent that that portion of the report of the Senate Committee on the Judiciary to be found on page 54, constituting a tabulation under the title "Appendix B" be printed in the RECORD at this point.

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

APPENDIX B

1. VOTING STRENGTH OF 34 STATES AND DISTRICT OF COLUMBIA ADVERSELY AFFECTED BY DIRECT POPULAR VOTE IN 1960 AND 1968 PRESIDENTIAL ELECTIONS

State	1960 Electoral vote	1960 Percent of electoral vote	1960 Percent of popular vote	1968 Electoral vote	1968 Percent of electoral vote	1968 Percent of popular vote
Alabama	11	2.04	0.82	10	1.85	1.42
Alaska	3	.55	.08	3	.55	.11
Arizona	4	.74	.57	5	.92	.66
Arkansas	8	1.48	.62	6	1.11	.83
Colorado	6	1.11	1.06	6	1.11	1.10
Delaware	3	.55	.28	3	.55	.29
District of Columbia				3	.55	.23
Georgia	12	2.23	1.06	12	2.23	1.68
Hawaii	3	.55	.26	4	.74	.32
Idaho	4	.74	.43	4	.74	.39
Iowa	10	1.86	1.85	9	1.67	1.59
Kansas	8	1.48	1.34	7	1.30	1.19
Kentucky	10	1.86	1.63	9	1.67	1.44
Louisiana	10	1.86	1.17	10	1.85	1.49
Maine	5	.93	.61	4	.74	.53
Maryland	9	1.67	1.33	10	1.85	1.68
Mississippi	8	1.48	.43	7	1.30	.89
Montana	4	.74	.40	4	.74	.37
Nebraska	6	1.11	.89	5	.92	.73
Nevada	3	.55	.15	3	.55	.21
New Hampshire	4	0.74	0.42	4	0.74	0.40
New Mexico	4	.74	.45	4	.74	.44
North Carolina	14	2.60	1.98	13	2.41	2.16
North Dakota	4	.74	.40	4	.74	.33
Oklahoma	8	1.48	1.31	8	1.48	1.29
Rhode Island	4	.74	.58	4	.74	.52
South Carolina	8	1.48	.56	8	1.48	.91
South Dakota	4	.74	.44	4	.74	.38
Tennessee	11	2.04	1.62	11	2.04	1.70
Texas	24	4.46	3.35	25	4.64	4.20
Utah	4	.74	.54	4	.74	.57
Vermont	3	.55	.24	3	.55	.22
Virginia	12	2.23	1.12	12	2.23	1.85
West Virginia	8	1.48	1.21	7	1.30	1.30
Wyoming	3	.55	.20	3	.55	.17
Total	242	44.84	29.40	238	44.06	33.32

Mr. HRUSKA. If it is then said that it is people, not States, who elect Presidents, then it will be asked why that is not equally true with regard to the election of Senators?

On a theoretical level, there is simply no way out of this dilemma. If the "one-man, one-vote" dogma is to be invoked with respect to the Presidency, it will be invoked, sooner or later, with respect to the Senate. There are no two ways about it. Either one is in favor of the federal system, or he is in favor of applying "one-man, one-vote." The principles underlying each are mutually incompatible.

But I do not rest my case only on this basis. I believe that there are practical considerations as well which will reveal how direct election will destroy the federal system. I would cite, first, the loss of voting power on the part of the small, sparsely settled States. But I shall not stop there. I shall not stop there because I am convinced that under direct election, the States as States will simply cease to matter at all. In the long run, the loss of voting power by the smaller States will be overshadowed by the fact that the small States will likely be excluded from presidential consideration altogether. Where the nectar is thickest, the bees will forgather. Wherever else the votes may be found under direct election, they will not be found in the thinly populated States. A candidate would be very foolish indeed who spent time and money courting the sparsely populated areas of the country, when for an equal investment of time and money he could court the voters in our more densely populated centers. The voters in the sparsely settled areas may have a mathematically equal vote under direct election, but it would not amount to a hill of beans. They might well wish for a return to some of the good old-fashioned mathematical inequality.

Mr. President, it is not an inequality that is wicked or pernicious. It is an inequality that is a necessary implication of the federal system.

It was originally placed into the federal system for the purpose of preventing the small States from being engulfed by the large States, not by way of vesting in the small States a veto, not by way of giving them a predominant vote, but simply by giving them a little extra weight so that they will have significance in the results of the election of the President.

An example was given earlier during the course of this debate of the midland States. These are the North Central States—North Dakota, South Dakota, Nebraska, Kansas, Montana, Wyoming, and Colorado. They have an estimated population of 8 million people. The number of electors in those States is 33. Their percentage of the national electoral count is 6.13 percent. The number of popular votes cast was approximately 3,150,000.

The percentage of popular votes, if the direct election proposal were applicable, would be 4.31 percent.

This means, Mr. President, that the voting strength of those States would

have been lost to the extent of 29.7 percent—approximately 30 percent of their voting power.

I venture to suggest that if the 10 most populous States of this Union were, under a proposal for amendment of the Constitution, to lose 30 percent of their voting strength, they would not have considered for one minute such a proposal.

States, whether smaller States or less populous States, existing for almost 180 years under this federal system, are asked to forgo that loss of voting strength and drop as much as 30 percent of the voting strength they now have. That would be the result of the adoption of Senate Joint Resolution 1.

Mr. President, on that score I do believe there would be great difficulty in persuading the necessary three-fourths majority to get that job done. It might be said, "That is fine, but refer it to the representatives of the people, on a State-by-State basis and find out what their will is."

The trouble with that argument is that in the meantime all of the greatly deprecated and greatly lamented possibilities of the present electoral system would still exist. There is a way, a very simple way, of eliminating some of the fears, a way which would be readily seized upon in the judgment of this Senator by the legislatures of the people of this Republic by the simple expedient of eliminating the office of presidential elector and by revising the fall-back system so as to discard the unit rule in the House of Representatives, in the case of a runoff. The expedient would be to call a joint session of Congress and to have each Member of Congress cast one vote. That would as nearly approximate a cross section of the thinking and the wishes of the people of this Nation as any.

Given the ratification of such an amendment we would be safe from the potential dangers to which the advocates of this resolution call our attention so often, so frequently, and with such dire trembling in their voices. In the meantime, we could devote ourselves to the task of submitting to Congress something of a different nature to test whether or not the Nation would go for a complete change in their form of government, a complete change such as is inherent in Senate Joint Resolution 1.

This Senator is convinced that direct election of the President would destroy the federal system, first, by diminishing the power of the smaller States and then by diminishing the power of the States altogether.

States, as such, will simply cease to matter and, what is worse, we will have forgotten why they were ever important at all.

The electoral college asks, in effect, "Who is Maine's choice for President?" "Who is Kentucky's?", who is Texas'?", "Nebraska's?", "California's?", "Hawaii's?", and so on. In so doing, the electoral college shores up the power of the States in the Union. The commonly voiced argument that the Presidency is a "national" office and therefore demands a "national" constituency ignores a most important fact. For the term "national" as applied to the United States must include the most distinctive feature of our Constitution, a Constitution which established, in Mr. Justice Chase's famous phrase from his opinion in *Texas* v. *White,* 74 U.S. 700 "an indestructible union of indestructible states." Some have lamented that fact, but no one can deny its significance. Nor can any proposal to reform the presidential election system ignore that without damaging the entire constitutional balance. What should be represented in the presidential elections are not only everyday political, social, and economic interests, but that paramount interest which is the precondition for the effectuation of all others: the preservation of those institutions which are essential to the maintenance of political equality. Chief among these, surely, is the federal system.

The details of the Philadelphia Convention have long since receded into the textbooks, but the substance of the Framers' work endures 200 years later in the structure of our governmental institutions. The key compromise at that Convention was the creation of the federal system itself. This was not simply a compromise between large and small States on the matter of representation. It was a compromise on the nature of the Union, on the relationship between the National Government as a whole and the States as a whole. The Senate, with equal representation, was to represent the people as citizens of States. The House, with representation proportioned to population, was to represent the people as citizens of the Union. The bicameral structure of Congress, however, was not the only result of this great compromise. The federal principle was incorporated within the Presidency itself, by the involvement of the States in the presidential election process. The result is a delicately counterbalanced structure which, in the words of Prof. Alexander Bickel: "curries the inevitable under-representation of the large States in Congress, while at the same time requiring a sectional distribution of the vote that elects the President, thus making possible combinations that also give advantage to the smaller States. This is just a long way of saying that the genius of the present system is the genius of a popular democracy organized on the federal principle."

The proponents of direct election may reply that they bear no animus against the federal system; that, on the contrary, they support it by recommending retention of State equality in the Senate. State equality in the Senate is certainly a strong underpinning of federalism, but with the great powers at the disposal of the President, would it not be foolish to rely upon the Senate alone as the bulwark of the federal system? Certainly, the Framers did not think that equality of representation in the Senate would be sufficient—which is why they decided to give the States a role in the selection of Presidents, a role that has been reinforced by our federally structured political parties.

Mr. President, it is submitted that the electoral system has worked and has worked well. We have a strong and flexible social, governmental, and economic structure. We have been fortunate in our ability to survive many crises. It has some defects. It has many shortcomings. But no one can deny that much progress has been made and more is on the way. Given a good-faith effort on the part of all people, the coming of even greater advancement and improvement is virtually assured.

III. EFFECT ON THE SEPARATION OF POWERS

I would line now to deal briefly with a little-discussed, but vitally important aspect of the direct election proposal. I refer to its impact on the time-honored system of checks and balances, and particularly to its impact on the division of power which exists between the legislative and executive branches.

The gist of the matter, I believe, was stated succinctly in the minority views, and, with your indulgence, I will repeat the argument here:

> Separation of powers is rightly and most commonly thought of as referring to the distribution of functions among the executive, legislative, and judicial branches; but the manner of that distribution exists in part by virtue of the balance which was struck between the States as a whole and the National Government as a whole. Among the considerations weighed by the Framers in designing the Presidency was the desirability of providing the President with a constituency essentially independent from that of Congress and that of the States. The purpose of an independent constituency was forthrightly stated: to give energy to the executive, to avoid that disunity and frustration which might arise if the President were overly indebted to Congress or to the States for his election or reelection. But there was an equally strong desire to prevent the President from abusing the great powers of his office. This latter desire was carried out, first, by involving the States in the election process; and, second, by distributing governmental powers at the national level, chiefly as between the two dominant branches. In practice, the balance of power between the executive and legislative branches has sometimes rested with the White House, sometimes with Congress, and sometimes—most frequently—somewhere in-between. The Constitution is content to remain flexible on this point; but its flexibility is not wholly subject to the contingencies of the moment. The balance can and does shift back and forth without adversely affecting the principle of separation.
>
> Under direct election, there is a strong likelihood that the entire constitutional balance will come undone. For there is more to the relationship between President and Congress than the formal separation of powers on paper will ever reveal. Senators and Representatives are members of political parties, and on the national level parties derive what unity they have from the attempt to carry a majority in the electoral college. Insofar as the future under direct election can be foreseen at all, it is clear that there will be a radical restructuring of State and national party organizations. Just as it is difficult to say with precision how much of a State's power derives from its role in presidential elections, it is difficult to say how much congressional influence with the President rests on the fact that Senators and Congressmen occupy positions of influence within State and national party organizations. Once the States as States are excluded from the presidential election process, the subsequent restructuring of State and national party organizations will necessarily affect Members of Congress both in their capacity as representatives of their States and in their individual and collective rela-

tions with the President. But who will be affected, and whether favorably or unfavorably, cannot be predicted beforehand.

It is true that, even under direct election, the legislative powers of Congress would still account for the lion's share of congressional influence; but the contingencies affecting the use of those powers would be far different from those with which we are now familiar. Congress has been accustomed to deal with a President who is in part dependent upon, and therefore restrained by, the States. A President who is not only *not* dependent upon the States, but whose political obligations will bear no predictable relation to extant party organizations, may be an entirely different creature.

These words are taken from pages 38 and 39 of the minority views, and I commend them to the thoughtful consideration of all those who are concerned with the rightful prerogatives of the Senate.

One can think of any number of ways in which a directly elected President would endanger the delicate balance of powers at the national level. A few examples will suffice. It is customary, Mr. President, for the occupant of the White House to consult Senators, and especially senior Senators, before making appointments of citizens of their States. This long-standing custom derives not only from the desire to promote good relations between the executive and legislative branches, but as well from the iron law of political necessity, for Presidents are often indebted to State party organizations, and Senators frequently occupy positions of authority within those organizations. Under direct election, this custom might very well be continued, but I wonder for how long and whether it will be applied equitably. For under direct election, the President will no longer be obliged to State party organizations as such; rather, he will be primarily obliged to a new type of political organization, the nature of which it is difficult to predict. The likelihood is, however, that this new type of organization will bear little relation to existing State party apparatus. It cannot be repeated often enough that the States, under direct election, will cease to be the relevant political battlegrounds in presidential elections.

Yet another example occurs to me, Mr. President. We only recently concluded a lengthy and elaborate debate on the floor of the Senate, dealing with the nature and extent of the powers of the Commander in Chief and their relationship to the war powers of Congress. There were those who felt—I myself did not agree with them—that the President had consciously or unconsciously intruded upon a constitutional prerogative of Congress. The merit of their contention is not in issue here. But I would ask them to consider thoughtfully the following. If, as they assert, a President under the present system can exceed his constitutional authority in foreign affairs, how much greater will be the temptation for a President to do so when he is no longer constrained in any way by the influence of Governors, Congressmen, and Senators—a constraining influence that derives, in part at least, from the power of the States in the electoral college? If one is concerned about the potential excess of executive power in foreign affairs, it seems to me that we shall infinitely more to fear from a directly elected President than we have ever had from a President elected under the present system.

IV. EFFECT ON THE CHARACTER OF PUBLIC OPINION

I propose now, Mr. President, to deal with yet another charge against the proposal for direct election; namely, that it would radicalize and divide public opinion. The proponents of direct election are almost exclusively concerned with what I can only call a numbers game. Their focus is primarily mathematical, whereas my own is primarily political—in the most profound sense of that term. They are concerned with mathematical equality at the ballot box, whereas I am concerned with the actual equality of the results. They are concerned with equations, whereas I am concerned with people. I do not mean to imply by that statement that they are cold, or calloused, or inhumane; I do mean to imply that the obsession with mere mathematical equality will endanger the rights of some of the very people that the proponents of direct election claim to be helping.

The difference between us, I believe, can be illustrated by the following example. Let us imagine a line which is drawn across the country, from east to west, running, say, from Virginia on the one coast to northern California on the west. Let us further assume that the line is so drawn that a clear majority of the people lives on one side of the line. Which side is unimportant for the purposes of my example. Let us further assume that all the people on one side of the line voted for candidate A and that all the people on the other side voted for candidate B. And let us finally assume that everyone's vote was equally weighted. What we would have is a clear majority situation, a victorious candidate elected by a clear majority. And according to the assumptions of the proponents of direct election, that would be a perfectly legitimate election. From a strictly mathematical point of view, they would certainly be right. But from a political point of view, such an election would be a harbinger of the greatest danger. It would be a prelude to a possible civil war. And, as a matter of fact, with appropriate adjustments, my hypothetical example is not all that far removed from the situation which obtained just prior to the Civil War a little over a hundred years ago.

In raising this hypothetical case, Mr. President, I do not mean to suggest that such a line would be a realistic possibility under direct election. I do mean to suggest that there is more to the politics of democracy than any amount of mathematical analysis will ever reveal. I do mean to suggest that we ought to be concerned in this debate not just with the size of the majorities or pluralities obtained by candidates, but, what is more important, we ought to be concerned with the kind of majorities or pluralities any election system is likely to produce.

The distinguishing feature of the present system in this respect, Mr. President, is that it produces truly moderate national campaigns, and, thereby, truly moderate majorities or pluralities. It accomplishes this important task by seeing to it that compromises between competing and antagonistic interests are worked out long before the actual campaigns take place. And it does that because the States are the decisive political battlegrounds. Many of the issues which would otherwise divide people are compromised within the State party organizations and, then, later, at the national conventions. While each major party has its traditional strongholds, neither can carry an electoral vote majority without expanding its appeal beyond its traditional basis of support. The larger the area that has to be appealed to, the greater the number of compromises. And the greater the number of compromises, the more moderate the party's appeal. And one might carry the argument one step further by saying that the more moderate the party's appeal, the greater the likelihood that it will carry an electoral vote majority. Since both major parties face the same electoral majority requirement, both tend to make the same kind of compromises. Both are appealing to many of the same groups.

What this means is that the victory of one party will be acknowledged by members of the other as legitimate. It means also that those who would seek to join the winning coalition must so moderate their views and demands as to make them compatible with the views and demands of others.

Under direct election, none of this machinery would for long continue to exist. It is possible that in the short-run, the State party organizations would continue to perform their moderating functions, as would the national conventions. In the long-run, however, the removal of the States from the electoral process would remove the institutional machinery by which compromise and moderation are worked out well in advance of the election.

It is contended by the proponents of direct election that the 40 percent requirement would provide a sufficient incentive for compromise and moderation. I do not believe that to be the case. The 40 percent requirement, without more, without the machinery to bring it about, is insufficient in and of itself to produce the necessary moderation. How will that 40 percent be achieved in the first election? I, for one, do not know. And the Senator from Indiana has yet to indicate what kinds of party machinery will exist to bring it about. It will not do to say that extant machinery will do the job, since, under direct election, the extant machinery will be changed in ways that we cannot possibly predict.

I presented earlier, Mr. President, a hypothetical example which imagined a line drawn across the country, with hardened, uncomprising voters on either side. I did not suggest that such a line was a realistic possibility, but I did suggest that it revealed the severe limitations of a merely mathematical understanding of majority rule. I would now like to propose a more realistic example, one that I believe would obtain under direct election. My realistic line would not be drawn across the country, but it would

be drawn within certain specific areas of the country—perhaps between cities and suburbs, perhaps between citizens of small States and citizens of the large States, perhaps between urban people and rural people, perhaps between black and white, perhaps all of these and many many more. Direct election would, I believe, encourage the drawing of just such lines, between people, between geographical areas, between minority groups, between social and economic classes. It would encourage such lines by encouraging a host of splinter parties, each ideologically oriented, each more or less permanently wedded to a narrow selfish interest, each rigidly uncompromising.

I do not see a majority, even a mere numerical majority, emerging from these groups. I do see a great variety of impassioned minorities, some of them rather sizable. I see this is a very real possibility. And I see the country as being impossible to govern.

I would like to conclude this section, Mr. President, by quoting from the minority views, at page 41:

> The electoral college says, in effect, that so long as Presidents are going to be indebted to certain interests for their election or—what may be more important—for their reelection, it is better to have those interests funneled through the mediating influence of the States, (a) because the States as members of a Federal union ought properly to be represented as States in the Presidency; and (b) because the interests to which a President will be indebted will thereby be moderate in character. Under direct election, neither of these considerations are deemed important. The consequence is not only that the power of the States will be diminished, but that Presidents will be directly influenced by highly ideologized and uncompromising interest groups. Under direct election, a President would at once be driven toward demagogy and freed from the salutary restraints now imposed by the States and our State-based party organizations. We *may* obtain majorities under direct election, but will we be able to live with them?

V. EFFECT ON MINORITY RIGHTS

Mr. President, it is a commonplace to remark that this Nation is devoted equally to majority rule and to minority rights. But I do not believe that sufficient attention has been paid to that sentiment by the proponents of direct election. Direct election, in its obsession with mathematical abstractions, is essentially indifferent to the way in which majorities are formed or where they are located. The electoral college, as I have indicated, is scrupulous in this regard. It sees to it that an electoral majority is always well dispersed geographically, and that the compromises made in one place will resemble the compromises made in every other place. The result, I suggested, is a truly moderate majority in which minorities of every description are welcomed provided they meet one condition: that they be willing to compromise.

Under direct election, on the other hand, I see a hastily contrived coalition of essentially selfish minorities, each greedier than the other. But I see certain minorities being left out of the picture altogether. What would become of the farmers under direct election? As I suggested the other day, the 1970 preliminary census returns reveal a one-third decrease in the farm population. Coupled with other factors, I see the farming interests as a potentially vulnerable minority under direct election. I see farmers, as well as rural people generally, more or less permanently outvoted and outmaneuvered by the urban-oriented interests. And I see certain urban minorities equally endangered, for without the cohesive influence of the electoral college, they would, in the words of Congressman WILLIAM CLAY, "likely follow a separationist trend." I would like to quote further from Congressman CLAY, for I believe he articulates with a special poignancy the plight that would face our Nation's racial minorities under direct election:

> The likelihood of division and splinter parties would be encouraged by the direct popular vote. The factions of the present parties who do not compose the majority—but a large minority at their respective conventions—would likely feel compelled to strike out on their own to reap the sentiment which exists for their position and candidate. If it were unnecessary to win individual States to win the Presidency—the mere possibility of winning by precluding another candidate's majority would prove too irresistible to pass up. After all, it takes $20 million to finance such a campaign—and with direct popular vote, a candidate would not have to travel the 50 States or concentrate on the total U.S. populace—when a section or sector of it is sufficient to throw the election.
>
> I am certain that black separatist, conservative, and liberal parties would evolve. These splinter groups will choose to take root when it becomes unnecessary for them to work within the major political parties.
>
> I contend that under the direct vote concept the black vote, even in the North, would never count. Had the direct vote been in effect in 1968, all of the black votes in the country would have been canceled by the 9,800,000 votes received by George Wallace.

Mr. President, what Mr. CLAY says about blacks holds equally true for all other minorities, whether they are racial, religious, geographical, social, or economical, who do not have the force of great numbers.

Mr. President, at the inception of these remarks I indicated that there were seven points which were vital. I have covered four of them in detail. I shall reserve for later discussion the other three.

Mr. HANSEN. I think the distinguished senior Senator from Nebraska is making a very important contribution to our clearer understanding of what the effect of the adoption and subsequent ratification by the several States of Senate Joint Resolution 1 would be. I am fully aware of the diligent search the Senator has undertaken in compiling the historical background and the statistical significance that the adoption of the resolution and its ratification would have upon our Government. I would, if I may, ask the distinguished Senator some questions that arise in my mind.

I ask the Senator from Nebraska this question: He mentioned the problems of proliferation of parties if direct election is adopted. Is not the two-party system one of the great strengths of this Nation? Contrast our stable Government with that of governments in France, Italy, or even Czechoslovakia, where multiparty systems lead to political chaos.

Mr. HRUSKA. In answer to the Senator from Wyoming, yes; the two-party system is one of the reasons why this country has been able to remain in a position of great strength politically, socially, and economically, by avoiding the extremes. There has to be, within the two major parties, sufficient compromise, moderating revision, and conciliation of different views so that no one is too happy and no one is too unhappy with the end product. In other words, the unhappiness and the happiness are equally distributed.

That was a factor, as the Senator from Nebraska pointed out during his recent remarks, that was lacking in some of the European governments, certainly in France in the past, and certainly in Italy and Greece today, and in Czechoslovakia. Some of those nations found it necessary to place in their constitutions a provision arbitrarily limiting the number of parties. I think three or four was as high as the number went. There may have been another number, and I will defer to any correction of the RECORD in that regard. But it was for the correction of those very conditions that our system was put into effect. Great nations cannot be governed by a purely democratic form of government. It has to be a representative form of government. We in America have found that a democracy on the federated principle is the most successful and most durable recipe and formula for good government.

Mr. HANSEN. Is it not probable that under the direct election system the influence of third parties would be greater than it is under the electoral system? This is, I believe, directly opposite to the claims of the supporters of the Bayh plan.

Mr. HRUSKA. Yes; there is no question that the influence of third parties, or additional candidates, bound by no party limitations or restrictions, with no inhibiting restrictions, would be increased under direct election. After all, the candidates who were not nominees of the major parties would need only get 20 percent or more of the popular vote, and then the will of the populace would have been frustrated and the matter would have been thrown into a runoff of one kind or another.

We must discard the idea of calling for a completely popular election by way of runoff, which is so totally impracticable from the standpoint of the time element alone. The alternative would be that we would have to turn to a joint session of the House and the Senate, where they would vote by one vote per State, or, as the Senator from Nebraska prefers as more effective and practical, one vote for each Member of the Congress. If we turn to that, then we find a new factor entering into the picture, and that is dealmaking between the adherents of the nominees of the major parties and the adherents of those who ran as independent candidates who were not nominees of the major parties. In that event it is possible that the candidate of the major parties receiving the lesser number of votes would be the one selected by the Congress to be President.

That would result because the process would be removed from the inhibiting

factors which allow States to cast their allotted number of votes on a unit basis. They can, if it is allowed, put it on a district basis. The State of Maine has done that. It has, in effect, the so-called district plan. At any rate, the restricting or inhibiting influence being removed, it would tend to have untoward and undesirable results of undue influence by nonmajor party political candidates for President.

Mr. HANSEN. Is it not true that the situation the Senator has just so accurately described often characterizes elections that take place in European governments. Is it not true that there is deal-making?

Mr. HRUSKA. Oh, yes.

Mr. HANSEN. And that time after time, the candidate who receives the largest share of the total vote will be frustrated, in that he will find coalitions of those receiving fewer votes getting together and frustrating the obvious will of the greatest number of people who support a certain candidate?

Mr. HRUSKA. Yes, that is true. That has been the experience in Europe. It was the experience in this country in 1824. Jackson was the popular candidate, and that was shown on the rebound in 1828; but he was dealt out of his dominant position because an understanding of some kind was reached that someone would be made Secretary of State. There was a coalition of the non-Jackson forces, and, being the popular choice and the one who received the most consideration popularwise, was in effect "dealt out of the Presidency."

That was the only system that we had at that time; it has been changed since, of course, and precisely because of the experience of 1824.

The net result of such events would be the creation of grave doubt and confusion about the legitimacy of the Presidency, and we cannot afford that in this country. We have elections for the purpose, not of dividing the country, but of unifying us to march forward on programs under the President's leadership, until such time as the President's approach or direction is disapproved by the majority of people, and then we get a new Chief Executive.

But the election is not held for the purpose of dividing and putting confusion and doubt and distrust into the minds of the people; it is for the purpose of unifying them behind their newly chosen leader, and that purpose would be frustrated if we were to have popular elections as proposed in Senate Joint Resolution 1.

Mr. HANSEN. Those who seek to abolish the electoral college claim that the Senate, standing alone, will be a sufficient safeguard of the federal system. Is it not true that the framers of the Constitution did not agree with that contention? If the Senate can be defended, why is the electoral college described as intolerable?

Mr. HRUSKA. I dealt with that subject in my formally prepared and delivered remarks at an earlier hour in this session. But the answer is, there can be no defense, for Senate Joint Resolution 1 is a broad and frontal attack upon the concept of federalism and the separation of powers. If it prevails, there will be no defense for the Senate of the United States in the one man, one vote principle.

Let us recall that the nine wise men across the park here on this hilltop in effect amended our Constitution by judicial decision. They deprived the sovereign States of the right to determine the composition of their State legislatures. The Supreme Court said that notwithstanding the fact that the sovereign States are delegated the power to designate the types of legislatures they may want, they may not include in that plan a federal and federated concept as to either body of their legislatures; they must be organized under the one man, one vote rule.

Mind you, Mr. President, that is the law of the land today, not because of the lack of effort by Senators like the Senator from Wyoming and others, and not on the basis of wisdom. Right now many of us are attempting to see approved a constitutional amendment to correct that situation, which would permit the sovereign States to pass on the proposition of whether they should retain the power to have one body of their legislature elected on a basis other than a truly representative basis, on the one-man, one-vote principle.

The present result was obtained as a result of a judicial determination. There is no question in my mind that if this one-man, one-vote principle is applied to the election of the President, the period will not be long before this body, in which the Senator and I serve so proudly and as conscientiously as we can, will also fall victim to the attack upon the concept of federalism. Of course, with it goes the doctrine of separation of powers—those things being the very backbone supporting the nervous system making this Republic a great and enduring Republic, strong, resilient, vigorous, and all the rest of its desirable characteristics—and we shall have an uncertain and in my judgment a dismal road to travel.

Mr. HANSEN. Mr. President, I am well aware of the fact that the distinguished Senator from Nebraska has dealt earlier with this specific concern. The question was raised because in my opinion it is one of the very most important considerations before the Senate. I believe careful attention should be given by Congress to this important question. It was with the specific intention of focusing once again, as the Senator from Nebraska has done so well, upon the faults, the inherent weaknesses in the position of those who support the federal system as it is reflected in the composition of the House of Representatives and the Senate and yet discard the present election laws which reflect the federal system for laws that would completely vitiate this concept.

With that in mind, I feel that the Senator from Nebraska has made his usual eloquent, knowledgeable contribution to a clear understanding of the course we could be starting down were we to adopt Senate Joint Resolution 1. There would be no reason at all, in my opinion, for supporting further the Senate as contrasted with the House of Representatives in the selection of the Members of those two bodies.

Mr. HRUSKA. The Senator from Wyoming comes by those convictions not only by reason of his study, but also by reason of the contemplation, I am sure, of what would happen to his native State of Wyoming, a State that has a 1968 population of a little over 300,000. It has three presidential electors, which is .56 percent of all the electors.

Under the pending Senate joint resolution, there would be a loss of .17 percent of the voting strength of that one State. That may seem to be a relatively small consideration; and in and of itself it is. But when it is attached to the loss of voting power in neighboring States—having similar interests, similar environmental and natural resource attributes, a similar way of thinking, and a similar regional and geographical outlook—when that is all put together, then, among those seven States having a total of 33 electoral votes, as I stated in my principal remarks, there would be a loss of 29.7 percent of the voting power; and if that example were to be extended to the four Southwestern States of New Mexico, Arizona, Utah, and Nevada, having 16 electoral votes, if Senate Joint Resolution 1 is consummated, they will lose 37 percent of their voting power.

Again I venture the suggestion that if the 10 most populous States of this Union were faced with a choice on adopting and ratifying a constitutional amendment calling for a 30- or 37-percent reduction in their voting power, they would never for one instant contemplate voting for such a measure. Yet, they would like, in effect, to impose it upon other States. That is the thing we must guard against.

Mr. HANSEN. Mr. President, I find it strange that the proponents of the Griffin-Tydings amendment look to the electoral college to remedy the defects of direct elections. Could the Senator from Nebraska tell me why these supporters of direct elections find the electoral college useful for some purposes but not for others? It seems to me that if this situation is bad, it is bad for all situations.

Mr. HRUSKA. The Senator from Nebraska does believe that the Griffin-Tydings amendment is, from one point of view, a desirable modification of the so-called Bayh plan, Senate Joint Resolution 1. It does seem to me to have some advantage by eliminating the runoff. This would discourage the formation of some of the splinter parties that Senate Joint Resolution 1 would likely produce.

But the runoff is not the only cause of party-splintering under a direct-election scheme. Nor is the splinter party problem the only difficulty with direct election. Direct election, in and of itself, with or without a runoff, is capable of producing quite a number of minor parties. The removal of the States from the electoral process, and the consequent removal of the States from the electoral process, and the consequent removal of the electoral-vote majority requirement, also would produce minor candidacies. Once State lines are abolished for campaign purposes, there is little reason for a would-be minor candidate not to run—

if for no other reason than to diminish someone else's total. It might be possible under Griffin-Tydings, however, to limit such "spoiler" candidacies—but only if absolutely rigid national rules were established to prevent "spoilers" from getting on the ballot. What the nature of such rules might be has yet to be discussed. Extant State laws in this respect are widely divergent, and no comprehensive study, to my knowledge, has been undertaken which shows how great the task would be to formulate a uniform and constitutionally acceptable national standard.

The Griffin-Tydings proposal, whatever else may be said about it, suffers from a fatal defect. It has no internal logic of its own. It is essentially a reactive measure, growing out of the awareness that the Bayh plan was not an unmixed blessing. It seeks to mate, on the level of practice, two ideas which are mutually incompatible in principle. By embracing the direct vote idea, it necessarily implies that the electoral vote concept is illegitimate. But, seeing that the logical extension of the one-man, one-vote concept would lead to chaos—in a runoff—it seeks to qualify that concept by the very idea to which it denied legitimacy in the first place. It spurns what it embraces and embraces what it spurns.

This contribution in principle must soon or late lead to a contradiction in practice. What the Griffin-Tydings proposal in effect does is to give mutually contradictory instructions to party workers and to candidates. It says to them, on the one hand, that a 40-percent popular vote requirement will be sufficient, and thereby encourages candidates to amass votes without regard to State lines and State organizations. But, on the other hand, it also says, in effect, that, well, you had better not take your chances with the popular vote only, since you might fail to get the required 40 percent. Hedge your bets by seeking a majority of electoral votes; that is, campaign within the States as States and work with existing State party organizations. The confusion this might entail can be readily imagined by putting yourself in the place of a potential candidate or in the place of a State party official.

All in all, the amendment is a mishmash which seeks to compromise that which is essentially uncompromisable, both in theory and in practice.

The amendment does retain the basic requirement in Senate Joint Resolution 1 that a presidential candidate must receive 40 percent of the popular vote in order to be elected. However, instead of having a popular runoff if no candidate gets the necessary 40 percent, the popular vote winner will be elected automatically if he wins a majority of the elector vote.

If the popular vote winner does not receive 40 percent of the popular vote or a majority of the electoral vote, then the newly elected Congress, sitting in a special joint session, shall elect the President from among the two highest popular vote recipients. The special session will be held on the first Monday in December, in the manner provided by Congress. The election shall take place immediately after the assembling of Congress in joint session and after a quorum consisting of three-fourths of the Members of Congress has been obtained. Then, by record vote, the candidate receving the most votes will be elected President.

The special session shall be convened only for the purpose of electing the President and will not cut short any pending regular session or executive powers or term of office of Members of Congress assembled for such regular session.

An additional provision is included which allows Congress to set a presidential election earlier but not later than the present date for such election. In addition, the results of the popular election must be declared by the third Tuesday after the first Monday in November. Since provision is made that a runoff election in Congress shall be held on the first Monday of December, at least a week will elapse between the formal declaration of the results and the second election. In the event Congress determines there is not adequate time for recounts between the November election date as presently constituted and the deadline for declaring the results an earlier date may be set for the initial election.

But this whole thing is still subject to the vulnerability and confusion of recounts and challenges to the popular vote. It is vulnerable to the establishment and creation of a vast Federal election machinery that will have to function in some 130,000 or 140,000 election precincts, and that number is going to go up as time goes on.

The Constitution, as it presently reads, does not say that the President holds office until his successor is elected and qualified. It says that he holds office until January 20, at 12 o'clock noon, and then he is out of office. If somebody is not ready to step into that office, this Nation will not have a President. That kind of situation is a very drastic one, indeed.

Mr. HANSEN. It would spell complete chaos, would it not?

Mr. HRUSKA. It has that potential.

It is said that there are defects in the present system, and there are. They can be corrected readily.

This can be said for the electoral system: Never once has it failed us. Never once has there been a crisis. So we have that to rely upon. But that cannot be said of the direct election system.

Mr. HANSEN. I thank the distinguished Senator.

Mr. HRUSKA. The Senator from Wyoming has been helpful in his questions and the opportunity he has given this Senator for explanation of some of the topics he has raised.

PART II—DIRECT ELECTION BOONDOGGLE

Mr. GOLDWATER. Mr. President, last Friday I referred to the direct election plan as a boondoggle. It is heralded as the cure-all for various and sundry frightful diseases which are allegedly latent in our political system, when in truth there could be nothing more tragic for this country than the adoption of the pending proposal.

Mr. President, it is not easy for me to say this. The direct popular vote idea has an alluring quality to it. It promises to have each citizen's vote counted exactly as much as the one cast by any other citizen. It guarantees to elect a President every time who is the people's choice. And, it pledges to involve the voters directly in the selection of the President.

Mr. President, these are magnificent goals. If their promise was fulfilled by the system which has been chosen to implement them, I would feel more sympathetic toward the plan.

But, Mr. President, the scheme now before the Senate does not live up to its own standards. And it is based upon a woefully inadequate list of criteria.

Nothing is said about the crucial need to elect a President who will have a national mandate, a broad degree of public support in the Nation at large. Nor does the importance of designing a mechanism that is workable and practical seem to be included among the tests applied by the sponsors of the direct vote plan. Neither does the absolutely vital purpose of preserving stability and discouraging divisiveness seem to have entered into their scheme of things. Finally, the direct election advocates do not seem to have taken account of the desirability of retaining some real vitality in our federal system.

Mr. President, no change in the electoral process can be acceptable, or safe for our people, unless all these criteria are considered and melded together. To devote all our attention to the quest for a theoretically precise equality between each man's vote, and then to concoct a scheme which dismally fails to achieve even this, is to dangerously lose sight of reality.

Let me apply these tests to the direct election plan and demonstrate what I mean. First, we have the attractive goal of counting each citizen's vote equally. This is what the amendments proponents assure us it will do.

But, Mr. President, they have compromised their principle right from the start. The direct election amendment provides for the election of the candidate having a mere plurality so long as he receives 40 percent or more of the total ballots cast.

Now, this means that the plan's advocates have eliminated from their goals the purpose of seeking a majority President. In fact, they have substituted for this end the probability that the United States will be governed by a minority President. If anyone doubts this eventuality, I would remind him that no less than 15 Presidents have been elected to date who failed to enjoy a majority of the popular vote. This is true of three of our last five Presidents, and I predict it will become the general rule if the pending election change should be adopted.

What this means in terms of its relationship to the one man—one vote ideal is that, in the typical vote held under the direct election system, one man's vote will be sufficient to elect the President if he votes for the same candidate as 40 percent of the people, but

his vote will be meaningless if he joins with the 60 percent of the electorate who opposes that candidate. Thus, one man's vote is important enough to choose the winner if he is a member of a bloc which can put together 40 percent of the vote for one candidate. But another man who voted with the majority of the people in opting for a different candidate will see his vote canceled out as if he had not voted at all.

Now, if this is one man-one vote, then we had better get a new kind of dictionary to handle this discussion. Words such as "equality' and "democratically" will have lost their accepted meanings. A 40 percent minority candidate suddenly is transformed into the "people's choice." That 60 percent of the public may have been diametrically opposed to the policies and programs, and maybe even the personality of the minority candidate will mean nothing. A voter who is among the 40 percent bloc will command an inflated vote which is superior to the ones cast by 60 percent of his fellow citizens no less than the citizens whose votes are now inflated by the unit rule.

Furthermore, it is fraudulent to claim that this 40 percent provision will guarantee "a popular choice every time," as is written in the majority report from the Judiciary Committee. How in the world can the plan's sponsors contend that a person with 40 percent of the vote is the people's choice? Or that a 40 percent winner is more of a people's choice than a person who wins a majority of the electoral votes? By what quality of clairvoyance can it be decided that the candidate with 40 percent is actually the first choice of a majority of the people? How does anyone know who the majority of voters would have selected in a runoff between two candidates, one having, say, 40 percent, and the other having 39 percent, of the popular vote in the first election?

The sponsors of the direct election plan have worked up some pretty glowing principles which they claim for their scheme, but upon close examination it is evident their plan fails dismally to reach these goals. If the proponents of election reform cannot put forth a workable plan by which the President will be chosen by an actual majority of the people, then I believe their twin promises of providing each voter with an equal ballot and guaranteeing the selection of the people's choice each time are flagrantly misleading and false on their face.

Mr. President, I must ask, would it really be an improvement over the present system to allow a highly doctrinaire, sectional bloc of voters to put their candidate in the White House even if he is rejected by all other groups across the Nation? Is it truly a change for the better to embrace a method for choosing the President under which the nine most populated States could control the election—regardless of the vote in all other States?

Mr. President, if we are to make a change, let us strive to fashion the most perfect system man can devise. The direct election plan is so shot through with open inconsistencies, confusing complexities, and dangerous ramifications, it clearly is not the answer.

Mr. President, I have previously mentioned my belief that the direct election proposal is divisive. There are three grounds for this conviction. First, it is devisive to provide for the choosing of a President who has no majority. When an undeniably minority choice who is turned down by 60 percent of the voters can become President, this undermines his acceptance with the people as a whole.

At least, under the electoral system the winner must receive a majority of the electoral votes. And historically these votes have been distributed on a wide geographical basis.

However—and this leads to the second source of my concern—the proposed amendment could easily lead to domination of the election results by one polarized area of the country. What is more, the scheme contains the inherent weakness of permitting the result in one highly partisan State to swing the outcome of an otherwise closely balanced contest.

Mr. President, these potential distortions are all too real scenarios of what may happen should the direct election method be put into effect. For example, we were not far from just this situation in 1968. According to the final election results printed in Congressional Quarterly, nine Eastern States, including the District of Columbia, gave a considerable edge to Hubert Humphrey. The total plurality along the northeastern coast for the Democratic candidate was nearly 1,600,000 votes. This was Mr. Humphrey's overall plurality in the entire region after deducting the plurality received by President Nixon in the four Eastern States which he carried.

Also, this was the only region of the Nation to favor Mr. Humphrey for President. And it was the only area of the United States to give such an enormous lead to either candidate. The Humphrey margin in the Eastern States was almost three times as large as President Nixon's plurality in the other three great regions of our land.

Congressional Quarterly's report on the election shows that President Nixon carried the South by approximately 690,000 votes, won in the Midwest by about 650,000 votes, and prevailed in the West by 590,000 votes. Thus, three of four American sections went for President Nixon in the election. Only one area, encompassing 14 jurisdictions, fell into the Humphrey camp. And yet, because his majority was so strong in this one slice of the Nation, Mr. Humphrey almost garnered a plurality of the popular votes in the country at large.

This is what I mean when I suggest the likelihood of seeing sectional candidates winning without a national vote of confidence. If Mr. Humphrey's vote had been increased by only 5 percent along the eastern seaboard, he would have come out the winner in the popular vote column nationally. This would have occurred even though his candidacy was soundly rejected in the remaining three-fourths of the Nation.

In this manner, one region of America could control an election in which every other section goes by more than a half-million votes for a different candidate. The outcome would be a direct election winner lacking any true mandate—a President who had been clearly rejected by the great mass of voters and States everywhere but in a narrow segment of the country.

As to the possibility of one State alone swinging the national result, I need only refer to the outcome in Massachusetts in 1968. The margin given to Mr. Humphrey was over 700,000 votes. This exceeded by nearly 90 percent the plurality given to President Nixon or Mr. Humphrey in any other State. One extreme result of this kind could easily distort the whole election where the vote was closely balanced throughout the remaining States.

As it was, the Massachusetts result was nearly enough to swing the popular vote in the last election. Mr. Humphrey's plurality in this State alone was higher than the margin by which President Nixon carried each of the three other major regions of the Nation. So the likelihood of one State being the pivot of a national election in which the loser can win a small majority in every other region, or indeed in every other State in the country, is not very far removed from what has actually happened.

Mr. President, the third ground on which I contend the direct election proposal will undermine national stability is the encouragement it will give to the creation of splinter parties.

This is a very real problem. At least seven witnesses who testified before the Senate Judiciary Committee this year believe that the chances of winding up with additional third parties will increase should the direct popular vote method be used to select the President. Theodore H. White claimed:

> Direct election results in less compromise. It opens up the possibility of ideological parties or racist parties.

Alexander Bickel, in talking about doctrinaire candidates at the party nominating stage, said that:

> Under a system of popular election, every consideration . . . that would bring forth issue-oriented candidates for the nomination at any time would with equal and greater force propel them into the general election.

Representative WILLIAM CLAY, of Missouri, testified from personal experience that direct election would cause a proliferation of minor parties. He expressed great concern that "an elimination of the electoral system in favor of the popular vote will actually promote and reward the factionalism and sectional movements which now divide this Nation."

Richard Goodwin also warned about the upsetting role which direct election might have on national stability. In his words:

> Groups united by general conviction or common interest could well see advantage in forming a new party. Even if they only organized in a few States, such groups could use a new party to maximize their power. They could bargain with the major party or party candidates for endorsement. They might offer to withdraw in the middle of a campaign in return for concessions.

As Mr. Goodwin noted:

> Direct election could not come at a worse time. . . . All around us we see an increasing tendency to political fragmentation and ideological division. Direct election might almost be just the trigger, perhaps accidental trigger, to transform such divisions into political conflict.

Mr. Wade Martin, speaking on behalf of the National Association of Secretaries of State, also mentioned his certainty that the direct election system would "precipitate many new parties."

Prof. Ernest Brown also stated his fears about the likelihood that the popular vote method would cause doctrinaire third parties to multiply. He added:

> And the idea that we could do anything that would encourage the spirit of dogmatism and doctrinaire groups in this country rather than the spirit of accommodation is just inconceivable to me.

Prof. Charles Black added his voice to this viewpoint by predicting that the disappearance or weakening of the two-party system is "an extremely likely consequence of such reform," which he would deplore.

Mr. President, in the face of such an abundance of testimony by scholarly and experienced political observers, I believe it is incumbent upon the advocates of direct election to restudy their plan. They should rework their scheme and not bring it before us until it can honestly attain the goals which they have set for it. And they should seek to remove the probable dangers from the system which so many competent witnesses have pointed out.

Mr. President, last week I discussed the drastic effect which direct popular vote would have on the precarious structure of our federal system. For today I will merely refer to the testimony of Prof. Charles Black from Yale Law School who commented in some detail about the contribution which the federal system has made to the durability of our form of government. He expressly credits the electoral college system with being one of "the political safeguards of federalism in dealing with the States as entities." He cautioned that:

> An election which pays no regard to State lines, which is simply totally nationwide . . . would tend to obliterate this attention, tend to diminish this attention to the States, one by one as political entities.

Mr. President, I cannot accept this mortal blow to a vital part of the federal system. The concept of States as separate, important entities having their own special sense of community must be preserved. In this context, I view the direct election scheme as a device for gnawing away the lifeblood of federalism as we know it. To my mind, it constitutes a giant move in the direction of forming one all-mighty central Government which will oversee a nation where no other political units exist. It is a frightful, depressing thought and one which I shall resist with the last measure of my strength.

Mr. President, the final point which I wish to discuss today concerns the unmanageable complexities involved in administering the direct election system.

In appearing before the Senate Judiciary Committee, Mr. Wade Martin, spokesman for the National Association of Secretaries of State, complained that adoption of a direct vote system will not only create chaos, but, in his words:

> We will gradually go from a condition of chaos to one of disruption, and eventual destruction of our entire election machinery.

Now this is a very disturbing warning coming as it does from one of the foremost election experts in the United States. It should clearly be given heavy weight in judging the effectiveness of the pending amendment.

Mr. Martin was not the only witness to hold this conviction. Theodore White also told the committee bluntly that:

> The method suggested in this amendment is a direct invitation to chaos.

Both witnesses were referring to the incredible network of Federal regulations that would have to be established in order to put a semblance of reason into the direct election process. For example, the Federal Government would have to decide upon uniform rules as to how a person can qualify to be listed as a candidate on the ballot in each State. A determination will have to be made whether States can, or should, allow aliens to vote for the Presidency. Congress must also judge whether or not a State should be permitted to expand its voting rolls by granting the franchise to 17 year olds, 16 year olds, or even younger persons. And looming over the entire scene is the specter of a bitterly contested vote fight at the end of each election.

Is a vote contest to be resolved by a State election panel or a Federal one? Is the challenge to be initiated before an administrative commission or board, or by petition directly to a court? How many days should a candidate be given to uncover evidence before he will lose his right to challenge a vote or demand a recount? How many stages of appeal should be allowed? How much time should be granted for the making of an appeal after a decision is reached at any one of these levels?

These are the kinds of down-to-earth questions that the advocates of election reform have completely failed to answer. The proponents simply hope for the best. They do not know how these matters will be handled under the hodgepodge of differing State laws that now exist; nor do they put forward any suggested uniform rules which we might study and consider. No wonder several prominent election analysts fear the prospects of trying to run a national election under the popular-vote system. The sponsors of the plan do not even know how such a system will be administered.

Mr. President, this concludes my review of the problems which permeate every pore and crevice of the direct election method. While I cannot accept this ill-considered and falsely trumpeted plan as a reasonable solution to modernizing our election machinery, there are some sensible changes that should be considered to bring our voting procedures into line with 20th century conditions. I shall venture to suggest some constructive steps that can be taken in this direction during the next segment of my three-part discussion of this subject.

STATUS OF UNFINISHED BUSINESS WHEN TEMPORARILY LAID ASIDE TODAY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, when the unfinished business which is now the pending business is temporarily laid aside later this afternoon and the farm bill is laid before the Senate, the unfinished business remain in that status until the conclusion of morning business on tomorrow.

The PRESIDING OFFICER (Mr. CRANSTON). Without objection, it is so ordered.

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

The PRESIDING OFFICER. The clerk will call the roll.

The 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.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 1087. An act for the relief of Vernon Louis Hoberg; and

S. 2976. An act for the relief of Margarita Anne Marie Baden (Nguyen Tan Nga).

The message also announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 58. An act providing for the addition of the Freeman School to the Homestead National Monument of America in the State of Nebraska, and for other purposes; and

S. 3479. An act to amend section 2 of the act of June 30, 1954, as amended, providing for the continuance of civil government for the Trust Territory of the Pacific Islands.

The message further announced that the House had passed the bill (S. 2208) to authorize the Secretary of the Interior to study the feasibility and desirability of a national lakeshore on Lake Tahoe in the States of Nevada and California, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H.R. 11060) for the relief of Victor L. Ashley.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 18127) making appropriations for public works for water, pollution control, and power development, including the Corps of Engineers—Civil, the Panama Canal, the Federal Water Quality Administration, the Bureau of Reclamation, power agencies of the Department of the Interior, the Tennessee Valley Authority, the Atomic Energy Commission, and related independent agencies and commissions for the fiscal year ending June 30, 1971, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. EVINS of Tennessee, Mr. BOLAND, Mr. WHITTEN, Mr. ANDREWS of Alabama, Mr. MAHON, Mr. RHODES, Mr. DAVIS of Wisconsin, Mr.

ROBISON, and Mr. BOW were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 140. An act to authorize the establishment of the Andersonville National Historic Site in the State of Georgia, and for other purposes;

H.R. 1160. An act to amend the act of April 22, 1960, providing for the establishment of the Wilson's Creek Battlefield National Park;

H.R. 13543. An act to establish a program of research and promotion for U.S. wheat;

H.R. 13934. An act to amend the act of September 21, 1959 (73 Stat. 590), to authorize the Secretary of the Interior to revise the boundaries of Minute Man National Historical Park, and for other purposes;

H.R. 15549. An act to amend title 10, United States Code, to further the effectiveness of shipment of goods and supplies in foreign commerce by promoting the welfare of U.S. merchant seamen through cooperation with the United Seamen's Service, and for other purposes;

H.R. 15624. An act to convey certain federally owned land to the Cherokee Tribe of Oklahoma;

H.R. 17455. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to enter into contracts for janitorial services, trash removal, and similar services in federally owned and leased properties for periods not to exceed 3 years, and for other purposes;

H.R. 18298. An act to amend the Central Valley reclamation project to include Black Butte project;

H.R. 18306. An act to authorize United States participation in increases in the resources of certain international financial institutions, to provide for an annual audit of the Exchange Stabilization Fund by the General Accounting Office, and for other purposes;

H.R. 18410. An act to establish the Fort Point National Historic Site in San Francisco, Calif., and for other purposes; and

H.J. Res. 1247. Joint resolution to amend section 19(e) of the Securities Exchange Act of 1934.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred, as indicated:

H.R. 140. An act to authorize the establishment of the Andersonville National Historic Site in the State of Georgia, and for other purposes;

H.R. 1160. An act to amend the act of April 22, 1960, providing for the establishment of the Wilson's Creek Battlefield National Park;

H.R. 13934. An act to amend the act of September 21, 1959 (73 Stat. 590), to authorize the Secretary of the Interior to revise the boundaries of Minute Man National Historical Park, and for other purposes;

H.R. 15624. An act to convey certain federally owned land to the Cherokee Tribe of Oklahoma;

H.R. 18298. An act to amend the Central Valley reclamation project to include Black Butte project; and

H.R. 18410. An act to establish the Fort Point National Historic Site in San Francisco, Calif., and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 13543. An act to establish a program of research and promotion for U.S. wheat; to the Committee on Agriculture and Forestry.

H.R. 15549. An act to amend title 10, United States Code, to further the effectiveness of shipment of goods and supplies in foreign commerce by promoting the welfare of United States merchant seamen through cooperation with the United Seamen's Service, and for other purposes; to the Committee on Commerce.

H.R. 17455. An act to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to enter into contracts for janitorial services, trash removal, and similar services in federally owned and leased properties for periods not to exceed 3 years, and for other purposes; to the Committee on Government Operations.

H.R. 18306. An act to authorize U.S. participation in increases in the resources of certain international financial institutions, to provide for an annual audit of the Exchange Stabilization Fund by the General Accounting Office, and for other purposes; to the Committee on Foreign Relations.

INVESTIGATION OF OEO GRANT FOR BENEFIT OF TWO CHICAGO STREET GANGS

Mr. McCLELLAN. Mr. President, in 1968 the Senate Permanent Subcommittee on Investigations conducted hearings relating to charges that $927,341, granted by the Office of Economic Opportunity for the benefit of two Chicago street gangs, largely had been wasted by being flagrantly misused and misappropriated. The grant had been made in 1967 to the Woodlawn Organization on Chicago's South Side supposedly to provide a program for basic education and job training for members of the Blackstone Rangers and the Devil's Disciples.

Evidence the subcommittee heard about the grant established clearly that:

First. Forgery and fraud in the administration of these funds were widespread. A document expert from the U.S. Treasury testified that 89 percent of the documents he examined—checks, time sheets, and weekly reports—were forged or fraudulent. All indications were that most of the money had gone into the pockets of the gang leaders. I will comment further about this at a later point in these remarks.

Second. Administration by the Woodlawn Organization of the four training centers financed by the grant was woefully inadequate or nonexistent. The gang leaders conducted the program themselves and diverted most of the money to their own personal use.

Third. The teachers and supervisors, at $5,000 to $7,000 per year, were gang leaders with grade school educations or less. Dropouts were hired to teach dropouts.

Fourth. Almost all employees at the centers had extensive criminal records. A large number were arrested and jailed during their employment.

Fifth. Because the two gangs had been waging a deadly street war, the grant was considered to have the purpose of buying peace on the streets and, in fact, OEO insisted that the gangs approve a peace agreement before the grant was funded.

Sixth. Expert testimony established that the training program was largely worthless, that the money had been wasted, and that the grant served principally to support and strengthen the gang structures and to increase the power of the gangs.

Fortunately for the American taxpayer, the disclosures in those hearings of mismanagement, fraud, and forgery prevented the renewal of the grant and the making of other such grants to street gangs by Federal agencies. Bertrand Harding, Acting OEO Administrator at the time, testified that the experimental program had been a failure and would not be repeated. Testimony had clearly shown, however, that renewal of the Woodlawn grant application for another $1,000,000 was still being considered by the OEO when our investigation began in 1968.

Our work in the Woodlawn investigation was, in my view, a significant accomplishment in one of the subcommittee's principal areas of jurisdiction—the investigation of waste, inefficiency, and mismanagement in Government operations.

Our hearings, however, were not restricted to the administration and operation of the OEO grant. We also examined allegations that the top Chicago street gangs were deeply involved in crime, violence, and unrest on Chicago's South Side. In the course of investigating these matters, the Subcommittee discovered that the larger and more powerful of the two gangs, the Blackstone Rangers, had its headquarters in the First Presbyterian Church of Chicago. In 1966, Pastor John R. Fry had invited the Rangers to use the church's facilities, and later the church collected rent from the OEO when part of the building was used as a training center by the gang.

The principal witness about the Rangers' activities, their use of the church and their association with Reverend Fry was George Rose, former "war lord" of the Rangers and third-ranking member of the "Main 21," as the gang's leaders called themselves.

Rose testified that there were 5,000 to 6,000 Blackstone Rangers in the Woodlawn area, among a population of about 125,000, and that almost all teenage boys joined the gang, sometimes by choice and sometimes by coercion. The subcommittee heard testimony from a number of law enforcement officials that boys who refused to join were beaten, and some were shot and killed. George Rose's sworn testimony described a number of matters relating to Blackstone Ranger activities, many of them involving Reverend Fry and his assistant in Ranger affairs, a social worker named Charles LaPaglia. In summary, Rose's testimony was:

First. The Rangers extorted money from merchants in their territory. Mr. Fry, according to Rose, was not only aware of the extortion, but suggested it to members of the Main 21.

Second. The Rangers dealt in marihuana and they regularly smoked it in the First Presbyterian Church. Rose said that Reverend Fry was well aware of the practice.

Third. Rose testified that the Rangers regularly stored guns, grenades, and other weapons in the church and that Mr. Fry knew that they did and on occasion saw the weapons.

Fourth. Rose said that he and other Ranger leaders, on an outing to Circle Pines, Mich., purchased shotguns and rifles while in the company of Charles LaPaglia, and that the weapons were transported to Chicago in LaPaglia's automobile. Rose also testified that marihuana was transported in LaPaglia's automobile.

Fifth. Rose stated that Fry had advance knowledge of police visits to the church and had tipped off the Ranger leadership to hide guns and marihuana before the police arrived.

Sixth. Rose testified that Fry suggested the Rangers should go to Chicago's business area in the Loop if they wanted to start a riot and thus avoid damage and violence in their own neighborhood.

Seventh. George Rose said that Mr. Fry had advocated the storing of Molotov cocktails on roofs in Ranger territory so that, in event of trouble with the police, these incendiary weapons could be used against police and their vehicles.

Eighth. Rose testified that an order was relayed to him from Ranger president Eugene "Bull" Hairston, then in Cook County jail, to kill a man named Straughter. Rose said that the order was passed to him by Reverend Fry in the church in the presence of gang member Edward Bey, Mr. LaPaglia, and social worker Ann Schwalbach.

There were other charges made by George Rose relating to the pastor, the activities in the church, and the OEO program. When Reverend Fry appeared as a witness, he denied each of the charges made by Rose and by other witnesses. Subsequently, while Mr. Fry was still testifying, the subcommittee recalled George Rose and a direct confrontation between the two witnesses ensued. Mr. Rose then repeated all his charges and Mr. Frey denied each charge specifically. Each witness said that the other was lying. The record shows clearly that perjury was committed, and at the close of the hearings the subcommittee sent copies of the transcript to the Department of Justice, but no action on the matter of perjury has been taken.

Charles LaPaglia testified and denied all allegations against him, notwithstanding the introduction by the subcommittee of documentary evidence in the form of affidavits to show that George Rose's story of the gun buying trip to Circle Pines, Mich., was true.

There were a number of witnesses whose testimony supported Rose's account of Ranger activities in the church. They included Chicago police officers, representatives of the State's attorney's office, and officials of Cook County jail. Mrs. Annabelle Martin, a mother of gang members, testified that she saw guns and marihuana in the church, that she knew that sex parties took place there, and that youngsters consumed liquor and drugs in the church. She also said that she had purchased ammunition for the Rangers and that Reverend Fry had seen it. Documentary evidence showed that she did buy a substantial quantity of ammunition at the time and place she specified.

Nick Dorenzo, former vice president of the other gang involved in the OEO grant, the Devil's Disciples, testified that he had been in the First Presbyterian Church to discuss peace between the gangs and had seen marihuana smoked and liquor consumed. He corroborated a number of points made by George Rose.

The subcommittee also called by subpena for the testimony of Jeff Fort, then vice president of the Blackstone Rangers and a former center chief in the OEO program. Jeff Fort refused to testify, was cited for contempt of Congress, was indicted and convicted. He is currently appealing that conviction. Fort is now the president of the powerful and lawless confederation of street gangs which has emerged from the original Blackstone Ranger structure and which calls itself the Black P Stone Nation. According to press reports, the gang's rallying cry these days is "Stones run it." This slogan apparently indicates that gang members believe they are the rulers of the streets on Chicago's South Side.

Mr. President, the hearings conducted by the Subcommittee on the activities of the Blackstone Rangers and their legal counsellor, as Mr. Fry termed himself, were an unpleasant and arduous task. During the hearings and subsequently, we were criticized in a few liberal publications. Criticism by some extremely liberal columnists and editorial writers is a part of the price we must pay for carrying out these unpleasant but very important duties. Such critical response is to be expected from certain elements of our society who regularly seek to excuse or condone criminal behavior or to blame it entirely on socio-economic causes. But it is surely inexcusable and indefensible when the lawless activities exposed have been conceived, planned, and put into operation from the supposedly hallowed premises of a church.

Mr. Fry has received official support from the governing body of his church. The Presbytery of Chicago, comprised of officials of some 140 Presbyterian churches in the Chicago area, established a special investigating committee after our hearings had been concluded. The committee, including both laymen and clergymen, was directed to inquire into the charges against Mr. Fry and his assistants which had been made during the subcommittee's hearings.

The church committee compiled an extensive record, consisting of statements by persons who were generally friendly or well disposed toward Mr. Fry. The church group heard no statements from George Rose or Mrs. Martin, or from the many police officers and other law enforcement officials who had direct knowledge of criminal activities carried on by the Blackstone Rangers. The so-called investigating committee thereupon cleared Mr. Fry of all charges against him and suggested, as had the subcommittee at the close of its hearings, that the Department of Justice seek to determine whether perjury had been committed in the subcommittee's hearings.

The Presbytery of Chicago accepted the report of its investigating committee and, in a whitewashing statement issued on September 16, 1969, cleared Reverend Fry of all charges.

Mr. President, on September 29, 1969, a newspaper of large circulation in my State published an editorial entitled "Senator McClelland and His Investigations," stating that Mr. Fry had been "cleared" of the "discredited charges" against him, and indicating that the editors agreed fully with the views of the Chicago Presbytery that perjury charges should be pressed against the witnesses who made the accusations about Mr. Fry and the First Presbyterian Church. Because this editorial was clearly intended to ridicule and be smearingly critical of me personally, I want it preserved in a proper setting in this RECORD in an appropriate frame of reference. I ask unanimous consent that this editorial from the Arkansas Gazette of September 29, 1969, be printed in the RECORD at this point in my remarks. At the time the editorial was printed, I made no comment about it, for I was more than confident that there would be future developments which would clearly refute its false implications and imputations.

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

SENATOR MCCLELLAN AND HIS INVESTIGATIONS

Is there any stouter defender against the distant or non-existent threat than John Little McClellan, the senior senator from Arkansas?

The Chicago Presbytery, after a detailed investigation, now has cleared Rev. John R. Fry, a South Side Chicago minister accused before the McClellan Committee last year of condoning sex and pot parties among the street gangs and even of having delivered a "hit" order to one of the Blackstone Rangers.

The Chicago gangs exist, all right, and if anything are more active than before they were "exposed" by John L. McClellan, but what concerns us here are the discredited charges against Mr. Fry, whose name remained blackened in the public consciousness for months and had to be fully investigated and cleared finally by his own Church, which now has pressed Senator McClellan to press the Justice Department to press charges of perjury against some of the witnesses in the 1968 Committee hearing.

Senator McClellan, this time responding rather more quickly than he usually does to real or implied criticism, said that he already had referred the perjury question to the Justice Department, and added that "it's sort of out of our hands now."

There seems some doubt from the language of one of the Senator's letters to the Justice Department quoted by United Press International as to whether he felt that perjury had occurred on both sides in the contradictory testimony heard by his Committee or only one side, but there was no doubt from the Chicago Presbytery's statement as to which side the elders of the Church felt the perjury lay—on the side of those who made the unsupported allegations against Mr. Fry. So the question then is, why did Senator McClellan allow this type of witness to come forward in this way, for if there is anything John L. McClellan does well in an investigation of this sort it is to control the flow of witnesses and the flow of testimony from a particular witness? Now, though, it all "out of his hands."

Scarcely had the smaller headlines attracted by Mr. Fry's vindication from the charges that were made in large headlines been forgotten or overlooked than Senator McClellan was off and running in another direction, demanding to know whether the movie industry was planning to sell any of today's present crop of dirty movies to TV.

It has been our impression that such

mildly titillating flicks as have already been sold to TV have been pretty well censored by the networks before they hit the old home screen, so Senator McClellan probably has nothing to worry about. If he is concerned only about the sensibilities of the home folks back in Arkansas instead of those of the whole country, we are pretty sure he has nothing to worry about, for in the event that the network did let something slip through, the studio censors locally could be counted upon to do their work for them. The networks or studios might allow the viewing audience to *think* that it was going to see the uncut version, but that would only be cheating a little on the advertising, something that could not be expected to concern a man with the heavy manifold labors of a John L. McClellan.

In making his case on the dirty TV movies that aren't and, so far as anyone knows, never will be, Senator McClellan said he agreed with one of the candidates in the New York mayoralty race who, goaded into the pressing anti-porno fight by Dr. Billy Graham, recently was quoted as saying that what he is pleased to call "moral pollution" is a greater threat to the country than are air pollution and water pollution.

If the candidate really believes this, that "moral pollution" as it would be defined by Dr. Billy Graham is a greater threat to New York—leave the country-at-large out of it for the moment—and if he should by some mischance be elected, then all we can say is that poor little old New York ain't seen nothing yet in the way of air and water pollution.

The same, of course, goes for the country as a whole if such a public attitude should prevail nationally.

Mr. McCLELLAN. Mr. President, some of those developments which I anticipated have now occurred.

Mr. President, much time would be consumed in detailing all the crimes, violence, atrocities and vicious lawlessness of the Blackstone Rangers during the year since Reverend Fry's ecclesiastical superiors "cleared" him of the charge that his church had been used to harbor and accommodate a street gang of criminals. Therefore, I shall only briefly summarize a few events of the past several weeks.

I call attention to statistics recently issued by Cook County State's Attorney Edward V. Hanrahan. On September 3, 1970, Mr. Hanrahan announced that in 1969 there were 693 gang-related shootings of persons under 21 in Chicago. There were 68 persons killed. In the first 7½ months of 1970, there were 384 gang-related shootings and 44 deaths of persons under 21. Although many of these shootings remain unsolved, Blackstone Rangers were involved in a large percentage of those the police were able to investigate successfully, and many Rangers were arrested on numerous felony charges in connection with the crimes. Certainly we would expect therefore that large numbers of Blackstone Rangers would now be serving long prison sentences for their crimes. Unfortunately for the safety and well-being of peaceful citizens of Chicago, that is not the case. The Black P Stone Nation has had, and continues to have, large sums of money for bail bonds and legal fees—so much money, in fact, that one Chicago official in our hearings stated that the Cook County Jail seemed to have a revolving door for Blackstone Rangers. Where does the money come from?

The grandson of a noted industrialist admits that he furnishes large sums to the gang's legal defense fund. Charles F. Kettering II, whose grandfather was prominent in the growth of the General Motors Corp., stated in a newspaper interview on August 22, 1970, that he personally has supplied about $11,000 a month to the gang. Another news article in the Chicago Tribune the following day, August 23, 1970, indicated that Mr. Kettering has contributed more than $260,000 to the Black P Stone Nation gang. In the subcommittee's hearings, we heard testimony from Mr. Fry that the First Presbyterian Church had received $50,000 in a grant from the Charles F. Kettering Foundation on behalf of the Blackstone Rangers.

Mr. Kettering's lawyers in Chicago stated to the press that Mr. Kettering's money had financed the legal defense of 271 gang members of whom 58 percent received acquittals or dismissals. The lawyers stated that, to their knowledge, the gang defense fund of $11,000 per month will be closed out in December of this year, but Mr. Kettering told the press that he is not withdrawing his support of the Blackstone Rangers.

The fund was set up in such a way, according to the press, that the Main 21 had almost complete control over it, with the Main 21 determining which cases the lawyers should handle.

Mr. President, here are two comments by Mr. Kettering which I quote directly from the news stories I have mentioned.

Mr. Kettering said:

> The fund was established to provide the appropriate legal counsel for the Stones and to attempt to reduce the harassment of the gangs by police and others.

Mr. Kettering also said:

> I feel very strongly that the Stones, and particularly Hairston, have the potential for great social impact. I have felt that if we can keep them out of jail, they will be better able to develop alternatives.

Those remarks furnish an insight indeed into the motivations and philosophy of those who condone, excuse and attempt to explain the violence and crime which dominate a great section of one of our largest cities. The "great social impact" of the Black P Stone Nation is completely opposite in effect from that suggested by Mr. Kettering. Who is Hairston, for example, whom Mr. Kettering describes as his close friend?

Eugene Hairston is the former president of the Blackstone Rangers, who, according to testimony in our hearings and in his trial, ordered four teen-age Rangers to kill a narcotics dealer. The boys killed the wrong man, but Hairston was arrested, indicted, convicted, and sentenced to 5 to 15 years for solicitation to commit murder. He is appealing his conviction. Mr. Kettering financed the trial and is financing the appeal.

Mr. President, let us return to one of the most important charges made during our hearings on the Woodlawn Organization grant from the OEO. As I said previously, a Treasury representative found that 89 percent of the documents relating to the training centers were fraudulent or forged. At the conclusion of our hearings, we sent our transcript and documentary evidence to the Department of Justice with the request that the Department seek to determine whether the Government has been defrauded. On September 10, 1970, the Chicago Tribune reported that a Federal grand jury is now undertaking an inquiry into the charges first made in our hearings. A special prosecutor is in Chicago to direct the inquiry. Among the witnesses who will be heard, according to the press, are Jeff Fort and Edward Bey, top leaders of the Rangers, and Rev. John R. Fry of the First Presbyterian Church. The news article indicates that the Federal prosecutors will charge that more than 1,200 payroll checks in the OEO program were forged to obtain funds for the gang leaders. I ask unanimous consent that the article be printed in the RECORD at this point in my remarks.

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

[From the Chicago Tribune, Sept. 10, 1970]

JURY TO PROBE HOW STONES SPENT GRANT—JEFF FORT, BEY, FRY ON WITNESS LIST

(By William Jones)

A federal grand jury will begin hearing testimony Wednesday into charges that members of the Black P Stone Nation street gang defrauded the government in connection with a controversial 1967 antipoverty grant.

A special prosecutor from the office of Atty. Gen. John Mitchell is in Chicago to direct the grand jury inquiry, which has a witness list of more than 70 persons, it was learned.

WILL CALL REVEREND FRY

Among those scheduled to be called are Jeff Fort and Edward Bey, both top leaders of the street gang, and the Rev. John Fry, pastor of the First Presbyterian Church, 6400 S. Kimbark Ave. Fry is a long-time adviser and staunch supporter of the street gang.

The $927,000 grant to The Woodlawn Organization three years ago stirred a nationwide controversy when witnesses testified before a Senate subcommittee on investigations that the funds may have been siphoned off by gang leaders to purchase guns and narcotics.

The funds provided thru a direct grant from the Office of Economic Opportunity in Washington, were earmarked to train an estimated 800 poor and unemployed young persons. Included in the program was a $45 weekly stipend for all trainees.

ALLEGE CHECK FORGERY

Key administrative jobs were quickly filled by gang leaders, however, who collected annual salaries of up to $6,500 to "administer" the program. Sources close to the grand jury probe said federal prosecutors will allege that during this time more than 1,200 payroll checks were forged to obtain funds that wound up in the hands of gang leaders.

Both Bey and Fort are being sought by authorities after they failed to appear in Criminal courts Wednesday to answer charges of aggravated battery and attempted murder. Bey is also being sought in connection with the ambush slaying Aug. 14, of Det. James Alfano Jr.

Others charged in the Alfano slaying who have also been called to appear before the grand jury are William Troope, 19, and Lamar Bell, 17. All of the gang members occupy positions in the Main 21, the ruling echelon of the street gang.

Mr. McCLELLAN. Mr. President, I continue with remarks on recent charges of murder and vicious lawlessness made against members of the Black P Stone Nation, who still have their headquarters in Reverend Fry's church, and who

proclaim their power and arrogance in the streets with their rallying cry "Stones run it."

An example of the violence which has been the hallmark of the Blackstone Rangers was given to our subcommittee on August 4, 1970, when the subcommittee heard, at their request, two ministers from Ranger territory in Chicago. The two clergymen were Rev. Curtis E. Burrell, pastor of the Woodlawn Mennonite Church and Rev. John Barber, president of an organization called "Black Men Moving." They claimed that they have been attempting to change conditions in their community by fostering and sponsoring programs of self-development and self-improvement. They testified that the Black P Stone Nation asserted its power in opposition to their programs, sought to take them over, and then resorted to vandalism, firebombing of churches and program offices, and to shooting into the church and into the home of Rev. Curtis E. Burrell. Mr. Burrell's church was burned. He told the subcommittee that he hoped to get the support of responsible persons in the community to combat the power of the street gangs, but that thus far the backing he sought had not been forthcoming. People in his community apparently are afraid to oppose the young hoodlums in the streets.

On August 13, 1970, in an alley behind the Southmoor Hotel, abandoned by its owners and taken over by the Black P Stone Nation gang, a patrol car of Chicago's gang intelligence unit was ambushed by unseen gunmen. Detective James A. Alfano, Jr., was severely wounded, and required transfusions of 120 pints of blood. Detective Alfano died on August 16, the fourth police officer to become a victim of sniper fire in Chicago during the summer of 1970.

On September 3, 1970, seven members of the Black P Stone Nation were indicted by the Cook County grand jury for the murder of Detective Alfano and for conspiracy to murder police officers. Four of the seven Rangers indicted were identified by the Chicago police—as they had been in the subcommittee's hearings—as members of the "Main 21," the ruling body of the Blackstone Rangers. One of the men indicted was arrested in the First Presbyterian Church.

Mr. President, I ask unanimous consent that a news story from the Chicago Tribune for September 4, 1970, giving an account of the indictment of the seven men for this brutal assassination, be printed in the RECORD at this point as a part of my remarks.

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

SEVEN STONES ARE INDICTED FOR COP'S MURDER—CONSPIRACY ALSO CHARGED

(By Edward Lee)

Seven members of the Black P Stone Nation, a coalition of street gangs dominated by the Blackstone Rangers, were indicted by the County Grand Jury yesterday for the murder of Detective James A. Alfano Jr.

The Grand Jury also indicted the seven for conspiracy to murder unnamed Chicago police officers. State's Atty. Edward V. Hanrahan said the indictments mark the first time the conspiracy concept has been applied in a major street gang crime.

"These indictments reveal a plan by the Blackstone Rangers to kill Chicago police officers. That kind of conduct is so savage and so inhumane as to be almost unbelievable," Hanrahan said.

CALLED RANGER LEADERS

Four of those indicted are said by police to be members of the Main 21, top leadership of the Blackstone Rangers.

They are LaMar [Bop Daddy] Bell, 26, of 6516 S. Blackstone, Av.; Charles Edward Bey, 24, of 6246 S. Dorchester Av.; Lee T. Jackson, 26, of 6528 S. Kimbark Av., and William Troope, 19, of 3756 S. Michigan Av.

The others are Tony Maurice Carter, 17, of 1532 E. 65th St.; Dennis Griffin, 21, of 6806 S. Ridgeland Ave.; and Elton Wicks, 23, of 4534 S. Drexel Av.

Bell was arrested Tuesday in his home. Griffin was arrested last Saturday night in the 1st Presbyterian Church, 6400 S. Kimbark Av., and Wicks was picked up early Sunday in the home of Bey's sister, Buena Bey, at 6806 S. Dante Ave. All three are held in the County Jail.

Bey, Jackson, Troope and Carter, all charged previously with conspiracy to murder Alfano, were freed on bail pending a court hearing and are now sought by police on murder warrants.

Alfano, 30, a member of the police Gang Intelligence Unit, was mortally wounded the night of Aug. 13 in what police charge was an ambush in a darkened alley on the south side of the closed Southmoor Hotel, 6646 S. Stony Island Av. The hotel had been taken over by the Black P Stone Nation as its headquarters until the group was ousted by court order early in August.

Alfano was in the rear seat of an unmarked police car in the alley. Two other detectives were in the front seat. The driver was using the car to try to push aside a chair in the alley. As a volley of shots came from behind the car, a bullet went thru the trunk of the car and shattered Alfano's liver.

Another policeman was wounded that night as sniping at police broke out in several locations not far from the boarded-up hotel. Police said four youths arrested for breaking lights on the elevated tracks before the shooting began reported Jeff Fort, head of the Black P Stone Nation, has ordered the area to be darkened.

FIVE HUNDRED OFFER BLOOD

Alfano died Aug. 16. More than 200 pints of blood were donated by policemen and citizens for the wounded man, and 300 donors were standing by at the time of his death.

Hanrahan contrasted the number of blood donors to the lack of persons who volunteered information about the street gang and the shooting. "The only decent thing" for residents of the hotel area to do, he said, was to tell police what they know.

"Figures show that the most potential victim of street gang violence is the black person," Hanrahan said. In 1969, when there were 693 gang-related shootings of persons under 21 in Chicago, 620 of the victims were black, as were 60 of the 68 persons killed, he said. In the first 7½ months of this year, he said, there have been 384 shootings and 44 deaths of persons under 21.

Mr. McCLELLAN. An editorial from the Chicago Tribune of August 15, 1970, entitled "Guerrilla Warfare in Chicago," stresses the point I made earlier about the attacks upon Reverend Burrell and his church. It says:

Wherever it occurs, guerrilla warfare is almost impossible to suppress so long as the populace protects the guerrillas. The black gangs of the South and West Sides no doubt are feared and despised by most of the residents of those areas, but so far there has been little cooperation with the police to check gang activity.

The editorial also condemns appeasement of hoodlums:

The appeasement theory has been tried for years and has been a dismal failure, in spite of subsidies from the federal government and support from sentimental white liberals. A gang leader still calls press conferences (the editorial refers to press conferences held by Jeff Fort in the First Presbyterian Church) and is given much prominence by television stations, as if he deserved respect. It is time to start recognizing that the members of street gangs include some vicious killers.

I ask unanimous consent that the editorial be printed in the RECORD at this point as part of my remarks.

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

[From the Chicago Tribune, Aug. 15, 1970]

GUERRILLA WARFARE IN CHICAGO

Another policeman has been shot and critically wounded as he tried to do his duty as a protector of lives and property. The victim, Detective James A. Alfano, was ambushed as he and two other members of the gang intelligence unit rode in an unmarked squad car. The scene of the shooting was near the Southmoor Hotel, which the police say has been taken over by black gangsters.

The outrage was the second of its kind in less than a month. On July 17 two policemen were murdered by snipers firing from the Cabrini-Green housing project on the Near North Side.

Let's face it: Parts of Chicago are in a state of guerrilla warfare. The police have not been the only victims; dozens of black youths have been killed by the black terrorists.

In a totalitarian state guerrilla warfare could be stopped by systematic searches and seizures, followed by wholesale imprisonment without trial. The Chicago police are operating in a free society where every citizen is entitled to protection from arbitrary actions by the police.

At the same time the Chicago police are required to patrol the streets, to answer calls for help, and to arrest lawbreakers. They can't let the guerrillas take control of whole neighborhoods.

Wherever it occurs, guerrilla warfare is almost impossible to suppress so long as the populace protects the guerrillas. The black gangs of the South and West Sides no doubt are feared and despised by most of the residents of those areas, but so far there has been little cooperation with the police to check gang activity.

Recently a respected Negro minister, the Rev. Curtis E. Burrell, denounced the gangs and his church was burned and shots were fired into his home. Few other leaders of the community have rallied to his support. Some of them still seem to believe it is necessary to appease the gangs to attain peace.

The appeasement theory has been tried for years and has been a dismal failure in spite of subsidies from the federal government and support from sentimental white liberals. A gang leader still calls press conferences and is given much prominence by television stations, as if he deserved respect. It is time to start recognizing that the members of street gangs include some vicious killers.

After the murder of the two policemen at Cabrini-Green the department as a whole behaved with admirable restraint. The hundreds of policemen summoned after the most recent series of sniper attacks again were cool and competent. It is reported that not a single shot was fired by the police, in spite of the terrible provocation.

The law-abiding citizens of Chicago need help and protection from the guerrillas. The police need help and protection. We hope they can get it without the necessity for measures of repression.

Mr. McCLELLAN. On August 25, 1970, an ex-marine named Charles Reede was literally executed in a Blackstone Ranger gang hangout. Evidence at the scene indicated that the man was forced to kneel before a semicircle of 30 or more gang members and then three bullets were fired into the back of his head. Three members of the Black P Stone Nation have been arrested and charged with murder, which took place in a former church turned over by the pastor to affiliates of the Blackstone Rangers.

On August 31, 1970, two self-proclaimed members of the Black P Stone Nation were arrested in the act of attempting to extort $100 per month from a business firm "for protection against fire, or harassment against employees or customers." Police of the gang intelligence unit said that extortion on Chicago's South Side is widespread, although generally businessmen are afraid to report it to police. In our hearings, George Rose described extortion as a regular source of income to the Blackstone Rangers.

Mr. President, all of the details I have reported in these remarks have been verified by the gang intelligence unit of the Chicago Police Department, as has been the following information which I believe might be of interest to the Chicago Presbytery, although that organization presumably already has all the sordid details, and to the editors of the Arkansas Gazette, who asked editorially on September 29, 1969:

Is there any stouter defender against the distant or non-existent threat than John Little McClellan, the senior senator from Arkansas?

On Sunday, August 30, 1970, the gang intelligence unit of the Chicago Police Department, with a warrant for the arrest of one of the men who have been indicted in the murder of Detective Alfano, raided the First Presbyterian Church of Chicago. What did they find?

They found a Blackstone Ranger party in progress, and as a result of what they saw, they arrested the supervisor of the party, a student of the Chicago Theological Seminary, and charged him with being "the keeper of a disorderly house." They arrested 26 youths ranging in age from 16 to 20 and charged them with being "patrons of a disorderly house."

The police found in the church three bags of marihuana, a quantity of whisky and beer, and several boxes of assorted rifle and shotgun ammunition. They also seized the barrel of a sawed-off shotgun—by Federal law a contraband weapon. They found a dice table with a professional type green felt cover. In an upstairs room in the church, they discovered a 16-year-old boy in a drunken stupor.

The Reverend Mr. Fry was reportedly out of Chicago at the time of the raid. However, his assistant, Rev. Harold Walker, appeared during the raid and told the police that the church had an agreement with the Blackstone Rangers that permitted them to use the church for meetings and social functions. Mr. Walker also said that the agreement included a pact between the group and church officials that the gang's activities on the building's upper floors would not be supervised.

Mr. President, I ask unanimous consent that a news article from the Chicago Tribune of September 1, 1970, describing the raid on Mr. Fry's church, be printed in the RECORD at this point in my remarks.

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

POLICE ARREST 27 IN RAID ON FRY'S CHURCH—POLICE NAB SEMINARY AIDE, SEIZE AMMO

(By William Jones)

Twenty-six young people have been charged with being inmates of a disorderly house and an employe of the Chicago Theological Seminary is accused of being the keeper of the house after a raid on a church in which police seized rifle and shotgun ammunition, liquor and marijuana.

The church, the First Presbyterian Church, 6400 S. Kimbark Av., is often used for press conferences and as a meeting place by the Black P Stone Nation street gang. Sgt. Fred O'Reilly of the Gang Intelligence Unit said Jeff Fort and Edward Bey, both gang leaders, were in the church at the time of the raid early Sunday but were not charged. Bey is accused of conspiracy to commit murder in the Aug. 13 sniper shooting of Detective James A. Alfano.

SUPERVISING THE PARTY

Peter Rekdahl, 25, who told police he was supervising the party as a representative of the Chicago Theological Seminary, was ordered to appear Sept. 15 in Boys Court, charged with being the keeper of a disorderly house.

O'Reilly said the young people seized in the raid range in age from 16 to 20. He said one 16-year-old was in a stupor in an upstairs room when police entered the church with a warrant for the arrest of a gang member. O'Reilly said police seized three bags of marijuana, liquor and several boxes of shotgun and .30 caliber rifle ammunition. He said police also removed the green felt from a 15 by 4 foot dice table.

The church and its pastor, the Rev. John Fry, were the target of a 1968 Senate committee hearing in which a series of witnesses charged that the Stones, then known as the Blackstone Rangers, used the church as a weapons arsenal and narcotics clearing house. The Rev. Mr. Fry denied the charges and later was given a vote of confidence by the Presbyterian church.

AIDE APPEARS DURING RAID

The Rev. Mr. Fry has been reportedly out of town in recent weeks, but police said the Rev. Harold Walker, assistant pastor, appeared at the church during the raid. O'Reilly said he showed the Rev. Mr. Walker the contraband seized by police and the pastor said the church had an agreement with the gang that it could use the church for meetings and social functions.

O'Reilly said the Rev. Mr. Walker told police this agreement included a pact between the gang and church officials that the gang's activities on the building's upper floors would not be supervised.

Mr. McCLELLAN. Finally, Mr. President, I have another newspaper editorial from the Chicago Tribune. This expression of opinion, it will be noted, differs considerably from the Arkansas Gazette editorial which I submitted earlier in my remarks. It expresses the indignation and outrage that I am sure many hundreds of thousands of Chicago's law-abiding and peaceful citizens, of all races and creeds, must feel when they read again of the continuing desecration of the First Presbyterian Church by this youth gang of criminals—the Black P Stone Nation. It is from the Chicago Tribune of September 3, 1970, and it bears the title: "Business as Usual at the Same Old Stand."

The editorial summarizes the facts about the raid on Mr. Fry's church which I have stated, and continues thus:

Nice goings-on in a church, wouldn't you say? Yet this is just a rerun of charges lodged in 1968 against the Reverend Mr. Fry's role as patron and apologist for the black gang. Testimony heard at that time by the Senate Permanent Investigations Subcommittee was that the church was used as a gang arsenal, that marijuana parties were held there, that ammunition purchased with gang funds was produced in the minister's presence, and that girls emerged from the church in a drunken and drugged condition.

The editorial also relates the denials of these matters by Reverend Fry and his later absolution of guilt by the governing body of his church.

As will be noted, the editorial concludes:

Despite this sordid history, the Reverend Mr. Fry's pet street mob is still doing business at its old stand—his church—and we suppose the Chicago Presbytery will be horrified that it is identified in police and court records as a disorderly house.

I ask unanimous consent that this editorial be printed in the RECORD as part of my remarks.

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

[From the Chicago Tribune, Sept. 3, 1970]

BUSINESS AS USUAL AT THE SAME OLD STAND

The Rev. John Fry's First Presbyterian Church, 6400 Kimback Av., is back in the news again in a repetition of the notoriety it gained in 1968 as a hangout and haven of the Blackstone Rangers street gang, now known as the Black P Stone Nation. The place was raided by the Police Gang Intelligence Unit, and 26 members of the gang were arrested as inmates of a disorderly house. Peter Rekdahl, who said he represented the Chicago Theological Seminary as a kind of chaperon, was charged with being the keeper of a disorderly house.

Police seized three bags of marijuana, liquor and several boxes of .30 caliber rifle ammunition and shotgun shells. The green felt cover of a dice table was confiscated. A 16-year-old was found in an upstairs room in a stupor.

Nice goings-on in a church, wouldn't you say? Yet this is just a rerun of charges lodged in 1968 against the Rev. Mr. Fry's role as patron and apologist for the black gang. Testimony heard at this time by the Senate Permanent Investigations Subcommittee was that the church was used as a gang arsenal, that marijuana parties were held there, that ammunition purchased with gang funds was produced in the minister's presence, and that girls emerged from the church in a drunken and drugged condition.

These allegations were hotly denied by the Rev. Mr. Fry, and he was twice absolved of wrongdoing by the Chicago Presbytery, governing body of the city's United Presbyterian Churches. It said in a resolution, "We realize he is offering a creative and courageous approach to extremely difficult urban problems and that he is performing these services in the name of Jesus Christ."

The Senate investigation found that the Rangers and another street gang were subsidized by the Office of Economic Opportunity to the tune of $927,000, supposedly to teach high school dropouts reading and arithmetic. Gang leaders installed as teachers were almost illiterate but collected salaries of from $3,840 to $6,500 a year. They recruited children out of public schools and collected a federal "commission" on each of

them, tho all but a handful were absentees. Checks issued to the "students" were endorsed and cashed by the gang leaders.

The director of the OEO said after the program was shut down that it was a valuable failure because it showed the government how not to do things. Altho the Department of Justice was given the conflicting statements of the Rev. Mr. Fry and his accusers, with a view toward lodging prosecutions for perjury, no action was ever taken, nor were the gang leaders ever indicted for fraud and forgery.

Despite this sordid history, the Rev. Mr. Fry's pet street mob is still doing business at its old stand—his church—and we suppose the Chicago Presbytery will be horrified that it is identified in police and court records as a disorderly house.

Mr. McCLELLAN. Mr. President, maybe the Reverend Mr. Fry and others associated with him will again be "cleared finally by his own church," and maybe a further attempt will be made to criticize and ridicule me as the "defender against the distant or nonexistent threat." Be that as it may, I believe that the lawlessness and moral decay that pervade our land today are a threat and a growing menace to the sustaining of law and order and to our civilized society. I believe this threat and the danger it poses are typified and well illustrated by the deplorable conditions that exist on the streets in those sections of Chicago where these criminal gangs operate. In those sections of Chicago, police officers in the course of routine patrol are murdered—shot in the back. Persons are literally executed by lawless gangs. Violent assaults, coercion, extortion, and blackmail are daily committed on citizens and lawful business interests. In these areas of the city almost every crime named in the statutes is committed in the name of the Black P Stone Nation, whose hoodlum members shout that they are the rulers, and call themselves the "Almighty Stones."

Mr. President, the conditions of vandalism, murder, and terrorism, and all kinds of lawlessness that prevail in the South Side and West Side of Chicago and in some other cities and sections of our country which the Senate Subcommittee has exposed are, to me, not a mere "distant or nonexistent threat." The multitude of helpless and suffering victims of crimes of violence and terror perpetrated by criminal street gangs negate and refute absolutely the false and deceitful charge that such a threat from these elements in our society is either "distant or nonexistent."

ORDER FOR PRINTING OF ADDITIONAL COPIES OF PART 24 OF HEARINGS BEFORE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS, ENTITLED "RIOTS, CIVIL AND CRIMINAL DISORDERS"

Mr. McCLELLAN. Mr. President, I send to the desk a resolution, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The resolution (S. Res. 461), was read as follows:

Resolved, That there be printed for the use of the Committee on Government Operations two thousand additional copies of Part 24 of the hearings before its Permanent Subcommittee on Investigations during the Ninety-first Congress, second session, entitled "Riots, Civil and Criminal Disorders."

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. BYRD of West Virginia. Mr. President, let the record show that this matter has been cleared with the other side.

Mr. McCLELLAN. Yes. I was going to state that I have consulted with the majority and representatives of the minority and I know of no objection to adoption of the resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 461) was considered and agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

DIRECT POPULAR ELECTION OF THE PRESIDENT AND THE VICE PRESIDENT

The Senate resumed the consideration of the joint resolution (S.J. Res. 1) proposing an amendment to the Constitution of the United States relating to the election of the President and the Vice President.

Mr. EAGLETON. Mr. President, the Senate's decision on electoral reform will have far-reaching implications for our entire political system. We face this momentous decision, moreover, at a time when the political and social chemistry of America is already in ferment.

Nothing we decide here will stop the ferment. But we can aggravate it—increase the uncertainty—add new destabilizing factors—by a wrong decision. Or, by choosing well, we can help harness that ferment to the building of a stronger, more representative democracy.

Whatever institution we substitute for our present electoral college process should do two things, in my view:

First, it should foster the nomination, and insure the election, of candidates whose background and beliefs would enable them to serve effectively as the President of all Americans.

Second, any new electoral system should operate with a minimum of delay, confusion, and uncertainty. The vote count on election night should tell the story. I do not believe we can afford, by design or inadvertence, to establish an electoral system which could leave the presidential election in doubt for weeks or months after the popular vote has been cast.

These two principles of electoral reform—majoritarianism and decisiveness—are simple enough in concept; but as all who have followed this debate are aware, the business of institutionalizing them is complex.

As my colleagues know, I cosponsored Senate Joint Resolution 1 at the beginning of this Congress, and I have nothing but the highest regard for the dedication and diligence with which Senator BAYH has advanced this direct election proposal. As my colleagues also know, however, I have during the past year developed grave doubts about the suitability and indeed the viability of the electoral institution proposed in this direct election proposal. I have come to believe that it would aggravate the uncertainties of the times which engendered it, rather than stilling them—that it would foster more extremism rather than less—that it would produce more fragmentation and polarization in our political life rather than consensus.

I have come to believe that Senate Joint Resolution 1 would be antimajoritarian in effect at a time when the United States can hope to find its footing only in majoritarian, consensus politics.

In and of itself, the 40 percent lower limit on the number of popular votes required to legitimate a President's election could permit the election of a President who was not favored by 60 percent of the voters.

The runoff election, which would be triggered if no candidate received over 40 percent of the popular vote, would at best produce an artificial mathematical majority—resulting in a President whose margin of victory would be comprised of the votes of millions of Americans who initially viewed him as a second, third, or fourth choice candidate.

The essence of my concern, however, is that Senate Joint Resolution 1 could well lead to a proliferation of presidential parties and candidates and result in a fragmentation of the electorate.

Candidates with substantial national followings—the Ronald Reagans and Gene McCarthys of our political constellation—would be encouraged to run in the general election in hopes of getting a second shot at the Presidency in a runoff after some of the opposition had been eliminated. In addition, special interest parties would run candidates to gain publicity and support for their parochial causes. They would seek enough votes to create an opportunity for bargaining, either in a runoff election or immediately before the initial election, when surveys indicated the closeness of the vote between the two major party candidates or the uncertainty that either of these candidates would obtain 40 percent of the popular vote.

In a multiple-candidacy situation, moreover, the realities of electioneering could put consensus candidates at a distinct disadvantage vis-a-vis single-issue candidates. Each faction in the electorate would tend to unite behind the one who most vigorously expressed its parochial views. Support for middle-of-the-roaders on the first ballot would consequently dry up, perhaps to a point where they would be excluded from the runoff. A runoff election between candidates, for example, such as Ronald Reagan and Eugene McCarthy could easily have happened in 1968 under Sen-

ate Joint Resolution 1, and would not, in my judgment, have produced a consensus President with enough real support to govern this country effectively.

At a time when the two-party system no longer seems to provide adequate umbrellas for the conflicting interests of our society, it is tempting simply to say, "Let all compete and let the best man win"—to substitute head-on confrontation for the admittedly imperfect consensus-building process that we have known in the past. I for one cannot accept this proposition.

In addition to threatening antimajoritarian consequences, Senate Joint Resolution 1, as now written, fails to meet my second criterion for electoral reform.

This resolution would not lead to an electoral process which would operate with a minimum of delay, confusion, and uncertainty. The runoff would entail serious delay. In addition, I am convinced that no electoral system which requires a national vote count as the sole election standard can work without national election laws and national standards of procedure governing everything from placement on the ballot to the final count, recount, and certification of the results. Senate Joint Resolution 1 does not include such national provisions—and without them, its simple direct election format is not acceptable.

In an effort to deal with certain of these objections to Senate Joint Resolution 1 and to devise an electoral process which would better fit with this country's history, the Senator from Kansas (Mr. DOLE) and I introduced Senate Joint Resolution 181, the federal system plan, in March 1970. I ask unanimous consent that the remarks I made upon introducing the federal system plan, a text of Senate Joint Resolution 181, a background memorandum analyzing the plan in detail, and a text of the remarks made by my cosponsor, Senator DOLE, be placed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. EAGLETON. In an effort to summarize and explain this new plan, I wrote an article for the ABA Journal of June 1970, entitled "Direct Election vs. Vox Populi." I ask unanimous consent that this article, as well as a collection of editorials, both pro and con, on the Federal system plan, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. EAGLETON. The Federal system plan would work as follows:

First. A President would be elected if he, first, won a plurality of the national vote, and, second, won either pluralities in more than 50 percent of the States and the District of Columbia, or pluralities in States with 50 percent of the voters in the election. The latter would be called the "50-percent rule."

Second. If no candidate qualified under these standards, the election would be decided by electoral votes, with each State having the same number that it has today. Each candidate would automatically receive the electoral votes of the States he won, thus avoiding the faithless elector. A candidate who won a majority of the electoral votes would be elected President.

Third. In the unlikely event that no candidate received a majority of the electoral votes, the electoral votes of States that went for third-party candidates would be divided between the two leading national candidates in proportion to their share of the votes in those States. This automatic redistribution, should it ever occur, would avoid the dangers of horse trading—and the concomitant danger to the separation of powers—that would occur if Congress were to be the court of last resort.

The Federal system plan is now before the Senate as amendment No. 884 in the form of a substitute to Senate Joint Resolution 1. It contains one important modification which was suggested by the Washington Post, and which is also before us in the form of Senator EASTLAND'S amendment No. 885—namely, that any candidate winning over 50 percent of the popular vote would be elected without any other qualification.

I ask unanimous consent that amendment No. 884, which is the updated and amended version of Senate Joint Resolution 181, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 3.)

Mr. EAGLETON. The detailed rationale for the federal system plan has been spelled out elsewhere, along with an analysis of the effect it would have had on past elections and the way in which it would function in hypothetical situations which we can now anticipate. Let me say only that the main thrust of the 50-percent rule—a thrust which is strengthened, I believe, by the addition of the Washington Post 50-percent amendment—is to insure the elections of Presidents with a broad popular mandate.

As for the third-party problem, the real key to eliminating third-party fragmentation in a presidential election system is to persuade the voter that he is wasting his power to choose the next President if he votes for the candidate of a special interest party. The federal system plan achieves this result by providing that if the popular vote winner has not satisfied the "50-percent rule," then the President will be selected on the basis of the vote outcome broken down on a State-by-State basis, where the votes of splinter candidates lose their effect. Virtually all third parties that did not have a broad national base—such as the Bull Moose Party had in 1912—would be discouraged from entering candidates.

It is still my belief that the federal system plan, as amended by the 50-percent popular vote rule, provides a superior mechanism to Senate Joint Resolution 1 for electing our Presidents. Were the federal system plan to be acceptable to this body at the present time, I would also propose that it be supplemented by the Griffin amendment (No. 878) to Senate Joint Resolution 1—an amendment which provides for Federal voting and counting standards. For, although vote count under the federal system plan would not be as vulnerable to confusion and fraud as under a simple direct election plan, any system requiring a nationwide vote tally does contain at least a possibility for irregularities which would be substantially mitigated under the Griffin amendment.

I am aware that the federal system plan has little chance of acceptance by this body at the present time. To some it is simply too complex. To others it leaves open the possibility that the plurality winner might fail to become President under the fallback procedure which brings an automatic electoral college into play. I understand and accept these disagreements with the federal system plan, although I do not agree with them.

But if the federal system plan itself will not presently be adopted, I think it has helped focus debate on the weaknesses in Senate Joint Resolution 1. More important, I think that it has helped germinate a new consensus in this body regarding the elements of an acceptable electoral institution—a consensus which awaits a vehicle.

I think most of us now believe that any revised presidential election process must be majoritarian in design if it is to legitimate our Chief Executives. If a candidate achieves a clear majority, most of us seem to feel that he has fulfilled the prime qualification for election. But if he has only a plurality, then that plurality must be translated, through an agreed-upon mechanism, into a political majority of some kind. This is the function now performed by the electoral college. The District plan contains a similar mechanism. The two 50-percent criteria at the heart of the federal system plan are similarly designed to induce a majoritarian result. The majoritarian principle is implicit even in the concept of a two-man runoff, although it is impaired for the reasons I have stated previously.

I think we are also near agreement that the electoral mechanism must not give victory to a candidate who has lost the popular vote. The consensus seems to be that the election should be decided in a joint session of Congress if the plurality winner cannot legitimatize his victory according to a majoritarian principle. Further, there seems to be agreement that the joint session must choose between the two top votegetters only.

Finally, I think that we must eventually reach the logical conclusion that any system which depends upon a national popular vote cannot be adopted without the certainty that it will be run under national standards.

Starting from these propositions, I have attempted to devise an amendment (No. 887) which may serve as a mechanism for coalescing these elements of consensus. I ask unanimous consent that amendment No. 887 be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 4.)

Mr. EAGLETON. It is an amendment which is majoritarian in design. It is an amendment which attempts to minimize confusion and uncertainty in the election process itself. And it is an amendment

which would discourage third parties representing only sectional or ideological interests. Finally, it is an amendment which would deny the Presidency to a popular vote winner who lacks majoritarian support only if that were the will of Congress.

This amendment would work as follows:

First. Any candidate who won over 50 percent of the total national vote would be elected.

Second. If no candidate had a clear majority, the plurality winner would be elected if he also won—

Over 50 percent of an automatic electoral vote, or

Over 50 percent of the States, or,

Over 50 percent of the congressional districts, or

States with more than 50 percent of the voters.

Third. If the plurality winner did not qualify under any of these majoritarian standards, the election would be decided in a joint session of Congress.

It is composed of sections of the Bayh proposal, the Griffin-Tydings amendment (No. 711), the Brooke proposal, Senator EASTLAND'S amendment (No. 885) requiring a 50-percent popular vote for victory, Senator GRIFFIN'S amendment requiring that Congress establish national election procedures (No. 878), and the federal system plan (No. 884).

This is more than a mechanical composite of the amendments before us. It is an effort to come to grips with the very difficult matter of creating a system which produces Presidents who have widespread national support on a truly majoritarian basis.

I ask the Members of the Senate to consider this amendment carefully. We are all concerned about the future of the electoral process. But we do little service to this country either by passing a constitutional amendment which is itself divisive or by doing nothing because reasonable compromises are rejected.

I, for one, would prefer that this body speak with almost one voice and send an amendment to the States which can satisfy not just two-thirds of us, but perhaps three-fourths or four-fifths of us. Let us remember that if we wish the States to enact an electoral reform amendment rapidly, we must provide them with an amendment which at least three-fourths of them will find acceptable. It is my hope that the amendment which I just now discussed will not only draw support of a consensus in Congress, but will also produce the necessary consensus of support in the 50 States.

EXHIBIT 1

[From the CONGRESSIONAL RECORD, Mar. 5, 1970]

SENATE JOINT RESOLUTION 181—INTRODUCTION OF A JOINT PRESIDENTIAL ELECTION PROCESS REFORM

Mr. EAGLETON. Mr. President, one of the most urgent challenges before the 91st Congress is to reform the presidential election process.

During the 1968 election, doubts that had accumulated over the years about the adequacy of the electoral college were transformed into very real fears—fears that a President might be elected who had not received a plurality of votes, fears of a deal for votes within the electoral college, fears of an election thrown into the House of Representatives.

Of all the legislative work before us now, none is of greater importance than finding a new and better electoral process which will measure up to the intent of our democratic Constitution and at the same time give new stability and durability to our governmental institutions.

Under the leadership of the distinguished junior Senator from Indiana, (Mr. BAYH), this Congress has responded to the demonstrated need and growing demand for electoral reform. On September 18, 1969, the House of Representatives took the historic step of approving a constitutional amendment to abolish the electoral college and replace it with the direct election of the President. Hearings have been held before a subcommittee of the Senate Judiciary Committee on that amendment and the Judiciary Committee will soon begin its own consideration of the best method of changing the presidential election process.

Of the four major alternatives that have been advanced in the Congress—the district plan, the proportional plan, the automatic electoral college plan, and the direct election plan—the latter has seemed to me to be preferable. It is the only option which respects the principle of popular sovereignty and adheres to the general proposition that the President of the people should be the choice of those people. Therefore I have cosponsored and supported Senate Joint Resolution 1—the direct-election plan introduced by Senator BAYH in this body and enacted in substance by the House of Representatives.

In recent months, however, a number of troubling problems have been raised about possible consequences of the proposed direct election plan—questions that I believe cannot be ignored.

First, under the direct election plan it would be possible that a candidate could be elected President who lacked a broad base of support throughout the country. For example, in a multiparty race, the victorious candidate could receive 40.1 percent of the popular vote without being the popular choice of the voters in any State. Or a candidate in a two-way race could lose the contest in most of the 50 States and the District of Columbia by a close margin and yet be elected President by piling up a substantial margin in only one or two States.

Would either of these results be any more acceptable to the American public than the election, under our present system, of a candidate who had won in the electoral college but had lost the popular vote? I doubt it. In my judgment, a President of the United States who hopes to govern effectively must be able to demonstrate not only that he has a plurality in the popular vote, but also that he has widespread support throughout the entire country.

Second, the runoff which is a necessary ingredient of the direct-election plan would, I believe, lead inevitably to the proliferation of political parties. These parties would not necessarily be national or even regional parties. They would probably be ideological parties formed around a particular issue or based on a "personality cult" centered on a particular individual. And if these parties were formed it does not require much imagination to foresee the kind of bargaining for endorsements, withdrawals and votes that could occur, both prior to a close election and between an election and a runoff.

Why should people not "vote their conscience" in a first election when the system will probably permit them a later opportunity to vote for a so-called compromise choice? Why should blacks, or farmers, or doctors, or conservationists, or feminists bother to compromise within the two-party context when their most direct route to influence would appear to be through running candidates who can toss presidential elections into a runoff situation?

I, for one, am concerned about these possibilities. In my judgment, the well-being of this country would suffer if its presidential elections were marked by a multitude of splinter parties, each appealing for votes on particular questions. Our political system would become factionalized, with numerous groups taking uncompromising stands and rejecting the realistic compromises which are so essential in a democratic society. At a time when the tendencies toward political fragmentation and ideological division are all too evident in this country, we must view with the gravest concern any change in our electoral processes that may aid and accelerate these tendencies.

Third, the direct-election plan raises awesome problems relating to vote recounts and the possibility that fraud committed in isolated precincts throughout the United States might taint an entire national election.

Let us remember that there are over 150,000 polling places in the United States. In 1960, the miscounting of a single vote in less than half of these polling places could have altered the entire election outcome. In 1968, a change of less than two votes in every polling place would have changed the outcome. Are we prepared to deal with an electoral system in which local decisions as to the counting of certain incorrectly marked ballots may be the crucial factor in determining whether a particular candidate has attained 39.9 percent of the popular vote or 40.1 percent of the popular vote? And are we ready to adopt a presidential election system in which the actual outcome may not be known for weeks or even months, even in the absence of a runoff?

Today, on behalf of myself and the Senator from Kansas (Mr. DOLE), I wish to introduce an alternative proposal in the form of a new joint resolution.

Our proposal, which we call the "federal system plan," has been developed by a Washington attorney, Mr. Myron Curzan, in conjunction with my staff. It has been reviewed and approved by several constitutional law scholars who view it as a substantial improvement over the proposed direct-election plan.

The federal system plan embodies the essential rightness of the one-man, one-vote principle, but modifies the direct-election plan in an effort to eliminate some of its dangers.

It provides that the popular vote winner will be declared President so long as there is also a showing that his victory is based upon widespread national support.

It eliminates the need for a runoff, thereby removing the paralyzing effect which third parties may have under the present system and could have under the proposed direct election plan.

It insures that the results of a presidential election will be known as soon as the count is completed, with no period of uncertainty and no opportunity for the kind of horse-trading that is possible under the present system or under the direct election plan.

The federal system plan would operate as follows:

First. A candidate who had won a plurality of the total popular vote would be declared President if he had also won a plurality in States—including the District of Columbia—which contain more than 50 percent of all voters participating in the election, or a plurality in more than 50 percent of the States—including the District of Columbia. We call this second initial qualification the "50 percent rule."

Secondly. If the popular vote winner failed to satisfy one or the other of the 50 percent rule requirements, then the President would be selected on the basis of electoral votes. The presidential candidate with the most popular votes in a particular State would be automatically awarded the State's electoral vote, which would equal the num-

ber of Senators and Representatives to which that State is entitled in the Congress. The District of Columbia would be treated as if it had three congressional votes. A candidate with a majority of electoral votes would win.

Third. If no candidate received a majority of the electoral votes, the federal system plan would then eliminate all but the two national candidates with the most electoral votes and redistribute the electoral votes of the others. The electoral votes won by third party candidates would be awarded on a State-by-State basis to the two national candidates in proportion to their relative share of the popular vote in the respective States. The candidate receiving a majority of the electoral votes following this redistribution would be elected President.

In this proposal, we have attempted better to mesh two of the concepts upon which our governmental structure is based—the concepts of popular sovereignty and federalism.

In my judgment, this proposal adds an essential ingredient lacking in a simple nationwide popular victory—a legitimating factor. It provides the means for insuring that any popular vote winner will have the backing of the people of both large and small States and of States distributed throughout the country. No man would be able to attain the Presidency by merely winning an overwhelming popular vote in one or two States, or in a particular region. Rather, he would have to show that his support is sufficiently broad to give him a true mandate to be the Chief Executive of the entire Nation.

Aside from providing this legitimating factor, the federal system plan should have a number of other salutary effects:

It should, I believe, reinforce and strengthen the two-party system. For under its provisions, the objective of each of the major parties would not only be to win the national popular vote, but also to win in each State. In addition, the power of third parties to affect the outcome of an election and hence their appeal to the electorate would be substantially reduced.

The significance of swing States would be retained and minority groups within those States would continue to have power to affect the result of a presidential race within the two-party framework.

The federal system plan would permit recount and fraud problems to be contained and dealt with on the State level.

The possibility of qualifying by winning States with 50 percent of the votes would be a new and powerful incentive to get out the vote.

Mr. President, I am aware that the proposal I am introducing today on behalf of myself and the Senator from Kansas (Mr. DOLE) comes late in the debate on electoral reform. I am also aware that it is a complete proposal and one that must be subjected to close scrutiny. I believe, however, that it is essential that it be given the most serious consideration. The step we are about to take in electoral reform is a momentous one, and it should not be taken without first examining all of the alternatives.

I ask unanimous consent that the joint resolution embodying the federal system plan be printed in the RECORD at this point. I also ask unanimous consent that a detailed memorandum explaining both the federal system plan and the problems with which it is meant to deal be printed as a supplement to my remarks and the resolution. I send to the desk the joint resolution and ask that it be appropriately referred.

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

The joint resolution (S.J. Res. 181) proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States and for the determination of the result of such election introduced by Mr. EAGLETON, for himself and Mr. DOLE, was received, read twice by its title, referred to the Committee on the Judiciary, and order-the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows: is as follows:

S.J. RES. 181

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The people of the several States and the District constituting the seat of Government of the United States shall vote directly for the President and Vice President. In such elections, each voter shall cast a single vote for two persons who shall have consented to the joining of their names on the ballot for the offices of President and Vice President. No persons shall consent to their name being joined with that of more than one other person.

"SEC. 2. The voters in each State shall have the qualifications requisite for the voters of Members of the Congress from that State, except that any State may adopt less restrictive residence requirements for voting for President and Vice President than for Members of Congress and Congress may adopt uniform residence and age requirements for voting in such elections. The Congress shall prescribe the qualifications for voters from the District of Columbia.

"SEC. 3. The persons joined as candidates for President and Vice President having the greatest number of votes in the election shall be declared elected President and Vice President if such persons have also obtained the greatest number of votes among the candidates running for President and Vice President in States containing more than 50 per centum of the total number of voters in such election or in more than 50 per centum of the States.

"If the pair of persons joined as candidates for President and Vice President who received the greatest number of votes throughout the United States failed to obtain the greatest number of votes in States containing more than 50 per centum of the total number of voters in the election or in more than 50 per centum of the States, then the votes received by each pair of persons joined as candidates for President and Vice President shall be separated according to the States in which they were received and in each such State, the pair of persons joined as candidates for President and Vice President who received the greatest number of votes therein shall be automatically credited with a number of electoral votes which shall be equal to the whole number of Senators and Representatives to which such State is entitled in the Congress, and if any pair of candidates for President and Vice President shall have received a majority of the electoral votes of all of the States they shall be declared elected President and Vice President.

"If no pair of candidates for President and Vice President shall have received a majority of these electoral votes, then all but the two pairs of such candidates receiving the greatest numbers of electoral votes of all of the States shall be eliminated, and the electoral votes which any of these eliminated pairs of candidates received in any State shall be credited to the two leading pairs of candidates in proportion to the numbers of people who voted for these two pairs of candidates in such State. In making this computation, fractional numbers less than one one-thousandth shall be disregarded. The pair of candidates receiving the greatest number of electoral votes after such crediting of electoral votes shall be declared elected President and Vice President.

"SEC. 4. The days for such elections shall be determined by Congress and shall be the same throughout the United States. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed by the Congress for such elections in the District of Columbia.

"SEC. 5. The Congress shall prescribe by law the time, place, and manner in which the results of such elections shall be ascertained and declared.

"SEC. 6. If, at the time fixed for declaring the results of such elections, the presidential candidate who would have been entitled to election as President shall have died, the vice-presidential candidate entitled to election as Vice President shall be declared elected President.

"The Congress may by law provide for the case of the death or withdrawal of any candidate or candidates for President or Vice President, for the case of the death of both the President-elect and Vice-President-elect, and for the case of a tie.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 8. The District of Columbia shall be treated as a State for purposes of this Amendment.

"SEC. 9. This article shall take effect on the 1st day of May following its ratification."

ELECTORAL COLLEGE REFORM—A CASE FOR THE FEDERAL SYSTEM PLAN

As Congress considers reforming the electoral process through which this country selects its Presidents, both the simplicity and the apparent fairness of the "one man, one vote" principle constitute strong arguments in favor of a direct election system. Certainly, these considerations appealed to the House of Representatives when it adopted a resolution calling for the direct election of the President on September 18, 1969.

DIRECT ELECTION PITFALLS

There are, however, at least seven serious pitfalls in the direct election (winner must have at least 40% of the total votes cast) system which the House adopted and which is now before the Senate Judiciary Committee. These pitfalls are as follows:

1. A Presidential Candidate could be elected even though he failed to receive a plurality of the popular votes in most—or conceivably in any—of the states. In 1968, Hubert Humphrey was the popular choice of only 13 states plus the District of Columbia. Had he simply carried New York State by half the popular vote margin by which Lyndon Johnson carried it in 1964 and lost the seven states, which he won by relatively close margins, he would have been elected President by approximately 250,000 votes. He would, however, have been the preferred choice of the voters of just six out of 50 states and the District of Columbia. In a federal system such as ours, it would certainly seem no more acceptable that a man should be President when he is the popular vote winner but the choice of only a handful of states than when he is the winner in the electoral college but the loser in the popular vote. A Chief Executive who hopes to govern effectively in the United States must be able to show that he is not simply the choice of the people, but rather that he is also the choice of the people of a number of states.

SPECIAL INTEREST PARTIES

2. An electoral system involving possible runoffs inevitably invites a proliferation of

special interest, sectional, and charismatic figure parties.

Professor Maurice Duverger has written about the United States: "The absence of a second ballot . . . in fact one of the historical reasons for the emergence and the maintenance of the two-party system." Under the proposed direct election system, many racial, ethnic, and interest groups would feel that they had lost all power in the election process since their ability to influence the outcome in key swing states with large blocs of electoral votes would no longer be relevant. Their only hope for regaining leverage under a direct election system would be through the creation of new Presidential parties. These parties would then solicit votes to promote their parochial causes—the National Gun Party, the National Dairy Farmers' Protective Party, the National Students' Party, the Black Welfare Rights Party—with considerable certainty that they would have an opportunity to trade off their votes in either a runoff election or immediately before the initial election when surveys indicated the closeness of the vote between the two major party candidates or the uncertainty that either of these candidates would obtain 40% of the popular vote. To quote Richard Scammon of the Elections Research Center.

"If you really want to stop proliferating candidates under any system you give people one vote. This is really why we have two parties operating in this country in November. You only get one shot at voting. Once you allow people a second shot under any conditions you give the opportunity, for example, for Mr. Wallace to in effect say to his electorate, 'Now, on the first ballot vote your convictions. Stand up for what you really believe in. You will get another chance on the second ballot if you have to. Besides, we might make second place.' . . . [The direct election with a runoff] is why in some parts of the South in primaries you get the first ballot loaded up with candidates, sometimes enormous numbers . . . because everybody knows, though, they are going to have a second shot at this." (Hearings on Electoral College Reform Before the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary, 91st Cong., 1st Sess. at 341.)

A multiplicity of Presidential parties taking ideological positions—often irresponsible—could only produce the tragic effect of polarizing this country on a wide variety of issues, and leaving our policy without the underlying harmony which makes it governable.

Moreover, a direct election system built upon a 40% plurality requirement could lead to the creation of new parties centered on specific individuals, which in turn might have the effect of ensuring the election of comparatively unpopular candidates. For example, let us assume that in a direct election system, Party A were to select a candidate whose ideological position on a number of issues made it appear to many in Party B that Party A's candidate could never hope to win more than about 45% of the popular vote. Let us also assume that Party B were to contain two charismatic figures and that one of them, Mr. X, were certain that the other, Mr. Y, had the Party B nomination sewed up. What if Mr. X were then to calculate that it made sense for him to run as well since he was certain that he could:

Take 25% of the total popular vote which formerly was committed to Mr. Y,

Take 7% of the voters committed to the candidate from Party A, and thereby

Deny both candidates the requisite 40% and ensure a runoff in which he would be the second candidate and the probable winner.

However, should Mr. X prove wrong in one calculation—that he can take 7% of the vote away from Party A's candidate—this nation might well find itself faced with the unfortunate prospect of living with one man's blunder. In short, it might awake to find that it had elected an unpopular and ideologically unacceptable President from Party A—a President who has been given his "mandate" under the direct election system with some 40.1% of the popular vote.

RECOUNTS

3. In close elections, like those of 1960 and 1968, the recount problem could be staggering, as would the temptation to commit fraud. Under a simple direct election system, it would not be possible or relevant—as it is today to isolate the states in which vote-count problems had arisen.

There are over 150,000 polling places in the United States. It should be remembered that under a direct election system, two miscounted votes in each polling place in the United States would have shifted the 1968 election from Richard Nixon to Hubert Humphrey. The miscount of only one vote in half of this country's polling places in 1960 could have changed the result in that Presidential election.

One need have little imagination to conjure up visions of elections in which the country anxiously awaits word of who its new President is to be while recounters puzzle over discarded or poorly marked ballots in rural and urban counties throughout the entire United States.

Finally, it must be added that recount problems will be further complicated in the proposed direct election system by questions which may arise if the issue is whether a particular candidate has received 40.001% of the popular vote or 39.999% of the popular vote.

COST

4. The cost of Presidential elections would soar once a number of parties had become involved and runoff elections had become part of the system. Each of our major parties is already sagging under the burden of financing Presidential campaigns. What new problems relating to campaign fund suppliers and their influence on substantive decisions will be raised if parties are forced to obtain double or triple the present sums to finance two-tiered Presidential races?

FEDERAL SYSTEM WEAKENED

5. A direct election system would drastically weaken the federal system. Candidates would ignore small and medium-sized two-party states and focus either on the most populous areas (comprised of a few fairly homogenous states) or on one-party states, where substantial popular margins could be obtained.

Under a direct election system, the objective of each candidate will be to concentrate on those States and regions where he can maximize his popular vote and minimize the popular vote of his opponents. Under the present electoral college system, it is crucial for a candidate to win in medium-sized and small two-party States. For today, a hard-fought victory in such States as Indiana, Iowa, Maryland, South Dakota, and Washington together is of greater value than a victory in California. Under a direct election system, this will no longer be the case. If a candidate can carry California or New York by a wide enough margin, he can offset losses in the four named, as well perhaps five or ten other, States.

Moreover, the medium-sized and smaller two-party States will also get shunted aside in a Presidential campaign in favor of one-party States. For why should a candidate strive to win a close election in a State with two million voters when he can realize a greater advantage by obtaining a huge margin in a one-party State with only one million voters And—if one wishes to carry this logic further—why should a candidate even make a great effort in an extremely close race in one of the large States, when he knows that he can easily make up any differential in a small one-party State?

MINORITIES

6. A direct election system would curtail the power—which exists within a two-party electoral college context—of urban-oriented racial, ethnic and other minority groups, since these groups would have reduced ability to affect the outcome of a Presidential election. This reduction in power for various urban voting blocs would occur for the same reason as the reduction in the power of small, medium, or even large two-party states.

The best interests of this country do not lie in removing the power which these urban groups have in Presidential races. To ask them to rely on the Congress for that representation is unfair. Even with the gains which have resulted from reapportionment decisions, the Congress remains most responsive to rural and suburban constituencies.

The passage of a direct system might well ensure that all of these voting blocs—in an effort to be heard and to obtain influence in the selection of the President—would take the only logical step left open to them, namely, the creation of Presidential parties, which can barter votes for power in subsequent runoff election.

ADOPTION UNLIKELY

7. A direct election system stands little chance of being adopted by three-fourths of the states since small two-party states which come to understand the power they are relinquishing under a simple direct election system will reject it. Such a rejection will have the unfortunate effect of legitimating the present electoral college system, and will set back the cause of an electoral reform for many years.

The District Plan and the Proportional Plan, which have been suggested at various times in our history, do not offer any clear advantages over the present electoral college system. In fact, both of these plans provide even less assurance than does the present electoral college that the popular vote winner throughout the country will become President. Retention of the present electoral college system—but with an automatic electoral vote to avoid faithless electors and a revised contingency election system in which the President is selected by a vote of the individual members of Congress—has the built-in disadvantage that it provides no procedures to deal with the possibility of a divergence between the popular vote winner and the electoral college winner.

Is there a way to avoid the pitfalls involved in all of these electoral college reform proposals, while at the same time fashioning an electoral system which maintains basic adherence to the popular sovereignty principle of one man, one vote?

THE FEDERAL SYSTEM PLAN

The Federal System Plan, outlined below, may offer a viable alternative. This system—which builds upon the simple direct election formula as enacted by the House of Representatives and proposed in the Senate by Senator Bayh—would provide that any candidate who was the popular vote victor under circumstances which demonstrated that this victory was based upon support throughout the nation would be elected President. Moreover, it would provide a method for effectively eliminating the paralyzing effect which third parties may have under both the present electoral college and under the direct election system.

The Federal System Plan would work as follows:

1. A President would be elected if he (1) won a plurality of the national vote *and* (2) won *either* pluralities in more than 50% of the states and D.C., *or* pluralities in states with 50% of the voters in the election. The latter would be called the "50% rule."

2. If no candidate qualified, the election would go to an Electoral College where the states would be represented as they are to-

day, and each candidate would automatically receive the electoral votes of the states he won. A candidate who won a majority of the electoral votes would be elected President.

3. In the unlikely event that no candidate received a majority of the electoral votes, the electoral votes of states which went for third-party candidates would be divided between the two leading national candidates in proportion to their share of the votes in those states.

THE "50 PERCENT RULE"

The "50% rule" is designed to reconcile the principle of federalism with the principle of popular sovereignty. It would award the Presidency to the national popular vote winner if he had been able to demonstrate that he had a broad base of support across the country. The "50% rule" would provide a better indication of whether a popular vote winner had the national support needed to govern this country effectively than would the 40% minimum popular vote formula contained in the present direct election proposal.

ELECTORAL VOTES

If no candidate qualified under the 50 percent rule and an election went to the Electoral College, the Presidential candidate with the most popular votes in a particular state would be automatically assigned that state's Congressional vote quota (hereinafter referred to as "electoral votes")—namely, the number of Senators and Representatives it is entitled to under the Constitution. The District of Columbia would have three electoral votes. If one candidate obtained a majority of the electoral votes assigned to all of the states, he shall be declared President.

The real key to eliminating third party fragmentation in a Presidential election system is to persuade the voter that he would be wasting his power to choose the next President if he voted for the candidate of a narrowly based party. The Federal System Plan achieves this result by providing that if the popular vote winner has not satisfied the "50% rule," then the President will be selected on the basis of the vote outcome broken down on a state-by-state basis.

REDISTRIBUTION OF ELECTORAL VOTES

If no candidate has an initial majority of the electoral votes—which might occur because of the presence of third party candidates—the Federal System Plan would then eliminate all but two leading candidates from consideration and redistribute the electoral votes won by any other candidates in particular states. Redistribution of the electoral votes won by "third party" candidates would be done proportionally, based on the relative number of popular votes obtained by the two leading national candidates in the particular state being redistributed.

In a redistribution situation, proportionalization of electoral votes is fairer than the winner-take-all method which will be used when counting electoral votes initially.

It is expected that this redistribution technique will rarely be used since virtually all "third parties" which do not have a broad national base—such as the Bull Moose Party had in 1912—will be discouraged from entering candidates. People will not vote for such candidates when they realize that by doing so, they are throwing away their votes and leaving the choice of the President to other residents in their state who vote for the candidates of the two major parties.

BENEFITS OF PRESERVING THE FEDERAL ELEMENT

By melding the direct election plan—as enacted by the House of Representatives—with a concept that takes this nation's federal design into account, it is possible to reduce the difficulties which are inherent in a simple one man, one vote proposal.

Under this hybrid Presidential election system, the objective of each of the major parties will not only be to win in the national popular vote, but also to win in each state.

Candidates can be persuaded to pay attention to the needs of all states—including small ones.

The power of swing states and the minority groups who live in them can be retained and the prospect of flourishing splinter parties negated.

The problem of voter fraud can be localized, the complexities relating to vote recounts can be more easily avoided.

Finally, by building into the electoral process a factor which is dependent upon the total number of people voting in each state in that election, we would create (1) an incentive to encourage voting and (2) a mechanism which takes account of population shifts not reflected in the current electoral college system which is based upon a census that may be ten years old on the date of an election.

HYPOTHETICAL EXAMPLES OF PRESIDENTIAL ELECTIONS UNDER THE FEDERAL SYSTEM PLAN

1. Candidates A and B are the only two significant candidates running for the Presidency. Candidate A receives 50 million popular votes; candidate B receives 49.5 million popular votes. Candidate A has been the popular vote victor in 29 states (including the District of Columbia). Under the Federal System Plan, he would have satisfied the 50% rule and would be declared President.

2. Candidates A and B are the only two significant candidates running for the Presidency. Candidate A receives 50 million popular votes. Candidate B receives 49.5 million popular votes. Candidate A has been the popular vote victor in only 22 states. However these states contained approximately 55% of the people voting in that election. Under the Federal System Plan candidate A would have satisfied the 50% rule and would be declared President.

3. Candidates A and B are the only two significant candidates running for the Presidency. Candidate A receives 50 million popular votes; candidate B receives 49.8 million popular votes. Candidate A is the victor in 23 states containing approximately 48% of the people voting in that election. Under the Federal System Plan candidate A would not have satisfied the 50% rule which would automatically make him President on the basis of his popular vote victory. The contingency plan would then come into effect and the popular votes won by candidates A and B would be translated into popular vote victories in each of the 50 States plus the District of Columbia. Under the hypothetical given it is quite probable that the 23 states won by candidate A would provide him with enough electoral votes to become President. On the other hand if candidate A had obtained a popular vote victory while being the popular vote choice in only 5 or 6 states, the electoral vote contingency plan would make candidate B the President since he would have demonstrated a much broader base of national support.

4. Candidates A, B, C, and D run for the Presidency. Candidate A obtains 40 million votes; candidate B obtained 39.5 million votes; candidate C obtains 10.5 million votes; and candidate D obtains 10 million popular votes. Candidate A has been the popular vote victor in 22 states containing 42% of the people voting in that election and possessing 240 electoral votes. Candidate B has been the victor in 18 states containing 40% of the people voting in the election and possessing 200 electoral votes. Candidates C and D have each been the victor in 5 states(for a total of 10) containing about 18% of the people voting in that election and possessing a total of 98 electoral votes.

Under the Federal System Plan, candidate A would not have satisfied the 50% rule which, with his popular vote victory, would have automatically entitled him to the Presidency. Under the contingency electoral vote system, neither candidate A nor candidate B would have a majority in the initial count. The Federal System Plan would therefore redistribute the electoral votes won by candidates C and D.

The redistribution would be done in proportion to the popular votes won by candidates A and B in the particular state whose electoral votes were being redistributed. If candidates A and B both had a national appeal, the redistribution would probably favor the candidate who was ahead under the initial electoral vote count. Thus in the above example, it would be quite probable that under the redistribution formula, candidate A would wind up with something like 288.5 electoral votes and candidate B would wind up with something like 249.5 electoral votes. Candidate A would then be declared President. (Note should be taken, however, that this last hypothetical is extremely implausible under the Federal System Plan. The presence of a redistribution formula in the Presidential election system will work to discourage regional or ideological parties from putting up candidates like the above candidates C and D since voters will probably not waste their ballots voting for them.)

HISTORICAL EXAMPLES

The Federal System Plan would not have changed the outcome of any past American election. It would however have averted some awkward contingencies which could easily have occurred. The following cases help illustrate the stabilizing effect the Federal System Plan would have had in these situations, as well as some of the weaknesses of the direct election plan.

1888—HARRISON VERSUS CLEVELAND

Cleveland had a popular vote margin of 95,000, but Harrison was elected by an electoral vote of 233 to 168. Cleveland's popular majority came almost entirely from the "solid South."

Under a direct election system, Cleveland's overwhelming victory among Alabama's 174,000 voters would have offset the popular preference of 2.9 million voters in New York, Ohio and Illinois.

Under the Federal System Plan, despite his popular victory, he would have failed to qualify under the 50% rule; he won only 18 out of 38 States and won states with only about 30% of the voters. The election would have gone to the Electoral College where Harrison's broader geographical base of support would have made him President.

1916—WILSON-HUGHES

Wilson won by a popular majority of 530,000. He won in 31 states—mostly small ones—with 277 electoral votes, while Hughes' electoral vote total was 254. A change only of 1,904 votes would have given California's 13 electoral votes—and the election—to Hughes. Wilson would have lost, although his popular margin would still have been over half a million and he would still have been the preferred candidate in well over half the states.

Under the Federal System Plan, Wilson would easily have qualified with his popular plurality and with victories in over 50% of the states (although he did not win states with 50% of the voters). Wilson could have lost as many as six states, still had a popular plurality, and have been the victor under the Federal System Plan.

1948—TRUMAN-DEWEY-THURMOND

Truman won by over 2 million popular votes. The electoral count was Truman 303, Dewey 189, Thurmond 39.

A shift of 24,294 votes from Truman to Dewey in California, Illinois, and Ohio could have shifted 78 electoral votes, giving Dewey an electoral vote majority by one vote. Under the Federal System Plan, Truman would still have won with a popular plurality and victory in 28 states—over 50%.

If Dewey had won California and Illinois, but not Ohio, neither he nor Truman would have had an electoral majority, and under the present system the election would have been thrown into the House. Under the Fed-

eral System Plan, the election would not even have gone as far as the Electoral College, because Truman would still have won a popular plurality and over 50% of the states.

1960—KENNEDY-NIXON-BYRD

Under the present system, this election would have been thrown into the House if Kennedy, the popular vote winner, had lost three very close states: Illinois (margin: 8,000 votes, electoral votes: 27), South Carolina (margin: 9,600, electoral votes: 8), and Hawaii (margin: 115 votes, electoral votes: 3).

Under the Federal System Plan, Kennedy would have been elected without the risk of horsetrading and without delay because he would still (a) have been the popular vote winner, and he would still (b) have won states with a majority of the voters.

Mr. EAGLETON. Mr. President, I yield to the Senator from Kansas for his presentation on the same subject.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

THE FEDERAL SYSTEM PLAN

Mr. DOLE. Mr. President, the 1968 election did more to stimulate concern for our system of choosing the President than any other election in recent history. A very real possibility existed that Congress would determine the two highest officeholders in the land.

There is agreement among most Americans of all political and ideological persuasions that the present electoral system should be changed. Considerable study, effort and thought have gone into a number of proposals which have been presented to Congress. I withheld support of any of the several electoral reform proposals because, in my opinion, each appeared to contain a number of significant deficiencies. To change from one set of deficiencies to another would seem an exercise in futility, as well as perilous thinking with our constitutional processes. I am especially pleased, therefore, to cosponsor the federal system plan—which I believe has considerable merit.

In essence, the federal system plan introduces the direct-election concept to presidential politics, while assuring continued, decisive importance of broad and widespread national support for candidates.

THE FEDERAL SYSTEM PLAN COMPARED

The junior Senator from Missouri has described the federal system plan and its advantages over the direct-election plan and the present electoral college.

Briefly, I will compare the federal system plan with three other major electoral reform proposals.

THE DISTRICT PLAN

Under the district plan, popular vote results would tend to be reflected more accurately in electoral vote results than they are under the present system. The all-or-nothing system of assigning a State's electoral vote would be eliminated.

The major weakness of the district plan is its inherent tendency to encourage jerrymandering. The problems and temptations for political manipulation would surely not be diminished over present difficulties with congressional districts, and the situation could become even more involved.

Under the federal system plan, voting would take place on a statewide basis, free from the administrative complications of districting the results.

Also, the district plan could have a significant adverse effect on the establishment and maintenance of viable two-party State political systems. The stimulus for a minority party to turn out the vote would be severely diminished when it saw no chance to carry any district within a State. Under the federal system plan, however, a minority party would know its votes would not be frozen within the State but would have significance on a national scale.

THE PROPORTIONAL PLAN

The proportional plan would eliminate the unit rule for distribution of a State's electoral votes and would prevent an electoral victory for a minority popular vote-getter by tying the electoral vote directly to the popular vote.

The proportional plan would not strengthen the two-party system. Instead of discouraging the minority party, it would encourage formation of many minority parties tending to represent narrow and perhaps extreme viewpoints because minority parties would be assured electoral vote reflection of their strength. At the same time, it would discourage the major parties from attempting to broaden their appeal and assimilate diverse groups and factions. The federal system plan, on the other hand, by diminishing the potential impact of any third or multiparty development, would encourage a vigorous and broadened two-party system.

By entirely abolishing presidential electors and by permitting States to have separate ballots, the proportional plan would make a practical, as well as a theoretical, possibility of electing a President and Vice President from different parties. The federal system plan requires presidential and vice-presidential candidates to be paired, thus avoiding a split election, and it retains an electoral system as a backup procedure with a favorable influence on the two-party system.

THE AUTOMATIC ELECTORAL PLAN

The automatic electoral plan has the appeal of simplicity and close adherence to established practices, but it locks in the all-or-nothing rule which has evolved over the years, whereby each State's entire electoral vote is allocated to the winner of the popular vote. No real improvements are offered in the electoral influence of minority voters, possibilities for the election of narrow-basis Presidents or enhancement of State significance in the electoral process. The federal system plan, as the junior Senator from Missouri has pointed out, affords substantial advances in each of these important areas.

QUESTIONS ABOUT THE FEDERAL SYSTEM PLAN

I think it might be well to anticipate some of the questions which may be raised concerning the federal system plan. I have discussed this proposal with some of my colleagues and others familiar with the different electoral reform proposals. A number of questions have been raised, and I am certain others would be in the event hearings were held.

Let me state briefly a few of them:

First. If the electoral machinery is used—as it would be under certain circumstances in the federal system plan—would the unit or bloc system of casting votes be continued, and would this within a State nullify votes cast for an unsuccessful candidate?

Second. The question has been raised that this plan would make possible the election of a President who may have fewer popular votes that the unsuccessful candidate.

Third. One area of concern is that the federal system plan would bring into effect two relatively untried and untested features embodied in the backup system, and an untried and untested feature in the division of electoral votes of minority candidates, whereas the runoff election has been tested and has worked successfully in various States.

Fourth. There is a general feeling that the plan is too complicated and subject to uncertainty and might be productive of unexpected results.

I believe that these questions can be answered satisfactorily and the changes could be made in the proposal being introduced today by the junior Senator from Missouri and myself. It is important, however, to look carefully at the advantages of this proposal:

First. It adheres in principle to the direct election plan, but eliminates the runoff feature of the direct election plan.

Second. It removes the possibility—like the direct election plan—of contingent elections by either House of Congress.

Third. It does minimize the election of the President and Vice President by the electoral vote process.

Fourth. This plan preserves as a backup procedure the electoral vote system, which some persons feel should be continued as a matter of tradition and because it is conducive to a two-party system.

Fifth. This plan does look to ultimate assertion of influence of the vote for minor candidates within the framework of the two-party system, rather than as support for independent or splinter parties.

OPERATION OF THE FEDERAL SYSTEM PLAN

The junior Senator from Missouri has ably described our proposal, but again, let me emphasize its relative simplicity—and its operation:

First. The popular vote winner would be declared elected if—

He has carried States which contain more than one-half of persons who voted in the election; or

He has carried more than one-half of the States.

Second. If neither of the above is satisfied, the winner would be decided by electoral vote.

Third. If there is no electoral winner, the electoral votes of minor candidates would be distributed among two front-runners by giving the electoral votes carried by minor candidates to the two front-runners in each particular State in proportion to their popular vote totals.

CONCLUSION

Mr. President, interest in electoral reform is high and support for change is broad based. The federal system plan does strengthen the one-man, one-vote principle, and at the same time avoids the serious pitfalls in the direct election proposal. A summary of these pitfalls will be made a part of the record, but it should be emphasized that under the direct election plan, a presidential candidate could be elected even though he failed to receive a plurality of the popular votes in most—or conceivably in any—of the States. Those of us from small and middle-size States are naturally concerned about any system which would permit States with large populations to have a distinct advantage. We recognize that numbers are important and that the one-man, one-vote principle should be adhered to, but we also strongly feel that anyone elected to the Presidency of the United States should have broad-based support throughout the country. This important consideration is embodied within the federal system plan.

Let me add that all the electoral reform proposals submitted have certain advantages and certain disadvantages. The district and proportional plans do not assure that the popular vote winner would necessarily become President.

The issue of electoral reform is so vital that I would hope the Judiciary Subcommittee on Constitutional Amendments will consent to immediate hearings on the federal system plan proposal. In addition to introducing the federal system plan resolution today, the junior Senator from Missouri and I are contacting a number of experts in this field across the country, asking for their comments on this proposal.

Let me conclude by saying that any proposal approved by the House and the Senate must be ratified by 38 States. In my opinion, the federal system plan would be acceptable to large States because of the direct election features and to small States because it re-

quires broad-based support by virtue of the "50-percent rule."

Again, I commend the junior Senator from Missouri for his leadership in this most important area and also acknowledge the efforts of Mr. Myron Curzan, a Washington attorney who has spent countless hours in the formulation of this proposal.

Mr. EAGLETON. I thank the Senator for his cogent summation of the issues involved and his able presentation of the Federal system plan.

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

Mr. EAGLETON. I yield.

Mr. BAYH. I would like to compliment my colleagues from Missouri and Kansas for adding to the debate which has been going on for some time over the importance of revising the present electoral college system. I appreciate the comments of the Senator from Missouri in his initial remarks as to my interest in this particular area.

As chairman of the Subcommittee on Constitutional Amendments, as the Senator has pointed out, it has been the responsibility of the Senator from Indiana to delve into that particular matter. I think a great deal of heart can be taken from the interest expressed by the Senator from Missouri and the Senator from Kansas.

First, it demonstrates that two of our distinguished colleagues are concerned about the need to do something about the present system.

Second, their proposal embodies as a fundamental principle the direct popular vote. I know that time has been allotted here this morning to others of our colleagues to speak on other subjects. So it is not my intention to continue this discussion at any great length.

I personally will do all I can to study this matter. As the Senator from Missouri knows and the Senator from Kansas knows, this matter has been debated at length. We have held three different sets of hearings. The matter is now before the full Judiciary Committee, and an agreement has already been arrived at to vote no later than April 24.

Whether it will be possible to hold hearings or not, I do not know, but I personally pledge that we will study in great detail any information that either of our distinguished colleagues brings to our attention.

The only matter of significant concern to me about the direct popular vote plan embodied in Senate Joint Resolution 1, of which I am the principal author, and which has some 46 cosponsors, is what happens in the case of a runoff. History has shown us that only once in almost 200 years has a President of the United States been elected when he had less than 40 percent of the votes, the figure which would require a runoff in our system. This was in 1860, when Abraham Lincoln was elected. At that time he had 39.76 percent of the votes, so he was just below the 40 percent figure, and he was not on the ballot in 10 States. Nevertheless, I think we have to examine this possibility.

Whether the shortcomings, as described by my two distinguished colleagues, of a runoff in the direct popular election in which no candidate gets 40 percent of the votes are greater than the shortcomings of any of the other plans, I am not yet willing to concede. But I am certainly willingly to study it, because I recognize it as one of the principal difficulties.

I have said from the beginning that I have not held out the direct popular vote plan as a panacea, without any problems at all, because as long as man devises a plan a few unscrupulous souls are going to try to take advantage of it, no matter what it is. What appeals to me about the Senate Joint Resolution 1 approach, which won a 339 to 70 vote in the House, is that it guarantees that the winner is going to have the most votes, and it will protect us at all stages of the process.

I want to thank both of my colleagues for their interest and for presenting these new ideas. We are willing to study them. I know they are both legislative craftsmen and recognize the need to search for the art of the possible. So in working together here in this body and trying to consult our colleagues in the other body, and the experts to which the Senator from Kansas alluded, I hope we can get the best possible plan, and that we will be able to make real progress. But we all know, from having gone through the constitutional amendment process before, that when we are looking for and need 67 colleagues to vote with us and ratification by three-fourths of the State legislatures, it is going to be impossible to get a plan that absolutely pleases everyone.

I know, from the record of our two distinguished colleagues, that they are going to do their very best to help us try to perfect the system and try to reconcile the system as best as we can.

I salute them for adding to the debate on this matter.

Mr. EAGLETON. Mr. President, I thank the Senator from Indiana for his kind remarks, and wish to say at this time that were it not for the efforts of the Senator from Indiana, we would not have the opportunity of considering this problem at all. It has been through his diligence and unswerving efforts over the past 5 years or more that at long last it appears that we will have a chance to have this issue before us. He is to be commended most highly for his efforts in this regard. I take his comments most seriously because he is truly an expert on this subject matter.

One brief comment on the Senator's remarks. He points out that in only one election, the first Lincoln election, did the winner receive less than 40 percent of the votes. Historically, that is true. But the winner has come precariously close to that 40-percent mark in other elections. It was true in the first Wilson election of 1912. The 1968 election of President Nixon was rather close to the 40-percent margin.

What concerns me very much about the direct election plan is that it will further encourage the proliferation of third, fourth, fifth, sixth, and seventh parties. Past history on elections which came close to 40 percent may, therefore, not be a perfect guide insofar as the future conduct of national elections is concerned. If my worries are realized, and if we do see an endless number of political parties involved in elections under the direct system plan in 1976 or 1980, or 1984, it may well be that it would be uncommon in the future for any of the national candidates to achieve as much as 40 percent of the vote.

This may be a needless worry. In any event, it is what has caused me, among other things, serious concern about the direct election plan, of which I am one of the cosponsors, as I pointed out in my earlier remarks.

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

Mr. EAGLETON. I yield.

Mr. DOLE. Let me endorse the statement just made by the junior Senator from Missouri as to the great effort made by the Senator from Indiana. We all recognize the temper of the people and the need for some change; and hopefully the proposal offered this morning will shed some light—perhaps not—after it is carefully explored. I share the hope of the Senator from Indiana that it can be reviewed carefully, perhaps, with the Senator from Indiana, other committee and staff members.

We recognize that the time frame is narrow. We recognize the importance of moving as rapidly as possible with electoral reform. Hopefully, we can discuss the matter with the Senator from Indiana to determine if there may be a possibility of having brief hearings. But it is my hope and the hope of the junior Senator from Missouri to at least come forth with some principle embodying the efforts of the Senator from Indiana, that will alleviate some of the fears those in small and middle-sized States have, because the federal system plan, as we see it, without, of course, exploring all the possible pitfalls, does provide in principle for direct elections, and does also insure that the candidate elected would have broad-based support.

As far as I am concerned, this is its main strength. If it falls in some other area, we should know that, and will know it if we have hearings.

Mr. BAYH. Mr. President, will the Senator from Missouri yield?

Mr. EAGLETON. I yield.

Mr. BAYH. I appreciate the comments of my friend from Kansas. The reason I think it is imperative that we look into this plan is that it is very easy to examine ideas that look good on the surface, and find out that they really do not work quite as well as in practice. I say this without being at all critical of the plan submitted here today by our two distinguished colleagues, because I have not had a chance to study its implications fully. All I know is that in my 4- or 5-year study of this problem, I started out convinced that the direct popular vote would not work, and my main concern was the destruction by proliferation of parties of the two-party system.

By incorporating the 40-percent runoff provision, I felt we had sufficiently dealt with some of the nuisance splinter parties who get in just to achieve a bargaining position, and yet left the door open for a bona fide, valid third party. We have to recognize, for example, that the party of which our distinguished colleague from Kansas is a member started out as a minority party. Now they have the Presidency.

I do not think we want to say that from today on, for the next thousand years, we are going to preclude any splinter party from being able openly to capture the imagination of the American people.

But even when I became convinced that direct election was the best solution, as I just pointed out to my friend from Missouri——

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. EAGLETON. Mr. President, I ask unanimous consent that I be allowed an additional 5 minutes, to continue and complete this exchange.

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

Mr. BAYH. I shall hurry on. I just wanted to point out, as a sign of good faith, in talking to our distinguished friend from North Carolina, I thought perhaps he might be prevailed upon to join in the popular vote effort if we had the runoff provision with a joint session of the House and the Senate. I felt that perhaps we could thus maintain the system that our distinguished colleague from North Carolina is sincerely concerned about. But finally I came to the conclusion that the three criteria I mentioned before; namely, that the winner have the most votes, that everybody's vote count the same, and that everybody vote directly, were of overwhelming importance. That is why I came out in favor of Senate Joint Resolution 1.

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

Mr. EAGLETON. I yield.

Mr. ALLEN. I congratulate the Senator from Missouri (Mr. EAGLETON) and the Senator from Kansas (Mr. DOLE) for the work and the thinking that has gone into this plan that they are suggesting. I must say, however, that I am not yet persuaded that any plan for modifying or abolishing the electoral college is in the public interest; and I have yet to be convinced of that.

The comment of the Senator from Missouri that his plan might well stop the proliferation of parties was interesting. But I wonder if that is correct. I see in the plan of the Senator from Missouri and the Senator from Kansas the possibility of more proliferation of parties, possibly, than under any other plan; and it would seem to me that if one candidate should literally sweep from 15

to 20 States of the Union, he would comply with the provisions of this proposal; namely, that he receive a plurality of the votes in the entire country and a plurality in States having 50 percent of the vote in the election without getting votes in other States.

So it would seem to me that there is serious danger of a real minority President being chosen—not one who failed to receive a plurality of the vote, but one who failed to get a majority of the overall vote—and having a plurality far below the 40 percent provided in the direct plan.

I would suggest, however, that the Senators who proposed this plan stick by the plan, and if it is not agreed upon by the Senate and the House of Representatives, that they cast their votes against any modification of the electoral college. I believe that would be in the public interest.

I thank the Senator for yielding.

Mr. EAGLETON. I thank my distinguished friend and colleague from Alabama. I think his remarks underscore all the more the necessity that this plan, as well as the other plans that have previously been submitted by other Senators, be given thorough and detailed examination by the Committee on the Judiciary.

As was pointed out by the Senator from Kansas (Mr. DOLE) and in my remarks, we do not know at this time whether this is utopian, whether this is the answer, whether this is the panacea. We think it has much to commend it, and we want the experts who comprise the Committee on the Judiciary—and I note in the Chamber, among the members of that committee, the Senator from North Carolina (Mr. ERWIN)—to consider this plan among others.

Mr. President, I yield the floor.

EXHIBIT 2

[From American Bar Association Journal]

DIRECT ELECTION VS. VOX POPULI

(By Thomas F. Eagleton)

Direct election is not the way to ensure the election of a President who is favored by a majority of the voters. The reason for this is the "antimajoritarian paradox": Direct elections will encourage a great number of candidates to run, and support for middle-of-the-road men will wither as factions unite behind their own parochial leaders. A runoff election will be necessary, and the two leading candidates may well be men too extreme to satisfy a majority of the electorate. The Federal System Plan would avoid this danger and, at the same time, eliminate the problems inherent in the archaic electoral college.

The idea that legitimate political authority flows from the voice of the people has a long and respectable history in Western culture—from Hesiod to Charlemagne to Jefferson, from Ivan the Terrible to Gene McCarthy. And for as many centuries constitutional scholars have struggled to establish the myths (like *vox populi, vox dei*) or the mechanisms (like our electoral procedures) that will make this formula work in practice.

Today we face an urgent and widely accepted need to reform our Presidential electoral process in the United States—to make it fairer, more representative and less likely to produce Presidents who do *not* have a clear popular mandate.

ASSOCIATION CLEARLY FAVORS DIRECT ELECTION

The American Bar Association has taken a position firmly in favor of the direct nationwide election of Presidents—one man, one vote, with a runoff election if no candidate receives at least 40 per cent of the vote. A constitutional amendment to this effect has passed the House of Representatives by a vote of 339 to 70, has cleared the Senate Judiciary Committee and is on the Senate floor. A full exposition of the evils of the present system and a case for the proposed direct election system is presented by William T. Gossett, a former President of the American Bar Association and Chairman of the Association's Special Committee on Electoral College Reform, in the March issue of this *Journal* (566 A.B.A.J. 225).

Direct election of the President—what could be simpler and fairer than that? I think this is the kind of ready reasoning that accounts for the lopsided vote in the House and for polls that show that state legislators and citizens alike, from large states and small, favor the direct election idea. This is the simple reasoning, I frankly admit, which prompted me to cosponsor Senator Birch Bayh's direct election proposal more than a year ago when I first entered the Senate.

RUNOFFS WOULD ASSURE ELECTION OF MINORITY PRESIDENTS

I have recently had serious second thoughts about the direct election proposal and particularly about its runoff provision. I now believe this formula would be an invitation to political extremism and that it would institutionalize an antimajoritarian system which would virtually assure that we would have minority Presidents. Moreover, I believe it would be all but unworkable.

The more important flaws, it seems to me, are these:

The runoff and special interest splinter parties. The Special Committee on Electoral College Reform found no risk that direct election with a runoff would splinter the two-party system. As Mr. Gossett states, "Analytically there are three distinct types of third party efforts—local, regional and national. The first two would undoubtedly be weakened by direct election [in comparison with their potential strength under the present electoral college]". As for the third possibility—national third parties—Mr. Gossett adduces expert opinion to the effect that inertia will perpetuate the two-party system, but nevertheless states that he and the Committee were "sufficiently concerned about the possibility of weakening the two party system" that they insisted on the 40 per cent runoff rule. A 50 per cent runoff provision, they felt, "would make runoffs the rule rather than the exception and positively encourage splinter candidacies", while no runoff at all would permit the election of Presidents with an unacceptably small plurality.[1]

Would a 40 per cent runoff rule offer significantly less encouragement to splinter parties than a 50 per cent runoff rule? I doubt it. In the absence of electoral votes, many racial, ethnic and other special interest groups would feel that they had lost all power in the election process since their ability to influence the outcome in key states with large blocs of electoral votes would be gone. Their only hope for regaining leverage under a direct election system would be through the creation of new Presidential parties. These parties would then solicit votes to promote their parochial causes—the National Gun Party, the National Dairy Farmers' Protective Party, the National Students' Party, the Black Welfare Rights Party, the Anti-War Party, the Antischool Busing Party. They would seek enough votes to create an opportunity for bargaining, either in a runoff election or immediately before the initial election when surveys indicated the closeness of the vote between the two major party candidates or the uncertainty that either of these candidates would obtain 40 per cent of the popular vote.

To quote Richard Scammon of the Elections Research Center, who is an advocate of direct election:

If you really want to stop proliferating candidates under any system you give people one vote. This is really why we have two parties operating in this country in November. You only get one shot at voting. Once you allow people a second shot under any conditions you give the opportunity, for example, for Mr. Wallace to in effect say to his electorate, "Now, on the first ballot vote your convictions. Stand up for what you really believe in. You will get another chance on the second ballot if you have to. Besides, we might make second place." . . . [The direct election with a runoff] is why in some parts of the South in primaries you get the first ballot loaded up with candidates, sometimes enormous numbers . . . because everybody knows, though, they are going to have a second shot at this.[2]

At one time, the difficulties of having one's name placed on the ballot in enough states to make a national campaign feasible would have prevented a proliferation of national candidacies. The Supreme Court's decision in *William* v. *Rhodes*, 393 U.S. 23 (1968), however, eliminated this impediment by ruling out unreasonably restrictive state requirements for third party participation.

The antimajoritarian paradox. While a multiple-candidacy election may give people a chance to vote for the man they most favor, it works against the election of Presidents favored by most of the people—majority Presidents.

Even a candidate who won the first heat by winning slightly over 40 per cent of the vote would have only a minority mandate. A runoff winner, even though he received a majority of the votes in the runoff, might well be a distant second choice of a majority of the voters who initially voted for someone else.

Indeed the runoff might tend to keep consensus candidates out of the running altogether. As each faction united behind the person who best expressed its parochial views, the potential support for middle-of-the-roaders on the first ballot would tend to shrivel. The constituencies of two special interest-candidates might be large enough to assure them places in a runoff, but too extreme to enable either candidate to satisfy a majority of the voters. For example, the voters could easily be confronted with a runoff choice between a Ronald Reagan and a Eugene McCarthy, neither of whom could serve as a consensus President.

TWO-PARTY SYSTEM ENCOURAGES CANDIDATES WITH WIDE APPEAL

Majority Presidents are a natural byproduct of a two-party system—both mathematically and in terms of voter appeal. Despite its disorderly compromises and uncom-

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[1] Gossett, *Direct Popular Election of the President*, 56 A.B.A.J. 229–231 (1970). See also Professor Ernest Brown's Comment on the Association's position: "The ABA Commission seems oblivious of the effect of a runoff system upon party structure, even in the face of evidence that its own report cites, but appears to misunderstand. In connection with assertions concerning the basis of the two-party system, its report refers to works of Key, Schattschneider, and Sindler. Yet if one checks those references, particularly the first two, they point strongly to the conclusion that a plurality system of election tends to bring into being and support a two-party organization, whereas the requirement for a runoff encourages the formation of multiple parties, and multiple candidacies. Perhaps even more instructive, though not referred to by the ABA Commission, is the late V. O. Key's notable study, *Southern Politics;* references to the operation and effects of a runoff system appear throughout the book. On more broadly based evidence, Duverger's *Political Parties* reaches even firmer conclusions on the effects of a runoff, or second-election, system." Brown, Review of BICKEL, THE NEW AGE OF POLITICAL REFORM, 118 U. PA. L. REV. 314–315 (1969).

[2] *Hearings on Electoral College Reform before the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary*, 91st Cong., 1st Sess. at 341 (1969).

fortable contradictions, a two-party system at least promotes the election of Presidents whose sole objective from the moment they decide to run is to appeal to and represent the broadest possible spectrum of our pluralistic electorate.

Geographical distribution. It is easy to argue that a vote is a vote, no matter where it is counted, and that in a united nation each vote should count the same.

Under a direct election plan with a 40 per cent runoff, however, a Presidential candidate could be elected even though he failed to receive a plurality of the popular votes in most—or conceivably in any—of the states. In 1968 Hubert Humphrey was the popular choice of only thirteen states plus the District of Columbia. Had he simply carried New York state by half the popular vote margin by which Lyndon Johnson carried it in 1964, he could have lost the seven states that he won by relatively close margins and still have been elected President by approximately 250,000 votes. He would, however, have been the preferred choice of the voters of just six out of fifty states and the District of Columbia.

Those who argue that the fatal flaw in the electoral college is that it can permit the election of a President who receives fewer popular votes than his rival point to the Harrison-Cleveland race of 1888. Cleveland had a popular vote margin of 95,000 gained by overwhelming victories in the solid South, but Harrison was elected by an electoral vote of 233 to 168. Under a direct election system, Cleveland's overwhelming victory among Alabama's 174,000 voters would have offset the popular preference of 2.9 million voters in New York, Ohio and Illinois.

In a federal system such as ours, it seems no more acceptable that a man should be President when he is the popular vote winner but the choice of people in only a small geographical area than when he is the winner in the electoral college but the loser in the popular vote.

Mechanics of direct election and runoff. In the computer age, it should be possible to count and, if need be, recount, a hundred million votes with accuracy and speed. As Mr. Gossett states, "The trend toward better regulated and more scientific vote counting has reduced and will continue to reduce the possibilities of irregularities while expediting the final outcome." Unfortunately, the direct election proposal now before the Senate has no provisions for actually executing the direct election formula. This responsibility is assigned to the states individually, with reserve power in Congress to override state regulations.

RECOUNT PROBLEM COULD BE STAGGERING

Potential vote count and fraud problems, however, would have to be dealt with completely and in detail before the first direct election. If it were a close election, like those of 1960 and 1968, the recount problem could be staggering. There are more than 150,000 polling places in the United States. Under a direct election system, two miscounted votes in each polling place would have shifted the 1968 election from Richard Nixon to Hubert Humphrey. The miscount of only one vote in *half* of this country's polling places in 1960 could have changed the result in that Presidential election. Under a simple direct election system, it would not be possible—as it is today—to isolate the states in which vote-count problems had arisen.

The possible incidence of recounts would be higher under a system requiring a runoff than under any other system. Not only might the two leading candidates run very close together, necessitating a recount; they might run so close to 40 per cent as to make it difficult to determine whether a runoff were necessary. Even if a runoff were obviously required, proximity between the vote totals of second and third candidates might necessitate a recount to determine which would participate in the runoff.

How would one deal with cases of election fraud in a direct election system, particularly when margins were slim? Would an entire election be invalid because ballot boxes had disappeared in some precincts or been stuffed in others? In what courts would the matter be justiciable, if any? Who would be the parties to such an action? Would aggrieved candidates sue local or state election officials—or the United States Government—or each other?

One needs little imagination to conjure up visions of elections in which the country anxiously awaited word of who its new President would be while recounters puzzled over discarded or poorly marked ballots in rural and urban precincts throughout the entire United States and candidates sought injunctions against declaration of a winner.

"VOX POPULI, VOX HUMBUG"?

Let me hasten to state at this point that I do not share the view of General Sherman, a champion of liberty, who wrote home to his wife in 1863, "Vox populi, vox humbug." On the contrary, I think the need for electoral reform is urgent today if the confidence of the electorate in our system of government is to be maintained. Equally urgent, however, is the need to devise a new electoral process that will produce candidates satisfactory to most of the people, most of the time.

An alternative—the Federal System Plan. In an effort to perpetuate the essential rightness of the one-man, one-vote concept, but to do so within a stable institutional framework, I have introduced what I call the "Federal System Plan", S.J. Res. 181, which is cosponsored by Senator Dole, Republican from Kansas, and Senator Stevens, Republican from Alaska.

WHAT THE FEDERAL SYSTEM PLAN WOULD PROVIDE

This system would provide that any candidate who was the popular vote victor under circumstances that demonstrated that this victory was based upon support throughout the nation would be elected President. It would substitute for the runoff an instant and automatic legitimating procedure in case no candidate had a broad popular mandate. And it would induce ideological groups to work within a two-party context by denying them the ability to paralyze the electoral process.

The Federal System Plan would work as follows:

1. A President would be elected if he (1) won a plurality of the national vote *and* (2) won *either* pluralities in more than 50 per cent of the states and the District of Columbia, *or* pluralities in states with 50 per cent of the voters in the election. The later would be called the "50 per cent rule".

2. If no candidate qualified, the election would be decided by electoral votes with each state having the number it has today. Each candidate would automatically receive the electoral votes of the states he won, thus avoiding the faithless elector. A candidate who won a majority of the electoral votes would be elected President.

3. In the unlikely event that no candidate received a majority of the electoral votes, the electoral votes of states that went for third party candidates would be divided between the two leading national candidates in proportion to their share of the votes in those states. This automatic redistribution, should it ever occur, would avoid the dangers of horse-trading—and the concomitant danger to the balance of power—that would occur if Congress were the court of last resort, as it is now.

"50 PERCENT RULE" INDICATES AMOUNT OF SUPPORT

The "50 per cent rule" is designed to buttress the principle of popular sovereignty with an additional legitimating factor that stems from our federal tradition. It would award the Presidency to the national popular vote winner *if* he had been able to demonstrate that he had a broad base of support across the country. In my judgment, the "50 per cent rule" would provide a better indication of whether a popular vote winner had the national support needed to govern this country effectively than would the 40 per cent minimum popular vote formula contained in the present direct election proposal.

As for the third-party problem, the real key to eliminating third-party fragmentation in a Presidential election system is to persuade the voter that he is wasting his power to choose the next President if he votes for the candidate of a special interest party. The Federal System Plan achieves this result by providing that if the popular vote winner has not satisfied the "50 per cent rule", then the President will be selected on the basis of the vote outcome broken down on a state-by-state basis, where the votes of splinter candidates lose their effect. Virtually all third parties that did not have a broad national base—such as the Bull Moose Party had in 1912—would be discouraged from entering candidates.

Because this plan would perpetuate the two-party system, the vast majority of elections would be decided on the basis of the popular vote without resort to the fallback electoral votes; the redistribution of third party votes would be even rarer.

It is conceivable, under the Federal System Plan, that a President who did not have a popular plurality could be elected on the basis of electoral votes if the top vote getter failed to meet the established criteria for broadly based support. The plan would not have changed the outcome of any past Presidential election, including the Cleveland-Harrison election of 1888. But the incidence of close calls, when the will of a plurality of voters might have been overridden by electoral votes, would have been substantially reduced had the Federal System Plan been in force.

In 1916, for example, Wilson won by a margin of 580,000 in the popular vote. He won in thirty-one states—mostly small ones—with 277 electoral votes. A change of only 1,904 votes in California would have given that state's thirteen electoral votes—and the election—to Hughes, although Wilson still would have been the choice of most of the voters in most of the states. Under the Federal System Plan, Wilson would have won a clear victory with his popular plurality and with victories in over half of the states.

In 1948 a shift of 24,294 votes from Truman to Dewey in California, Illinois and Ohio could have given Dewey a victory in the electoral college, while Truman still held a plurality of the popular vote. If Dewey had won California and Illinois, but not Ohio, Truman's electoral votes would have thrown the election into the House. Under the Federal System Plan, the election would not even have gone as far as the electoral vote stage, because Truman would still have won a popular plurality as well as victories in over 50 per cent of the states.

The Kenney-Nixon race of 1960 could have been thrown into the House if Kennedy had lost three very close states: Illinois (margin: 8,000 votes), South Carolina (margin: 9,600 votes) and Hawaii (margin: 115 votes). Under the Federal System Plan, Kennedy's popular vote victory would have been confirmed by his victory in states with over 50 per cent of the voters in the 1960 election, with no resort to electoral votes.

By melding the direct election plan with a concept that takes this nation's federal design into account, I think we reduce the difficulties inherent in a simple one-man, one-vote proposal without abandoning the

basic idea that a majority should pick the President.

MAJOR PARTIES MUST WIN NATIONAL AND STATE VOTE

Under the Federal System Plan, the objective of each of the major parties would not only be to win in the national popular vote, but also to win in each state.

Candidates could be persuaded to pay attention to the needs of all parts of the country.

The power of swing states and the compensatory power of minority groups who live in them would be retained and the prospect of flourishing splinter parties negated.

The problem of voter fraud could be localized, and the complexities relating to vote recounts could be more easily avoided.

Finally, by increasing the potential importance of any state in proportion to the total vote cast by its citizens, we would create a new incentive to get out the vote.

[From the New York Post, Mar. 5, 1970]

SECOND THOUGHTS

(By Mankiewicz & Braden)

WASHINGTON.—A certified liberal was to rise in the Senate today to make a statement which will upset the liberal line.

It is well that Tom Eagleton, Missouri's freshman Democrat, should be the chosen instrument, for on everything from civil rights to defense appropriations Eagleton has taken positions which liberals regard as "right." Thus they cannot fail to accord him a hearing when he tells them that Birch Bayh's plan for direct election of the President could lead to disaster.

In the wake of the election of 1968, liberals in both parties panicked in the face of the George Wallace challenge and resolved not to spend another Election Night wondering whether they'd soon be pleading their causes in the House. There emerged the Bayh plan, simple and cloaked in one-man-one-vote Democratic raiment. It swiftly passed the House and is now the Senate's pending business.

The Bayh amendment provides simply that the man who gets the most votes—anywhere in the country—is elected President, provided he gets at least 40 per cent of the votes cast. That, it was thought, would do away with the specter of Wallace.

But as Eagleton began to examine the possibilities, he began to reconsider his earlier support. He will stress, in his speech, at least two major drawbacks—both of which, he believes, would be fatal to the preservation of the system Bayh intended to save.

The first of these is that a candidate could be elected who carried only a handful of states, perhaps only one. In 1968, for example, Hubert Humphrey carried only 13 states. If he had lost 12 of these by narrow margins, and increased his margin in New York to the amount by which Lyndon Johnson carried that state in 1964, Humphrey would have led Richard Nixon in the popular vote, though losing 49 of 50 states. Under the Bayh amendment, Humphrey would nevertheless be President.

Surely, so Eagleton reasoned, unless the United States has become as homogenous as, say, Costa Rica, it is unacceptable for a man to be elected President with so limited a geographic distribution of the popular vote. So much for drawback No. 1.

Drawback No. 2 lies in the Bayh amendment's provision for a runoff if neither major candidates wins 40 per cent of the vote. Far from eliminating strong third-party challenges, this provision would guarantee them.

First reasons Eagleton, many voters in 1968 swallowed their natural inclination to vote for Wallace only because they knew theirs would be a "wasted" vote—that Wallace could not carry for example, Illinois, New Jersey, Ohio or Michigan.

But if the first vote were "free"—to be followed by a probable runoff between the two major candidates—Wallace might easily have received 7 per cent more of the popular vote. He would thus have forced a runoff and he could have gone to Humphrey and Nixon and bargained with them for his support.

Eagleton thinks the Bayh amendment would turn a U.S. Presidential election into a Southern primary-at-large. If every vote counts equally where cast, and if there is to be a runoff, those with the special ideology would form their own parties for the first election.

U.S. elections would be contested by—for example—a Black Party, an Anti-Black Party a Small Winter-Wheat Growers Party, an Anti-Income Tax Party and so on. Each could get its votes in the first election; then bargain them off in the runoff.

Eagleton and his co-sponsor, Kansas Republican Sen. Dole, are basing their counterproposal on what they call the federal system plan. Based on intensive research by Washington attorney Myron Curzan, the Eagleton-Dole amendment would preserve some features of the present Electoral College while guaranteeing that the truly national popular choice would always win. It is not without complications, which is why it must be discussed in a future essay.

MAKING OF A PRESIDENT

(By Mankiewicz & Braden)

WASHINGTON.—When the Senate finishes with the Voting Rights Act and the nomination of Judge Harrold Carswell, it will have measurably affected the Nixon Southern strategy for 1970. It will then turn, as it rarely can, to a debate on a question of lasting, national and historic importance.

What is involved is the way we elect our Presidents. Specifically, the debate will concern the constitutional amendment proposed by Sen. Bayh (D-Ind.), nominally supported by a majority of the Senate and already passed by a substantial margin in the House. It is also supported by the President, who has indicated that he doesn't like it much, but has also indicated that he hasn't thought about it deeply.

The Bayh amendment, which might properly be called the anti-Wallace amendment, is designed to prevent forever the nightmare faced by the nation on the night of Nov. 5, 1968, when it appeared for a few hours that neither Richard Nixon nor Hubert Humphrey would get a majority of the electoral vote, thus throwing the election—according to the Constitution—into the House of Representatives.

The Bayh amendment has the great virtue of simplicity. It provides that the candidate who gets the most popular votes is the new President, provided only that his vote is 40 per cent of the total vote cast. If it is not, there is a subsequent election, between the top two candidates only.

Last week, Sens. Eagleton (D-Mo.) and Dole (R-Kan.) offered a counterproposal. It was, for Eagleton, a step of grave importance. He had been one of the co-sponsors of Bayh's amendment, and he is a member of the Senate's liberal bloc which has always supported the principle of one-man, one-vote.

But Eagleton, on analysis, had found serious drawbacks to the Bayh amendment. First, he pointed out, a candidate could win the Presidency with 40 per cent of the vote even though he carried no states at all. Second, he felt the amendment—by stressing national popular vote—would encourage rather than limit the creation of splinter parties, each hoping for a handful of votes which could then be traded for power in the runoff election:

"What will you give me if I ask the 2 million people who voted for me to cast their votes for you?" is a question which the Bayh plan conjures up, and with it all the horrors of the politics of ideology.

Eagleton and Dole proposed a substitute, which they have called the federal system plan, largely based on analysis and research by Washington attorney Myron Curzan.

The federal system plan combines features of the present Electoral College with the popular vote approach of the Bayh amendment to reach a result which would at the same time discourage a proliferation of smaller parties—thus sparing the nation the curse of ideological politics—and guarantee that a minority candidate could not emerge as President.

It would award the Presidency to the candidate who led in the popular vote—but only if he won the election in more than half the states (26) or if he won in states containing more than half the voting population. If no candidate met either requirement, the electoral vote would be decisive but it would be assigned automatically (thus eliminating the problem of the "faithless elector").

If no candidate, even then, had a majority of the electoral vote, the third-place candidate would be eliminated and his electoral votes distributed proportionately. Thus, a President would emerge with mathematical certainty—there would be no national cliff-hanging for days, either to count outlying returns or to determine if the leader really had 40 per cent, or only 39.99 per cent.

The Eagleton-Dole proposal preserves the federal system, requires candidates to campaign through the entire nation, retains the power of the smaller two-party "swing" states and diminishes the prospect of a number of single-issue third parties. It is quite the most sensible electoral reform passage since the emergence of national political parties 150 years ago.

[From the St. Louis (Mo.) Globe-Democrat, Mar. 7, 1970]

WALLACE RAISES FEARS AGAIN

(By Edward O. O'Brien)

WASHINGTON.—Again George C. Wallace is running for office, and again the former Alabama Governor is raising fears about the adequacy of the electoral-college process of electing Presidents.

If Wallace runs well in his bid for governor, the possibility of a serious third-party movement for the presidency in 1972 increases. In that event, Wallace could prevent either of the major party candidates from obtaining an electoral-college majority, and the election would be thrown to the House of Representatives. Or Wallace could try to make a deal for his votes within the electoral college.

To soften the potential impact of a renewed Wallace candidacy for President, the House last September took the historic step of approving a proposed constitutional amendment to abolish the electoral college and replace it with direct election of the President.

The House amendment has the virtue of simplicity. It states that the candidate receiving the largest number of votes becomes President as long as his vote is at least 40 per cent of the total. If no candidate gets 40 per cent there would be a run-off election between the two top candidates.

The amendment faithfully reflects the one-man-one-vote principle of popular sovereignty. Even President Nixon, who preferred some form of state-by-state bloc voting, endorsed the amendment as the only proposal offering hope of early adoption by two-thirds of the Senate and three-fourths of the states.

But now two midwest Senators—Missouri Democrat Thomas F. Eagleton, and Kansas Republican Robert Dole—have come along and suggested a modification which would adhere to the general proposition that a President should be the direct choice of the people, but would add the requirement that he should have enough broad support to hold a true mandate.

Under their plan, a winning presidential candidate would have to gain a plurality of the national vote—plus pluralities in more

than half of the states or in states with over 50 per cent of the total voters.

If no candidates won under this rule, the decision would revert to the present electoral-college formula. Thus, whatever the manner of choosing the winner, the concept of federalism would be blended with the principle of popular sovereignty.

Eagleton pointed out that the House's direct election plan, while superficially straight-forward, could produce strange results. In a two-party contest, for example, one candidate could lose in most states by a close margin and yet be elected President by piling up large margins in only one or two states.

Or, in a multi-party race, the victorious candidate could receive 40.1 per cent of the popular vote without being the popular choice of the voters in any state.

Another danger stressed by Eagleton is that the House plan would lead to the proliferation of political parties and probably to the death of the two-party system, which has given stability and durability to American political institutions.

As Eagleton said, "why should people not 'vote their conscience' in a first election when the system will probably permit them a later opportunity to vote for a so-called compromise choice?

"Why should blacks, or farmers, or doctors, or conservationists or feminists bother to compromise within the two-party context when their most direct route to influence would appear to be through running candidates who can toss presidential elections into a run-off situation?"

It would be an irony if fear of George Wallace and of third-party movements generally forced enactment of a Constitutional change that in fact would stimulate the growth of splinter parties.

Eagleton's challenge to the House amendment and to the similar change sponsored by Indiana Senator Birch Bayh admittedly came late in the debate on electoral reform.

But, as Eagleton said, "the step we are about to take in electoral reform is a momentous one, and should not be taken without first examining all of the alternatives."

[From the Washington Star, Mar. 7, 1970]

NEW VOTE REFORM PLAN MAY BE WINNER

(By Lyle Denniston)

Only weeks before the first Senate showdown on future presidential election methods, a brand new plan of reform has surfaced.

But its emergence this late is, in fact, not so sudden. And its marked difference from other, older plans does not necessarily mean it has no chance.

Those behind the plan have been circulating it for months, and its unveiling now comes simple because it has begun to draw some support and to show a potential for gaining more.

The plan, introduced in the Senate Thursday, is formally the "federal system plan"—or, in Senate vernacular, the "Eagleton-Dole plan" after the names of the two freshman senators who were its original sponsors.

Explained oversimply, the plan would let the people choose the president by direct, popular vote, provided that the winning candidate's votes were scattered widely across the nation.

DIFFERS FROM HOUSE PLAN

It differs from a House-passed version of a new constitutional amendment. That version is a direct vote plan, too, but it would let the winner become president—no matter where his votes came from—if he had at least 40 percent of all votes cast.

At this point, seven weeks before the Senate Judiciary Committee's showdown on electoral reform, the House-passed plan is the only one of the older alternatives that seems to have any prospect for Senate passage.

But even the supporters of the House plan concede that they do not now have enough pledges of support to get the necessary two-thirds vote of final approval in the full Senate.

A liberal "defection" from the House-approved version is the most significant change on electoral reform prospects on Capitol Hill in recent weeks.

Indeed, that very defection seems to have played a role in bringing forth the new, "federal system plan."

Late last year, a series of liberal political commentators began appearing in print, in magazines and newspapers, with doubts about the House-passed plan.

FINDS POTENTIAL AUDIENCE

At about that time, Myron P. (Mike) Curzan, a Washington attorney who was once an aide to the late Sen. Robert F. Kennedy, began circulating early versions of what has become the Eagleton-Dole approach.

His plan seemed to find at least a potential audience among the defecting liberals. It appeared to meet two key problems which that group had found in the House-passed plan. It was felt the House plan would take much election power away from cities and large states, and might promote the formation of small "splinter" parties with possibly major bargaining power over the two big parties' candidates.

The alternative plan, by requiring the winner to have a wide mandate geographically or from states with a majority of the voters, seemed to satisfy both concerns.

Significantly, however, the new approach had strong potential appeal to conservative elements, too. Those groups, of course, have never been able to accept the House plan with its undiluted direct, popular vote approach.

They, too, worried about "splinter" parties cropping up. And they were worried because the states would have no role at all, and thus the "federal system" would have been wiped out at least in presidential election politics.

PRESIDENT'S POSITION

It was those same concerns which, for most of last year, had kept President Nixon from embracing the House plan. Even today, while formally endorsing it, he is apparently unprepared to work hard for its adoption.

Thus, the new plan—now the "Eagleton-Dole plan" because it has some refinements in the Curzan proposal—not only had the potential of reaching defecting liberals and discontent conservatives.

More significantly, it also has some chance of being embraced openly by the President and becoming the object of lobbying efforts by his aides.

The atmosphere in which the plan arrives in the Senate also is considered by its sponsors to be good for the plan.

Older alternatives to the House plan are commonly considered to be dead, with no hope of revival. Those alternatives would keep the present Electoral College, indirect system, and simply count the electoral votes differently.

With that prospect in mind, last-ditch opponents of the House plan have frankly conceded they have only one hope left: A negative response, trying to kill the House plan rather than trying—forlornly—to get an alternative.

COULD BE RALLYING POINT

But the Eagleton-Dole plan could become a rallying point for some of these forces, too. Most senators in that group, and the lobbyists trying to help them, do not like the House plan because of its failure to provide a role for the states. The Eagleton-Dole plan does provide that.

Still, there appears to be one risk—a sizable one—that surrounds the new approach. That is the possibility that it will divide the forces that have been committed to some kind of reform of presidential elections, and thus stall the effort.

All along, the reform elements have argued that if they could only stick together on a plan like the one passed by the House, they might succeed. Unless a wholesale switch of these groups to the new plan, or some version of it, comes about, the potential division now foreseen could be decisive against any change.

The answer of the Eagleton-Dole "bloc," if it can be called that at this point, is that the House plan simply has had its chance, and it can't win in the Senate, so a switch must come.

The two strategies will have until April 24, the first crucial test vote in the Senate committee, to be tested.

[From the Washington Post, Mar. 15, 1970]

HOW SHALL WE ELECT THE PRESIDENT?

Senators Eagleton and Dole have complicated the electoral problem that will soon be before the Senate by introducing a wholly new proposed constitutional amendment called the "federal system plan." Fearing that direct election of the President under the amendment approved by the House might install in the White House a man without a broad base of support in the country, the two senators would require the winner of the popular vote to meet two additional tests. He would have to have a plurality "in states containing more than 50 per centum of the total number of voters in such election or in more than 50 per cent of the states."

The proposal focuses attention on what is undoubtedly the weakest point in the House amendment—the run-off election between the two top presidential candidates if neither of them has 40 per cent of the total vote. Run-off elections are usually a nuisance and would be especially so after a long grueling presidential campaign. The major question that must be asked is whether Senators Eagleton and Dole have come up with a satisfactory substitute. Their formula, if no candidate could meet their "50 per cent" test, is to go back to the electoral-vote system, with the possibility of unfaithful electors eliminated.

The problem does not end there, of course, for under the present system if no candidate has a majority of electoral votes the election is thrown into the House of Representatives under a grossly undemocratic procedure. To eliminate that possibility, the "federal system plan" would take away the electoral votes that had been won by any third and fourth candidates and divide them between the two top candidates in proportion to their popular votes in the respective states. The result would be an arbitrary assignment of votes without any indication of how they might have been cast if there had been only two men in the race. Perhaps this would be better than letting an electoral contest go into the House, but would it be better than a run-off?

It is clear, moreover, that another weakness remains in the Eagleton-Dole formula. Falling back on an electoral count would make it possible for the winner in the popular vote to be defeated. Supporters of the "federal system plan" obviously think it is more important for the President to have broad geographical standing than a plurality of the popular vote. But since a chief purpose of the current reform movement is to eliminate the possibility of installing in the White House a candidate with fewer votes than his rival, this aspect of the proposal is far from being satisfactory.

No doubt the Senate will want to consider this new idea carefully, belated and complex though it is. There would be a certain advantage in retaining competition between the parties to win in each state as well as in the national popular vote. Senator Eagleton has also pointed out that the possibility of a can-

didate qualifying by winning in states with 50 per cent of the votes cast would be a new incentive to get out the vote. It is well to remember, however, that the difficulties with recounting a close vote which he cites in determining whether a candidate has 40 per cent of the popular vote under the House-approved resolution would also be present in determining 50 per cent of the votes cast under his proposal.

The interest of this newspaper is in getting a sound and workable resolution for direct election of the President through the Senate and before the states for ratification as promptly as is feasible. We do not think Senator Bayh's version, which corresponds to the House resolution, is by any means perfect or sacrosanct. But if it is to be amended to require broader geographical standing of the winning presidential candidate and to eliminate the run-off provision, we think its critics should come up with something better in the way of a fail-safe system than the discredited electoral device which might put the popular-vote loser in the White House.

[From The Charlotte (N.C.) Observer, Mar. 16, 1970]

EAGLETON-DOLE REFORM PLAN COULD BE ELECTORAL SOLUTION

Efforts in the Senate to revive fading hopes for presidential election reform have produced a new plan that looks better than the direct election plan passed last year by the House.

The alternate has been offered by Republican Sen. Robert Dole of Kansas and Democratic Sen. Thomas Eagleton of Missouri. It is a compromise of sorts, combining direct election of presidents with features of the present electoral college.

But the result is new and promising. The Eagleton-Dole plan guards against the most serious risks of direct election. It also preserves a role for the states.

Basically, the Eagleton-Dole plan offers direct election of presidents. However a winner must get a plurality of the national vote and pluralities either in a majority of the states or in those states where more than half the total national vote is cast.

Thus no candidate can be an also-ran in most areas of the country and still wind up a winner by carrying one or two states by large margins. This avoids the risk that direct election might produce a winner without a recognizable national mandate.

In case third or fourth party candidates keep the national leader from carrying more than half the states or states where more than half the vote is cast, an electoral-vote arrangement will take over. The two top vote-getters nationally will be credited with the electoral votes of states they carry. Then candidates running third, fourth, etc., in the national voting will be eliminated. And the electoral votes of states won by them will be apportioned between the two top vote-getters in proportion to their votes in those states. The candidate with the most electoral votes would then be declared elected.

The role of the electoral vote sounds more complicated than it is. It allows immediate calculation of the winner under any circumstances (thus avoiding the run-off that might be necessary in the House-passed direct election plan or the congressional selection of a president now possible under the electoral college system).

Perhaps most important, the Eagleton-Dole plan prevents third party candidates from using their vote-getting power in limited areas to blackjack genuine national candidates. For there would be no way for them to sell their support in a run-off or trade their votes in the electoral college.

The Eagleton-Dole plan minimizes some other risk—such as the chance that a close direct election might be decided by a nationwide rash of vote-count errors in scattered precincts or by compounded finagling in political fiefdoms.

The plan needs further study and debate before it can earn unqualified recommendation for Senate-House approval and state ratification. But on its face, it is a promising replacement for the creaky 18th century electoral college system.

[From the Springfield (Mo.) Leader-Press, Mar. 17, 1970]

A LIKELY "HOW"

With the ghost that haunted the 1968 presidential election still in good spectral health, we can count on congressional action to exorcise the demon before the next great contest rolls around. This is a reform that even politicians know must be undertaken.

The big question is how? Many proposals for reform were advanced at the time of the 1968 election, others have been advocated since. But it is apparent the American people lean to some sort of one-man one-vote plan and abolishment of the old Electoral College.

The House has passed a version of a new constitutional amendment that proposes just about that—an outright and direct election of our presidents. But almost everyone—liberals and conservatives, Democrats and Republicans—has qualms about it. If the old system weighs everything in favor of large cities in the election of a president, the new one inclines considerable odds to the netherlands—not so bad, except both parties fear this will lead to splinter parties forming in the midlands, and they could truly create a headache.

For some time, a new proposal has been cooking, and just over a week ago, it was introduced in the Senate, known as the Eagleton-Dole plan for its co-sponsors Sens. Thomas Eagleton, D-Mo., and Robert Dole, R-Kan.

Here, briefly, is what it encompasses: A president would be elected if he won a plurality of the national vote, plus pluralities in either a majority of the states or in states with a majority of the electoral votes.

This would negate to a large extent the people of any one part of the nation controlling the election—give the president the added assurance of much broader support—and it would eliminate much of the current fear of splinter factions.

However, there is the possibility that no candidate could qualify under the system just described—one candidate might not win a plurality.

Provision is made for that. In such case, the election would go to an Electoral College with the same representation as today, but with one important difference: each candidate would automatically win the electoral votes of the states he carries.

And if—as is possible in a three party race, though most unlikely—there were still no winner, the third party candidate's electoral votes would be distributed to the top two contenders in proportion to their share of the popular vote in those states.

A good plan, but a trifle late since the House already has passed its proposed amendment. However, it is quite possible that the House plan will fail to receive the two-thirds of the Senate vote it must have for acceptance. Too, foes of the House plan will rally against it now with an alternative in prospect.

It might—it just might—be the thing to win.

[From the St. Louis (Mo.) Post-Dispatch, Mar. 18, 1970]

COMPLICATING ELECTORAL REFORM

Just as the Senate approaches consideration of a constitutional amendment for popular election of President, Senators Eagleton of Missouri and Dole of Kansas have offered a "compromise" which is both clever and confusing. What it compromises is the idea of popular election, and what it confuses is the issue of Electoral College reform.

The "federal system plan," as Senator Eagleton calls it, would give the presidency to the candidate with the most popular votes *if* he won more than half the states or states with more than half the population. If no candidate satisfied that test of state acceptance, the President would be selected on the basis of electoral votes as at present. If no candidate won an electoral majority, then the two leading candidates would divide the electoral votes won by third-party candidates in the same proportion as the two leaders received votes in a state.

This plan, we think, simply fails to accomplish the main objectives of electoral reform. It does not assure that the candidate with the most votes will win the presidency. It is not based on the one man, one vote democratic principle. It does not create a national constituency for the one truly national office, the presidency. And in its final sections it retains the outmoded electoral system and arbitrarily recasts third-party votes as the voters never intended, giving them no further say in the matter.

Senator Eagleton backs this, he says, because the popular vote winner should have "widespread national support." He means geographic support, not popular support. But the fear that returns in only one or two big states might make a winner of a candidate opposed everywhere else seem slim; it has simply never happened. The nation does not need geographic gimmicks interfering with the popular will.

The odd part of it is that small states and big states, and conservatives often and liberals sometimes, and rural spokesmen and city spokesmen, have defended either the present system or some such geographic weighting of votes as favorable to them. But these contending interests cannot all have it their way, and their effort to do so leaves both principle and the people behind.

The Missouri Senator also objects to a mechanical feature of the popular vote proposal. This calls for a runoff between the two leading candidates if neither has won 40 per cent of the popular vote. Mr. Eagleton thinks this system would encourage third parties trying to compel a runoff so they could force deals on potential winners.

Maybe so; the fact is that the American Bar Association commended the 40 per cent plan for just the opposite reason, that it would encourage factions to work within the major parties. For the only President to fail to win 40 per cent was Abraham Lincoln in 1860, who won 39 per cent though he was not on the ballot in 10 states—and no third party has come close to winning the minimal 20 per cent necessary to force a runoff.

Americans, as the ABA noted, have been willing to accept a 40 per cent vote as an indication of national support for President. They might be willing to accept less, in which case the Senate might consider abandoning the runoff plan. But the substitution of the Eagleton plan for canceling out votes already cast is unworthy of serious consideration.

Finally, there is the Senator's objection that 38 state legislatures would not ratify the popular election proposal. But no alternative—and the Eagleton plan is only one of several—is likely to do as well. After all, the House has approved popular election by 339 votes to 70. The idea has the support of the Bar, the national Chamber of Commerce, the AFL–CIO and, according to opinion polls, 81 per cent of the people. Moreover, legislators in at least 30 states last year have tended toward ratification.

For the Senate to turn its back now on the principle of popular election and the broad support for it would be a disastrous blow

to any hope of electoral reform. The "federal system plan" is simply not worth it.

[From the Independence (Mo.) Examiner, Mar. 23, 1970]

A NEW PLAN FOR ELECTING PRESIDENTS

A new plan has emerged in Washington on future presidential election methods.

The new format was introduced jointly in the Senate by Sens. Thomas F. Eagleton and Robert J. Dole. It was introduced last week and is formally called the "federal system plan." In Senate vernacular, it is referred to as the "Eagleton-Dole" plan.

Several Washington newsmen took a long, hard look at the plan and say it has drawn some support and has a good chance of attracting more.

Briefly, the plan would let the people choose the president by direct popular vote, provided that the winning candidate's votes were scattered widely across the nation.

Generally speaking, the Senate is presently in disagreement over a House bill providing for a new vote reform. The House-approved bill is a direct vote plan, too, but it would let the winner become president—no matter where his votes came from—if he had 40 per cent of the votes cast.

In the Senate, even supporters of the House-approved plan concede that they do not have enough pledges of support to get the necessary two-thirds vote of final approval in the full Senate.

Opponents of the House-approved plan feel it would take much election power away from the cities and large states, and possibly would promote the formation of small splinter parties with probable major bargaining power over the two big parties' candidates.

The Eagleton-Dole plan, by requiring the winner to have a wide mandate geographically or from states with a majority of the voters, seems to satisfy everyone.

However, the Eagleton-Dole approach has strong appeal to conservative elements, too. Those groups have never been able to accept the House plan with its undiluted direct, popular vote approach.

Also the Senate Judiciary Committee is considering a resolution for another plan, which would essentially establish the same system as the House-approved plan.

The Eagleton-Dole plan is a modified direct election formula. It would work as follows:

1. A president would be elected if he won a plurality of the national vote and won either pluralities in more than 50 per cent of the states and D.C., or pluralities in states with 50 per cent of the voters in the election.

2. If no candidate qualified, the election would go to an Electoral College where the states would be represented as they are today, and each candidate would automatically receive the electoral votes of the states he won.

3. In the unlikely event that no candidate received a majority of the electoral votes, the electoral votes of the states which went for a third-party candidate would be divided between the two leading national candidates in proportion to their share of the popular votes in those states.

The cosponsors of the federal system plan, long with some Washington correspondents and members of the Senate, see these several advantages in the Eagleton-Dole plan:

It would give far greater weight to the one-man, one-vote principle than does our present system.

It would help newly elected presidents by compelling them to show widespread support throughout the country, rather than just winning big in a few areas.

It would avoid the uncertainties and horse-trading of a runoff.

It would discourage the formation of ideological splinter parties, and encourage continued compromise within a broadly based two-party system.

[From the Washington Post, Mar. 29, 1970]

ELECTORAL REFORM: ROOM FOR IMPROVEMENT

Suggestions are coming from a number of sources for improvement of the proposed constitutional amendment to abolish the outworn electoral college and provide for direct election of the President and Vice President. Dissatisfaction with the version passed by the House centers, as we noted recently on this page, with its run-off provision if no candidate should receive at least 40 per cent of the popular vote in the regular election. Senators Eagleton and Dole are sponsoring a substitute for the run-off which itself has run into criticism, and some efforts are now being made to modify the substitute.

An especially useful comment comes from Dr. Paul T. David of the University of Virginia. He is concerned, as we are, that the Eagleton-Dole formula designed to make certain that the winning presidential candidate would have broad support geographically might result in the election of a minority President. In order to win under the Eagleton-Dole amendment a candidate would have to poll a plurality of the vote in more than 50 per cent of the states or in states casting more than 50 per cent of the vote in that election. Elevation of the loser in the popular vote to the White House would probably be a rare occurrence under this arrangement, but in amending the Constitution to provide for popular election of the President no such loophole should be left open.

Dr. David suggests, therefore, that in no event should the Eagleton-Dole formula come into effect if one candidate has a clear majority of the vote. Any candidate carrying more than 50 per cent of the voters with him, whether he had one rival or several, would be elected—period. The rather complicated Eagleton-Dole "50 per cent" test would come into play only if a three-way race should leave some doubt as to the people's choice. This seems to us to be a desirable limitation if any geographical qualification is to be required of the winning candidate.

One other objection that has been raised against the Eagleton-Dole amendment is that it would fall back upon the present electoral vote system for determining who shall be President if no one should pass the first popular-vote-geographical-distribution screening. Objections have also been raised against the provision that, as a last resort, the electoral votes of third and fourth candidates be divided between the top two to avoid having a contest thrown into the House of Representatives. These proposals have to be balanced against the weakness of the run-off device in the House resolution. The fact that the House has come up with a better electoral system than the one we now have should not preclude the Senate from improving it if it can. But any substitute that is offered should certainly be as complaint-proof as possible before the Senate is asked to vote on it.

[From the Washington Star, Apr. 12, 1970]

ELECTORAL REFORM NEEDS CLOSE SCRUTINY

(By Carl T. Rowan)

Ever since George Wallace brought the threat of near calamity to the 1968 Presidential election, Americans have been of a mood to change the archaic system through which we pick our Presidents.

They want a one-man, one-vote setup—not the current electoral hodgepodge where one electoral vote represents some 400,000 people in California but only 75,000 in Alaska. They want the people to choose their President directly, without the in-between hocus-pocus of electors who are free to betray the voters, as has been done in the past.

For at least a while, the public was aware that a shift of fewer than 42,000 votes in New Jersey, Missouri, and Alaska in 1968 would have produced a "no decision" election, throwing the country open to some potentially-sordid third-party bargaining for electoral votes.

Public concern over all this has provoked the House of Representatives to approve, 339 to 70, the first major change in our system of choosing a President in 165 years. It approved a Constitutional Amendment that would abolish the Electoral College and give the Presidency to the candidate with the largest popular vote. If no candidate received a plurality of more than 40 percent there would be a runoff of the two leading candidates.

It is well and proper that, as the "Wallace scare" diminishes, responsible Americans ask some probing question about whether the new system itself is so simple that it embodies potential abuses just as disturbing as the old system.

Sens. Thomas F. Eagleton, D.-Mo., and Robert J. Dole, R-Kan., think it does. And these two supporters of electoral reform have come up with an alternative that deserves the most serious consideration of the Congress and the people.

Their critics say that they are Johnnies-come-lately who are muddying the water at a time when electoral reform seems to have clear sailing. But Eagleton and Dole are convinced that even if the Senate passes the Bayh amendment (similar to that passed by the House) it can never win ratification by the required 38 states.

Eagleton points out that the plan fostered by Sen. Birch Bayh, D-Ind., and approved by the House would make it possible for a candidate to win the Presidency by piling up huge majorities in a few states (New York, Michigan, Illinois, etc.) while being rejected by a vast majority of the states. He wants a system that forces candidates to work hard to win South Dakota and Nevada just as they work to win California and Ohio.

Eagleton worries that the runoff provision of the Bayh amendment will inspire a proliferation of splinter parties. He sees labor, blacks, leftists, the anti-income tax cult, and other groups deliberately forcing a runoff in the hope of using their followers to strike a bargain with one of the two top candidates.

Eagleton also sees the direct-election plan as raising awesome problems relating to vote frauds and recounts. He reminds Senators that a miscounting of a single vote in less than half of the nation's 150,000 polling places would have altered the outcome of the 1960 election, and a change of two votes in each polling place would have produced a new winner in 1968 under the direct election process.

So Eagleton and Dole advocate a new system in which a President would be elected if he won a plurality of the national vote—and in addition won either a plurality in more than 50 percent of the states (including the District of Columbia), or won pluralities in states containing more than 50 percent of the voters.

If the popular vote winner failed to satisfy either of the "50 percent" requirements, the President would be selected on the basis of electoral votes. The candidate with the most popular votes in a given state would automatically get all that state's electoral votes. If no candidate received a majority of electoral votes, all but the two top candidates would be eliminated. The electoral votes of third-party candidates would be awarded on a state-by-state basis to the two national candidates in proportion to their share of the popular vote in the respective states.

It is not as complicated as it sounds. It has a few flaws, too. But the Eagleton-Dole plan has the virtue of giving greater weight to the one-man, one-vote principle that is now the case; it retains some "swing

vote" power for political and ethnic minorities; it compels a candidate to develop broad geographical support, it discourages splinter parties and protects against the horsetrading of runoffs.

Eagleton and Dole are late. But it is never too late to devote proper attention to ensuring that as we junk a system that has survived 165 years, we replace it with something clearly better and hopefully more durable.

[From the Washington Post, Apr. 15, 1970]

DIRECT ELECTION OF THE PRESIDENT

The Senate Judiciary Committee opens hearings today on what may well be the most important change in the Constitution since the Bill of Rights and the post-Civil War amendments. The business before the committee will be the resolution already passed by the House for abolition of the electoral college and establishment in its place of a system for direct election of the President and Vice President.

Some of the witnesses are expected to favor only limited changes in the present system, but almost no one wants to keep the complex formula devised by the founding fathers nearly two centuries ago in its present form. The "unfaithful elector" has become a bugaboo of every presidential contest, and the country appears no longer willing to trust unknown "dummies" chosen in the various states to carry out their will in "electing" the President. Likewise there is enormous distrust of the present contingency electoral plan if no candidate wins a clear majority of electoral votes. Almost no one wants to see this vital decision made by the House of Representatives, with the delegation from each state casting only a single vote.

Opponents of the direct-election amendment are concentrating, therefore, on correction of these two major defects in the present system. Typical of their approach is the compromise introduced by Senator Ervin. His amendment would require that each state's electoral votes (one for each representative and senator) be cast for the plurality winner of the presidential contest in the state, with electors eliminated from the system. If no nominee had an electoral vote majority, the final choice of President would be made by a joint session of Congress, with each member of the House and Senate casting one vote.

There is much to be said for this compromise. It would preserve the main structure of the system with which the country is familiar while eliminating some critical defects. But it would leave the door open to defeat of the candidate with the largest number of popular votes. Senator Ervin attempts to play down this defect by saying that the electoral college has only once chosen a President who was not a winner of the popular vote—Benjamin Harrison. Nevertheless, this weakness of the electoral-vote system looms large at a time when there is great emphasis on the presidency as the focal point of the popular will.

The major task of the Senate Judiciary Committee, therefore, is to scrutinize the direct-election plan adopted by the House. That plan has met with widespread approval, except for some concern about the proposed runoff election if no candidate should poll 40 per cent of the popular vote. Some authorities fear that, in a close election, the necessity for determining a percentage figure might cause confusion and encourage fraud, and that the possibility of a runoff might encourage a proliferation of minor parties. In our view these fears are substantial enough to oblige the committee at least to look at various substitutes. Senator Tydings has offered an amendment which would make use of the electoral vote mechanism to determine the winner if no candidate had 40 per cent of the popular vote. In order to discourage party splinterization his proposal would permit the counting of electoral votes in each state for only the two pairs of candidates (President and Vice President) with the highest number of votes in the popular election.

Senators Eagleton and Dole have offered a proposal designed to eliminate any runoff election and to assure that the winner will have wide geographical support. Still other variants are available. No doubt the hearing will concentrate on these proposed improvements in the House resolution in the hope of devising a sound formula that will command general support. We think it is imperative to correct the weaknesses in the present system and to make the new method for selecting the "People's President" as foolproof as possible.

[From the New York Times, Apr. 19, 1970]

IN THE NATION: TROUBLE FOR ELECTORAL REFORM

(By Tom Wicker)

WASHINGTON.—Reform of the Electoral College, which almost everyone thinks is necessary, is in trouble again for the same old reason: not enough of those who matter can agree on which reform ought to be approved.

The House has passed a direct-election amendment which has the enthusiastic backing of the American Bar Association and the more grudging support of President Nixon. But it now appears that this amendment cannot be approved in the Senate Judiciary Committee without fundamental changes in its character.

PRINCIPAL FEARS

Two principal fears have been expressed about the direct-election amendment. The first is that it might permit someone to be elected President who won a large popular majority in New York and one or two other states, but who lost all the other states. The second is that it would result in a dangerous proliferation of small parties.

It would do this, critics say, because the direct-election amendment would provide that any candidate winning 40 per cent of the popular vote would be elected President; and that a runoff would be held between the two top men if no one won 40 per cent of the vote. Thus, it is charged, numerous splinter groups and personality cults would put up candidates merely to keep anyone from getting 40 per cent, then bargain with the top men for their support in the runoff.

The first of these criticisms is the least. While such a narrowly won victory would certainly be possible—Hubert Humphrey very nearly carried the popular vote in just such a manner in 1968—it is an open question whether a President so elected would be less acceptable to the people than a President who won the Electoral College but lost the popular vote (a possibility which is a principal defect of the present system). It is not true, moreover, that a President who won by getting big majorities in New York or California and a few other states, would have no other national base of support; to win in such a manner, he would still have to run well, even if he lost, in many other states and sections—as Mr. Humphrey did, in fact.

The second charge is more substantial, but still unconvincing. In the first place, it is not certain that the Electoral College has had much to do, in the past, with maintaining the two-party system; in fact, George Wallace ran in 1968 precisely because he thought he could keep anyone from winning a majority of the Electoral College, and so did Strom Thurmond in 1948.

In the second place, even if on occasion the 40 per cent rule did permit splinter parties to keep any major candidate from winning a majority, there would be a runoff between the two top men, and the very proliferation of small parties that some fear would then work to prevent their combining to support any one of the two leaders. Their "bargaining position" would certainly be less threatening (assuming their various interest to be selfish) than would that of a strong third-party candidate holding the balance of power in the Electoral College or the House of Representatives under the present system.

But few are proposing that the present system be retained. Instead, Senator Tydings of Maryland, who holds one of the key votes in the Judiciary Committee, is proposing that the House-passed amendment be changed in one vital regard—if no Presidential candidate got 40 per cent of the popular vote, then the state electoral vote system would be revived to determine a winner between the two men nationally.

SPLINTER-PARTY PROBLEM

That would handle the splinter-party problem by putting them all out of business. If only the two top popular vote-getters could be assigned electoral votes, then a minor-party candidate who carried one or two states, but who came in third in the national party vote, would be deprived arbitrarily of the electoral votes even of the states he had carried. Besides, the Tydings proposal would revive the possibility of someone winning the Electoral College with a minority of the popular vote, and add the fact that such a winner would have less than 40 per cent of the popular vote.

Senator Eagleton of Missouri has a much fairer but more complicated proposal, designed to make certain of a broad-based victory. It would require a popular-vote winner to carry either a majority of the states or a plurality of the vote in any group of states casting more than 50 per cent of the total vote. But, failing all these tests, Mr. Eagleton, too, would revive the Electoral College and with it the distinct possibility of a President with a minority of the popular vote. If no one had an electoral majority, the proposal would arbitrarily redistribute the electoral votes of minor-party candidates to the top two men—another device that might put minor parties out of contention.

The Judiciary Committee also has before it a straight popular-vote system in which the high man would win, regardless of percentage. That would give minor parties equal opportunity but no second-round bargaining leverage, put an end to dead-locked elections, and might well prove the best solution.

But Senator Ervin is pushing a simpler amendment, which would retain electoral votes but not human electors, and let Congress decide a disputed election by majority vote, rather than the House by a vote of the states. To this limited reform, which inadequately patches rather than changes the present system, Congress may turn if direct-vote advocates cannot soon agree among themselves.

[From the Kansas City (Mo.) Times, Apr. 20, 1970]

ONE MORE PLAN FOR THE ELECTION OF A PRESIDENT

Sen. Thomas Eagleton (D-Mo.) says frankly that the plan for the election of a President offered by himself and Sen. Bob Dole (R-Kas.) is most appealing to those who believe in the 2-party system.

It was the third party of George Wallace and the large vote he won in 1968 that put Congress in the business of electoral reform and the current move toward a constitutional amendment. If Wallace had won enough electoral votes, the election could have been thrown into the House of Representatives complete with deals and unsavory trading.

Thus the Bayh amendment, already approved by the House, in which the electoral college would be abolished and the winning candidate would be the one who received a plurality of more than 40 per cent of the vote.

If no candidate reached that figure, a runoff election would be held between the two candidates who had received the most votes.

The Eagleton-Dole argument is that the Bayh amendment would inspire a proliferation of splinter parties on the basis of geography, ethnic or racial background and a whole array of special interests. The horse-trading and deals still would be involved in the runoff election as the small-party candidate would agree to deliver their votes for promises. Moreover, the Bayh plan would let a candidate win by running up big majorities in the populous states, the argument goes, and their would be only perfunctory campaigning elsewhere.

As a substitute Eagleton and Dole have offered their own plan. A President would be elected if he won a plurality of the national vote (more votes than any other candidate) and if he won either pluralities in more than half the states and the District of Columbia or pluralities in states with more than 50 per cent of the voters in the election. If no candidate qualified under those requirements, the electoral college would go into action as it does today. That failing, the electoral votes of lesser candidates automatically would be divided between the two top candidates on the basis of their popular votes in the various states, and the United States would have a President-elect—if, by then, anyone still cared.

The Bayh plan does have the advantage of simplicity and the attraction of the one-man, one-vote principle. The Dole-Eagleton plan, by comparison, seems intricate, and the final provision for an arbitrary division of the electoral votes left over simply is a way to end a stalemate. Yet it shows that the magic words, "direct election," will not necessarily produce magic results.

Whether the Eagleton-Dole plan is better than the Bayh amendment is debatable. It certainly is more complicated. And the emphasis upon a geographic balance has a curious states' rights ring.

In all probability, no perfect plan can be devised, and frightening consequences can be imagined if this happened, or if that happened, or if a breakdown occurred under any system. What seems unlikely is that geographic considerations are going to override the sentiment for a popular vote and the principle that one man's vote ought to count for as much as another's, regardless of where the vote is cast.

[From the Washington Star, Apr. 24, 1970]

SENATE SPARS PRIVATELY ON METHOD

(By Lyle Denniston)

Senators today began a month of private bargaining to arrange alliances for and against a committee-approved constitutional amendment to change presidential elections.

It will be about a month, at least, before debate is started on the plan that won approval yesterday in a 11–6 vote by the Senate Judiciary Committee.

The plan, almost identical to one passed Sept. 18 by the House, would let the people vote directly to choose the president.

DEADLINES DIFFER

The Senate committee version differs in only one way from the House-passed amendment.

Under the House measure, at least 38 states would have to ratify the amendment by next Jan. 20 in order for it to apply to the 1972 elections. The Senate committee would give the state legislatures until April 14 of next year to act and still make the plan ready for 1972.

Before any amendment goes to the legislatures, it must have two-thirds approval of both houses of Congress.

Sen. Birch Bayh, D-Ind., chief Senate sponsor of the plan, conceded yesterday that the direct vote approach is short of Senate votes now.

"I know we don't have two-thirds (of the senators) who now feel that direct election is the answer," he said after the committee vote.

"We cannot be successful on this, in my judgment, unless we are successful in getting some senators who would really prefer another plan."

ALTERNATIVE PROPOSAL

Although the committee voted on a variety of plans, it did not consider one alternative that may become a major competitor to Bayh's plan when the full Senate acts.

It is the so-called "Eagleton-Dole plan," introduced this year by two freshmen senators, Robert Dole, R-Kan., and Thomas Eagleton, D-Mo. The plan, like Bayh's, would use a direct vote of the people, but it also requires the candidate with the most votes to demonstrate that his support came from a wide geographic area or from states with a majority of the nation's voters.

Dole said last night that he and Eagleton "will try to stir up enough interest in our plan to offer it as an amendment." He said he has asked the Nixon administration to examine the plan and give him its reaction.

President Nixon last year endorsed the House-passed direct vote plan, but has said nothing since then. "I hope he maintains a position of neutrality" when the Senate takes up the issue, Dole said. The Kansas senator, who has close ties to the White House, said he hoped to talk to the President about the Eagleton-Dole approach.

Bayh's strategy is not fully developed, but he is considering an attempt to draw a prominent Senate Republican into leadership with him on the direct vote plan.

To do so, he may offer compromises on the amendment as it emerged from the Judiciary Committee. In particular, he appears ready to compromise on the "backup" or contingency system that would be used to settle close presidential contests under the direct vote plan.

Under the House and the Senate committee versions, a candidate would have to win 40 percent of the first, popular vote in order to be elected. If no one did, a run-off election would be staged between the top two candidates.

"I am not 100 percent sold on a popular vote run-off," Bayh told reporters. He said the "best (alternative) I've seen" was one that the committee considered, but turned down yesterday on a 10–6 vote.

GRIFFIN-TYDINGS PLAN

That plan was offered by Sens. Robert P. Griffin, R-Mich., and Joseph D. Tydings, D-Md. Griffin, perhaps significantly for Bayh's strategy, is deputy GOP leader of the Senate.

Instead of using a run-off when no candidate got 40 percent of the initial vote, the Griffin-Tydings plan would then use existing Electoral College votes.

If the candidate with the majority of votes in the direct election also could claim a majority of electoral votes, he would be president. If the high man on popular votes could not get an electoral majority, the contest would be settled by a joint session of Congress, every member having a single vote.

Although Bayh is willing to compromise on the "backup" method, he is not prepared to yield on the 40 percent, direct vote as the initial test.

Several alternatives to that, however, are going to be offered on the Senate floor. One, of course, is the Eagleton-Dole plan.

"PROPORTIONAL" APPROACH

Another approach, turned down by only a 9–8 vote in the committee yesterday, is the so-called "proportional" plan.

This would retain the Electoral College, but award electoral votes to candidates according to their shares of popular votes in each state, rather than by the "winner-take-all" system now required in every state but Maine.

Sen. Sam J. Ervin Jr., D.-N.C., proposed that plan in the committee yesterday. It failed by only one vote, but at least one of the votes cast for it—that of Minority Leader Hugh Scott, R.-Pa.—probably did not reflect his approval.

Scott's vote was then being cast as a proxy by Sen. Hiram Fong, R.-Hawaii, who is a strong opponent of the direct-vote plan. Later, Scott's aides indicated he personally leans to the direct vote plan.

In fact, Scott did join with the committee majority on the final vote to approve Bayh's direct vote amendment.

When the committee first took a vote on that amendment, it drew a 10–7 favorable margin. That came on a move to substitute the Bayh plan for a different version that had been approved by a Judiciary subcommittee last May.

Sen. Robert C. Byrd, D.-W. Va., who voted against the Bayh plan on that tally, switched and voted for it on final approval, making the 11–6 margin.

On the final vote, seven Democrats and four Republicans voted for the Bayh plan, while three Democrats and three Republicans opposed it.

Besides Bayh, Byrd, Tydings, Griffin and Scott, the majority included Sen. Thomas J. Dodd, D.-Conn.; Philip A. Hart, D.-Mich.; Edward M. Kennedy, D.-Mass.; Quentin Burdick, D.-N.D.; Marlow W. Cook, R.-Ky.; and Charles M. Mathias, R.-Md.

Besides Ervin and Fong, the minority included Chairman James O. Eastland, D.-Miss., and Sens. John L. McClellan, D.-Ark.; Roman L. Hruska, R.-Neb.; and Strom Thurmond, R.-S.C.

[From the Omaha (Nebr.) World-Herald]

NEW VOTING PLAN

Two freshman senators, Thomas Eagleton, D-Mo., and Bob Dole, R-Kan., have come up with an electoral reform plan which could help the Congress and the nation find a better way to elect presidents.

It is called the "federal system plan," and would work like this:

A president would be elected if he won a plurality of the national vote and won either pluralities in more than half the states or pluralities in states with 50 per cent of the voters in the election.

If no candidate won under those conditions, the election would go to an electoral college where the states would be represented as they are today, and each candidate automatically would receive the electoral votes of states he carried.

If no candidate received a majority of the electoral votes, the electoral votes of states carried by third-party candidates would be divided among the two leading candidates in proportion to their shares of the popular votes in those states.

In effect, the plan would let the people choose the president by direct, popular vote, which most Americans seem to want. However, the winning candidate's votes would have to be scattered widely across the nation.

The House has passed a resolution providing for the direct, popular election of the president. The first vote in the Senate Judiciary Committee will be April 24.

Since the House vote last September, there has been considerable criticism of the direct-election proposal. Doubts have been expressed by liberals and conservatives alike.

Liberals fear it would take away some of the power the present electoral college system has bestowed upon cities and large states and promote the formation of splinter parties.

Conservatives also worry about the formation of splinter parties, and point out that the direct vote's elimination of any state role would further weaken the federal system.

Sens. Eagleton and Dole say the advantages of their plan are that it would:

Give far greater weight to the one-man, one-vote principle than does the present system.

Compel presidential candidates to demonstrate wide-spread support throughout the country, rather than just win big in a few heavily-populated areas.

Avoid the uncertainties and horsetrading of a runoff election, which is a provision of the direct election plan.

Discourage the formation of splinter parties and encourage continued compromise within a broadly-based two-party system.

Realistically, it will be impossible to devise an electoral reform satisfactory to everyone that eliminates all possibilities of freak elections and voting inequities. Some form of compromise between the present system and the potentially dangerous direct-election plan is called for.

Whether the Eagleton-Dole idea is the best possible compromise remains to be seen as it is examined more closely. But we believe it is a better alternative than direct election, mainly because it preserves a semblance of the federal system.

[From the Kansas City (Mo.) Times, Sept. 12, 1970]

THE HAZARDS OF ELECTORAL REFORM IN THE U.S. SENATE

Now the United States Senate, in awesome majesty, turns to the matter of electing a President. After all the months that have been devoted to debate over Southeast Asia, the antiballistic missile and a Supreme Court vacancy, it seems doubtful that the Senate will be very speedy in its deliberations.

The electoral college is an issue because of the scare George Wallace threw into the country in 1968. The Senate shouldn't need reminding that another presidential election comes along in 1972 and that ratification by the states can be a time-consuming process.

Now before the Senate is the Bayh amendment, approved by the House a year ago and endorsed by President Nixon. It has the advantage of simplicity. It would, essentially, abolish the electoral college and let the President be elected by a direct vote. If no candidate obtained 40 per cent of the vote the two leading candidates would meet in a runoff.

Other plans have been advanced and it can be assumed that amendments will be offered. Sen. Hugh Scott, the minority leader, says that he personally prefers a system under which each state would choose two presidential electors at large and the rest by districts corresponding to congressional representation.

Sen. Bob Dole (R-Kans.) and Sen. Thomas Eagleton (D-Mo.) have introduced a complicated substitute. A President would be elected if a candidate won a plurality of the national vote and either pluralities in more than half the states or pluralities in states with more than 50 per cent of the voters in the election. All of that failing, the electoral college would vote. And if the electoral college couldn't produce, electoral votes of lesser candidates would be divided arbitrarily between the two top candidates on the basis of their popular votes in the various states. It might be easier to establish a House of Lords and let them elect a king.

Of course there are disadvantages to any procedure. Senators Eagleton and Dole fear that the Bayh amendment would bring a vast proliferation of splinter parties which then would dicker with the two top candidates in the runoff, securing all sorts of promises in exchange for votes. No plan can be perfect, although several senators from states of little population would prefer to leave things as they are. Sen Roman L. Hruska (R-Neb.) says the Bayh amendment would penalize and degrade the small states. He says ominously that the matter will have to be debated at great length.

Any unreasonable delay will only make reform impossible before 1972. The electoral college, as it now stands, already is the basis of third-party ambitions and a design for stalemate.

EXHIBIT 3

Intended to be proposed by Mr. EAGLETON to S.J. Res. 1, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

"ARTICLE —

"SECTION 1. The people of the several States and the District constituting the seat of government of the United States shall elect the President and Vice President. Each elector shall cast a single vote for two persons who shall have consented to the joining of their names as candidates for the offices of President and Vice President. No candidate shall consent to the joinder of his name with that of more than one other person.

"SEC. 2. The Congress shall prescribe the qualifications for electors of President and Vice President in each State and the District of Columbia, which qualifications shall be uniform throughout the United States.

"SEC. 3. The persons joined as candidates for President and Vice President having the greatest number of votes cast in the election shall be declared either President and Vice President if such persons also have obtained any one of the following number of votes: 50 per centum or more of the votes cast in the election; the greatest number of votes cast in each of several States which in combination are entitled to a number of Senators and Representatives in the Congress constituting more than 50 per centum of the whole number of members of both Houses of the Congress; the greatest number of votes cast in more than 50 per centum of the States; the greatest number of votes cast in more than 50 per centum of the electoral districts of the States established for the selection of Representatives to the House of Representatives; or the greatest number of votes cast in States containing more than 50 per centum of the whole number of electors in such election.

"SEC. 4. If, after any such election, none of the persons joined as candidates for President and Vice President can be declared to be elected pursuant to the preceding section, the Congress shall assemble in special session, in such manner as the Congress shall prescribe by law, on the first Monday of December of the year in which the election occurred. The Congress so assembled in special session shall be composed of those persons who are qualified to serve as Members of the Senate and the House of Representatives for the regular session beginning in the year next following the year in which the election occurred. In that special session the Senate and the House of Representatives so constituted sitting in joint session shall choose immediately, from the two pairs of persons joined as candidates for President and Vice President who received the highest number of votes cast in the election, one such pair by ballot. For that purpose a quorum shall consist of three-fourths of the whole number of Senators and Representatives. The vote of each Member of each House shall be publicly announced and recorded. The pair of persons joined as candidates for President and Vice President receiving the greatest number of votes shall be declared elected President and Vice President. Immediately after such declaration, the special session shall be adjourned sine die.

"No business other than the choosing of a President and a Vice President shall be transacted in any special session in which the Congress is assembled under this section. A regular session of the Congress shall be adjourned during the period of any such special session, but may be continued after the adjournment of such special session until the beginning of the next regular session of the Congress. The assembly of the Congress in special session under this section shall not affect the term of office for which a Member of the Congress theretofore has been elected or appointed, and this section shall not impair the powers of any Member of the Congress with respect to any matter other than proceedings conducted in special session under this section.

"SEC. 5. The Congress shall prescribe, by provisions of law uniform throughout the United States, the days for such elections; the requirements for entitlement to inclusion on the ballot therein; the times, places, and manner of holding such elections within each of the several States and the District of Columbia; the times, places, and manner in which the results of such elections shall be ascertained, certified, and declared; and the manner in which and the period for which ballots cast in such elections shall be preserved. No power conferred upon the Congress by this section may be delegated by the Congress to any State or to the District of Columbia.

"SEC. 6. The Congress may by law provide for the case of the death, inability, or withdrawal of any candidate for President or Vice President before a President and Vice President have been elected, and for the case of the death of both the President-elect and Vice-President-elect.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 8. For the purposes of this amendment, the District of Columbia shall be considered to be a State and to be entitled to the number of Representatives in the Congress to which it would be entitled if it were a State, but in no event more than the least populous State.

"SEC. 9. This article shall take effect one year after the 15th day of April following ratification."

EXHIBIT 4

Intended to be proposed by Mr. EAGLETON (for himself, Mr. DOLE and Mr. STEVENS) to S.J. Res. 1, a resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States, viz: Strike out all after the enacting clause and insert in lieu thereof the following:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The people of the several States and the District constituting the seat of government of the United States shall vote directly for the President and Vice President. In such election, each voter shall cast a single vote for two persons who shall have consented to the joining of their names on the ballot for the offices of President and Vice President. No persons shall consent to their name being joined with that of more than one other person.

"SEC. 2. The voters in each State shall have the qualifications requisite for the voters of Members of the Congress from that State, except that any State may adopt less restrictive residence requirements for voting for President and Vice President than for Members of Congress and Congress may adopt uniform residence and age requirements for voting in such elections. The Congress shall prescribe the qualifications for voters from the District of Columbia.

"SEC. 3. The persons joined as candidates

for President and Vice President having the greatest number of votes in the election shall be declared elected President and Vice President if such persons obtained 50 per centum or more of the votes cast in the election, or if such persons have obtained the greatest number of votes among the candidates running for President and Vice President in States containing more than 50 per centum of the total number of voters in such election or in more than 50 per centum of the States.

"If the pair of persons joined as candidates for President and Vice President who received the greatest number of votes throughout the United States failed to obtain 50 per centum or more of the votes cast in the election, or the greatest number of votes in States containing more than 50 per centum of the total number of voters in the election or in more than 50 per centum of the States, then the votes received by each pair of persons joined as candidates for President and Vice President shall be separated according to the States in which they were received and in each such State, the pair of persons joined as candidates for President and Vice President who received the greatest number of votes therein shall be automatically credited with a number of electoral votes which shall be equal to the whole number of Senators and Representatives to which such State is entitled in the Congress, and if any pair of candidates for President and Vice President shall have received a majority of the electoral votes of all of the States they shall be declared elected President and Vice President.

"If no pair of candidates for President and Vice President shall have received a majority of the electoral votes, then all but the two pairs of such candidates receiving the greatest number of electoral votes of all of the States shall be eliminated, and the electoral votes which any of these eliminated pairs of candidates received in any State shall be credited to the two leading pairs of candidates in proportion to the number of people who voted for these two pairs of candidates in such State. In making this computation, fractional numbers less than one one-thousandth shall be disregarded. The pair of candidates receiving the greatest number of electoral votes after such crediting of electoral votes shall be declared elected President and Vice President.

"SEC. 4. The days for such elections shall be determined by Congress and shall be the same throughout the United States. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations. The times, places, and manner of holding such elections and entitlement to inclusion on the ballot shall be prescribed by the Congress for such elections in the District of Columbia.

"SEC. 5. The Congress shall prescribe by law the time, place, and manner in which the results of such elections shall be ascertained and declared.

"SEC. 6. If, at the time fixed for declaring the results of such elections, the presidential candidate who would have been entitled to election as President shall have died, the vice-presidential candidate entitled to election as Vice President shall be declared elected President.

"The Congress may by law provide for the case of the death or withdrawal of any candidate or candidates for President and Vice President, for the case of the death of both the President-elect and Vice-President-elect, and for the case of a tie.

"SEC. 7. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 8. The District of Columbia shall be treated as a State for purposes of this amendment.

"SEC. 9. This article shall take effect on the 1st day of May following its ratification."

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

The PRESIDING OFFICER (Mr. BOGGS). Without objection, it is so ordered.

Mr. DOMINICK. Mr. President, during the campaign of 1968, we could not pick up a newspaper or magazine on any given day that did not contain an article about the possibility of a deadlock in the presidential election. At one point in the early summer, when George Wallace had made a particularly strong showing in the polls, a feature length article appeared in a national weekly magazine. It was fiction, written as if the election were over. No one had gotten a majority in the electoral college and the issue had been sent to Congress. The House was deadlocked in determining the President, and the Senate, with a Democratic majority, had elected the former Senator Robert Kennedy as Vice President, who had taken office. The article ended leaving the country without a President. The story read like an Allen Drury novel, with one constitutional crisis after another. It was as good as a best seller.

It was fiction. No crises occurred. Since that time, many have said "but it could have happened." Not only did it not happen, it has never occurred in 180 years. This is not mere chance. The very nature of our political system tends to prevent such a crisis. One of the principal factors working against anything like this happening is the two-party system. Another principal factor is the electoral process itself.

In any close election with a strong third party candidate, there is the possibility that the election will be thrown into the House of Representatives where there is always the possibility of a deadlock. The possibility of an elector not voting the way his State voted has only happened once in this century. Only two elections in our history have been thrown to the House—in 1800 and 1824. Both times they resulted from highly unusual circumstances. Out of almost 16,000 electoral votes cast in this county, only five were cast "against instructions." We have had only one President elected by the electoral college who did not receive the most popular votes. This was in 1888. Nevertheless, there is a strong movement to throw out the electoral college and institute a direct popular vote system. In a close election under direct popular vote, however, a difference of a few hundred thousand votes out of over 70 million cast could easily be considered a deadlock, and the ensuing recounts, which would surely result, if we go to direct election, could cause long delays in determining a winner. Kennedy won by about 112,000 votes in 1960, and Nixon by about 510,000 in 1968. Few people give the electoral system credit for having prevented these terrible occurrences. Very few have discussed the same problems which would probably occur under a system of direct election of the President.

I would like to discuss some adverse reactions that could occur if drastic surgery is performed on our electoral process when only minor treatment may be needed. I would like to discuss some facts which will diagnose the strengths of our present electoral system and some clear, known illnesses that can be effectively treated and cured without performing a lobotomy.

Supporters of the direct popular vote cite a few weaknesses of the present system, then use these as justification for scrapping the entire system for one which is purely theoretical. On pure theory, arithmetic, and a dogmatic devotion to simple majority rule, the direct popular vote is held up as a cure-all for problems which have been largely imaginary.

Nothing is said of the crisis and problems which would be created by a direct popular vote. If we are going to replace a system that has developed over a period of 180 years and that has produced a President able to govern this country in each of 46 elections, we should know the theoretical and practical hazards of the process replacing it. It has done the job for which it was designed, even though a few patches on the trim might be in order.

We are all familiar with the stories about a possible deadlock during the 1968 elections. Let me briefly tell a story about that election, a fictional story, as it might be conducted under a direct popular vote system, requiring a 40-percent plurality to win, with a runoff between the top two finishers if neither received 40 percent of the vote.

THE SCENARIO

Senator EUGENE MCCARTHY has been rejected by the Democratic Convention, but believes the country still needs a "peace" candidate. He would have had no chance of gaining even one electoral vote under the present system. There are already three candidates. He reasons that under the direct popular vote system, Governor George Wallace, with his American Independent Party, may get 13 to 14 percent of the vote. Nixon might get 38 to 39 percent. Humphrey and MCCARTHY should split the rest, and it could well be Nixon-MCCARTHY in a runoff rather than Nixon-Humphrey. He enters the race.

Nelson Rockefeller, seeing MCCARTHY take the plunge, decides he also has a chance. He reasons that many do not favor Nixon, but are equally unimpressed with Humphrey. Some are afraid of Wallace's views, and no one is representing the populous east coast. What they want is someone who is progressive, but not too liberal, urban oriented, and an administrator. A press conference is called in Albany. Now there are five major candidates in the race.

This logic now impresses those conservatives who supported Ronald Reagan in Miami. If Nixon wins, he will surely run again in 1972. There will be no chance for the conservatives until 1976. Reagan will be 65 and cannot be Governor of the Nation's most populous State forever, certainly not beyond 1974. With a roar from Dodger Stadium in Los Angeles, Reagan is in the running. We have six major candidates, with several

others, including a new Militant Revolutionary Party.

Such a scenario was suggested by Time magazine in the May 4, 1970, issue in an essay entitled, "How Not to Elect a President."

I would like to carry this plot a few steps further.

The election is held on the first Tuesday in October. Congress had to move the election back to allow time for a runoff, if necessary. Mr. Nixon receives 28 percent of the votes, Mr. Humphrey receives 15 percent, Mr. McCARTHY 15 percent, Governor Rockefeller 13 percent, Governor Reagan 12 percent, Governor Wallace 9 percent, and others 8 percent. Over 70 million votes are cast, and only 50,000 votes separate Humphrey and McCARTHY. Humphrey leads, but McCARTHY requests a recount in Illinois, because of alleged irregularities in Cook County, and in Massachusetts, since Humphrey piled up his largest plurality in that State. Humphrey asks for recounts in California and New Hampshire. Finally, a nationwide recount is necessary. It will take time, as we all know, to recount some 36 million votes.

Then, an action is filed in Kentucky and Georgia challenging the validity of their votes. Georgia and Kentucky allow 18-year-olds to vote. Congress had not yet passed the law allowing 18-year-olds to vote, and the participation of that age group in these States raised the constitutional question of equal voting rights among people in the various States. No court fights are started on allegations of fraud, but some challenges are instituted because of Federal certification of candidates who had not complied with some State laws. Irregularities are also charged by Humphrey, because Governor Wallace was listed as the Democratic candidate in Alabama while running on the American Independent ticket elsewhere. Many voters complain because they could not get to both Federal voting booths and State voting booths, and, if they did, the ballots were different and confusing. Student riots are involved, protesting Federal marshals' monitoring the voting at the Federal polls. Some polls were shut down because of the demonstrations, but most were reopened before official closing times.

By initiating most of the major legal questions in the Supreme Court, and with that Court's rigorous cooperation, many of the problems are resolved by late November. Nixon and Humphrey are now found to be in a runoff and the campaign is on again for an election to be held on the first Tuesday in December. Humphrey, however, complains that Nixon, as the front runner, has been campaigning for 6 weeks. He filed an injunction in each Federal district court in the country to prevent any campaigning until the No. 2 man had been determined. That was not until November under this scenario. The injunctions were based on "equal-time provisions," but some courts went one way and some went the other. The appeals were on their way to the Supreme Court, but they were just not in time.

There is a runoff. Nixon receives 50.01 percent of the vote. Humphrey receives 49.99 percent of the vote. Less than 150,000 votes separate the candidates and recounts start over again. January 20 rolls around, and there is no clear winner. The country has no President.

Mass demonstrations are conducted in Washington and on college campuses across the Nation, in protest of an archaic system of bureaucratic government. The Government is paralyzed. There is no effective leadership. National Guard troops are called out by the Governors, but there are no Federal troops called up, and there is no federalization of the Guard because there is no Commander in Chief.

This, of course, is fictional, but totally possible. Also possible under the direct election theory is the example given by the Senator from Iowa (Mr. MILLER), where a candidate could win 49 States by 1,000 votes each and yet lose the election because his opponent carried the 50th State by 50,000 votes. Do the people of the United States, I ask rhetorically, want a President who has received a popular vote in only one of the 50 States? I do not think so. Let us assume the same cast for 1968, but with Nixon and Humphrey receiving the most votes and neither getting 40 percent of the popular votes nor a majority of the electoral votes. Assume Nixon was leading in the popular vote. Under the Tydings-Griffin amendment to Senate Joint Resolution 1, the election would be decided by a joint session of Congress.

The House and Senate would meet in joint session. They are controlled by the Democratic Party and that party would select Mr. Humphrey. He is clearly a minority President in terms of electoral votes and in terms of popular vote.

This story could go on and on. I do not pose it as a scare tactic. I think it simply points out that there are serious problems, very serious problems, in the direct election system, because it would require changes in every level of our political structure.

Congress cannot legislate away all the problems and, if it could, it may result in Federal controls and requirements which are not desirable. Nothing, it seems to me, could avoid the chaos that would result from recounts and court fights in the event of a runoff. The prize is too big, and there would be no electoral votes in the resolution presented to us to determine the winner.

A direct popular election would require Federal legislation setting up uniform voter qualifications, some Federal process for certifying candidates and establishing uniform ballots. Arrangements would have to be made for Federal monitoring of the election, since all of these other people would still be needed to run the state system, and a conflict might well be created between the federal and the state systems.

Why, I ask—and I ask this with deep sincerity—should we risk this multitude of problems by injecting the direct vote into our Presidential elective system, when the present system has worked reasonably well for 180 years.

Now we have a Federal system with a balance between the States and the Federal Government, and I personally feel it is essential to retain the Federal-State relationship.

In my story, I covered two major arguments proposed by supporters of the direct popular vote and illustrated how the same problem could occur under any system—the possibilities that the present system might end in a deadlock or might elect a President who did not receive the most popular votes. How then have we minimized these risks by adopting a new system?

There is also a distinct hazard that the direct popular vote will weaken the two party system by encouraging splinter candidates. The greater number of prominent candidates in the general election under any system, the greater chance that it will break down. The closer the election, the greater likelihood of problems. If we have both close races and several strong candidates, the odds go up that the system will "misfire," so to speak.

I would like to discuss one of the other major arguments used by proponents of direct popular vote.

It is charged that under the direct system, everyone's vote counts the same. We vote as a nation. One-man, one-vote. Now, supposedly, the small States have an advantage because they get more electoral votes compared to the population of the State. The essence of this argument is that fewer people have a greater proportional effect on the outcome. I have many statistics indicating that Colorado residents lose some of their voting power under a direct popular vote. As a Senator from Colorado, I feel it is not my duty to dilute the influence of the people who elected me. Be that as it may, the theory that everyone would have an equal vote is just not true under the present system, or any proposed system including direct popular vote.

The direct popular vote and the one-man, one-vote rule is based on a purely arithmetic or numerical system of politics. Everyone is just a number, and we add up the total. This is an exceedingly simplistic theory that has no foundation in reality. At the risk of sounding pompous, I feel the people who elected me are more than mere numbers. People also reflect regional needs and opinions. The Rocky Mountain West doesn't have the same problems or the need for the same solutions to those problems as the east coast area of Boston, New York, Washington. The direct popular vote can completely neutralize the wishes and desires of a greater number of people of a larger region of the country to the wishes of a few in one small area of the country, just as can the present system.

Let me give you an example from the 1968 election if the direct popular vote had been in effect. It must be realized in a pure numerical system, such as direct popular vote, even the total vote is not important. Only the net difference of votes between the top two finishers is important. Only the plurality is important.

Seventeen small states each gave pluralities to Nixon in 1968. This is not fiction; these are facts. These States are Alabama, Arizona, Colorado, Delaware, Idaho, Missouri, Montana, Nevada, New Mexico, New Hampshire, North Dakota, Oregon, South Dakota, Utah, Vermont, Wisconsin and Wyoming. These include the entire Rocky Mountain region. These States cast 84 electoral votes for Nixon. The total votes cast for Nixon and Hum-

phrey were 7,760,875. The total plurality for Nixon in those States was 691,197, votes.

The State of Massachusetts cast 14 electoral votes for Humphrey. A total of 2,236,062 votes were cast in Massachusetts. The total plurality for Humphrey was 702,374. By a margin of 11,177 votes, Massachusetts under the direct election system would have completely nullified the choice of the majority of the people in 17 States, including one whole region of the country. The 1,469,218 people voting for Humphrey in Massachusetts nullified the votes of 4,226,036 people in 17 other States.

Since pure numerical volume would be the key under direct election, candidates are going to concentrate their campaigns in those areas where they can achieve the greatest margin of victory. We all have run for office and we all know what the political system is; and we know what any candidate is going to do under those circumstances. They will necessarily reflect the views of those areas. There is certainly a community of interest in the major metropolitan areas just as there is in rural farming areas. The urban-rural conflict has been with us for a long time, but the large cities can easily out vote the rural areas. Presidential candidates, under a direct popular vote system, will certainly appreciate a vote in Colorado, but the odds are better for them in Massachusetts or New York or Chicago or Los Angeles. They must favor those areas which can give them the most votes and those areas are the big cities. It is in those same big cities where the history of our country reveals the most blatant machine politics—Tammany Hall of New York, the Pendergast machine of Missouri, the Hague of New Jersey, the Chicago gangs of the 1920's, and many others. It seems apparent that the direct vote is tailored to serve these practices.

There are many other problems created by the direct popular vote, but I wanted to clearly illustrate that three major arguments used against the present system are just as applicable to the direct popular vote.

Certainly there could be some improvement of the present system. I feel quite strongly we should find a better alternative than to throw the election into the House, ballots to be cast State by State. A joint session of the House and Senate with each Member voting individually seems much better.

We could easily eliminate our electors, as such. Let the electoral votes be cast automatically by the States. No one, and certainly those of us fortunate enough to hold public office, seriously believes the American people are incapable of exercising their own judgment. We do not want a "faithless elector" voting for someone the majority of the people of Colorado did not support.

I also feel it would be better to eliminate the unit rule where a State casts all its ballots for the winning candidate whether he won by a margin of one vote or 100,000 votes. I personally favor casting electoral votes by congressional districts with each State having two votes representing its senatorial seats.

As a practical matter, the States can cast their electoral ballots on a district or proportional basis if they pass a law to that effect. Maine, in effect, casts ballots on a district basis now.

There is no simple sure-fire method of electing the President. In any close election with more than two candidates, there is the clear danger of failure to elect someone on the first vote. I feel this danger is much greater under direct popular vote than under the present system. Lowering the plurality required to 40 percent will not save the direct popular vote system. It lowers the odds of failure slightly. That is all.

The present system can be improved and reformed. It has worked well, however, and should not be thrown away. It should not be the case of the baby thrown out with the bath water. Do not be deceived by the popular cry for direct vote for the Presidency. It could destroy the two-party system and result in a leaderless country.

UNANIMOUS-CONSENT REQUESTS

Mr. BAYH obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield without losing his right to the floor?

Mr. BAYH. I yield.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum and I would advise attachés on both sides to get as many Members here as possible. I understand the distinguished Senator from Indiana is going to make a number of specific unanimous-consent requests in which Members may well be interested and they should be in the Chamber to hear them.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, it is my understanding that the Senator from Indiana (Mr. BAYH), manager of the joint resolution, has the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. BAYH. Mr. President, I shall not impose unduly upon the Senate's time. So that all of our colleagues may be perfectly apprised as to what the Senator from Indiana is about to do, the Senator from Indiana would like to propose a unanimous-consent request; failing that, another unanimous-consent request; and, failing that, perhaps a series of unanmious-consent requests, to see if there is any common ground in the Senate which will permit us to move forth more diligently than we have in the past or, are likely to proceed in the future.

I do not need to remind any of my distinguished colleagues, most of whom have been here much longer, and are much more familiar with Senate procedure than the Senator from Indiana, that we have been debating for a week and a half the electoral reform measure.

Certainly, there is not unanimity of thought on what should be done in this field. The Senator from Indiana is of the opinion that there is an overwhelming feeling that something should be done. With that thought in mind, I will respectfully present the unanimous-consent requests.

It goes without saying that there is no malice in the Senator from Indiana's heart for the Senators present who may differ with the Senator from Indiana on any of these requests or the merits of the measure before us. With that in mind, Mr. President, I ask unanimous consent that the Senate proceed to a vote on the Griffin-Tydings amendment No. 711 on Wednesday, September 16, at 11 a.m. after 1 hour of debate, to be divided equally between the Senator from Michigan and the Senator from Indiana; and that if such amendment carries, the Senate proceed to a final vote on Senate Joint Resolution 1 on Friday, September 18, at 1 p.m., following 3 hours of debate, to be divided equally between the Senator from Nebraska and the Senator from Indiana.

Mr. ERVIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAYH. I respect the wishes of my distinguished colleague the Senator from North Carolina. I would like to present another unanimous-consent request.

I respectfully ask unanimous consent that the Senate proceed to a vote on the pending amendment to Senate Joint Resolution 1, amendment No. 711, on Wednesday, September 16, at 11 a.m.; and if such amendment fails, that there be 2 hours of debate, to be equally divided between the Senator from Nebraska (Mr. HRUSKA) and the Senator from Indiana (Mr. BAYH); and that at the conclusion of the debate the Senate proceed to a vote on Senate Joint Resolution 1.

Mr. ERVIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAYH. Mr. President, I again respectfully accept the objection of the Senator from North Carolina. I would like to propose another unanimous-consent request.

Mr. President, I ask unanimous consent that the Senate consider all amendments to Senate Joint Resolution 1 beginning on Wednesday, September 16, at 10 a.m., the debate on each such amendment being limited to 2 hours, equally divided between the sponsor of such amendment and the Senator from Indiana, and that a vote be taken on final passage no later than 1 p.m. on Friday, September 18, after 2 hours of debate, divided equally between the Senator from Nebraska (Mr. HRUSKA) and the Senator from Indiana (Mr. BAYH).

Mr. ERVIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAYH. Mr. President, I am almost at a loss as to where to proceed, but let me respectfully try one other suggestion.

I ask unanimous consent that the Senate proceed to consider amendment No. 711, the Griffin-Tydings amendment, and that a final vote be taken no later than 1 p.m. Wednesday, September 16, the time between now and the appointed hour to be divided equally between the sponsor of such amendment and the Senator from Indiana.

Mr. ERVIN. Mr. President, I wish to

emulate the example of the Senator from Indiana on yesterday, and I object.

Mr. BAYH. The Senator from Indiana is honored to be emulated by the Senator from North Carolina, but I am not certain that I am worthy of that honor.

Mr. President, the Senator from Indiana does not wish to play games and bother the Senate with what might seem to be less than a sincere effort. So, rather than go down one by one the list of the other amendments that are now before us, so that the record may be unequivocally clear, let me present the rest of the amendments en bloc.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the following amendments:

Amendment No. 878, the distinguished Senator from Michigan's amendment.

Amendment No. 884, the amendment of our distinguished colleague from Missouri (Mr. EAGLETON) and our distinguished colleague from Kansas (Mr. DOLE).

Amendment 885, the 50-percent runoff provision of our distinguished chairman of the Judiciary Committee (Mr. EASTLAND).

Amendment 887, of the Senator from Missouri (Mr. EAGLETON).

Amendment 897 of the distinguished Senator from West Virginia (Mr. BYRD).

Amendment 898, the amendment of our distinguished colleague from North Carolina (Mr. ERVIN).

Amendment 899, another amendment of our distinguished colleague from North Carolina.

Amendment 900, the amendment that is cosponsored by our colleague from North Carolina (Mr. ERVIN), our colleague from Kentucky (Mr. COOPER), and our colleague from Wyoming (Mr. MCGEE).

Amendment 901, another amendment sponsored by the Senator from North Carolina.

I ask unanimous consent that 2 hours of debate be permitted on each of those amendments, the time to be equally divided between the sponsor of such amendment and the Senator from Indiana.

Mr. ERVIN. Mr. President, I object, especially with reference to my own four amendments.

The PRESIDING OFFICER. Objection is heard.

Mr. BAYH. Mr. President, I make a similar request, as to the last group of amendments, that there be on each 4 hours of debate, to be equally divided and controlled by the Senator from Indiania and the sponsors of the amendments.

Mr. ERVIN. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAYH. Mr. President, permit the Senator from Indiana to speak very frankly on the point before the Senate.

The Senator from Indiana has tried to allow for the fact that, as the chairman of the Subcommitee on Constitutional Amendments, he has been personally involved in this debate for about 6 years. I feel it is possible to take one's personal involvement out of this debate, and still be able to tell the Senate accurately that we are now discussing one of the most important issues before our country at this time: I am not alone in my experience in talking with a number of groups at various places all over this country. I am sure there are many of my fellow Senators who have had a wider experience.

I suggest to my colleagues that we are living at a time when our very system of government is being sorely tested. There are those in the country today who say that the system is sterile, that there is no way that we can make it respond, there is no way we can purge it of inequities, that the only alternative is to destroy the system before we can build a better one.

Mr. President, I feel unequivocally that this is wrong, that the system has the vitality to make itself function better. And I do not want my son to go into the streets to solve his problems; I want him working within the system.

We have before the Senate at this moment one of these key problem areas that will show to the country that the system has the ability to respond to, or that it does not.

I suggest that it is possible for every Member of this body to differ with the Senator from Indiana on the relative merits of the question before the Senate. But I respectfully suggest that after a week and a half of debate, I have little understanding for the efforts which have just been made, to prevent us from considering any change, with all due respect to my distinguished colleague from North Carolina.

We have just said the U.S. Senate is not going to consider any change, not one iota, in the electoral college system. I wonder if this is what the Senate really believes.

On election day, 1968, the country almost did not elect any President, because if there had been a change of fewer than 42,000 votes in the right three States, neither Nixon nor Humphrey would have had a majority in the electoral college.

This, of course, as we now know, would have given to a third party candidate who had 46 electoral votes—and most of those electors had signed affidavits prior to the election, pledging to do the bidding of their candidate—the power to go to each candidate's camp and say, in essence, "What am I bid to make you President of the United States?"

Mr. President, I respectfully suggest that this is no way to elect the most powerful officer in the free world.

Everyone here, of course, is familiar with the fact that on three occasions we have sent to the Presidency a man who had fewer votes than the man he was running against. I think it is because of this possible specter that we have seen the incumbent President of the United States, President Nixon, on two occasions unequivocally support the resolution which is now before us. The President has said more eloquently than the Senator from Indiana can say, it would be difficult if not impossible for any man to govern if he were not the choice of those whom he is called upon to govern.

We are divided in the Senate as to the relative weight of the voters in our given States. I have heard some very eloquent arguments from some of our colleagues suggesting that those in the small States have an advantage, and I have heard the opinion expressed by others that those in the large States have an advantage.

Mr. President, I wonder if now, at the beginning of a new decade, is that the time to say that all of our citizens have the same advantage, have an equal opportunity to determine who their President shall be.

Mr. President, Senate Joint Resolution 1 was introduced in the Senate, in its first form, in early 1966. On February 28 of that year the first hearings on this electoral reform measure began.

Senate Joint Resolution 1, which is now before us, was introduced on January 15, 1969. The subcommittee reported it out on May 26, 1969. Senate Joint Resolution 1 became the pending order of business in the full Committee on the Judiciary in September of 1969. The House of Representatives, in the meantime, took up the question of electoral reform, and House Joint Resolution 681, which is identical to Senate Joint Resolution 1, except as to its proposed effective date, passed the House in September.

Senate Joint Resolution 1 languished in the Judiciary Committee from September of 1969 until, on February 3, 1970. Then the Judiciary Committee voted, by a vote of 13 to 4, to consider electoral reform on April 14, and we finally voted the measure out on April 24.

It was not until August 14 that we could finally get an agreement on the minority report to Senate Joint Resolution 1. The measure was laid before the Senate on September 2 by our distinguished majority leader, and debate began on September 8. The Senator from Indiana would respectfully suggest that we have had ample time to consider this measure. It is a measure which has not been taken lightly by large groups of interested people throughout the country.

The Senator from Indiana has not been in the area of legislation as long as many Senators here, but he has been involved at the State level and national level now for more than 16 years. Therefore, the Senator from Indiana is fully aware that there must be give and take in the legislative process. But, certainly, I think it is unconscionable, to suggest that the Senate does not have the courage to stand up and vote on the merits on an issue as vital as this.

The Senate has to show this country and those who are asking questions about the viability of this system that we do have the courage to stand up and wrestle with controversial issues on which there are differences of opinion in this body.

I am hopeful that those who today are disinclined to let the Senate vote on this measure will pause to reflect on what the possible ramifications of this action might really be. I am hopeful that on reflection, perhaps tomorrow, the Senator from Indiana can successfully propose the same unanimous consent requests again, with a different result. The Senator from Indiana is not suggesting that one position or another be assumed, but that the Senate ought to come to a vote on the merits. We owe our constituents and our country no less.

Mr. HOLLAND. Mr. President, will the

Senator yield, without losing his right to the floor?

Mr. BAYH. I will be glad to yield, but before yielding to the distinguished Senator from Florida, I should like to ask the Senator from North Carolina whether perhaps in the ensuing 10 or 15 minutes he might have changed his mind, so that the Senator from Indiana could proceed with those unanimous consent requests further.

Mr. ERVIN. In reply to the Senator from Indiana, I would say that I am even more convinced now than I was when I objected to the unanimous consent requests propounded by the distinguished Senator from Indiana that I should abide by my objections.

I agree with the Senator from Indiana that Senators ought to have the courage to stand up and vote on propositions they ought to vote on. But I would suggest, further, that they ought not to stand up and vote until they have had time to exercise their intelligence in a deliberative fashion and to ascertain which one of almost as many varieties of proposals as there are numbers of Heinz pickles should be adopted to correct some deficiencies in the electoral college system.

Mr. MANSFIELD. Mr. President, will the Senator yield when he is through?

Mr. BAYH. At this time, I should like to make one further unanimous-consent request.

I concur with the distinguished Senator from North Carolina that we should not vote on these matters until we have had an adequate chance to discuss all the relative merits. We have been discussing this for a week and a half. Some Members of the Senate had been living with this problem for 10 years before the Senator from Indiana ever became interested in it.

The President pro tempore, the distinguished Senator from Georgia, together with the distinguished Senator from South Carolina, have actually had the honor of running for President, so they are very familiar with this matter. The Senator from Indiana is a relative newcomer to this field.

The Senator from Indiana suggested earlier the unanimous-consent request that each of the amendments be brought before the Senate and, after 2 hours' debate, be considered on the merits.

Mr. ERVIN. I objected.

Mr. BAYH. This was objected to.

The Senator from Indiana later suggested the same proposal on each amendment, after 4 hours of debate, and the Senator from North Carolina objected.

In an effort to try to be totally fair, the Senator from Indiana would like to propose a unanimous-consent request that all the amendments be brought up and that after 1 day's full debate on each amendment, they be voted on, on the merits.

Mr. ERVIN. Is that a unanimous-consent request?

Mr. BAYH. Yes.

Mr. ERVIN. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAYH. I yield to the Senator from Montana.

CLOTURE MOTION

Mr. MANSFIELD. Mr. President, I send to the desk a motion for cloture and ask that it be read.

The PRESIDING OFFICER. Under rule XXII, the clerk will state the motion.

The assistant legislative clerk read the cloture motion, as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

MIKE MANSFIELD, CLAIBORNE PELL, HARRISON WILLIAMS, ALAN CRANSTON, JOSEPH D. TYDINGS, PHILIP A. HART, JOSEPH M. MONTOYA, CHARLES H. PERCY, GEORGE D. AIKEN, and HAROLD E. HUGHES.

HUGH SCOTT, BIRCH BAYH, FRANK CHURCH, THOMAS F. EAGLETON, ROBERT P. GRIFFIN, WILLIAM B. SAXBE, CLIFFORD P. CASE, ABRAHAM RIBICOFF, RICHARD S. SCHWEIKER, LEE METCALF.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, notwithstanding the provisions of rule XXII, it be my right to withdraw the motion to invoke cloture in the event that an agreement is entered into to dispose of the pending joint resolution and all amendments thereto.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HRUSKA. Mr. President, reserving the right to object——

Mr. MANSFIELD. Mr. President, has the Chair ruled?

The PRESIDING OFFICER. The Chair has ruled.

Mr. MANSFIELD. I ask unanimous consent that the ruling be withdrawn temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered. The ruling is withdrawn temporarily.

Mr. HRUSKA. Is there any time limit on the reaching of an agreement that the majority leader has in mind?

Mr. MANSFIELD. It has to be within 1 hour and 1 day.

Mr. HRUSKA. From this time?

Mr. MANSFIELD. Beginning with the conclusion of business today. In other words, under rule XXII, the 1 intervening day and the 1 hour after we convene on Thursday will demark the limitation.

Mr. HRUSKA. Could it be stipulated that before any unanimous-consent request of that kind is made, Senators be notified of it, so that they may be present?

Mr. MANSFIELD. Of course.

Mr. HRUSKA. In ample time so that they can be present.

Mr. MANSFIELD. It should be, because I do not want any Senator to get caught off his feet or off base.

If there is any possibility that such agreements can be reached, I would expect to have a quorum call—and, if need be, a live quorum call—to make sure that enough Senators are in attendance in the Chamber.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. ERVIN. Mr. President, reserving the right to object, as I understand the unanimous-consent request of the distinguished majority leader, it is that in the event that an agreement fixing a time for voting is arrived at before the vote on the cloture motion, he may withdraw the cloture motion. I have no objection to that.

Mr. MANSFIELD. The Senator would object to that?

Mr. ERVIN. No, I have no objection.

Mr. MANSFIELD. It is within the 1-day, 1-hour provision under rule XXII.

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

Mr. BAYH addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized .

Mr. BAYH. With deference to my colleague, I should like to make one observation. The Senator from Indiana added his name to the cloture motion this afternoon, after it had come to his attention that it was not going to be possible for us to reach an agreement. Yesterday, I asked the distinguished majority leader whether he would please delay such a cloture motion, because at that time it seemed that there was a possibility of working out an agreement.

I much prefer not to have to go through the cloture routine. I think this measure ought to be decided on its merits. I do not know what the outcome will be on this measure, and I think each Senator ought to have a right to stand up and be counted for what he thinks is right and what he thinks is wrong with our electoral system is concerned.

Unfortunately, we are now in a position where the first test will come on cloture. But the Senator from Indiana would like to suggest, most respectfully, that if we believe that any change is desirable, sooner or later we will have to get down to voting on the merits.

Now Mr. President, I am happy to yield to my distinguished friend from Florida.

Mr. HOLLAND. I thank the Senator from Indiana for yielding to me.

Mr. President, I want to call to the attention of the Senator from Indiana, and the Senate as a whole, that a good many of us have served in the Senate a good deal longer than my good friend from Indiana. The Senator from Florida was one of those who, as a majority of more than two-thirds, voted for the Lodge-Gossett amendment as then proposed a good many years ago, when the Senate sent over that amendment to the House with more than two-thirds approval by the Senate. The Senator from Florida, I think, was the first one to appear before the subcommittee headed so gracefully by the distinguished Senator from Indiana in 1966, when he announced the hearings on the several amendments which were then pending, one of which was an amendment offered by the Senator from Florida similar but, he thought, in some respects an improvement on the Lodge-Gossett amendment.

That amendment, as the Senator knows, proposed that in each State the electoral vote of that State be divided in accordance with the popular vote as that

vote was cast between the several contenders for President and for Vice President. The Senator from Florida has felt that it was an essential part of that amendment and he also feels it is an essential part of the reform to continue in the picture the States which are sovereign under dual sovereignty system, just as they were continued by the compromise which was absolutely necessary if we were to have a Constitution back in 1788 when the Constitution was first submitted to the States for approval, as a means of bringing the large States and the small States together.

It is true that there has been some encroachment upon the rights of the States. It is also true that some of that is due to nonperformance on the part of the States. But it is also true that the weight of Federal business has grown greatly during these decades, that there is even more need now, than then, for the maintenance in the States of a large part of the governmental machinery by which ordinary, every-day citizens are governed. A large part of their lives and activities are still governed by State law.

To say that the States have no interest as such in who shall become President and Vice President is manifestly absurd, when it is recalled how great a control and how great a lack of control the Federal Government has over the States as such.

The Senator from Florida has called attention to this fact, that the suggestion has been made by my dear friend from Indiana, that Senators are not ready to stand up and be counted.

The Senator from Florida and a good many other elder Senators in this Chamber have already stood up and been counted and are ready to stand up and be counted again.

But, speaking only for one of them—myself—I want to say that I am irrevocably of the view that to change our system so that the States as such are so downgraded that they will no longer have any representation as States in the electoral weight by which the President and Vice President are elected is such a revolutionary movement, such a radical action, that the Senator from Florida could never support it.

I think it greatly changes the entire nature of our Federal Government, that to deprive the States of any participation in the presidential election process by giving them, as they have had since the beginning, representation in the electoral weight of the several States, would be such a departure that the Senator from Florida could never, never support it.

He—and I think he is not alone—feels that such a radical departure would be a death knell to many of the finest values in our National Government and would put us right where so many other so-called democratic nations now are where, with splinter parties dominating the scene, there is no such thing as a substantial government which lasts from year to year or from period to period.

Thus, the Senator from Florida thinks that the Senator from Indiana perhaps overlooks the fact that Senators are willing and ready, as many of them have shown that they are willing and ready, to stand up and be counted, but they are of the strong conviction that the States should not be downgraded by the method proposed in Senate Joint Resolution 1.

So far as the Senator from Florida is concerned, he is ready to stand up in the Senate and debate this issue for a good long time, as long as anyone shall listen, because he is so sure that adoption of such a policy would radically change the nature of this Government under which we have prospered for nearly 200 years and have become the greatest power on earth, that the Senator from Florida hardly thinks it is an appropriate suggestion that Senators are not ready to be counted when the Senator from Indiana well knows that the facts recited by the Senator from Florida as to his own attitude in the past, and as to his own appearance as the first witness before the subcommittee so ably handled by the Senator from Indiana, are the fact that the Senator from Florida has been counted for a good long time, dating back to the long debate of the Lodge-Gossett amendment in years gone by. The Senator from Florida does not recall how long that was, but he thinks it was about 20 years ago.

I thank the Senator from Indiana for yielding to me.

Mr. BAYH. Mr. President, with all respect to my distinguished colleague from Florida, I think the Senator from Indiana pointed out that there were some Senators in this Chamber who had been interested in this program longer than I. I referred to the President pro tempore of the Senate, the Senator from Georgia (Mr. RUSSELL) and I am sure that the Senator from Florida would certainly be included in that same category because I know of his tenacity and concern, and I know of his strong objections to the particular position taken by the Senator from Indiana.

The interesting thing is that the Senator from Indiana made a unanimous-consent request that the proposal championed by the Senator from Florida be considered, and it was objected to.

So far as standing up and being counted is concerned, I think we have to determine in our own minds that we will vote on this cloture petition by the distinguished majority leader. I would hope that when that vote is cast we will have the valiant support of the Senator from Florida.

I think perhaps it is a bit much to suggest that the Senator from Florida will change his position at this time. But I would hope that he and others would not accept the position that if we cannot have our own way, the Senate will not have an opportunity to work its will on anything. It could be like the youngster who said that if he could not pitch in the baseball game, he would take his bat and ball and go home.

Mr. President, I feel strongly about this measure. I do not know whether we have the votes or not. I suggest, let us vote it up or down. If we do not have the votes, then let us see what we can come up with that will be able to get the votes.

This is a matter which has received earnest study by the American Bar Association, the chamber of commerce, the AFL–CIO, and the UAW. The League of Women Voters spent a year on it.

The distinguished present occupant of the Chair, the Senator from Oklahoma (Mr. BELLMON) at this time, was on the American Bar Association Commission. The House of Representatives passed this particular measure by a 339 to 70 vote.

It seems to me that, if we do not let some action take place in the Senate so that it can work its will, the Senate will have to answer to the charge that we are derelict in our duty. If my position is not sustained, then let us see if there is not something that we can get two-thirds of the Senate to support.

The Senator from Indiana knows that there are other pressing matters before the Senate, and he will not embark on a discussion of some of the assertions of the distinguished Senator from Florida that the electoral college was an integral part of the grand compromise.

I hope before this debate is over we will have a chance to see whether the electoral college system is working today as our Founding Fathers hoped for it to work.

I hope to have a chance to explore in greater detail the belief of the Senator from Oklahoma that, the small States have no advantage under the present system.

Hopefully we will have a chance to explore in detail the proliferating effect that these matters may or may not have.

The Senator from Indiana might indicate to the Senate that that is a question he had in his mind. I was concerned about the direct popular vote. However, the Senator from Indiana states respectfully to those who disagree that after he explored how the system works, not how we think it works, he came to the conclusion that the best proposal was the one now pending before the Senate.

However, if the Senate thinks that Senate Joint Resolution 1 is not the best proposal, let us come up with something else. But let us have a vote on the merits. I think we owe this to the country today.

Mr. ERVIN. Mr. President, the vote by which Senate Joint Resolution 1 was reported to the Senate by the Committee on the Judiciary demonstrates that the Senate should give adequate consideration to the proposal to amend the Constitution. I say that because the vote in our committee was only 9 to 8 if my recollection be correct.

I do not think that the Senator from Indiana can ever charge that the Senator from North Carolina is ever unwilling to stand up and face any proposition.

I insist that before the Senate of the United States concurs in the submission of any proposal to amend the Constitution, which in the ultimate analysis belongs to over 200 million Americans, the Senate of the United States should give some serious consideration to that proposal.

The Senator from North Carolina is not opposed to amending the Constitution insofar as it regulates the election of the President and Vice President. Indeed, the Senator from North Carolina has introduced two amendments proposing changes in the method of electing the President and Vice President. The Sena-

tor from North Carolina is willing to defend either one of those propositions before the Senate. And he is willing for either one of them to be submitted to the States by Congress for consideration.

There are some defects in the present method of electing a President and Vice President. For example, the Senator from North Carolina thinks that the Constitution ought to be amended so as to require that the vote of a presidential elector on a particular party ticket shall be cast, regardless of the wishes of the elector, for the nominees of the party by which he was elected.

For this reason, the Senator from North Carolina has proposed in two different alternative proposals that the office of presidential elector be abolished. The adoption of either one of the proposals submitted by the Senator from North Carolina would result in the abolition of the office of presidential elector and make it certain that hereafter the defaulting or faithless elector is consigned to the scrap heap of history.

The Senator from North Carolina is also inclined to the opinion—and he has so proposed in one of the resolutions introduced by him and one of the amendments proposed by him to Senate Joint Resolution 1—that the electoral vote of each State be divided among the candidates for President and Vice President of the various parties in accordance with the popular vote received by them in the State.

If this proposal should be adopted and become a part of the Constitution, it would do away with the practice that the winner takes all. At the same time, it would destroy the power of those who vote in blocks in a particular State to control the entire electoral vote of that State.

Mr. President, I think there is another defect in the present electoral college system which ought to be remedied. I have proposed that it be remedied, both in the amendments I have proposed to Senate Joint Resolution 1 and also in the independent resolutions I have introduced.

This defect is in the present method of electing Presidents and Vice Presidents where no candidates for these officers receive a majority of the electoral vote.

I propose that instead of the present method by which the election in such event is thrown into the House of Representatives and the choice is made by the States voting as a whole—that is, each State voting as a single unit—we adopt a method which would leave the decision of the question to a joint session of Congress in which each Senator and each Representative would have a single vote and in which the votes of the majority, of those attending the joint session, should determine the choice of the President or the choice of the Vice President, as the case may be, where the candidate for the office does not receive a majority of the electoral vote.

The methods I have proposed are methods that recognize the United States as a Government based on a Federal system in which the States, as legal and constitutional entities, have an interest. It is based upon a recognition of the fact that elections should be held and determined by State election officers acting under State laws in the various election precincts in the United States, which now number 184,000.

It is based upon the theory that we should minimize, as far as humanly possible, the results of fraud, the results of mistaken counts of votes, and all factors of that kind.

Under this system the frauds and miscounts of votes in individual States virtually never reach such proportions as to alter the electoral votes of those States. Consequently, under this system, as the history of this Nation has demonstrated, the country has the capacity to determine within a relatively short time after the 184,000 election precincts in the 50 States and the District of Columbia close, who has been elected President and who has been elected Vice President.

There are several ways of curing defects. For example, a man might have a headache. He might go to a doctor to receive treatment for his headache. There are several ways that the doctor could provide him with a cure. One of them is to give him some aspirin tablets and to let the aspirin tablets cure his headache. Another way is for the doctor to take a pistol and blow out his patient's brains. In that way the doctor could certainly cure his patient's headache, but the consequences of such a method of curing the headache would be far more disastrous than the headache itself.

Mr. President, that is an illustration of the difference between the proposal advanced by the distinguished Senator from Indiana and the proposals advanced by the Senator from North Carolina.

The Senator from Indiana said that the American Bar Association has endorsed his proposal. I have attended meetings of bar associations and I have observed that usually the resolutions of bar associations are adopted during the closing hours of the meetings of the associations at a time when the great majority of members of the associations who have been in attendance at the meeting have taken their departure.

As far as the American Bar Association is concerned, I have great respect for it. I have been a dues-paying member of the American Bar Association almost since I was a small boy. I have lost all the "chlorophyll" from my hair while paying dues to the American Bar Association during all these—I started to say years but I will say decades—and the American Bar Association has never asked me as one of its members what I thought about anything. So I do not have as much veneration for a resolution of the American Bar Association as the distinguished Senator from Indiana has.

In addition, the responsibility for submitting a proposed amendment to the Constitution of the United States is reposed in Congress and not in the American Bar Association.

The same observation applies to the other organizations which the distinguished Senator from Indiana has mentioned. What is the remedy the Senator from Indiana proposes?

He proposes that the Federal system, which has been in operation in our land for 181 years, be abolished insofar as the election of President and Vice President is concerned. His proposal is that the 184,000 election precincts in 50 States and the District of Columbia be converted into one great big election precinct in which 60 million people or more are going to cast their votes and determine the result by a simple majority, however small that majority may be.

Mr. President, one of the queer things about human beings which I have never been able to comprehend is that men who would not steal a penny of anyone's money are perfectly willing to steal his vote; men who would not subtract a penny from any man's bank account are willing to miscount his vote. Another thing I have observed in the many years I have been interested in elections is that in many precincts in the United States, indeed thousands, and thousands, and thousands of them, the voters cast paper ballots and those in charge of conducting the elections spend hours and hours counting up those ballots, oftentimes after having spent hours and hours of the day, exhausting hours, receiving the ballots. As a consequence of this, in virtually every voting precinct there is more or less danger that votes are miscounted.

Even in the operation of such devices as voting machines, we know that sometimes voting machines go awry and fail to receive and count the votes correctly.

Under Senate Joint Resolution 1, every one of these factors which tend to render uncertain the question of who will be elected President or Vice President in one big national voting precinct is present. What this means is that in every close election, such as the election of 1960 and the election of 1968, the casting of fraudulent votes or the miscounting of honestly cast votes or a defective operation of a voting machine would be calculated to place in doubt the question as to who was elected President or who was elected Vice President. And that uncertainty may well exist for months while votes are being counted or recounted or litigated in 184,000 communities.

The Senate has been in session, attempting to operate in high mental gear, ever since the 17th day of January this year. We are now, I hope, in the closing days of a very long and a very arduous session. Some 34 Members of this body are unable to tarry long in the Senate Chamber because their political lives hang in the balance. They will necessarily have to be absent and campaigning most of the time.

A very distinguished author in this field, Theodore H. White, appeared before the Judiciary Committee and said, in substance, that the greatest calamity which could befall this country would be to convert all the 184,000 election precincts into one great precinct, as Senate Joint Resolution 1 would do if submitted to the States and ratified by the States.

Another distinguished American scholar, Professor Black of Harvard Law School, appeared before the Judiciary Committee and said that Senate Joint Resolution 1 was the most radical proposal made for amending the Constitution of the United States in the history of this Nation.

These are the reasons why I am un-

able and unwilling to support the proposal of the distinguished Senator from Indiana. These are the reasons why I insist that some other proposal, such as one or the other of the two proposals I have submitted, should be substituted for it.

I think the people of the United States, who now number more than 200 million, are entitled to have the Senate act as the Senate always professes to act—as a deliberative body. It is difficult for the Senate to do so under the circumstances which now confront the Senate.

This is the reason why I have insisted that we take as much time as is reasonably available to consider this serious question, and not be hurried by the unanimous-consent requests of the distinguished Senator from Indiana to submit to the States a half-baked proposal for changing the Constitution of the United States.

I am ready to stand up and be counted, but I am not willing to have the votes of the Senate cast until the Senate has had a reasonable opportunity to deliberate; and I am not willing for the Senate to emulate the example of Samson, who, in his blind zeal, pushed down the pillars upon which the temple rested.

These are the reasons why I objected to the unanimous-consent proposals of my distinguished friend, the Senator from Indiana, and why I insist that the Senate give reasonable consideration to this most serious matter.

Mr. BAYH. Mr. President, the Senator from Indiana listened with considerable interest to the Senator from North Carolina who discussed this issue with his usual eloquence. He, of course, is one of the most distinguished members of the Subcommittee on Constitutional Amendments, and the Senator from Indiana has had the benefit of his views as we have discussed this matter for 4 or 5 years now.

As the Senator from North Carolina well knows, the Senator from Indiana shared many of the concerns of his friend from North Carolina when the study began. As the study developed, the Senator from Indiana assessed some of the facts that were brought to our attention differently than did his illustrious friend from North Carolina.

I am not sure what the temper of the Senate is at this particular moment in history in the light of the fact that we have other legislation this evening that some Senators are interested in. But the Senator from North Carolina raised some interesting points on which the Senator from Indiana feels compelled at least to put his interpretation in the RECORD at this time.

The Senator from North Carolina suggested that the American Bar Association adopted this proposal by a narrow vote. The record will show that the American Bar Association adopted the proposal by a 3-to-1 margin.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. BAYH. I am glad to yield.

Mr. ERVIN. Will the Senator from Indiana tell the Senator from North Carolina how many members of the American Bar Association were present at the time that vote was taken?

Mr. BAYH. There were about 200.

Mr. ERVIN. Will the Senator from Indiana tell the Senator from North Carolina how many members the American Bar Association has?

Mr. BAYH. The Senator from Indiana is not familiar with the membership of the American Bar Association. I would hazard a guess that the relationship of the membership on the American Bar Association's legislative committee, which adopted this proposal, to the association's whole membership is numerically equivalent to the relationship between the membership of the U.S. Senate and the population of this country. However, I do not think it speaks well for the Senator from North Carolina to suggest that the approval of the legislative committee of the American Bar Association should be disregarded because there was not a unanimous vote of every member of that organization.

Mr. ERVIN. Will the Senator permit the Senator from North Carolina to make an observation?

Mr. BAYH. The Senator from Indiana enjoys the observations of the Senator from North Carolina, even though he does not share his views.

Mr. ERVIN. One reason I want the debate to proceed arises out of the hope that I may be able to persuade the Senator from Indiana to see the error of his ways and adopt the sound views I entertain on this subject. I want to say that the American Bar Association, as the Senator from Indiana has intimated, has a membership that may run to 75,000, 100,000 or 150,000; and that I do not agree with the Senator from Indiana that a resolution adopted by a majority of the 200 delegates at a meeting reflects the views of the members of the association, who were not polled. The Senator from North Carolina was not asked for his views on this subject, notwithstanding he has been a dues-paying member of that organization for 40 years or more.

Mr. BAYH. Mr. President, I do wish to let the focus of this debate rest on some effort to evolve a reasonable electoral reform. But I think the Senator from North Carolina said he did not think legislation should be proposed by the bar association, the AFL–CIO, or the UAW.

The Senator from Indiana would like to point out that this legislation is not proposed by any of those organizations, but indeed the Senator from Indiana did solicit their opinions on it. And I hope we have not gotten to the stage that if a constituted representative body like the American Bar Association, which represents various chapters in various States, should make a considered judgment, we would say, "Well, now, this does not amount to anything, because we have not had a referendum."

Mr. ERVIN. If the Senator will yield.

Mr. BAYH. If the Senator will permit me one moment, two other particular cases show how erroneous this type of conclusion can be. First, the Chamber of Commerce polled its entire membership, and I respectfully suggest the record will show that more of the Chamber of Commerce members supported direct popular election of the President than all other plans put together. Second, I suggest that the League of Women Voters, a very illustrious group that never endorses a position unless it has studied it at some considerable length, made a special effort to study this proposal for more than a year, and I point out for the consideration of the Senator from North Carolina that these ladies, by more than 80 percent, endorsed it, after the various chapters all over the country had been polled.

I would be the first to suggest that these positions do not have the force and effect of law, but I think we need to consider the fact that there are a lot of people in this country looking to this body to do something. And if the Senate takes no action whatsoever, I think the people of this country would have every right to be aroused to some significant degree.

Mr. ERVIN. Mr. President, I wanted to interrupt the Senator from Indiana to correct a misconstruction he has placed on my observations. If I understood him correctly, he said that I was opposed to these organizations making proposals.

I do not object to anyone making any proposal about anything, at any time or anyplace under any circumstances, whether it be the American Bar Association, the AFL–CIO, the League of Women Voters, the chamber of commerce, or any individual. I think they are entitled to make proposals. I said they were not charged with the responsibility for submitting to the States proposed amendments to the Constitution.

Mr. BAYH. If the Senator from Indiana misinterpreted the Senator's remarks, he certainly apologizes, because I was trying to find some ground on which we had common views. I agree with the interpretation that the Senator from North Carolina has placed on this matter.

As the Senator from Indiana said a moment ago, despite this support, despite the fact that Harris and Gallup tell us that about 80 percent of the people think they ought to have the right to vote for President, if this body thinks it is wrong, we ought to vote it down. But I think if there is this type of grass roots support throughout the country, the very least the U.S. Senate, the greatest deliberative body in the world, ought to do for those we represent is give the Senate a chance to vote on the various proposals.

I was impressed with some of the questions raised by my distinguished friend from North Carolina about what he alleges to be shortcomings of direct election. These are questions that I think are very rightly raised.

For example, the Senator from Indiana is very familiar with the fact that one of the principal charges made against the present proposal is that it would enhance the incidence of fraud, and fraud is bad. A little fraud is bad, and a lot of fraud is much worse.

Although the Senator from Indiana would be the first to suggest that direct election does not take out of the heart of a deceiving and conniving individual that disposition which he possesses, it is the opinion of the Senator from Indiana that it minimizes the chance that a little

fraud would have a tremendous impact on the outcome of a presidential election.

Human nature being what it is, I think the less the fruit of the fraud, the less the incentive to become involved in even a little fraud.

I suggest to my distinguished friend from North Carolina, and to any other Members of this body who care to examine the facts of the past several elections, that operating under the unit rule, whenever we have a close election in Pennsylvania or New Jersey, or any State in the Union, under the unit rule any person who is determined to try to steal the election in that State by procuring a few fraudulent votes is able, in essence, to buy the entire State's electoral vote.

Theodore Sorenson appeared before our committee, and used the State of California as a specific example, because it is our most populous State. He pointed out that in a close election—and we have had some close elections in California—if you procure 20,000 fraudulent votes in California, from tombstones, out of flop houses, by using aliens, or by using any of a number of devious means that might come to someone's attention, with those 20,000 fraudulent votes, you can throw the entire State's 40 electoral votes to the opposite camp.

I remind my fellow Senators that 40 electoral votes is about 15 percent of what it takes to elect a President. Under the present system, 20,000 fraudulent votes would have a much more significant impact than if the same 20,000 fraudulent votes were commingled with some 70 million popular votes.

My distinguished friend from North Carolina expressed his concerns most eloquently; he and our distinguished colleague from Florida are two of the most eloquent spokesmen in this body, and I know this concern is deep in their hearts. I have had a particular chance to work with the Senator from North Carolina in the committee, and I know of his deep conviction in this particular area. I know the Senator from Florida from reputation, but I have not had a chance to serve on the committee with him.

I suggest that, if any of us really believe that the electoral college is fundamental to the continuation and protection of the federal system, perhaps we ought to get out our Federalist Papers and take a little better look at them. Perhaps we ought to read what some historians have said—indeed, what all historians have said—about what constituted the great compromise that put this country together. It was the establishment of a U.S. Senate based on geography and the establishment of a House of Representatives based on population. This body, Congress, is where the grand compromise started and where the roots of the federal system remain to this very hour.

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

Mr. BAYH. I ask the Senator from Florida to bear with me for a moment, because I would like to maintain the continuity of this point.

If we are to suggest that the Founding Fathers had infinite wisdom in the way they established the electoral college, I suggest that we read carefully that the Founding Fathers really meant for the electoral college to be a nominating process. There five of the top vote getters would be nominated and then the election would be completed in the House of Representatives on a one-State, one-vote basis. I do not think any of us would suggest that this is necessary to protect the federal system.

I should like to suggest, very respectfully, to those who are concerned about both the federal system argument and the small State argument, that if one reads the compelling speech of the Senator from Oklahoma the other day, in which he discussed the small State argument, and if they would read and study the equally eloquent speech of the Senator from Idaho (Mr. CHURCH) yesterday, an excellent case can be made that the small States, which were supposed to be protected under the federal system and which are protected in the U.S. Senate, are not protected under the electoral college system. This is so because, regardless of how we divide electoral votes into population, the fact is that under the present system, one can be elected President of the United States if he carries the 11 most populous States by the slightest popular margin, even if he is soundly defeated in the small States that are supposed to be protected by the electoral college.

I have heard the Senator from Oklahoma, the Senator from Idaho, and others eloquently point out piece after piece of evidence, including campaign schedules, showing that today the politicians, the campaigners, and the organizers concentrate on the large States, not on the small States.

I yield to the distinguished Senator from Florida.

Mr. HOLLAND. I thank the Senator for yielding.

I invite the Senator's attention to the fact that he has just mentioned an element in this whole matter which has given more concern to the Senator from Florida than anything else, and that is the deprivation of the small States of substantial portions of their weight in the election of a President which would be accomplished by Senate Joint Resolution 1.

Under the census of 1960, 32 of the smaller States would have lost a portion of their electoral weight, some of them a very large portion. Under the preliminary returns of the 1970 census, 29 of the smaller States would so lose a portion of their electoral weight.

The Senator from Florida adverts again to what he said a few moments ago: He does not believe that the States can soundly be left out of the presidential election machinery without radical change to the original program and without recognition of the fact that the States are sovereign units and that they are tremendously affected by the choice of President and Vice President.

The Senator from Florida makes this statement despite the fact that he is not one of those Senators representing a State which would be deprived of any of its weight. The preliminary returns show very clearly that the State of Florida is in ninth place in population among the 50 States and that it would gain, insofar as the State of Florida is concerned in its weight, in the selection of President by the adoption of Senate Joint Resolution 1 by the people and its ratification by 38 or more States. But the Senator from Florida is still of the feeling that such a step would radically change our Federal system and would radically depart from the system under which we have progressed so far and succeeded so well. He does not favor what would amount to the adoption of an absolute democracy for the selection of President and Vice President, which is a radical departure from the original program adopted as a compromise and placed in the Constitution, and under which we have succeeded.

I am sure that the Senator from Indiana does not question the fact that under the preliminary returns, 29 States will find a part—some of them, a very substantial part—of their weight in the presidential election lost, as compared with what they have under the electoral system that now prevails. The Senator knows that that is the case, does he not?

Mr. BAYH. The Senator respectfully suggests that the Senator from Florida and the Senator from Indiana disagree as to the matter of who loses and who gains.

I do not know how comprehensive an answer the Senator from Florida wants from the Senator from Indiana. But I suggest to him that the mathematical computation which shows that 29 States would lose weight is without substance in terms of practical politics. It does not take into consideration the very practical aspect of how the system operates under the unit rule. It does not take into consideration that now the emphasis is placed on the large States. Why is that? As the Senator from Indiana mentioned a moment ago, it is because any candidate for the President of the United States understands that to be elected, all he need do is to carry the 11 most populous States. He does not need to go into any of the 29 States that are going to lose votes. He comes to the 11 large States.

Mr. HOLLAND. The Senator from Florida knows full well that, assuming that the votes in the nine largest States would be proportional to the votes cast nationwide, the same result could be accomplished in nine States under Senate Joint Resolution 1; and the Senator from Florida knows perfectly well, also, that the proposal made by the Senator from North Carolina and that made by the Senator from Florida in neither case perpetuates the unit rule. We both think that the electoral college as such should be abolished. But we both think, and both of our resolutions so show, that what we insist upon is the maintenance of the system by which both the State, because of its sovereignty as a State, and the population of that State, because of its size, should continue to be represented in the selection of President.

The Senator knows full well that every time he refers to the preservation of the unit system, he is referring to something for which nobody is now contending.

Mr. BAYH. Mr. President, I suggest that with or without a unit rule, a given State has the same number of electoral votes. The Senator from Indiana is of the

opinion that we had better compare what we have to some of the alternatives. The Senator from Florida is being critical in his persuasive way, to suggest to the Senator from Indiana that going to the direct popular vote plan would cost 29 States the advantage that they now have under the present system. I will not repeat my strong feeling that these 29 States may suffer a mathematical loss, but that they will also have a practical gain. We have done some study in the committee on campaign itineraries.

Mr. ERVIN. If the Senator from Indiana will yield for a question, what have the Senator from Indiana and the Senator from Florida done with the other 10 States? They talk about 29 States and 11 States. In my arithmetic book that makes 40 States. We are throwing away 10 States, are we? Is it because those States will be more or less thrown away under this proposal, that those States will become immaterial?

Mr. BAYH. The Senator from Indiana does not believe that the States would become immaterial. I am not sure what happens to the 10 States because I was not the one that arrived at the 29-State figure. The arithmetic of the electoral college is so obvious under the 1970 census as to who will be elected President and Vice President. They will win if they carry the 11 largest States, no matter how soundly thrashed they happen to be in the other States of the Union.

I was referring a moment ago to campaign itineraries. The Senator from Indiana was invited to make a speech in Topeka, Kans., not too long ago. Study will show that in the last election none of the candidates went to Topeka, Kans. That is a community of 110,000 citizens. It is not a crossroads town by any means. It is the capital of the State of Kansas. But none of the candidates thought the citizens of Kansas had enough advantage that they even went to that State and asked them for their votes.

Interestingly enough, a study shows that they did go to similarly sized communities of 110,000 to 120,000, such as Springfield, Ill., Battle Creek, Mich., Canton, Ohio, Lancaster, Pa., and Rochester, N.Y. The only reasonable conclusion that can be arrived at from this disclosure is that other cities of 110,000 persons had an advantage. The same size city in Kansas was not important. Let the record show that the Senator from Florida and others who argue this point "had the advantage."

The candidates did not go there because the best they could do in Kansas was to win five electoral votes, but in the other States they could win large blocks of electoral votes.

That is why I am of the opinion that the small States do not have the advantage under the present system, despite the concern expressed by some of our distinguished colleagues here in the Senate.

Mr. HOLLAND. Mr. President, will the Senator from Indiana yield?

Mr. BAYH. If the Senator will permit me to continue a moment, then I shall be glad to yield to him. The Senator from Florida has expressed a real and sincere concern that the States would be bypassed or left out in the election process.

Now the Senator from Indiana cannot predict for the infinite future exactly how people will run campaigns, but he has been familiar with campaigns in Indiana. Every time we have presidential elections in Indiana we also have a Governor's election, we also elect 11 Congressmen and 100 members of the House of Representatives, county officials, and township trustees. Thus, I suggest to those concerned that the States will suddenly disappear as units. What are we going to use as a unit to elect governors? Of course the States will not disappear.

Any candidate who has a prayer to be elected President had better get to the State organizations and make certain that they have a good precinct organization there, because that is where elections are won and lost. I suggest that close examination will show there is not going to be much departure from present procedure. As one of the candidates said in testifying before the committee, "When you go to hunt ducks, you go where the ducks are." He went further to suggest that when we go to hunt votes, we go where the votes are.

If we go to Oklahoma City, there is the same degree of probability that we can obtain votes as in any other city of the same size.

This will not be revolutionizing things. I hope that no one is suggesting that this proposal will make the United States Senate, like the absolute democracies, as for instance in Greece, and others, which let all its citizens participate in the legislative process.

We are not suggesting, Mr. President, that we tear down the federal system, based on the U.S. Senate which protects the interests of the States. Nor do we seek to change the fact that the House of Representatives protects the interests of each congressional district. We do want to say, once and for all, that the President of the United States of America is the President of 200 million people. Why not let him be elected on a one-man-one-vote basis which will guarantee he is the man who gets the most votes?

There are strengths and weaknesses in every proposal here, I must say. I feel, as many others do, that we should let everyone vote directly for their President and Vice President without any intervening agent or formula. If we believe that everyone should have his vote count for the same candidate, if we believe that we should have a man sitting in the White House with the authority that comes from being the man that got the most votes, I respectfully suggest, with all due deference to all my colleagues here, that the direct popular vote is the only plan that guarantees these three criteria and I hope that the Senate will consider them on their merits.

If they feel that the plan of the Senator from Florida is best, then let us vote it up or down. If they feel that the Senator from Indiana has the best plan, as cosponsored by 39 other Members of this body, let us vote it up or down. But let us not become enbroiled in endless debate without the Senate being able to vote on the matter.

ORDER FOR CONTINUING THE CONSIDERATION OF THE AGRICULTURAL ACT OF 1970

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that not later than 5 o'clock this afternoon, the unfinished business be temporarily laid aside and the Senate proceed to the consideration of Calendar No. 1172, H.R. 18546, the Agricultural Act of 1970.

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

DIRECT POPULAR ELECTION OF THE PRESIDENT AND THE VICE PRESIDENT

The Senate continued with the consideration of the joint resolution (S.J. Res. 1) proposing an amendment to the Constitution of the United States relating to the election of the President and the Vice President.

Mr. HOLLAND. I notice that the Senator from Indiana, in all of his eloquent debate on this subject, has not adverted to one of the things mentioned several times in this debate by opponents of his resolution; namely, that under his resolution, the District of Columbia would be given greater weight in presidential elections than 11 other sovereign States, in spite of the fact that it has no sovereignty at all and does not have as part of its right the responsibility in the passage of laws that would govern the lives of its people, such as exist in Indiana or Florida or in all other States, and that the District of Columbia has a sufficient vote to outvote two or three groups of the smaller States, two at a time.

That is one of the things which not only makes the Senator from Florida feel that the sovereignty of the States is being hopelessly downgraded by the resolution, but that the Senator has little interest in the authority and status of the States as sovereigns, but it also indicates to the Senator from Florida that there would be minimal chance of adoption of his resolution because not only are 11 of the States of such a population they would be heavily outvoted by the District of Columbia and outweighed by the District of Columbia in presidential elections. But there are a large number of other States, totaling 29 in all with the 11, who would lose substantial parts of their weight because of their population being less than that of the average State.

I note that the Senator has, either by accident or by deliberation, failed to mention that fact.

How does the Senator from Indiana feel about the District of Columbia outweighing in a presidential election the oldest State in the Union, Delaware, and many of the other small States which have long been States, such as Wyoming, such as Nevada which came in during the Civil War, and others of the small States which have been States a long time, and also Alaska, the 49th State and the largest State in area and the largest, I think, in resources and a State with a possibility of developing. Many, many problems depend upon the exercise of its own sovereignty.

How is it the Senator from Indiana

is willing to propose to adopt a program which would say to the District of Columbia, hopelessly without any sovereignty of its own and hopelessly without any of the responsibilities of statehood, that its citizens outweigh those of 11 States?

I have not heard the Senator from Indiana mention that fact.

Mr. BAYH. Mr. President, I am grateful that the Senator from Florida has brought up that omission.

Perhaps the Senator from Indiana was in error, but inasmuch as the Senator from Florida had already posed the same question and the Senator from Indiana had answered it, I thought that it was not necessary to duplicate the answer.

Does the Senator from Florida care to explore that any further with the Senator from Indiana?

I have not heard of any other Senator who was concerned about that. If it is a concern to the Senator from Florida it is a concern to the Senator from Indiana. I would be glad to explore it.

Mr. HOLLAND. Mr. President, the answer was not persuasive to the Senator from Florida. The Senator from Florida has read it over in black and white since and still is not persuaded.

It seems to the Senator from Florida that the Senator from Indiana has come to the position that he does not think the States, as such, have any part, have any responsibility, or have any direct concern in the election of the President and the Vice President. It is that conclusion with which the Senator from Florida completely disagrees.

Mr. BAYH. Mr. President, the Senator from Indiana is going to read carefully the last remarks he made here about 5 minutes ago. I would hope that the Senator from Florida would give him that courtesy and do that same thing.

I think the Senator from Indiana suggested in some detail why he thought the States were not going to be bypassed. I thought the question of what would happen to the States was a legitimate question.

The Senator from Florida might differ with the Senator from Indiana on the conclusion he might reach. But I do not think it is accurate or fair to suggest that the Senator from Indiana is totally oblivious of what might happen to the States.

The Senator from Indiana happens to feel that if he were managing a campaign for the office of President of the United States, he would have to pay as much attention to the States under a direct popular vote system as under the electoral college. He would have to talk to those State chairmen, and those district chairmen, and county chairmen. He would have to make sure that the precinct committeemen were participating in registration drives and get-out-the-vote drives.

If I were managing a campaign for a candidate for President under direct popular election, I would have to pay attention to a larger number of States than most campaign managers now pay attention to. We would have to give equal time to States with equal population centers. And that is not a question involved now.

Mr. HOLLAND. Mr. President, the Senator from Florida appreciates the good humor of the Senator from Indiana. He hopes that his own attitude will be equally good humored. But he cannot give his own consent to such conclusions as would allow the District of Columbia, which has no sovereignty and no responsibility to its citizens for any of the laws which govern their daily living, to have any greater weight than the oldest State, the smallest State of the Union, Delaware, plus the largest State, the 49th State of the Union, Alaska, probably the largest State in terms of resources.

It seems to me that there is no balance and no weight given to the fact that sovereign States have a concern in the selection of a President and have been given a chance to have some weight in that under the apportionment in the electoral college that the Senator from Florida proposes to abolish as such without, however, abolishing the weight fixed under the electoral college system.

To repeat my observation, I cannot see how the distinguished Senator from Indiana, eloquent as he is, persuasive and personable as he is, can ever come to the conclusion that the District of Columbia, without any sovereignty, without any responsibility to its own citizens for the passage of laws—which are passed by the hundreds and thousands by every State for the government of most of the daily activities of their citizens—could have greater weight in the selection of a President—as would happen under his amendment—than would Delaware, the oldest State of our Union and the first one to adopt the Constitution and the smallest of our States, and Alaska, which is the 49th State and the largest in area and perhaps the largest in resources with innumerable chances of developing, all of which or many of which depend upon the action of the State as such under its own sovereignty.

The Senator from Florida does not think that it is even reasonable to talk about creating situations of that kind, and without being other than expressive of his own views, he wants to say that he thinks that when the time comes that the States are emasculated from having any say-so in the election of a President and Vice President and we have become a complete and simple democracy in that field, we will have a complete change and a radical change from the Nation as it was first set up and under which it has prospered and progressed and become the oldest nation of any size now in existence so far as the term of its life is concerned.

That is a brief statement of the position of the Senator from Florida. He welcomes the good-humored returns of the Senator from Indiana, but he cannot agree with him in the slightest. It does not seem to him that there would be the slightest chance of 38 States, through their legislatures, when they look carefully at this proposed constitutional amendment, if it be submitted, Senate Joint Resolution 1, would ever agree to such an unbalanced setup as that would be.

Mr. BAYH. Mr. President, I always enjoy the stimulating effect of participating in a battle of wits with my distinguished friend, the Senator from Florida.

I am certain that, right as I may be, I will be found wanting when it comes to a comparison of eloquence with the Senator from Florida.

I think we are talking about two things here, if I might suggest so to the Senator from Florida. I have dealt rather extensively with the first of them—the argument that the States would receive no advantage under the direct popular vote.

If one is running for the office of President of the United States, he must concentrate on the 11 largest States. That is where he would buy his television time. That is where he would spend his time campaigning. That is where he would try to organize. Under the direct popular vote system, I suggest the organization would be more equitable; there would be more attention to the expenditure of finances and, if you please, the distribution of patronage on a uniform basis throughout the States than is now the case.

In the judgment of the Senator from Indiana there was no conceivable way that a person would have a chance of being elected President of the United States if he decided, like a knight on a white horse, that he is going to charge out into the national political battlefield and totally ignore the States, the Governors, the election officials, the precinct workers, and the organizations that are there at his disposal.

I am sure that the Senator from Indiana has not persuaded his friend from Florida on this point but let the record show that at least the Senator from Indiana has expressed a separate and contrary point of view. The Senator from Indiana has not had the opportunity to deal with the voting strength of the District of Columbia since the question was raised by the Senator from Florida. Having had the opportunity as a young lad to live in suburban Washington, the Senator from Indiana has a strong feeling of affinity for our Nation's Capital, its people, and its problems.

I had the good fortune of introducing into the Indiana General Assembly the resolution to ratify the 23d amendment. It gave to the people of the District of Columbia for the first time the right to vote for President—not the right to vote for a Senator or Representative, but the right to vote for President. There is another issue in Congress today that deals with representation in Congress. I support and have introduced such a measure. But right now we are not talking about voting for a Representative or Senator, which has all the manifestations of statehood. We are talking about voting for the President of the United States.

It seems to me that the logical conclusion could be drawn from the concern expressed by the Senator from Florida that the citizens of the District of Columbia should not be allowed to vote at all for President since they live in the Nation's Capital. If we say to them that they should not be allowed to vote since they live in the Nation's Capital and that

they are noncitizens, we should not have ratified the 23d amendment in the first place. I do not know how the Senator from Florida voted in that matter, or whether he supported it, but the fact is we have given to the citizens of the District of Columbia the right to vote for their President.

Mr. President, the President is a national official; he is the President of all the people. There are hundreds of citizens in the District of Columbia who have borne the burdens, and the suffering, and the rigors of battle. I am sure that hundreds of them are now serving in Vietnam; and I am sure the names of people who live in the District of Columbia, or whose parents live in the District of Columbia, dot the casualty lists which with painful regret come down every week. Are we going to suggest to the parents of those people that they should be denied the right to select their President? Are we going to say that they are going to pay a tax on tea or pay income tax and yet not be able to influence the choice of the President of the United States? I think the argument of the Senator from Florida is not persuasive; at least it is not to me.

The number of votes cast in the District of Columbia under the direct popular vote plan will depend on the number of people who go to the polls on election day in the District of Columbia. The number of citizens of the United States, and not the number of citizens of the District of Columbia, who go into the voting booth and vote for Mr. X or Mr. Y for President will determine who will be the President of the United States. There is no one here with sufficient wisdom to suggest how these people will vote if they have the opportunity.

The same statement can be made with respect to the people of the State of Delaware or the people of the State of Alaska.

The Senator from Indiana is not suggesting that we give the people of the District of Columbia a louder voice, but that we give them an equal voice; that we let every citizen of this country have an opportunity to cast one vote and only one vote, which will count as one vote and which will count for the candidate for which it is cast.

That does not happen under the present system in the District of Columbia and it does not happen in any other State of the Union. Now we are suggesting that we are in the period of enlightenment of the 20th century and we are going to give everyone the power to choose the President.

I suggest this is not a revolutionary scheme. We are not talking about a revolutionary scheme. We are suggesting that we use the same system, and not a new and novel, revolutionary or radical system, but the same system that has served us so well to elect the Governors of this land, Senators who sit in this Chamber, Representatives who serve in the House of Representatives, borough chiefs, school board members, Governors, State legislators, city councilmen, and mayors. This is the system we have used so well to elect all of our officials in this country except the President and the Vice President.

I must suggest respectfully that this does not merit being called a revolutionary new scheme.

The Senator from Indiana would like to deal with one other point. Unfortunately, I think the arguments on this point must be dealt with in the abstract because science cannot tell us exactly how the people of this country will vote or, indeed, how the State legislators of this country will vote. There has been a great deal of concern expressed that the State legislatures of this country will not ratify the direct popular vote by the necessary three-fourths vote. In all honesty I cannot suggest to my colleagues that it is a fact that they are going to ratify the direct popular vote proposal.

I can refer to a number of polls taken by the Senator from North Dakota (Mr. BURDICK) and the Senator from Michigan (Mr. GRIFFIN) to point out that those legislators who answered said by an overwhelmingly preponderance, "Cast my vote for direct popular vote." I cannot suggest how all of those who did not answer would respond.

I suggest that if one looks at the polls, particularly if he looks at the latest poll of our distinguished colleague from Michigan (Mr. GRIFFIN), and he sees the returns and response of the State legislatures on the direct popular vote, on the proportional plan, on the district plan, on every plan available, he will see that the great preponderance of support has been for direct election.

The Senator from Indiana would like to leave one last thought to ponder, regardless of what our State legislatures may or may not do: It has been the good fortune of the Senator from Indiana to have served in his State legislature for 8 years, and to have been speaker of the house of representatives there for one term and floor leader for two terms. That fact does not give the Senator from Indiana any great store of wisdom, but he merely cites that fact to show that he has some familiarity with how the legislative process works at the State level. There are those in this body who have had more experience. The distinguished Senator from Illinois, who is about to take the floor, has been speaker of the house of representatives in Illinois, and he can speak for himself.

In the judgment of the Senator from Indiana, given an issue which has been supported by 80 percent in almost every poll I have seen; given an issue which has been supported by the American Bar Association; given an issue which has been supported by the AFL–CIO and the UAW; given an issue which has been supported not only by the Chamber of Commerce, but also by the members of the Chamber of Commerce across the country; given an issue which the League of Women Voters, after thorough study, supported by more than 80 percent; given such an issue, if the Senator from Indiana had to take a position and had to make a wager—and he is not a wagering man—he would say that if any one plan would be adopted by the State legislatures, it would be Senate Joint Resolution 1. The State legislatures will agree that the people who are farsighted enough and intelligent enough to choose them as State legislators also have the wisdom to directly elect a man as President of the United States.

Mr. President, I yield the floor.

Mr. HRUSKA. Mr. President, it is not my intention to engage in lengthy discussion of the merits of Senate Joint Resolution 1 at this point. A discussion on the merits could be interminable. I hope it would not be, but I would hope it would be fairer in length and proportion than it has been heretofore.

The debate on this proposition started on the 8th of September. This is the sixth day of the debate. I think we are in about the fifth hour of debate on it today. So it has not been a week of debate. There is a situation in which other Senators want to be heard. Eight or ten Senators on our side have made requests. There are, no doubt, speakers on the other side of the aisle. Many amendments are being pressed.

To foreclose debate on those amendments without some opportunity to explain them and their detail and their intricacies would not be fair to Senators who proposed the amendments when Senators are expected to vote on them and when the legislatures of the States will be called upon to ratify or not ratify a proposed amendment that might contain one or another of those amendments.

The unanimous-consent requests made for limitation of debate were not of a nature or of a degree, nor of an extensive enough period, to satisfy the requirements for additional debate in the premises.

Let me suggest a comparison with other extended debates had recently in this Chamber.

This year, the consideration of a nomination for the Supreme Court of the United States occupied the time from March 13 to April 8. That issue was not at all of the overriding importance of a change in our organic Constitution, because Supreme Court Justices, like all of us, as mortals, come and go. But we took the time from March 13 to April 8 to debate that subject and the views on that nomination.

From May 13 to June 30 we discussed the subject of foreign military sales. Let me repeat—from May 13 to June 30, we did that, a total of 47 calendar days. We did it on a military sales bill which is of relatively temporary nature, and which can be altered in the legislative process or by amendment. So a period of 47 calendar days, May 13 to June 30, was devoted to that subject. There was never a whimper, there was never a standing on the high principle of saying, "We must rise and be counted, and we must rise and be counted pronto"—as we say out west.

Then we took up the military procurement bill. We started on that on July 23 and we concluded that subject on September 1—29 calendar days.

May I say that none of the situations in those extended debates had either the paramount importance or enduring results on our form of government and its functioning that the present proposal

has, nor was there, in any of those instances, any hurry on the part of anyone, let alone on the part of those who now urge cloture to get to the proposition of getting a vote and getting it quickly.

Six days of debate, and a motion is made at a time when we have had only 5 hours of debate on the sixth day and the debate on that date has not been completed.

Senate Joint Resolution 1 is fundamental and far reaching. It is a measure which changes the structure of our Government. It amends our organic law. It will deeply affect the functioning of States as well as the Federal Government. Prof. Charles Black, Henry Luce professor of jurisprudence at Yale, has said:

> I think a case can be made for the proposition that direct election, if it passes, will be the most deeply radical amendment which has ever entered the Constitution of the United States.

I know of no major proposition that has more aspects to it than this issue, which has been considered by the Senate or by the Congress during the tenure I have had here. I know of no proposition that has been more complex than the one before us. The Senator from Nebraska knows of no proposition of a more lasting and enduring nature than the one before us. And we must consider that it is not only for the individual Members of the Senate that we should have concern on that score, of having enlightening debate on each of these propositions and each of these amendments, but also for the State legislatures, which will be called upon to take a position on whatever amendment might be reported by Congress.

The request for limitation of debate that was made earlier this afternoon was totally out of place against a background of this kind. It would have shutoff debate in a very limited space of time on matters that should be entitled to much more extensive discussion.

It is no argument, Mr. President, to say that the time is limited, October 15 is our target date, we have an election on November 3, time is short. Speedy justice is never requested in a criminal trial at the expense of the quality of a fair trial.

Mr. ERVIN. Mr. President, will the Senator from Nebraska yield?

Mr. HRUSKA. I am happy to yield.

Mr. ERVIN. Does not the Senate from Nebraska note from the daily press, as the Senator from North Carolina does, that a court sitting in the State of California has been concerned for many, many weeks with the trial of one Manson and others in an effort to reach a true verdict and a true conclusion in that case? And does not the Senator from Nebraska agree with the Senator from North Carolina that the Senate of the United States ought to give at least as much consideration to the serious question of amending the Constitution in this respect that the California court has given to the trial of Manson?

Mr. HRUSKA. The answer to that question is that the Senator from Nebraska agrees that Manson should have a fair and a just trial, and the element of the passage of time should not enter into the decision to cut short the trial if it translates into unfairness, or if it is unreasonable in its effect.

Of course the Senator is correct; and we know, from the study of all criminal trials, that a man is entitled to his day in court.

We here are refusing to be a deliberative body, Mr. President. We certainly would not be a deliberative body if, in the debate on this subject in this Chamber—not in the committee, not in previous conferences, not in the last 30 years—if in this Chamber, debate were cut short either pursuant to the unanimous consent request that has been propounded, or pursuant to the invocation of cloture under rule XXII.

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

Mr. HRUSKA. I am happy to yield to the Senator from Indiana.

Mr. BAYH. I do not wish to interrupt the train of thought of the Senator from Nebraska——

Mr. HRUSKA. Oh, not at all.

Mr. BAYH. But I think the questions I would like to propound are germane to his present position, as indicated in his speech.

The Senator from Indiana has said, as recently as this afternoon, that he is not heartened to use cloture. In fact, yesterday I suggested to our distinguished majority leader that I, for one, was unwilling to sign a cloture motion. I felt that the cloture motion should only be resorted to as a last resort.

It was when I was advised that some of our colleagues—who, of course, are completely within their rights—had decided to debate this issue to death—I do not impute this motive to the Senator from Nebraska who, I am fully aware, was trying his best to reach some sort of time agreement prior to the release of this information—but it was only when the Senator from Indiana was advised that we were faced with that traditional senatorial insistence on its right to free debate known as the filibuster that he was persuaded that the majority leader was correct, and that this was the only way we could go.

I am willing to occupy the floor for a longer time period with my friend from Nebraska. Does the Senator from Nebraska have a ball park estimate of how long a period of time he would feel the various amendments should be discussed?

Mr. HRUSKA. Yes, I have. I have, Mr. President. This is not a novel situation. I have voted for cloture, and I have voted against cloture. I recall well one occasion—I know it was in the line of the civil rights bills that were ultimately approved and enacted into law, and I believe, though I would like to have a chance to verify my recollection, that it was on the voting rights bill, where a cloture motion was filed on about the same basis that it is here, where there was scarcely time to make the opening arguments on the thing, and I voted against cloture, announcing in the process that when a reasonable time had expired after the case had been laid down, and after the very complicated bill before us had been explained, and the virtues, as asserted by the proponents, were rebutted by the opposition, and a reasonable time had expired, I would vote for cloture.

Mr. President, that transpired, and on the second go-around, cloture prevailed, and we voted on that bill and the President signed it.

I say that considering the precedents of this body, that is the way to go about a matter as vitally important as this one. We have not had that opportunity. Seven days, Mr. President—not 26 days, as in the instance of an individual nominee to the Supreme Court; not 47 calendar days, as was the case on foreign military sales earlier this year; not 29 calendar days, as in the case of the military procurement bill, but as a matter of fact only 7 calendar days. That, 7 calendar days ago, is when we started debate on this subject.

I think it is totally out of proportion. I think it is premature for those of us who are not bound and determined to debate interminably on this issue, or any other issue, to place those who are in favor of a reasonable amount of debate in the same category as those who want to debate interminably, if any such there be.

That is my answer to the question of the Senator from Indiana.

Mr. BAYH. Would the Senator permit the Senator from Indiana to make an observation, without losing his right to the floor?

Mr. HRUSKA. I would be happy to, if it is not too extended, because we farmers have to get our legislation on the floor, Mr. President, to get it enacted before our wheat-planting time expires.

Mr. BAYH. Indeed, we farmers do, and the Senator from Indiana is glad to welcome his friend from Nebraska to the fold.

Mr. HRUSKA. Had that not been true, I would not have spoken as I did.

Mr. BAYH. My comments will be brief, but I wish to make it clear that I regard the efforts of the Senator from Nebraska as legitimate efforts to explore all aspects of the questions that have been raised. I think he is accurate in saying that he should not be categorized with some who have made it abundantly clear that they are going to filibuster.

This is a rather blatant approach, after the seriousness of this matter has been made apparent—seriousness which I know is obvious to the Senator from Nebraska. Would the Senator hazard an opinion—and this will be my last question; the Senator from Indiana realizes that there are many matters before the Senate, and each one is important in its own right. The Senator from Indiana would feel much more comfortable, himself, if he and the Senator from Nebraska and others who are searching for answers and trying to find a way to perfect our present electoral college system would determine that we are going to start right now in grinding away on this matter until we have answers to these questions, and let the Senate work its will.

The Senator from Indiana is concerned about the fact that we may, indeed, be losing some of the emphasis and impetus behind our electoral reform measure if, after a certain period of time,

we do not determine we are going to vote.

But would the Senator from Nebraska be willing to join in this effort to say, "All right, we are going to be on the floor of the Senate, we are going to stay here as long as it takes, day and night, until we thrash out our differences and vote on the issues up or down, and let the Senate speak for itself?"

Mr. HRUSKA. Let the Senator make this observation, and I do it most respectfully. The Senator from Indiana and this Senator have differed very often on selected subjects. On many more we have found occasion to agree. It is suggested by him that he did seek to make a differentiation between those who want to filibuster indefinitely and interminably and those who want to be reasonable about it.

Mr. President, words are one thing, but deeds are another. Meanwhile, a motion for cloture is filed and will be voted on at 11 o'clock the day after tomorrow. Where does that put those who want to be reasonable in their efforts to try to get all the history, the background, and the evidence before the Senate? It puts them in the same category with those who want to filibuster interminably, if such there be.

So I saw it is not going to be the only way. The only way is not the filing of a cloture motion. There is another way.

As I have already illustrated, this Senator on a previous occasion has done that very thing. I say there is a difference in the lack of any remonstrance on the part of the Senator from Indiana or anybody else who is in favor of the present motion. Debate has gone on for 26 days, 47 days, and 39 days, in this calendar year, and now, at the beginning of the sixth day of debate, all of a sudden they get a very great urge to make a great deal of quick momentum before we even get the engine started. Personally, I find some inconsistency in that position.

Mr. BAYH. If the Senator will yield briefly, perhaps some can find inconsistency there. I would suggest that the Senator from Indiana shares the feeling and the determination of the Senator from Nebraska to pursue this issue on the floor of the Senate as long as the other issues were debated, if that is necessary to get action.

The Senator was very concerned about some of the matters that were dragged out for what he felt was a very long period of time. We each make a judgment as to what is long and what is too long. I think the record will show that there had been no meeting held prior to any of these other matters at which the speakers proclaimed to the wire services that "Now we are going to start a filibuster." When that happens, of course, the parliamentary tactics that are used by some deny the Senator from Nebraska the right and the opportunity to pursue this issue diligently and, ultimately, to reach a consummation of our efforts.

Mr. HRUSKA. Not in and of themselves, I must say to the Senator from Indiana. It is only because of the kneejerk action of the proponents of this measure, saying, "There is threatened a filibuster; therefore we must have cloture"; leaving out of consideration many Members of the Senate who want to be reasonable about it, who want to explain and to shed light and to bring out many of the main points so that we can have a full record.

That, it seems to me, was an error. I suggest it again with great respect. If any advocate of a point of view would be looking for friends, he would have said, "Well, maybe there will be an interminable filibuster. It is threatened, and the wire sevices have reported it. But we will go to the other side and ask them to go along with us for a filibuster after a reasonable period of time has been consumed, for the purpose of getting the record out and the debate made and so that the facts will become known."

That has happened before, as I have explained to the Senator. It was recognized by the leaders at that time that the effort to cloture was an error. I submit that it is in error this time, and I hope that the Members of the Senate will turn it down; because it is unreasonable, it is arbitrary, and it does penalize those who believe in the middle ground of getting enough debate so as to get the issues out, put them on record, and go on from there.

Mr. BAYH. I appreciate the Senator's patience in permitting me to interrupt.

Perhaps the Senate will see the wisdom of the Senator from Nebraska's thoughts. Frankly, the Senator from Indiana is one who has been involved intimately with electoral reform for a number of years, and he would not hazard a guess as to the number of votes we will have on cloture. As I mentioned earlier, I would like to see this matter voted on on the merits, not on cloture, because parliamentary questions are involved.

I point out one aspect, so that perhaps the judgment of the Senator from Nebraska would not be quite so harsh.

With respect to the public pronouncement, I have never seen a denial by some who have suggested, "We are not going to let this come to a vote." After hearing that, some of us were persuaded that we ought to move.

I point out to the Senator from Nebraska, as I am sure he knows, that even if cloture is voted, there still will be permitted 100 hours of debate. At 10 hours a day, which is probably more than we normally work here, that is 10 additional days of debate.

I wonder whether the Senator would be tolerant enough to let the RECORD show a memorandum from the Library of Congress, which shows that the 16th amendment was debated for 1 day, the 17th amendment was debated for 7 days, the 18th amendment for 4 days, the 19th amendment for 26 days, the 20th amendment for 1 day, the 21st amendment for 3 days, the 22d amendment for 4 days, the 23d amendment for 6 days, the 24th amendment for 11 days, and the 25th amendment for 1 day, before final passage. I would not suggest that these are magic numbers.

Mr. HRUSKA. A total of approximately 26 days, as I added up those numbers. And 26 days were taken for the hearing of the merits and demerits on a single proposition this calendar year, the matter of a nominee for the Supreme Court; 47 days for military sales; 29 days for military procurement. Somehow, there was a lack of protest about that. That is a curious thing. One wonders why.

At the beginning of the 6th day of debate on an organic change in this Government the likes of which this country has never seen, we find a motion for cloture. That is the situation I would like to point out to the Senator from Indiana.

Mr. BAYH. That is a legitimate concern of the Senator from Nebraska. But when some of our colleagues are exercising the right—and I do not speak disparagingly of their efforts to deny us the chance to vote—and blatantly discuss their efforts to deny us the right to vote, then the Senator from Indiana takes a little different view.

Mr. President, I ask unanimous consent to have printed in the RECORD this memorandum, which shows that the 26 days to which the Senator alluded covered the total time the Senate debated the passage of 10 constitutional amendments.

Mr. HRUSKA. Whatever the total is. I do not stand by the 26.

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

THE LIBRARY OF CONGRESS,
Washington, D.C., September 10, 1970.

To the Senate Subcommittee on Constitutional Amendments.

From Government and General Research Division; Frederick Scott, Acting Division Chief.

Research by Frederick Pauls.

Subject Debate time spent in the Senate on Constitutional Amendments 16 through 25.

In compliance with your request we submit statistics on the amount of time spent by the Senate debating Constitutional Amendments 16 through 25.

Amendment 16, Income Tax. On July 3, 1909, a decision was reached, after brief discussion, to vote on the joint resolution on July 5, 1909. Debate occurred on July 5, and the measure was approved.

Amendment 17, Direct Election of Senators. On six days prior to debating the joint resolution the Senate decided to postpone consideration of the measure, which had become the unfinished business on May 8. These days were May 8, 9, 15, 16, 17, and 22.

Debate began on May 23, continued on May 24, 25, June 7, 8, 12, and 13, 1911, a total of seven days. Passage occurred on June 12, after adoption of a substitute for the reported joint resolution by vote of 45–44, the Vice President breaking a tie vote. This action occasioned further debate on June 13, concerning the propriety of the Vice President casting a tie-breaking vote on an amendment to a proposed Amendment to the Constitution. The Senate debated this question and by a vote of 33–33 sustained the Vice President's right to cast such a vote by refusing to recall the joint resolution.

Conferees could not agree on the differing House and Senate versions of the joint resolution. This was reported to the Senate April 23, 1912, debated, and by roll-call vote the Senate instructed its conferees to insist on the Senate version. The House capitulated May 13, 1912.

Amendment 18, Prohibition. On three days prior to actual consideration, motions were

made, and later withdrawn, to take-up the joint resolution in order to determine a time for debate and voting on the proposed amendment (July 9, 12, and 25, 1917). On July 26, it was agreed to begin debate on July 30, and to vote on August 1.

Amendment 19, Woman Suffrage. Subsequent to House passage of the joint resolution, an attempt was made May 23, 1919, to place the measure directly on the calendar. It failed. An attempt on May 26, to discharge the committee from further consideration was left unresolved. An attempt on May 28, to decide on a date for debate and voting came to no resolution. The measure was taken-up, debated, and passed June 3 and 4, 1919.

Amendment 20, Term of Office of President and Convening of Congress. Conference report agreed to March 2, 1932. [Note: Senate had passed similar joint resolutions in 1929, and on four previous occasions, hence the paucity of debate.]

Amendment 21, Repeal of Prohibition (18th Amendment). Debate occurred February 14, and 15, 1933, on making the joint resolution the pending business. Once agreed to on the 15th, debate continued on that day and on the following on the joint resolution.

Amendment 22, Limit Presidential Terms of Office. Senate agreed to make the joint resolution the pending business on March 3, 1947. Desultory debate occurred March 5, 7, and 10. Intensive debate and passage took place March 12.

Amendment 23, Electoral Vote for the District of Columbia. Debated in the Senate. Senate agreed to conference version June 16, 1960.

Amendment 24, Poll Tax. Debate occurred.

Amendment 25, Presidential Inability. Made the pending business on February 18, 1965. Conference report agreed to July 6, 1965.

The source for this information was the *Congressional Record.* If there is need for further assistance, do not hesitate to call.

Mr. HRUSKA. There we run into the conclusion that was reached a little earlier. Notwithstanding the words of the Senator to the effect that he did differentiate between those who would debate interminably and those who would not but would find a middle ground, he said:

We are going to treat them both alike. We are going to file the cloture motion, and we are going to vote for it.

The Senator is sincere in his view that this does work a little hardship. I know he is sincere when he says that. I think he is sincere when he makes a pronouncement on the floor of the Senate, because that is his record. He has that place in the minds of all of us. But he had the privilege of voting against the cloture motion the first time, joined in by a large enough number so that those of us who feel that there should be a reasonable period of time will have a chance.

By way of summary, I want to say this. The proposition before us is not an ordinary matter. It is not a housekeeping detail. It is not an instance of recalcitrant Senators unwilling to stand up and be counted. Substantial, profound, and far-reaching implications are contained in it.

I hope that when the time comes, at 11 a.m. on Thursday next, the Senate will refuse to entertain the motion for cloture and, on the contrary, will reject it.

Mr. FANNIN. Mr. President, today I received a message from one of the Nation's great newspaper publishers, Eugene C. Pulliam.

He is nationally recognized as a student of American government and its practical applications. If anyone is an expert on the American way of life, it is Eugene C. Pulliam.

His newspapers in Arizona and Indiana have carried his message of freedom and dignity for decades.

The telegram Mr. Pulliam sent me was personal, but I am sure he will not mind my sharing it with the Senate.

Here is what the telegram said:

Hon. PAUL J. FANNIN,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR: When you vote on the popular election of Presidents you are voting to uphold and preserve the Constitution or to destroy it.

Popular election of Presidents would disenfranchise more than two-thirds of the States including your own. Popular election of Presidents would create a mass democracy in this country controlled by the labor unions and the top bosses in seven States. In other words we would have a democracy instead of a republic.

Your State would have practically no voice in the election of Presidents from now on if this bill passes and is approved and upheld by the Supreme Court.

Seven large States with a coalition of big labor and big city bosses could always certify election returns, as you know they have in many years, that would elect whatever President they had decided on. They could do this because they would control both the voting and certification machinery of these seven States.

The President has said he prefers the district plan which gives the vote for President the greatest possible expression of the people of all the States, whereas the popular vote disenfranchises at least two-thirds of the States.

Senator Birch Bayh is carrying on this fight with the encouragement of big labor who wants him to run for president. Senator Bayh came out to Indianapolis recently and made a demand to have personal control of the Democratic State committee. When the matter was finally decided the vote was 22 to 0 against Senator Bayh. The Democratic organization here knows what would happen to Indiana, if we had a popular vote for President. This is not a partisan issue, the issue is whether the Congress will preserve and continue representative government in America. And your vote will be very decisive in deciding whether we dump the Constitution or preserve it. A favorable vote for popular elections would practically wipe out all States rights. Because of the power to elect and to certify election returns, the seven big States would be able to control any further amendments to the Constitution.

I appeal to you to protect the citizens of your State by voting to uphold the Constitution and representative government.

Good luck and God bless you.

EUGENE C. PULLIAM,
Publisher, Indianapolis Star and News and Arizona Republic and Gazette.

AUTHORIZATION OF APPROPRIATIONS FOR MILITARY PROCUREMENT AND OTHER PURPOSES

Mr. STENNIS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 17123.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 17123) to authorize appropriations during the fiscal year 1971 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength of the Selected Reserve of each Reserve component of the Armed Forces, and for other purposes.

Mr. STENNIS. I move that the Senate insist upon its amendments, ask the House for a conference on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. STENNIS, Mr. RUSSELL, Mr. SYMINGTON, Mr. JACKSON, Mr. CANNON, Mr. MCINTYRE, Mrs. SMITH of Maine, Mr. THURMOND, Mr. TOWER, and Mr. DOMINICK conferees on the part of the Senate.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I am about to make a unanimous-consent request relative to the designation of the delegates of the United States to the United Nations for this year's General Assembly. I do so with the approval of the Republican leadership. It is based on the fact that two Members of this body are delegates, and before they can become effective, they must be sworn in this afternoon. It was approved by the State Department. The nominations were reported unanimously by the Committee on Foreign Relations. My request is a little unusual, but we are up against the time element.

I move that the Senate go into executive session to consider the nominations to the United Nations.

The motion was agreed to; and the Senate proceeded to consider executive business.

REPRESENTATIVES OF THE UNITED STATES OF AMERICA TO 25TH SESSION OF GENERAL ASSEMBLY OF THE UNITED NATIONS

Mr. MANSFIELD. Mr. President, I ask that the nominations of representatives of the United States of America to the 25th Session of the General Assembly of the United Nations, which were reported earlier today, be read.

The nominations were read, as follows:

Charles W. Yost, of New York.

Christopher H. Phillips, of New York.

JACOB K. JAVITS, U.S. Senator from the State of New York.

CLAIBORNE PELL, U.S. Senator from the State of Rhode Island.

Glenn A. Olds, of New York.

The following-named persons to be alternate representatives of the United States of America to the 25th session of the General Assembly of the United Nations:

Seymour M. Finger, of New York.

Helen G. Edmonds, of North Carolina.

Richard H. Gimer, of Virginia.

Aloysius A. Mazewski, of Illinois.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

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

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate return to legislative session.

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

AGRICULTURAL ACT OF 1970

The PRESIDING OFFICER (Mr. BELLMON). The hour of 5 o'clock having arrived, under the previous order, H.R. 18546 becomes the pending business, which the clerk will state.

The legislative clerk read as follows: (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

The Senate resumed the consideration of the bill.

The PRESIDING OFFICER. The Chair would advise the Senate that it is now operating under controlled time. Who yields time?

AMENDMENT NO. 902

Mr. MONTOYA. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

AMENDMENT NO. 902

Mr. MONTOYA (for himself, Mr. MONDALE, Mr. PROXMIRE, Mr. HARRIS, Mr. MCGOVERN, Mr. YARBOROUGH, Mr. HUGHES, Mr. MCGEE, Mr. ANDERSON, Mr. NELSON, Mr. SYMINGTON, Mr. EAGLETON, Mr. GORE, Mr. BURDICK, Mr. HARTKE, and Mr. BAYH) offers the following amendment:

"On page 87, line 7, strike out '$1.35 per bushel' and insert in lieu thereof the following: '(A) $1.35 per bushel, or (B) 77 per centum of the parity price for the commodity on 50 per centum of the farm base acreage for the commodity times the yield per acre established pursuant to paragraph (2) of this subsection, whichever is the greater'."

The PRESIDING OFFICER. The Chair would inquire whether this is the amendment of the Senator from New Mexico upon which 3 hours of time for debate have been allocated.

Mr. MONTOYA. That is correct. I say, Mr. President, that I do not intend to take the full 3 hours. I anticipate relinquishing part of my time at a very early hour.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there be a brief quorum call, with the understanding that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The 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.

Who yields time?

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, if the Senator from New Mexico will yield for a unanimous-consent request, with the understanding that he does not lose the floor, I ask unanimous consent, Mr. President, that time on the pending amendment, which has just been offered by the Senator from New Mexico (Mr. MONTOYA) be limited to 1 hour instead of 3 hours, as earlier agreed to, and that the time be equally divided between the Senator from New Mexico (Mr. MONTOYA) and the manager of the bill, the Senator from Louisiana (Mr. ELLENDER).

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. MONTOYA. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER (Mr. GRAVEL). The Senator from New Mexico is recognized for 10 minutes.

Mr. MONTOYA. Mr. President, I have just submitted the same amendment to H.R. 18546 that I submitted on August 12. The reference is changed, however, as a result of changes made by the Committee on Agriculture and Forestry.

The text of the amendment has been presented, and I should like it to appear in the RECORD as part of my remarks and ask unanimous consent that that be done.

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

AMENDMENT

On page 87, line 7, strike out "$1.35 per bushel" and insert in lieu thereof the following: "(A) $1.35 per bushel, or (B) 77 per centum of the parity price for the commodity on 50 per centum of the farm base acreage for the commodity times the yield per acre established pursuant to paragraph (2) of this subsection, whichever is the greater".

Mr. MONTOYA. Mr. President, this amendment applies only to title V, the feed grains section of the bill and is proposed to correct an inequity which was contained in the version of the bill passed by the House of Representatives, and which was left uncorrected in the committee print reported on September 4 by Mr. ELLENDER for the Committee on Agriculture and Forestry.

In the House version of the Agriculture Act of 1970, all of the wheat crop used domestically for human food consumption is guaranteed 100 percent of parity, thus assuring that their return will be adjusted to reflect changes in our domestic economy which are so quickly reflected in the costs of production. The Senate Committee on Agriculture and Forestry further improved this section by placing a floor under the loan program at $1.25 per bushel, the 1970 loan rate. I support this change.

The cotton section of the bill passed by the House placed a value of 35 cents per pound on the total of the average market price plus the payment of at least 15 cents per pound. The Senate Committee on Agriculture and Forestry changed this section to read:

(2) In addition, the Secretary shall make available to cooperators payments on the 1971, 1972 and 1973 crops of upland cotton. The payments shall be at such rate per pound as, together with the loan level for Middling one-inch cotton at average locations will be equal to the greater of (i) 35 cents, or (ii) 65 per centum of the parity price for upland cotton as of the beginning of the marketing year."

This payment is to be made on the cotton produced on all of the base acreage allotment. It is also tied to a parity relationship and must be increased annually by such an amount as is indicated by the parity index.

My only quarrel with this legislation is that it reduces cotton income by 2 cents per pound. This will be felt particularly by those whose total payments from the Government are less than the limitation established by the legislation. I must support this legislation, although with some reluctance.

Now we come to feed grains and a real inequity in the program is obvious.

First of all, the payments are to be made on only 50 percent of the feed grain base, despite the fact that 88 percent of the crop is used domestically for human and animal food. To be equitable, the payment should be made on the total consumed domestically as is done for both wheat and cotton.

We would note that the feed grains section reported out by the Livestock and Feed Grains Subcommittee of the House of Representatives provided for the coverage of 80 percent of the feed grain base acreage. The coalition farm bill called for 75 percent coverage. The Hardin bill cut this back to 50 percent when the committee, after weeks of acrimonious debate, voted for the second time to override the subcommittee.

The total of payments place the market price provided by both the House-passed bill and the report of the Senate Committee on Agriculture and Forestry as frozen at $1.35 per bushel. Thus, in the midst of a continuing inflationary spiral, the feed grains producers can expect an 18 to 20 percent increase in costs without any changes in compensation from either the market or from Government payments.

Now let us look at how much U.S. agriculture is affected by this unfortunate inequity.

All of the commodities in the farm bill are important to my State of New Mexico. For 1969, total base or allotment acreage in New Mexico included 875,474 acres of feed grains, 437,676 acres of wheat, and 171,147 acres of cotton. New Mexico farmers in 1969 planted 476,000 acres of feed grains, 388,000 acres of wheat, and 163,000 acres of cotton. In the same year, farmer-stockmen in New Mexico marketed 6,381,000 pounds of shorn wool,

18,928,000 pounds of unshorn lambs, and 172,000 pounds of mohair.

We will quickly add these figures and note that the allotment for feed grains in New Mexico is 276,651 acres larger than the total of both wheat and cotton; of the 1,474,297 acres in the allotments, 60 percent was for feed grains in my State alone.

New Mexico farmers planted a total of 927,000 acres to these three crops, but it planted 25,000 acres more in feed grains than the total of wheat and cotton.

Now let us look at what the national picture is concerning these crops. For this year, all of wheat harvested was from 42,561,000 acres. All of the cotton planted totaled 12,138,000 acres. The total planted of these two crops was 55,699,000 acres. But 57,991,000 acres was planted to corn, 18,732,000 acres to oats, 9,846,000 acres to barley and 17,109,000 acres to sorghums for a total of 104,678,000 acres to feed grains. The corn acreage alone exceeded the total of cotton and wheat, the grain sorghums exceeded the cotton acreage by 5 million acres, and the total feed grains acres are almost twice the total acreage of cotton and wheat.

We are not talking about an insignificant crop but about the single most important crop grown in the United States. The 415-billion-bushel corn crop is the basis of the total livestock, dairy, and poultry production which makes the United States the best fed nation in the world.

If this body needed a lesson in the importance of this basic crop, just look at the wild gyrations of the corn market due to the rumors of the effects of the corn blight on this year's crop. This market's uneasiness quickly affected the wheat market, the stock market, the USDA, the international market, and consumers who rarely ever think of corn as something grown for feed and food.

If this provision which I am proposing were in effect for the 1970 crop year, the probable effect would be to support feed grains prices at a rate roughly equivalent to 76 to 77 percent of parity. The $1.35 per bushel support for corn is equal to 76.3 percent of $1.77, or the parity price of a bushel of corn in July 1970. However, since the support level is frozen at the fixed $1.35 figure for the 3-year duration of the House bill, the level of support in parity equivalency would deteriorate yearly over the 3-year period as farmers' costs of production increase. If production costs go up during 1970–73 at the same rate as 1967–70, for the 1973 crop year the House bill would support feed grains prices at only 70.5 percent of parity—a decline of almost 6.5 percent. This means that price support for feed grains would sink below the current general farm parity ratio of 72, which is the lowest that it has been since the great depression.

We have heard some reports that the adoption of this provision to tie the income of feed grain producers to a parity equivalency would lead to the Presidential veto. The administration accepted the parity principle as it was applied to wheat when the bill was in the House Committee on Agriculture and raised no objection to it during the debate which preceded the passage of the bill by the House.

We note with interest that in the lengthy letter from Secretary Hardin to the chairman of the committee, the Senator from Louisiana (Mr. ELLENDER), on August 31, the two pages devoted to cotton did not mention the fact that this legislation had tied the total of loan and payments to 65 percent of parity.

The cost of this improvement in the program need not be excessive nor even substantial. The cost will depend entirely upon the price objectives pursued by the administration. At this point this Senator is unclear, nor can we get any help from the statements of the USDA.

On May 12, the USDA released figures to the House committee indicating that it expected the season average price of corn to decline from $1.12 in 1969 per bushel to $1.07 in 1970. They predicted that under the proposed set-aside it would drop to $1 in 1971 and 1972 and rise to $1.03 per bushel in 1973, hardly an attractive prospect for corn growers.

Again on August 25, the USDA released figures indicated they expected a corn price of $1 in 1971. However, on the same day they released some statistics on a sheet entitled, "Key Provisions and Program Results" which indicated that the USDA expects the 1970 crop to bring an average price of $1.16, indicating their evaluation of the corn blight scare. If the 1965 act was continued, the price would be $1.10 in 1971. if the set-aside is adopted and the acreage set-aside—or diverted—and harvested exceed the levels of recent years by about 10 million acres, the average price in 1971 would be $1.03 per bushel while the price would be $1.10 if total acreages are held at recent levels.

One, pay his money and take his choice, but in general the Hardin administration expects or intends for corn prices to drop under the "set-aside." It is no wonder that farm organizations are all opposed to this Nixon-Hardin program.

Now, if the Hardin crew will pursue policies to keep the market price at the levels of the last few years, the passage of this amendment would not add to the cost of the program. The same can be said for the cost of the minimum loan level of which the Senate subcommittee so wisely added.

However, if the grain trade men who run the commodity programs in the USDA persist in pursuing a course designed to drive down farm prices to benefit the grain trade, then the USDA should be made to carry the burden of the price decline, at least on the 50 percent of the crop which is not protected by the payments.

If they want to experiment with returning to a "market-oriented pricing policy" which has been consistently rejected since the administration of Herbert Hoover, then the Congress must not let American agriculture be sent down the drain while this great experiment is carried out.

What we will be saying to Secretary Hardin and Assistant Secretary Palmby by the approval of this amendment is that we have noted with disapproval the price objectives which they have proposed. What we should do is substitute the 1965 act for this section. The least we can do is to place some protection around our feed grain producers.

In his letter to Chairman ELLENDER, Secretary Hardin objected to any special consideration being given to small farmers. He prefers to care for them under the family assistance program, which is the updated name for welfare.

My amendment will help to keep U.S. grain farmers solvent in these troubled days by relating their returns to the changes in our general economy. This is consistent with what is happening in the rest of our economy. All of the labor contracts being negotiated today include a cost of living factor. Government employees are granted this privilege in legislation passed by this Congress.

The parity concept is the farmers' cost of living adjustment. It is to our shame that we make it only 65 percent of parity for cotton and 77 percent of parity for feed grains. Surely we can do no less.

Not only are farmers better served by this legislation, but the general welfare is also well served. One of the factors which has contributed to the Nixon recession has been the decline in net farm income due to lower prices and increased costs. The reduced buying power of U.S. farmers has been a major factor in the increase in farm bankruptcies, but it has been as important in causing the failure of rural businesses.

We cannot let the price equivalency of the production on over 100 million acres in the United States planted to our most important single crop decline by 15 to 20 percent in 3 years without feeling the repercussions in our total economy. This is what this amendment is all about. This is why I am so interested in its passage. This is why I am pleading with the Members of this body to correct the unfortuante inequity in the legislation before us before we send it to conference.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield without losing his right to the floor?

Mr. MONTOYA. I am happy to yield.

UNANIMOUS-CONSENT REQUEST

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the time on the amendment to be offered by the Senator from Illinois (Mr. SMITH) and the Senator from Delaware (Mr. WILLIAMS) be limited to 40 minutes, rather than 1½ hours as previously ordered, the time to be equally divided between the author of the amendment and the manager of the bill, the Senator from Louisiana (Mr. ELLENDER).

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the time on other amendments be limited to 20 minutes rather than 30 minutes, with the time to be equally divided between the mover of the amendment and the manager of the bill, the Senator from Louisiana (Mr. ELLENDER).

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the

time on the bill itself be limited to 30 minutes, rather than 1 hour, as previously ordered, the time to be equally divided between the manager of the bill and the minority leader or his designee.

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

The time of the Senator from New Mexico has expired.

Mr. MONTOYA. Mr. President, I yield myself an additional 2 minutes so that I may yield to the distinguished Senator from Missouri.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Mr. MONTOYA. I yield to the Senator from Missouri.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

FEED GRAIN PARITY AMENDMENT FOR NEW FARM BILL

Mr. SYMINGTON. Mr. President, this evening the Senate of the United States will conclude action on one of the most important pieces of legislation the 91st Congress has considered thus far, the Agricultural Act of 1970; and the act which results from our deliberations here tonight will affect millions of farmers and businessmen all over the Nation.

I wish to congratulate and thank the members of the Senate Committee on Agriculture and Forestry and the committee's able and distinguished chairman, Senator ALLEN ELLENDER of Louisiana, for the tremendous improvements which they have made in the new farm bill.

The Senate Agriculture Committee has made a very important contribution to American agriculture; and one of the most important improvements in the new bill was the establishment of a $1 per bushel floor under the loan rate for corn. It is a committee amendment that will do much to enable feed grain farmers in my State of Missouri and across the Nation to earn a fair and reasonable return for their effort and investment.

As you know, the present law authorizes that price supports for corn and other feed grains to farmers participating in the annual commodity programs be at least 65 percent of the full parity price for all corn grown on the maximum permitted acres. This year, price supports are being made available through a nonrecourse loan of $1.05 per bushel plus a 30-cent per bushel direct payment for corn grown on 50 percent of farmers' feed grain bases.

The total support price of $1.35 per bushel for corn figures out to be little more than 76 percent of parity. This is equivalent to a total price support blend of approximately $1.24 per bushel for all corn grown on the maximum permitted acres, which is about 69 percent of parity.

Mr. President, the new farm bill passed by the House of Representatives contains no such parity floor under the "blend price" as does the existing law. Tonight, we will consider an amendment which provides that the payment rate for corn grown on 50 percent of farmers' feed grain bases will be the difference between the average market price for the first 5 months of the marketing year and the higher of, first $1.35 per bushel for corn or second, 77 percent of parity. But in no event would the payment be less than 32 cents per bushel.

This amendment, together with the committee amendment establishing a minimum floor of $1 per bushel under the loan rate for corn, will provide farmers with the same protection for stabilizing prices and supporting farm income as they now enjoy under existing legislation.

It is indeed a pleasure to rise in support of the amendment being offered this evening by the distinguished Senator from New Mexico.

In justice to the farmer, the parity concept is absolutely essential to the feed grains section of the new bill. Parity, the cornerstone of farm programs for more than 30 years, is the only device available to the American farmer that provides automatic adjustments necessary to keep the prices farmers receive in line with the prices which farmers must pay for production inputs, including farm supplies and taxes and interest.

The index of prices paid by farmers rose by 6 percent between 1968 and 1969. I note that the Department of Agriculture reported on August 31 that the prices received index declined by 3.5 percent between July 15 and August 15—a period of only 1 month. This is the greatest decline in farm prices since 1948. Clearly, therefore, parity must be obtained to assure that farmers receive a reasonably fair share of our Nation's great abundance.

I therefore urge all of my distinguished colleagues to give all possible consideration to this amendment. The economic well being of many millions of our fellow citizens depends upon our action here tonight.

Its passage would give members of the American agricultural community the opportunity to earn that reward they justly deserve for the outstanding contribution they have made to the welfare of all our citizens.

I thank the able Senator for yielding.

Mr. MONTOYA. Mr. President, I thank the distinguished Senator from Missouri for his very able contribution.

Now I yield to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. MONTOYA. I yield 1 minute to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 1 minute.

Mr. BURDICK. Mr. President, I wish to associate myself generally with the remarks of the able Senator from New Mexico.

I believe the Committee on Agriculture and Forestry, headed by the distinguished chairman, the Senator from Louisiana (Mr. ELLENDER), has done a good job in improving the House bill. I feel, as does the Senator from New Mexico, that there is an inadequacy in the feed grain section and that his amendment will repair that inadequacy. Therefore, I join him and I urge support of the amendment.

Mr. MONTOYA. I thank the Senator.

I yield to the Senator from South Dakota.

PARITY AND THE PUBLIC INTEREST

Mr. McGOVERN. Mr. President, in connection with the amendment offered by the Senator from New Mexico (Mr. MONTOYA), it might be helpful to recall that our sights have been aimed at the parity goal throughout the history of our farm program.

Just 4 years ago the Senate reaffirmed its commitment to that concept by resolving that full parity is a government-wide objective, and that no agency should take actions that might reduce farm prices when they are less than full parity. My resolution to that effect, Senate Concurrent Resolution 88, was approved without dissent by the Senate.

Although it does not guarantee full parity, the bill reported by the Agriculture Committee is a great improvement over the version approved by the House. For most commodities it will at least insure against serious deterioration in the prices farmers receive. And it contains authority, as has been the case in the past, for Executive action to boost farm income. It contains many of the most essential features of the so-called coalition farm bill, S. 3068, which a number of us introduced early in this Congress.

The bill before the Senate does, however, have a serious drawback. While it continues to peg wheat and cotton floors to parity, the sections relating to feed grains contain no mention of that concept.

Thus, in the case of feed grains, there is not the slightest protection against the ruinous cost inflation that today continues to force thousands of farmers into bankruptcy each year. The loan and payment provisions on feed grains are expressed in dollars and cents, mediums which continue to decline in value at an annual rate of nearly 6 percent.

I emphasize, Mr. President, that the Montoya amendment does not seek to improve the relative position of the feed grains farmer.

Its basic thrust is to prevent a worsening of his present weakened economic condition. All it says is that as his costs of living and costs of producing go up, we will allow for a corresponding adjustment in the minimum prices he will receive for his output. It provides that his returns will not drop below 77 percent of the average that other segments of the economy receive for comparable investments of land, labor, and capital. As the Senator knows I tried during the Senate committee deliberations to secure an extension of the 1965 feed grain program. Senator Ellender and other members of our committee supported me in that effort. I hope we can now do on the Senate floor what we failed to do in committee.

Mr. President, the shift in national population toward the cities and suburbs has been accompanied by a steady decline in the number of Senators and Representatives who feel they have a direct interest in the economic plight of farm families. There has, moreover, been an unfortunate tendency to regard these issues as a contest between farm-

ers and consumers, in which anything that depresses farm prices must inure to the benefit of families at the other end of the market chain.

I suggest that that simplistic view is responsible for a good share of the troubles that plague the great metropolitan areas of this country. I submit that today, when the cities are falling further and further behind the enormous problems which flow from overcrowding, Senators from all parts of the country have reason to be alarmed about the attrition in rural areas.

In 1939, at the high point, there were 6.8 million farms in this country. By 1950 there were only 5.6 million, and then the migration really got underway. We began this year with only 2.9 million.

But the drop in farm numbers tells only a small part of the story. The migration from farms alone was some 14 million between 1950 and 1970 as farmers and their families sought their living elsewhere. The net loss between 1965 and 1969 ran at a rate of 582,000 each year. And they took with them millions more through the loss in business potential for those who supplied them with both consumer goods and services and capital equipment.

The migration continues. The preliminary census returns released a short time ago indicated that five of the Nation's most rural States—South Dakota, North Dakota, West Virginia, Wyoming, and Mississippi—have actually lost population in the last 10 years. Others registered only the slightest of gains, such as Montana with a 1.1-percent increase and Iowa with 1.2 percent more. The nationwide increase, meanwhile, was over 13 percent.

I fail to see any sense at all in this trend. One county in California, Los Angeles, has more than 10 times as many people as live in all of South Dakota. The increase for New York State in just 10 years was more than the total population of Montana and Wyoming combined. While comparable data is not yet in, we can expect that the range of population densities is at least as extreme now as it was in 1960, when Wyoming had 3.2 people per square mile—imagine Washington, D.C., with only 320 people—as opposed to New Jersey's 929.8. In Brooklyn there were 34,583 people on every square mile of land; in North Dakota there were less than 10.

The trend abuses both resources and people. Today's intolerable levels of air and water pollution are direct consequences of the fact that we are concentrating the waste of so many people and so many machines in such little space. Our atmosphere and our lakes, rivers, and streams are deprived of the time to cleanse themselves. The quality of life is threatened. Overcrowding taxes public services way beyond their capacities. Our cities, for all of their attributes, are uncomfortable, inconvenient, and unsafe.

Urban areas need Federal help, and those of us from rural areas have good reason to give whatever support we can to programs of that kind. We support them on the merits—and also because many of the people involved used to be our constituents.

But as much as anything else, the cities need a respite from burgeoning population growth. We need to at least slow, or perhaps stop or reverse, the rush of population to urban America. It is severely damaging for migrant and native alike.

In his State of the Union address in January, President Nixon described the violent and decayed central cities as the most conspicuous area of failure in American life. He spoke of creating a new rural environment which would not only steam the migration to urban centers but reverse it.

It is a sad commentary that the administration has since engaged in a vigorous effort to see that the parity concept—the one remaining substantive assurance that we will aspire to a healthy family farm system—be purged from our farm programs.

The simple truth is that all of the programs that can make rural areas more attractive—recreation, education, improved public services, and others—will be unavailing if jobs and income stay on the decline. People are just not going to go where they cannot earn a decent living. The exodus from farm States will continue so long as the single most important industry in those States is in a state of slow disintegration.

I think the Congress can do better. I think we ought to be as emphatic as we can about our determination to rescue the family farm and to undergird a strong agricultural foundation for the rural economy. We should do so not just because the farmers need it, not simply because it will help assure the abundant, low-cost food supplies that are regarded with envy by the rest of the world, but also because it will reflect our sense that any serious effort to meet today's urban crisis cannot ignore its roots in the countryside.

I hope the pending amendment will be overwhelmingly approved, and that the vote on the bill itself will leave no room for doubt about our intent to begin the long task of reconstructing the rural economy.

Mr. President, I urge the Senate to support the amendment. It is very similar to an amendment I offered in the Committee on Agriculture and Forestry which was supported by the Senator from Louisiana (Mr. ELLENDER), the chairman of the committee, and other members of that committee. I am very hopeful it will be agreed to on the floor of the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from Report No. 1276 on Senate Concurrent Resolution 88, going back to the 1966 bill.

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

EXCERPT FROM REPORT

The Committee on Agriculture and Forestry, to which was referred the concurrent resolution (S. Con. Res. 88), expressing congressional policy with respect to prices for agricultural commodities, having considered the same, reports favorably thereon with amendments and recommends that the concurrent resolution (as amended) do pass.

This resolution makes clear that Congress intends that its directive to the Secretary of Agriculture in section 2 of the Agricultural Marketing Agreement Act of 1937 as amended in 1948, "to establish and maintain such orderly marketing conditions for agricultural commodities in interstate commerce as will establish, as the prices to farmers, parity prices * * *" should be observed by all executive agencies of the Federal Government.

The committee amendments are technical and perfecting.

THE FARM INCOME SITUATION

Net farm income in 1965 totaled $14.1 billion, about $1.2 billion above 1964. All evidence points to a further increase in farm income in 1966.

The committee is pleased with this uptrend and believes that it should be encouraged in every way possible to continue for farm prices remain substantially below parity and per capita farm income remains inequitably low. In April, farm prices were 80 percent of parity. On May 15 they had dropped to 79 percent of parity. The latest available data show that per capita farm income is only about 55 percent of the per capita income of the nonfarm population.

RECENT REGRESSIVE ACTIONS IN REGARD TO FARM PRICES

In spite of the below-parity position of both the farm price ratio and of farm income, actions were recently taken by various executive agencies of the Government intended to freeze or roll back certain farm prices to stem an inflation threat.

These steps were summarized by the Chairman of the Council of Economic Advisers in an address on April 27, 1966, when he said:

"* * * Fortunately, we have been able to moderate the rise of some farm prices by releasing stocks acquired earlier to stabilize farm prices against decline, and by permitting or encouraging greater production of some farm products. We have shifted purchase programs from items in tight supply to those where supplies are more abundant. * * * Some important restrictions have been eased where prices were rising at home and goods were available abroad. In the reverse case—where abnormally high prices abroad were draining supplies out of our markets—export controls may be used, as recently they were for hides."

FARM FOOD PRICES ARE DOWN

Any belief that improved farm prices are inflationary is illusory. Such statements have been based on the retail price of food, not the farm value of those foods. They have been based on short-term fluctuations, generally year-to-year but often month-to-month, when the longer term trend has been in the opposite direction.

The fact is that over two decades a decline in the farm cost of food has absorbed, in the overall cost of living and economic indexes, substantial increases in other prices and charges.

Farm prices today are substantially lower than 20 years ago.

The Economic Research Service of the Department of Agriculture reported that farmers received $409 in 1965 for the commodities in the food market basket which is used to measure consumer costs and price spreads. This was an increase of $35 over 1964. Over a longer term, however, this was a substantial decline. During the 1947–49 period (starting two decades ago) the farm value of market basket foods averaged $468 with a high of $498 in 1948.

The farm return for the market basket of foods is thus $59 below the 1947–49 average and $89 below the high in 1948—a 15- to 20-percent decline and a substantial contribution to lower living costs over a period of two decades, not matched in any other sizable segment of the Nation's economy.

This decline in farm returns, and more,

has disappeared in higher marketing, transportation, and processing charges. The retail cost of the market basket foods increased $87 during the 1947–49 to 1965 period because the charges after the commodities left the farmers' hands went up from $487 to $633, or $146. As a consequence of lower farm prices and these higher marketing charges, the farmers' share of the consumer food dollar dropped from 49 cents down to only 39 cents in 1965.

This shift in the composition of retail food cost is illustrated in another way:

According to the Economic Research Service, the farm value of foods bought by consumers in 1947 was $18.7 billion and the farm-to-retail marketing charges totaled $20.7 billion.

In 1965 the farm value of food bought by the 36 percent larger number of consumers had increased $5.7 billion or about 30 percent over 1947 to $24.5 billion (actually a decline on a per capita basis). But marketing charges had increased considerably more than 100 percent, by $27.5 billion, to a total of $48.2 billion.

FOOD COSTS AS A SHARE OF DISPOSABLE INCOME

Food is still a bargain, despite higher marketing and processing costs which are at least partly due to higher levels of food preparation.

Expenditures for food have declined steadily as a percentage of disposable income from 25.7 percent of that disposable income in 1947 to only 18.2 percent in 1965.

The decline in the farmers' share of that disposable income is even more striking.

About 13 percent of our food is imported—mostly items like coffee and sugar not produced, or not produced in sufficient quantity in the United States. Total expenditures for food from disposable income (the 18.2 percent mentioned just above) include the cost of these imported foods and the marketing charges on domestically produced food.

When the imported food costs and domestic marketing charges are removed, it is revealed that U.S. farmers are receiving a surprisingly small share of disposable personal income for producing most of our abundance of food.

In 1947, when the retail cost of all food to consumers was 25.7 percent of disposable personal income, the farm value represented 11 percent. By 1965 the farm value of the food purchased by Americans had dropped to 5.3 percent of disposable personal income as shown below:

Farm value of food purchased by Americans as a percentage of disposable personal income

	Percent
1947	11.0
1948	10.2
1957	6.3
1963	5.3
1964	5.2
1965	5.3

During the calendar year 1965 farm prices averaged 77 percent of parity. Had they averaged 100 percent of parity the farm value of the food purchased by consumers would have equaled only about 6.8 percent of disposable personal income.

With the increase in disposable personal income now in prospect for 1966, if farm prices increased to full parity, consumers would be required to pay only about 6.5 percent of their income for farm-produced foods, less than in any year since 1956.

HIGHER QUALITY FOODS

There is a further little appreciated factor involved in the food cost situation: Not only has the cost of farm-produced food dropped sharply as a percentage of consumers' disposable income in the past 20 years, the quality and nutrient value of the foods has increased markedly.

Low-cost potatoes and cereals are now a smaller part of the diet and animal products are a substantially larger part than 20 years ago. In 1964 and 1965 consumers purchased 213 and 207 pounds of meats and poultry per capita, over 20 percent more than in 1947-49.

Increased market supplies of beef in the first half of 1966 with increased supplies of poultry and pork in the latter half of the year will probably permit a modest further increase in 1966 in meats high in proteins and other dietary elements essential to good health.

THE EQUITY OF THE PARITY GOAL

The equity and relevance of the parity goal for farm prices and farm income, repeatedly stated in our agricultural laws, is to be examined carefully later this year, following a Department of Agriculture report required by the Agricultural Act of 1965, on progress toward parity.

There may be disagreement at that time over the precise applicability of the parity price formula, or various parity of income formula for farmers. Some farm spokesmen contend that revisions of the parity formula since its adoption have depressed the level unfairly. There may be argument that technical progress in agriculture has outdated the formula.

The irrefutable facts are that food is a bargain; that its real cost has not gone up with other costs in the economy; that farm debt is at record levels and rising; that farm liquidations continue at an 80,000 to 90,000 annual rate; that agriculture has not shared fully in our prosperity; that improved farm prices and income are both needed and merited by family farmers, and that the very small amount of disposable income required to achieve parity farm prices, which could be easily absorbed now, would, by assuring a healthy and productive farm food plant, prove a bulwark of economic stability in years just ahead when population pressure on food capacity is increasing. A far greater threat would be shortages of food items which might result from liquidations of productive capacity such as the decline in dairy herds and production going on at the present time due to low returns to the farmers.

Under the circumstances, there can be no reason for any agency of Government to avoid the provisions of law which, like section 2 of the Agricultural Adjustment Act of 1938, as amended, declares Government policy to be one of "assisting farmers to obtain, insofar as practicable, parity prices for such commodities and parity of income, and assisting consumers to obtain an adequate supply of such commodities at fair prices." It is a passage of enacted law, among others, which clearly reflects congressional determination—approved by the executive branch in the lawmaking process—that parity prices for farmers are desirable and are fair to consumers as well as the producers.

Mr. MONTOYA. Mr. President, I ask unanimous consent that a statement by the National Farm Coalition on the farm bill be printed in the RECORD.

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

STATEMENT OF THE NATIONAL FARM COALITION ON SENATE FARM BILL

The National Farm Coalition commends the chairman and members of the Senate Agriculture and Forestry Committee for improving the farm bill passed by the House of Representatives. We sincerely and strongly urge the Senate to further improve the bill by approving the Montoya Amendment to maintain feed grains income. The amendment will restore the parity concept for feed grains, applying the same principle of parity relationship as is provided for wheat and cotton.

We must oppose attempts to weaken the bill by:

(1) Removing advance payments for wheat and feed grains producers.

(2) Removing or lowering loan floors and/or removing the parity concept from price supports for cotton and wheat.

(3) Substituting the "set aside" land retirement plan for the supply management features now in the bill for wheat and cotton.

The bill now before the Senate—even with the improvements made by the Committee—does not provide the improvement in farm income that is so bady needed. It could well result in lower feed grain income because the Feed Grain title makes no provision for compensating for rising costs as provided for in the Wheat and Cotton titles. It retains the questionable "set aside" land retirement plan as the mechanism for supply management in feed grains.

It is inconceivable that the Congress could approve farm legislation in this uncertain period of spiraling inflation and rising costs that would provide less income than farmers now have under existing legislation.

Mr. MONTOYA. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. ELLENDER. Mr. President, I oppose the amendment, and I hope the Senate votes it down. I feel that the bill the committee brought to the Senate treats all commodities in a just manner.

It is true that the corn provisions do not contain the parity concept, but insofar as loans are concerned we put a floor of a dollar per bushel in the provision. If we adopt the amendment now before us, my fear is that we will again be confronted with huge surpluses in corn.

Corn is a crop that can be easily grown. The corn growers have never consented to bring themselves under marketing quotas. They have preferred no programs at all, and yet they were able to get price supports under various administrations.

If any Senator on that committee who represented the corngrowers desired to put in the bill a price-floor, or the parity concept, I certainly would not have objected. Under the present law the parity concept is in effect and, insofar as corn is concerned, it is 65 to 90 percent, the same as for cotton.

To raise the parity floor of 65 percent under the present law to 77 percent, as is proposed by my good friend from New Mexico, would certainly do violence to our policy toward other commodities.

Because the corngrowers were under no limitation as to the acres that could be planted—the corn program has been all voluntary—back in 1961 the corn surplus grew so large that we had to pass a special act in order to work out ways and means of getting rid of the surplus supplies. At that time the surplus was 85 million tons, when from 35 to 40 million tons would have been a suitable carryover.

Because corngrowers were never under any mandatory program as cottongrowers were, as well as wheat until about 2 years ago, the corn surpluses grew very quickly.

As a result of the laws that were enacted in 1961, and then in 1962, and then extended under the present act the cost to the taxpayers for corn alone amounted to $14 billion in a period of about 9 years. That is what the record shows. The cost was brought about because of the surpluses which accumulated.

I hope we do not put ourselves in a position where we will again be plagued with huge surplus supplies.

I want to say to my good friend from New Mexico and also my good friend from Minnesota that last night, in discussing this matter with the Senator from Minnesota (Mr. MONDALE), I said I would agree to a floor similar to that which was given to the cottongrowers, as well as the wheatgrowers. For some reason this was not acceptable. It seemed to me that we could agree to take a floor of 75 percent of parity to conference.

I dislike opposing the amendment, but I think the bill we have before us is well balanced. As I said, in order to put it in better balance, I was willing, as chairman of the committee, and I think the committee itself might have agreed to accept the parity concept, had members of the committee from the grain-growing States even made the suggestion.

The Senator from Iowa (Mr. MILLER), who is on the committee, never made such a suggestion. He seemed to be satisfied with the bill as presented. Since no one on the committee made any effort to provide for the corngrowers the parity concept, the committee took no action on it.

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

Mr. ELLENDER. I must say my good friend from South Dakota (Mr. McGOVERN) did make a suggestion that, in lieu of the bill that the House enacted, as far as corn was concerned, we adopt the present law.

I urged the Senator from South Dakota (Mr. McGOVERN) not to insist on that amendment, in the hope that we could have the bill as it is now before the Senate in its present form sent to conference, so that we could get a compromise more agreeable to all concerned.

My fear is that if we "sweeten" the bill too much, as my good friend from New Mexico is now seeking to do, we may have a hard time in conference in getting the bill to a point where it will be acceptable to the administration.

For that reason, I hope Senators will vote against the amendment and try to vote for the bill in as near the form as it is now before the Senate as possible. I feel confident that when the matter is before the House we can work our will in conference. Since the Senate bill is a complete substitute for the House bill, the whole bill will be in conference, and differences can be ironed out in acceptable form. I hope we will be in a position to be able to bargain.

If we start, as my good friend from New Mexico is suggesting, to work wheat against corn and corn against cotton, and so forth, we may get into a fight that may result in more and more amendments.

The committee has given this program a great deal of study. I am hopeful that the Senate will vote down the amendment.

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

Mr. ELLENDER. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I want to say, as I said last night, that while there are some provisions of this Senate bill which I do not approve, nevertheless I would not want to jeopardize getting a bill through this session of Congress for the sake of 1 cent or 2 cents a bushel difference in the support price of corn, be it more or less.

I have felt for a long time that while the parity formula may yet be applicable for determining a fair price for many farm commodities, nevertheless it is completely outmoded for the purpose of determining the fair price for farm commodities as a whole.

Take the present subject, corn. It was not so long ago that the land where corn was planted was prepared with small tractors or teams. Today, land can be prepared for the planting of corn in minutes, whereas it used to take days.

As for the planting itself, I used to plant it by hand, as did probably half the corn growers of this country. Now many acres can be planted in an hour.

Years ago there were those who felt nature had provided enough fertilizer for corn. Now it is fertilized by chemicals, costly, to be sure; nevertheless, chemicals that will increase the yield of the crop three or four times.

At the time the parity formula was put into effect, weeds were chopped out of the cornfields with a hoe by hand. It meant a tremendous amount of hand labor. Now the weeds can be killed in the larger cornfields by spraying with a plane, and in a few minutes, perhaps, killing the weeds on 100 acres or more.

We have indeed come into a different era as far as the production of many crops is concerned, and corn appears to be one of them.

As for harvesting, that, too, has changed so completely that instead of harvesting corn in rows 3 feet apart and hills, as we called them, 18 to 24 inches apart, we harvest corn today in rows that may be 2 feet apart with the plants perhaps a foot apart. The result has been that the yield of corn per acre has increased from less than 30 bushels at the time the parity formula was adopted, to nearly 100 bushels at the present time. Processing and marketing have changed accordingly. We have gone out of the hand era into the push-button era.

Thus, I do not think the parity formula is at all applicable in determining a fair income for corn producers in this day and age. I agree with the chairman of the committee and the other members of the committee that we do not want to jeopardize getting any farm bill at all at this time by a host of amendments, because once we accept two or three, we will have 40, I presume; and we will have that many unless times have changed. I do not believe that is in the interest of American agriculture, by any means.

So I hope we will not clutter up the bill with amendments. If we do not do that, we can go into conference with the House of Representatives and have almost every relevant thing that we wish to consider in one bill or the other. Then we can come out with a fair bill within a very short time, a bill that is acceptable to the Department—or it might not be acceptable to the Department, but it will be the best they can get.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I have been awaiting certain Members of the Senate who are on the committee, to whom I have promised time, and I do not see them here.

I yield to the Senator from West Virginia.

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9:30 tomorrow morning.

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

ORDER FOR RECOGNITION OF SENATOR KENNEDY TOMORROW

Mr. BYRD of West Virginia. I ask unanimous consent that upon the disposition of the Journal on tomorrow and the disposition of any unobjected-to items on the legislative calendar, the Senator from Massachusetts (Mr. KENNEDY) be recognized for not to exceed 15 minutes.

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

Mr. BYRD of West Virginia. I ask unanimous consent that the previous order recognizing the able Senator from Massachusetts (Mr. KENNEDY) for a period of 30 minutes at a later point during the program tomorrow be vacated.

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

ORDER FOR TEMPORARILY LAYING ASIDE THE UNFINISHED BUSINESS TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that tomorrow afternoon, not later than 5 o'clock, the unfinished business be temporarily laid aside and that it remain in that status until the disposition of the Journal on Thursday morning next.

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

ORDER FOR DIVISION OF TIME FOR DEBATE ON CLOTURE MOTION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that following the disposition of the Journal on Thursday morning next, the 1-hour rule under XXII for the debate on the motion to invoke cloture be equally divided between the author of Senate Joint Resolution 1, the Senator from Indiana (Mr. BAYH), and the minority leader or his designee.

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

AUTHORITY FOR COMMITTEES TO MEET DURING SENATE SESSION TOMORROW

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

Mr. BYRD of West Virginia. I yield.

Mr. HOLLAND. Has permission already been granted for committees to meet in the morning? The Agriculture Committee has its regular meeting set at 10 o'clock.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that all committees be authorized to meet during the session of the Senate tomorrow.

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

MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore (Mr. ALLEN):

S. 203. An act to amend the act of June 13, 1962 (76 Stat. 96), with respect to the Navajo Indian Irrigation project;

S. 434. An act to authorize the Riverton extension unit, Missouri River Basin project, to include therein the entire Riverton reclamation project, and for other purposes;

S. 3617. An act to amend the Marine Resources and Engineering Development Act of 1966 to continue the National Council on Marine Resources and Engineering Development; and

S. 3838. An act to prevent the unauthorized manufacture and use of the character "Johnny Horizon," and for other purposes.

AGRICULTURAL ACT OF 1970

The Senate continued with the consideration of the bill (H.R. 18546) to establish improved programs for the benefit of producers and consumers of dairy products, wool, wheat, feed grains, cotton, and other commodities, to extend the Agricultural Trade Development and Assistance Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The Senator from Lousiana is recognized.

Mr. ELLENDER. Mr. President, I am still waiting for the Senator from Kansas, who was to participate in this debate with respect to feed grains, and also the Senator from Iowa (Mr. MILLER).

Mr. President, I urge with all the emphasis at my command that the Senate would make a mistake by the adoption of this amendment. It would throw out of kilter the parity formula insofar as other crops are concerned, and there is no doubt but that if we change the parity concept, that is, the floor, from the present 65 percent in the law to 77 percent, efforts would be made in conference to do the same thing for other commodities, particularly cotton and possibly wheat.

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

Mr. ELLENDER. I wish to say this, Mr. President, in addition: Corn, at $1.35 per bushel, is at a very good price. That is virtually guaranteed in this bill. But in order to protect corn further, as I have stated, and in order to include corngrowers within the parity concept, I was willing to accept 75 percent of parity rather than the 77 percent that is now being suggested.

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

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not true that the larger price guaranteed for the feed grains would necessarily mean an increase in the price of beef, pork, poultry, and milk?

Mr. ELLENDER. There is no doubt about that.

Mr. President, it is true that the protection is given to production on only 50 percent of the allotted acres; but, Mr. President, there is no crop grown for which the acreage remains as high as in the case of corn. As I have said before, the corn growers were able to have price supports and be protected against market fluctuations, under our laws, without having to vote themselves into a mandatory program. For that reason, the program remained more or less voluntary. As a result, the corn growers planted almost to their full capacity, until 1961, when efforts were made to limit production on a voluntary basis so as to reduce the huge surplus that had accumulated over the prior years.

Mr. President, I have before me the actual figures of feed grain production back in 1932, when we had many horses and mules to feed. The total acreage of corn planted was 185.2 million. This year, 1970, the actual amount planted is estimated at 120 million acres. Thirty-nine million acres have been set aside, and farmers will receive pay on some of that acreage.

All in all, the corn farmers have been well taken care of. As the Senator from Florida pointed out just now, if we make the price of corn too high, it is going to affect the cost of beef, the cost of poultry, the cost of hogs, and the cost of other animals to which the corn is fed.

It strikes me that the distinguished Senator from New Mexico should bear that in mind and try to work with the committee, so that each commodity will be treated similarly.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. YOUNG of North Dakota. Mr. President, during my service in the Senate, no one has fought harder for farm programs than has the Senator from Louisiana, and no one has been more effective. He has been extremely fair.

As the bill came from the House, certainly the feed grain section was far better than the cotton section or the wheat section. It has been improved greatly by committee action.

I would hope that the sponsors of this amendment would accept the 75 percent that the chairman of the committee has offered. This is probably the first time I have ever stood on the floor of the Senate, in more than 25 years, and advocated a little lower price support. It is only 2 percent, but it would help us tremendously with the Department of Agriculture, with the President, and with the House of Representatives. We would be in a much stronger position if we took the 75 percent than to stick to the 77 percent. The amendment does establish the parity concept which is all important to farmers—this would be true whether the level approved would be 75 or 77 percent.

Mr. ELLENDER. Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. MONDALE. Mr. President, I rise in support of the Montoya amendment, because 77 percent is not an extravagant or outrageous demand, but simply pegs the prices where they are today.

First, feed grains, under the Agriculture Committee recommendation, are singled out as the only crop to which the key principle of parity has been denied.

Second, under the Senate Committee formula, it is the only commodity with respect to which prices can be reduced below those presently obtaining.

Third, it is the only commodity that will not have its minimums raised as prices elsewhere rise. It is a fixed floor, which will become increasingly out of date as prices inevitably rise, so that with each succeeding year the feed grain farmers will fall even further behind than they are today.

Under the present bill, cotton, for example, is pegged at a minimum of 65 percent of parity.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONDALE. I ask unanimous consent that I be permitted 1 minute on the bill.

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

Mr. MONDALE. If the Montoya amendment is adopted, under the most liberal interpretation, the minimum price support for the total production of corn will be 61.6 percent; and if the offer suggested by the Senator from Louisiana is adopted, the blended parity will be less than 60 percent—approximately 59 percent of parity.

So we come here not asking for special advantages. We are asking for parity for feed grains, and we are asking for parity with wheat and cotton, and that is the minimum we request. We think that in all fairness the Montoya amendment should be adopted.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I yield a few minutes of my time to the Senator from Iowa (Mr. HUGHES).

Mr. HUGHES. I want to express my appreciation to the distinguished Chairman of the Committee on Agriculture for yielding me time, because I am not in agreement with the chairman on this particular amendment. I support the Montoya amendment.

Mr. President, as a Senator from one of the great food and fiber producing States of the Nation, I want to express my deep sense of urgency regarding the

need for the enactment of amendment No. 902, of which the chief sponsor is the Senator from New Mexico (Mr. MONTOYA).

As Senators know, the farm bill as reported by the Senate Agriculture Committee contains reasonable protection for cotton and wheat producers against cost-of-production increases through a tie-in with parity. No objection is raised to this provision. The objection is that this protection is not extended to feed grain producers—one of the most important sectors of our agricultural production and one that is feeling the greatest impact from depressed farm income.

If present trends continue in farm prices and in the increase of production costs, the feed grain producing regions of the country will be facing a disastrous situation in the years ahead unless we pass this provision to relate feed grains to parity as well as wheat and cotton.

Before making further reference to the Montoya amendment, I would like to make a few comments about H.R. 18546 as amended by the Senate Agriculture Committee.

I believe we are deeply indebted to the Senate Agriculture Committee, under the chairmanship of the distinguished Senator from Louisiana (Mr. ELLENDER), for the improvements made to the House version.

Despite rather strong misgivings about some of the bill's provisions, I will generally support it.

Time is of the essence. We are in the 11th hour of the need to give fall wheat producers an answer on their production adjustment problem for 1971. This answer is already more than 2 months past the time when wheat farmers normally make decisions on how much acreage to plant to wheat and how much to put to summer fallow or other use.

I also appreciate the fact that the Agriculture Committees of both Houses felt compelled to depart considerably from the basis of past legislation to minimize the chance of a Presidential veto.

In the absence of new legislation to replace the Food and Agriculture Act of 1965 which expires this year, American agriculture would be thrust back again to the ruinous cycle of production boom and income bust. So the circumstances argue for quick favorable action on this bill, despite its imperfections.

What is it about this bill that causes me to regard it as a weak successor to previous legislation? Its main shortcoming, as I see it, is its general acreage set-aside provision under which specific limits on individual feed grain and wheat crop could be abandoned.

In that case, program participants would be free to go in any direction on their crop mix, even to serious over-planting or under-planting of any one crop such as corn or soybeans.

I think we all understand that this loose acreage adjustment option was incorporated at the insistence of the Administration. At first thought, such an alternative to present programs has considerable producer appeal but the Nation's crop production pattern would be subject to unsettling wide swings and so would farm prices. Production-boosting technology is still too much on the march in American agriculture to make this a wise course, at least for the next 3 years, which is the life of this bill's authority.

In view of the corn blight problem which may recur in 1971, an excessive shift away from corn to soybeans is conceivable. This would be further upsetting for livestock feeders, especially hog men who have seen their prices fall by $5 per hundredweight in recent weeks, one of the sharpest and most rapid drops on record. The usual consequences of such a dislocation is a sharp downswing in farrowings and consumer criticism of farmers.

The Senate version of the bill does authorize the Secretary of Agriculture to continue specific feed grain acreage limitations if he determines this is necessary to provide an orderly transition to the non-specific set-aside program. To date, however, administration spokesmen have given no indication that this might be done.

The new bill before the Senate does have the virtue of reducing and, after several years, eliminating a farm's acreage allotment or base acreage of cotton, wheat or feed grains if it is deliberately underplanted. This is designed to foreclose on too wide swings away from the basic program crops of cotton, wheat and feed grains and to provide a reserve for upward adjustment where needed on individual farm allotments or base acreages.

At the same time, however, under another provision in this bill, the Secretary of Agriculture could largely nullify this safeguard by permitting allotted acres planted to crops other than the three program crops to be considered as planted to a program crop, thereby avoiding the underplanting penalty.

Under the legislation now expiring, some interchangeability between wheat and feed grains has been permitted but this new bill goes much further by including soybeans as an approved substitute crop and extending the option to the cotton program if also in effect for wheat and feed grains. I can see additional trouble arising even from careful administration of this broadened authority.

Moreover, the Secretary is authorized to permit cotton or other unspecified commodities to be planted on cotton set-aside acres and under the wheat and feed grain sections, the Secretary must permit producers to plant and graze sweet sorghum on the set-aside acres.

The bill before us is an improvement over the House-passed bill in still another way in that it puts floors under loans for wheat and feed grains. However, in both versions the national average market price for corn in the first 5 months of the marketing year, October through February, is to be taken into account in setting the support payment rate per bushel on 50 percent of the base acreage.

At the same time, the sum of this price average and the program payment shall add to $1.35 and the payment portion cannot be less than 32 cents per bushel. Thus, if the looseness of the set-aside provision failed to keep corn plantings within reasonable bounds, the Government could find itself stuck with higher, not lower, program costs, and American agriculture would again be seriously unbalanced.

But perhaps the most disturbing fact about the farm bill in the form it reaches us is that while the support payment provisions for cotton and the certification formula for wheat are related to parity levels, this is not the case with the support payments for feed grains. Thus, feed grain producers would no longer have the protection of an upward adjustment in their payment basis in the event of further inflation of the general price level and farmers' costs.

I am pleased to see that advance payments this time are made mandatory for all three basic crops, with the Senate version requiring such disbursements in 60 days after signup. I understand that the administration is strongly opposed to this Senate provision, partly because the money for 1971 would have to be provided before July 1 and thus would make its current fiscal year budget look still worse.

In a letter to Senator ELLENDER, Senate Agriculture Committee chairman, saying the Senate version is "not satisfactory," Secretary of Agriculture Hardin argued in substance for unlimited flexibility on support levels as well as on producer choice of a crop mix. He emphasized that this is needed to "allow the U.S. farmer to compete effectively in world markets."

This is further proof to me—and I am sure to a good many farmers by now—that the Nixon administration seems set on a course of letting farmers take the rap in the form of lower prices to help cool inflation and improve our trade balance abroad.

The more I study this new set-aside approach, the more I wonder why the administration has been so insistent on it. It could be a real nightmare for both farmers and the Secretary of Agriculture in some later year, if not in 1971. The potential for erratic swings in production, not only of the major crops, but also in livestock output, is enormous.

In short, as I indicated at the beginning of these remarks, I find on balance that this bill deserves support but that with its set-aside features it is a weak successor to previous farm legislation.

In conclusion, I would once again urge support for the Montoya amendment.

In the context of this comprehensive farm legislation, providing for the extension and modification of our farm commodity programs, I plead for equal, not preferential consideration, for the feed grain producers who constitute the backbone of midwestern agriculture.

Mr. President, I have stated why, as the junior Senator from Iowa, I think this amendment is very important to my State. I think it is absolutely essential in the economy of the United States. Iowa is among the top three States in hog production in this country and among the top three in cattle production. I have a strong belief that unless we make this tie-in at this level, serious effects will be felt in my part of the country in relation to this grain program.

I am not going to belabor this point. It has already been discussed to a great extent.

I want to congratulate the chairman of the Committee on Agriculture and Forestry for the tremendous job he has done on this bill, which he received from the House. I think the Senate version is a great improvement over what was received and is indeed an all-out endeavor to try to meet the needs of the various regions of this country and the various major commodities that they produce.

What I am saying is only a very strong, heartfelt effort to let Senators know that the junior Senator from Iowa strongly disagrees with the senior Senator from Iowa on this matter and strongly supports the amendment of the Senator from New Mexico.

I thank the Senator for yielding.

Mr. ELLENDER. Mr. President, will the Senator answer a few questions concerning the situation in Iowa?

Mr. HUGHES. I will.

Mr. ELLENDER. As I understand, the State has fared pretty well under the present law; has it not?

Mr. HUGHES. Yes, it has.

Mr. ELLENDER. This would even make it better.

Mr. HUGHES. I would only hope so.

The PRESIDING OFFICER. The time yielded to the Senator from Iowa has expired.

Mr. ELLENDER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes.

Mr. ELLENDER. It strikes me, Mr. President, that the Senator from Iowa ought to be well satisfied, because, under the present act, which started in 1965, Iowa farmers collected in 1969, $247,577,000. This amount was second only to Texas, which is four times as large as Iowa.

It strikes me that the adoption of this 77 percent would be 12 points higher than the present law. My fear is, as I have said, that it would throw the whole bill out of kilter and we would have trouble in conference.

In order to be amenable to compromise, as I said, I offered to the Senator from New Mexico a figure of 75 percent which would be 10 points higher than present law.

Mr. HUGHES. I should like to respond to the Senator by pointing out that he must realize the geography of the State of Iowa and the geography of the State of Texas cannot be compared acre for acre because of differences in the amount of tillable soil in the two States. Ninety-eight percent of the soil in Iowa is tillable. Twenty-five percent of the grade A productive soil in the United States lies within the boundaries of my State. Iowa has been treated well, due in great measure to the efforts and support of the Senator from Louisiana. I am reluctant to differ with him because of the tremendous support he has given us in the past, but I point out that the things that can happen in the future under this bill could have a devastating effect in Iowa unless changes can be made. It is therefore important that we try to change the bill.

Mr. MONTOYA. Mr. President, I commend the Senator from Louisiana. He has put out a very good bill, even though we may differ on the pending amendment.

Let me say that the Senator is partially correct when he cites the fact that that is 12 percent above what the present law now provides. But let us go further. The present law provides an area of flexibility at the Department of Agriculture between 65 and 90 percent of parity. The Department of Agriculture has set the percentage of parity at 77 percent. All I am trying to do with my amendment is to lock the present percentage into the bill.

Mr. ELLENDER. It is locked in now at $1.35 a bushel.

Mr. MONTOYA. But I want the percentage, because most of the farm legislation has a lock in of a percentage of parity rather than of price. That is all I am trying to do with my amendment.

Mr. MILLER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. MILLER. I think the Senator from New Mexico should know that I had several amendments in the committee. I am very much aware of the fact that there has been inflation and that farmers are concerned about it and concerned about the fact that market prices for farm products have not kept pace with prices in other areas of the economy. Thus, I had an amendment which would have provided that the 32-cent payment would be escalated depending upon the rate of inflation. I talked to a number of farmers and they liked it but, at the same time, we had a bill that came over from the House without any floor for price supports. All it provided was "not in excess" of 90 percent of parity, period.

If my antennae are accurate, most of the farmers in my State are more concerned about having a floor on price supports—rather than a price support which could go down to zero. That is the No. 1 priority item with them.

The committee was good enough to take my amendment unanimously, to put a $1 price support in the bill for corn as the floor. In exchange for that, it seemed prudent to not press for an amendment which would get into the inflation problem and aggravate the costs of the program—especially since this is only a 3-year bill anyhow. So, to me, it was a matter of putting first things first—which are the feed grains farmers most in need of, the $1 floor for price support as against nothing provided by the House, or an inflation escalator relating to payments. I believe a wise choice has been made.

What I am suggesting to the Senator from New Mexico is that he is trying to have it both ways. I would like to have it both ways, too, but I fear for the future of the bill in the conference committee if we overdo it. There is equity behind the amendment because I had an amendment which sought, in a little different way, to do fundamentally the same thing—although it would not have been as costly. But the overall bill represents a compromise among the many varied interests in the Senate Agriculture Committee. The chairman did a commendable job in helping to resolve these conflicting interests.

So I would suggest to my colleague from New Mexico that his amendment should be rejected—granted there is an element of equity in it.

THE FEED GRAIN FARMER NEEDS ADEQUATE PROTECTION, TOO

Mr. YARBOROUGH. Mr. President, it is with the greatest feeling of urgency that I join with my distinguished colleague and good friend, the junior Senator from New Mexico (Mr. MONTOYA), in cosponsoring his amendment No. 836 to H.R. 18546, the Agriculture Act of 1970.

Although the bill passed by the Senate Agriculture Committee provides greater protection for the small family farmer than the House-passed bill, it still has some weaknesses. One of the major weak points is in title V, concerning feed grains. Both the House-passed bill and the Senate committee bill provide for a support level of $1.35 per bushel on corn with payments for grain sorghum and other feed grains to be set by the Secretary of Agriculture at a fair and reasonable rate in relation to corn, But, unlike cotton and wheat, support for feed grains is not related to parity in this new bill, as it was in the old law. Furthermore, only one-half of a farmer's feed grain base is eligible for payments under the pending bill.

In other words, while some protection is given in the Senate committee bill for most crops, the feed grain farmer is forced to face the rising costs of production and marketing during an inflationary period with virtually no protection. Over the 3-year period of this act, his costs will rise steadily, but he will be shackled by a set figure which will be completely out of proportion by 1973. In essence, the feed grain farmer would be given a demotion in pay every day for 3 years. No matter how hard he works and no matter how skillful he may be, his real income will be decreasing every year for the duration of this act, unless we can successfully amend it.

In Texas, 87,348 farms participated in the feed grain programs during 1969. The total number of participating acres in feed grains was 7,928,175. In grain sorghum alone, the participating acreage was 6,715,985, representing nearly 40 percent of the Nation's total. Under the current farm bill, Texas feed grain growers received $124,751,486 in price support and diversion payments for 1969. These Federal farm programs are a very vital boost to the economy of Texas and the Nation as a whole—for farmers, businessmen and consumers alike.

Mr. President, I am joining with the Senator from New Mexico (Mr. MONTOYA) in urging my colleagues to pass amendment No. 836, which sets a floor of 77 percent of parity on feed grains and also provides that the payment on the eligible 50 percent of feed grains would be the difference between the loan rate and 77 percent of parity. The Secretary of Agriculture therefore, could hold the loan rate, which applies to all the acreage on a participating farm, at a higher level than would be possible otherwise.

These provisions would guarantee consumers adequate supplies at reasonable prices.

The PRESIDING OFFICER (Mr. GRAVEL). All time on this amendment has now expired.

The question is on agreeing to the amendment of the Senator from New Mexico.

On this question the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. RIBICOFF (after having voted in the negative). On this vote I have a live pair with the senior Senator from Oklahoma (Mr. HARRIS). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withdraw my vote.

Mr. LONG (after having voted in the negative). On this vote I have a pair with the senior Senator from Indiana (Mr. HARTKE). If he were present, he would vote "yea." I have voted "nay." I withdraw my vote.

Mr. FULBRIGHT (after having voted in the negative). On this vote I have a pair with the senior Senator from Texas (Mr. YARBOROUGH). If he were here, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Texas (Mr. YARBOROUGH), the Senator from Ohio (Mr. YOUNG) are necessarily absent.

I further announce that the Senator from Rhode Island (Mr. PELL), is absent on official business.

I further announce that, if present and voting, the Senator from Georgia (Mr. RUSSELL) would vote "nay."

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Utah (Mr. Moss) would each vote "yea."

On this vote, the Senator from Washington (Mr. MAGNUSON) is paired with the Senator from Rhode Island (Mr. PASTORE). If present and voting, the Senator from Washington would vote "yea" and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from Washington (Mr. JACKSON) is paired with the Senator from New Jersey (Mr. WILLIAMS). If present and voting, the Senator from Washington would vote "yea", and the Senator from New Jersey would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from South Dakota (Mr. MUNDT), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) would each vote "nay."

The result was announced—yeas 31, nays 38, as follows:

[No. 295 Leg.]

YEAS—31

Allen	Gore	Mondale
Anderson	Hart	Montoya
Bayh	Hollings	Muskie
Burdick	Hughes	Nelson
Byrd, W. Va.	Inouye	Proxmire
Church	Jordan, N.C.	Saxbe
Cook	Mansfield	Smith, Ill.
Cooper	McCarthy	Sparkman
Cranston	McGovern	Symington
Eagleton	McIntyre	
Ervin	Metcalf	

NAYS—38

Aiken	Fannin	Percy
Allott	Fong	Schweiker
Bellmon	Gravel	Scott
Bennett	Griffin	Smith, Maine
Bible	Gurney	Spong
Boggs	Hansen	Stennis
Brooke	Holland	Stevens
Byrd, Va.	Hruska	Talmadge
Case	Javits	Thurmond
Dole	McClellan	Tydings
Dominick	Miller	Williams, Del.
Eastland	Packwood	Young, N. Dak.
Ellender	Pearson	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY ANNOUNCED—3

Fulbright, against.
Long, against.
Ribicoff, against.

NOT VOTING—28

Baker	Jackson	Pell
Cannon	Jordan, Idaho	Prouty
Cotton	Kennedy	Randolph
Curtis	Magnuson	Russell
Dodd	Mathias	Tower
Goldwater	McGee	Williams, N.J.
Goodell	Moss	Yarborough
Harris	Mundt	Young, Ohio
Hartke	Murphy	
Hatfield	Pastore	

So Mr. MONTOYA's amendment (No. 902) was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. SYMINGTON. Mr. President, on behalf of the Senator from Montana (Mr. MONTOYA), the Senator from Minnesota (Mr. MONDALE), and the Senator from Iowa (Mr. HUGHES), I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 87, line 7, strike out "$1.35 per bushel" and insert in lieu thereof the following: "(A) $1.35 per bushel, or (B) 75 per centum of the parity price for the commodity on 50 per centum of the farm base acreage for the commodity times the yield per acre established pursuant to paragraph (2) of this subsection, whichever is the greater".

Mr. SYMINGTON, Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 3 minutes.

Mr. SYMINGTON. Mr. President, the basic difference between this amendment and the amendment just rejected is that this amendment asks for 75 percent of parity as against 77 percent.

I earnestly hope the distinguished chairman of the Committee on Agriculture and Forestry will accept this amendment and take it to conference with the House.

Mr. ELLENDER. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 minutes.

Mr. ELLENDER. Mr. President, as I stated earlier in debate, I had agreed to take this proposal to conference when it was first offered by the Senator from New Mexico (Mr. MONTOYA). I do not want to renege on that agreement.

As far as I am concerned I accept the amendment and I will take it to conference with the House of Representatives.

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

Mr. SYMINGTON. Mr. President, before yielding I thank my gracious and able colleague from Louisiana for making what I think is a fine move toward having agricultural income more commensurate with nonagricultural income. I thank him very much.

I yield to the distinguished Senator from Minnesota.

The PRESIDING OFFICER (Mr. HUGHES). The Senator from Minnesota is recognized.

Mr. MONDALE. Mr. President, I wish to join with the distinguished Senator from Missouri.

I wish to make clear, as I know the Senator from Missouri has often stated, that this is probably the best we could do and it does substantially improve the Senate reported bill and remarkably improve the House-adopted bill because with respect to feed grains, while it does permit some reduction in the present prices—which I greatly regret—it permits the floor to float upward as prices increase. It is an important step forward and an important improvement.

I am very glad to join the Senator from Missouri in this essential step.

Mr. SYMINGTON. I thank the able Senator. This accepted amendment reestablishes the concept of parity with respect to feed grains.

I am glad to yield to my very good friend from North Dakota.

Mr. YOUNG of North Dakota. I thank my distinguished colleague for yielding. I was going to say what the Senator from Missouri has just said. It does reestablish the parity concept which is most important to farmers all over the country.

Mr. SYMINGTON. I thank the Senator.

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

Mr. SYMINGTON. I yield to the distinguished Senator from Iowa.

Mr. MILLER. Mr. President, as I stated earlier with regard to the Montoya amendment which called for 77 percent of parity, this was somewhat along the lines of an amendment the Senator from Iowa proposed to offer in committee. However, my amendment had to do with an escalator relating to the 32-cent payment and was much more modest than the Montoya amendment. The Senator from Missouri has offered a modification calling for 75 percent of parity as against 77 percent, and this percentage comes out very close to the amount my amendment would have provided. If anything, I would say it is under the potential cost of my amendment.

I do not believe we are talking about very much money with the 75 percent of parity amendment, but it gives some assurance that some recognition of the fact of inflation will be put into the program.

Many farmers throughout the country have been squeezed both ways by prices which have not gone up commensurate with prices in other segments of the economy, and by the costs of production which have gone up so fast.

I think the Senator has offered a moderate proposal which I can support and I intend to vote for it.

Mr. SYMINGTON. Mr. President, I thank my able and distinguished friend from Iowa because, as he pointed out, it does establish a base, but at the same time it does protect the whole concept of parity. If inflation continues this amendment would be of great assistance to all farmers. We all know that.

The PRESIDING OFFICER. The time of the Senator has expired.

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

Mr. ELLENDER. I yield to the Senator from Minnesota.

Mr. MONDALE. Mr. President, I have been asked to ask unanimous consent that the name of the Senator from Texas (Mr. YARBOROUGH) be added as a cosponsor of the amendment offered by the Senator from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the name of the Senator from Texas (Mr. YARBOROUGH) be added as a cosponsor of the amendment.

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

Do Senators yield back their time?

Mr. SYMINGTON. I yield back my time.

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

Mr. ELLENDER. I yield 2 minutes to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, I have asked to be recognized so that I may address a question to the chairman. I have talked briefly with the chairman of the committee and believe it would be helpful to have in the RECORD his explanation of why this amendment would be acceptable.

The Senator had a good explanation, hence I see no objection to the amendment. If the chairman would respond for the RECORD, it would be helpful to me and other Senators.

Mr. ELLENDER. Mr. President, I have been in conference for the last 3 or 4 days with the Assistant Secretary of Agriculture, Mr. Palmby, and his co-workers. I stated to him that with respect to the amendment to be offered by the Senator from New Mexico it was understood that I would agree to accept 75 percent rather than the 77 percent. Under the parity formula of 75 percent, the cost would amount to about 2.25 cents per bushel less than the $1.35 provided by the bill. With that in mind I agreed, and they consented reluctantly. I do not say they were all for it, but in order to get a compromise I felt that since I had made a promise, I would comply with my agreement.

Mr. DOLE. Mr. President, I share the view expressed by the Senator from Louisiana. I have no objection to the amendment of the Senator from Missouri.

The PRESIDING OFFICER. Does the Senator yield back his time?

Mr. ELLENDER. I yield back my time.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. Mr. President, I have arranged with the Senator from Illinois (Mr. SMITH) to bring up a matter which will be very brief. I have an amendment at the desk, which I ask to be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment offered by Mr. JAVITS is as follows:

At the end of the bill add a new title as follows:

TITLE X—FOOD STAMP ACT AMENDMENTS

SEC. 1001. The Food Stamp Act of 1964 is amended as follows:

(1) Section 2 is amended to read as follows:

"SEC. 2. It is hereby declared to be the policy of Congress in order to promote the general welfare, that the Nation's abundance of food should be utilized cooperatively by the States, the Federal Government, local governmental units, and other agencies to the maximum extent to safeguard the health and well-being of the Nation's population and provide adequate levels of food consumption and nutrition among low-income households. The Congress hereby finds that increased utilization of foods in establishing and maintaining adequate levels of food consumption and nutrition will tend to cause the distribution in a beneficial manner of our agricultural abundances and will strengthen our agricultural economy, as well as result in more orderly marketing and distribution of food. To effectuate the policy of Congress and the purposes of this Act, a food stamp program, which will permit those households with low incomes to receive a share of the Nation's food abundance sufficient to provide them with adequate levels of food consumption and nutrition, is herein authorized."

(2) Subsection (b) of section 3 is amended by adding at the end thereof a new sentence to read as follows: "The term 'food' also means such products as the Secretary may determine to be necessary for personal cleanliness, hygiene, and home sanitation."

(3) The second sentence of subsection (e) of section 3 is amended to read as follows: "The term 'household' shall also mean (1) a single individual living alone who has cooking facilities and who purchases and prepares food for home consumption, or (2) an elderly person who meets the requirements of section 10(h) of this Act."

(4) Subsection (f) of section 3 is amended by adding at the end thereof a new sentence to read as follows: "Such term also means a private nonprofit institution, boarding house (other than a fraternity, sorority, or other social club) or school which provides meals to persons of sixty-five years or over who are not residing in an institution or boarding house; a private nonprofit organization that prepares and delivers meals to persons of sixty-five years or over in their homes; and commissaries operated by the Department of Defense which shall accept coupons in exchange for food for any participating household which otherwise is eligible under regulations of the Department of Defense to utilize the services of such commissaries."

(5) Subsection (j) of section 3 is amended to read as follows:

"(j) The term 'State' means the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands."

(6) Subsection (a) of section 4 is amended by striking out the first sentence and inserting in lieu thereof the following: "The Secretary is authorized to formulate and administer a food stamp program under which eligible households within a State will be provided with coupon allotments of sufficient monetary value to enable them to purchase a nutritionally adequate diet. Such program shall be carried out in any State at the request of the appropriate State agency of such State or pursuant to section 10(f) of this Act."

(7) Subsection (b) of section 4 is amended to read as follows:

"(b) In areas where the food stamp program is in operation, there shall be no distribution of federally donated foods to households under the authority of any other law except that distribution thereunder shall be made: (1) during temporary emergency situations when the Secretary determines that commercial channels of food distribution have been disrupted because of a disaster; (2) in any county where a food stamp program is being initiated and where federally owned foods have been distributed to households during any one of the three months immediately prior to initiation of a food stamp program exceeds the monthly average number of persons who received federally owned foods during the three month period immediately prior to the initiation of a food stamp program; or (3) on request of the State agency if the State agrees to finance, from funds available to the State or political subdivisions thereof, all of the costs, subsequent to the delivery of such foods within the State, of handling, storing, and issuing federally donated food to eligible households in the area."

(8) Section 5 is amended to read as follows:

"SEC. 5. (a) Households whose income is determined, as provided in this section, to be insufficient to permit them to purchase a nutritionally adequate diet shall be eligible to participate in the food stamp program.

The Secretary shall prescribe, not less often than once a year, the minimum level of income a household must have in order to purchase a nutritionally adequate diet for the members of such household and be financially able to meet the other normal living expenses of a household. He shall prescribe such level of income for households composed of varying numbers of individuals, but in no case shall the minimum income level prescribed by the Secretary be less for any household than the equivalent of $4,000 per year for a household composed of four persons. In prescribing minimum income levels for households under this section the Secretary may take into consideration such relevant factors as the regional variations in the cost of food described in the low-cost food plan published by the Agricultural Research Service of the United States Department of Agriculture or such other relevant factors as he deems appropriate but may not consider the availability or expected availability of appropriations to carry out this Act. The Secretary shall also prescribe the maximum level of income for households composed of varying numbers of individuals above which households shall be ineligible to participate in the food stamp program. Income limitations prescribed under this subsection shall be revised annually to reflect any increase in the cost of living, as determined on the basis of the Consumer Price Index (all items, United States city average) published monthly by the Bureau of Labor Statistics, Department of Labor.

"(b) In complying with the limitations on participation set forth in subsection (a) above, each State agency shall establish standards to determine the eligibility of applicant households. Such eligibility standards shall comply with the maximum and minimum income levels prescribed by the Secretary under subsection (a) of this section and shall also place a limitation on the resources to be allowed eligible households, but such limitation shall apply to the income, if any, realized from such resources and not to any income which might be realized through liquidation of such resources. The standards of eligibility to be used by each State for the food stamp program shall be subject to the approval of the Secretary."

(9) Subsections (a) and (b) of section 7 are amended to read as follows:

"(a) Except as hereinafter provided in this subsection, the face value of the coupon allotment which is issued to any household certified as eligible to participate in the food stamp program shall be not less than the amount necessary to purchase a nutritionally adequate diet for the members of such household. The amount necessary to purchase a nutritionally adequate diet for households composed of varying numbers of individuals shall be determined by the Secretary and shall be revised annually by the Secretary. In determining the amount necessary to purchase a nutritionally adequate diet for any household the Secretary shall take into consideration such relevant factors as he deems appropriate but may not consider the availability or expected availability of appropriations to carry out this Act. In no event shall the amount determined by the Secretary to be necessary to purchase a nutritionally adequate diet for any household be less than the amount which the Agricultural Research Service of the United States Department of Agriculture determines to be necessary to permit a household of comparable size to purchase the kinds of amounts of food contained in the low-cost food plan established by the Agricultural Research Service of the United States Department of Agriculture and published in the 'Family Economics Review'. The Agricultural Research Service shall revise and publish the amount which it determines to be necessary to purchase such food at least annually to reflect changes in the prices of food published by the Bureau of Labor Statistics in the Department of Labor.

"(b) Households shall be charged such portion of the face value of the coupon allotment issued to them as is determined not to exceed a reasonable investment on the part of the household: *Provided,* That (1) any eligible household whose income is less than one-half the current amount necessary to purchase a nutritionally adequate diet prescribed by the Secretary under section 7 (a) of this Act shall not be charged any amount for such coupon allotment; and (2) in no case shall any eligible household be charged an amount greater than an amount equal to 25 per centum of the income of such household for such coupon allotment."

(10) Subsection (a) of section 10 is amended to read as follows:

"SEC. 10. (a) The food stamp program shall be administered to insure that participants are afforded the opportunity to receive at schools, at approved retail food stores, in their homes, or at other appropriate places convenient to participants such instruction and counseling as will best assure that they are able to use their increased purchasing power to obtain those nutritious foods most likely to insure that they receive a nutritionally adequate diet. The food stamp program shall also be administered to insure that all households eligible to participate in the program are informed of its existence and given such assistance as may be required to enable them to make application for the benefits of this Act. In addition to such steps as may be taken administratively, the voluntary cooperation of existing Federal, State, local, or private agencies which carry out informational and educational programs for consumers shall be enlisted for the purpose of providing nutrition counseling and home economics services for eligible households using such authorities as may be available to the Secretary, or in cooperation with other agencies of the Federal Government or private agencies. The Secretary is authorized to use the educational potential of the national school lunch program and its extension to introduce better eating patterns and better nutrition to eligible households under this Act."

(11) Subsection (b) of section 10 is amended by striking everything following the colon and inserting in lieu thereof the following: "Provided, That the State agency shall comply with the requirements of clauses (2) and (3) of section 10(e) of this Act. The operating agency may delegate its responsibility for the issuance of coupons and the collection of the amounts charged from eligible households to the United States post offices, banks, credit unions, or any other public agency or private nonprofit agency. There shall be kept such records as may be necessary to ascertain whether the program is being conducted in compliance with the provisions of this Act and the regulations issued pursuant to this Act. Such records shall be available for inspection and audit at any reasonable time and shall be preserved for such period of time, not in excess of three years, as may be specified in the regulations."

(12) Subsection (c) of section 10 is amended by inserting immediately preceding the first sentence the following: "Any household making application for the benefits of this Act shall be certified for eligibility solely by execution of an affidavit, in such form as the Secretary may prescribe, by the member of such household making application. Certification of a household as eligible in any political subdivision shall, in the event of removal of such household to another political subdivision in which the food stamp program is operating, remain valid for participation in the food stamp program for a period of sixty days from the date of such removal."

(13) Subsection (d) of section 10 is amended by inserting immediately preceding the first sentence the following: "Notwithstanding any other provision of this Act, a household may, if it so elects, purchase any amount of coupons less than the full coupon allotment it is entitled to purchase. The amount charged any household for any portion of a coupon allotment less than the full coupon allotment shall be an amount which bears the same ratio to the amount which would have been charged such household for the full coupon allotment as such portion of the full coupon allotment bears to the full coupon allotment such household was entitled to purchase. The Secretary shall prescribe general guidelines and minimum requirements with respect to the quality of certification and issuance services to be provided by State agencies to eligible households, including, but not limited to, matters relating to the places, times, and frequency of coupon issuance services in political subdivisions approved for participation in the food stamp program. Such general guidelines and minimum requirements shall include at least the following provisions: (1) that the issuance of coupons shall take place no less often than once per week and (2) that at each issuance of coupons any household may purchase the entire monthly coupon allotment to which it is entitled or any portion of that coupon allotment which it has not previously purchased. The State agency shall, notwithstanding any other provision of law, institute procedures under which any household participating in the food stamp program shall be entitled, if it so elects, to have the charges, if any, for its coupon allotment deducted from any grant or payment such household may be entitled to receive under any federally aided public assistance program and have its coupon allotment distributed to it with such grant or payment."

(14) Subsection (e) of section 10 is amended by striking "(3)" and "(4)" and inserting in lieu thereof "(4)" and "(5)", respectively, and by striking clause (2) and inserting in lieu thereof the following:

"(2) that the State agency shall make every possible effort to insure that all households who meet the eligibility requirements set forth in this Act are certified to participate in the food stamp program;

"(3) that the State agency shall arrange for the issuance of coupons to eligible households and for the collection of sums required from eligible households as payment therefor through the facilities of United States post offices directly or by mail, through the facilities of participating retail food stores or in such other manner convenient to participating households as shall best insure their participation."

(15) Subsection (f) of section 10 is amended to read as follows:

"(f) Notwithstanding any other provision of this Act, the Secretary shall administer a food stamp program through any private nonprofit organization or through any Federal, State, or county agency he deems appropriate in any political subdivision of a State if—

"(1) he determines that in the administration of the program in such political subdivision there is a failure by the State agency to comply with the provisions of this Act, or with the regulations issued thereunder, or with the State plan of operation approved by the Secretary and he has informed such State agency of such failure and such failure has not been corrected after a reasonable period of time; or

"(2) he determines that a food stamp program is needed in such political subdivision and the appropriate officials of such political subdivision or the State have not requested a food stamp program for such political subdivision after the Secretary has made an offer of Federal payments as authorized by this section; or

"(3) a food stamp program is not being

operated, or is not being operated in accordance with the provisions of this Act, in such political subdivision on January 1, 1971, or thereafter; or

"(4) he determines that the ratio of the number of persons participating in the food stamp program in such political subdivision to the number of persons classified by the Office of Economic Opportunity as low income in such political subdivision is not adequate to effectuate the policy of Congress and the purposes of this Act.

When the Secretary administers a food stamp program under the provisions of this subsection, he shall observe, or require the administering organization or agency to observe, all of the appropriate provisions of this Act and regulations issued pursuant thereto."

(16) Section 10 is amended by adding at the end thereof a new subsection as follows:

"(h) Subject to such terms and conditions as may be prescribed by the Secretary, food stamps issued under this Act to any elderly person may be exchanged by such person for meals prepared and served by any group authorized to prepare and serve meals under subsection (f) of section 3 of this Act if:

"(i) such person does not have facilities for the preparation of food in his living quarters, or does not have reasonable access to such facilities, and the meals served by such organization are served in a common dining room and are prepared and served primarily for the benefit of elderly persons; or

"(ii) such person is housebound, feeble, physically handicapped, or otherwise disabled to the extent that he is unable to prepare nutritious meals for himself, and such organization prepares and delivers meals to such person."

(17) Section 14 is amended by adding at the end thereof a new subsection as follows:

"(e) No person shall be charged with a violation of this or any other Act, or of any regulation issued under this or any other Act, or of any State plan of operation on the basis of any statements or information contained in an affidavit filed pursuant to section 6(d) of this Act, except for fraud."

(18) Section 15 is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding the provisions of subsection (a) of this section, the Secretary shall pay to the State agency of a State the costs of issuing coupons to eligible households and of collecting the sums required from eligible households as payment therefor."

(19) Section 16 is amended to read as follows:

"(a) To carry out the provisions of this Act there is hereby authorized to be appropriated not in excess of $1,250,000,000 for the fiscal year ending June 30, 1970; not in excess of $2,000,000,000 for the fiscal year ending June 30, 1971; and not in excess of $2,500,000,000 for the fiscal year ending June 30, 1972. Such portion of any such appropriation as may be required to pay for the value of the coupon allotments issued to eligible households which is in excess of the charges paid by such households for such allotments shall be transferred to and made a part of the separate account created under section 7(d) of this Act. Sums appropriated under this section shall, notwithstanding the provisions of any other law, continue to remain available for purposes of this Act until expended.

"(b) Upon written notification to the Congress of his intent to do so, the Secretary is authorized in any fiscal year to obligate sums in excess of the sums appropriated for such fiscal year pursuant to subsection (a) of this section, if such excess obligations are necessary to meet unanticipated increases in participation. In no event shall the amount of excess obligations in any fiscal year exceed an amount equal to 15 per centum of the sums appropriated for such fiscal year pursuant to subsection (a) of this section. The amount of any excess obligation incurred in any fiscal year shall be paid for out of funds appropriated to carry out this Act in the succeeding fiscal year.

"(c) If the Secretary determines that any portion of the funds in the separate account created under section 7(d) of this Act is no longer required to carry out the provisions of this Act, such portion of such funds shall be paid into the miscellaneous receipts of the Treasury."

Mr. JAVITS. Mr. President, if I may have the attention of the Senator from Louisiana, manager of the farm bill H.R. 18546. The amendment which I have sent to the desk proposes to add to H.R. 18546, the food stamp bill, S. 2547, which the Senate passed a year ago by an enormous vote of 78 to 14 and which the House has so far failed to act upon.

I would like to point out that there has been considerable expansion in participation in the food stamp program during the past year with the number now reaching 6 million participants. However, there are still about 8 million Americans who conceivably could be reached if we had appropriate legislation such as that which was passed by the Senate.

I am very pleased to learn, after conferring with the distinguished chairman of the Select Committee on Nutrition and Human Needs, the so-called hunger committee, the Senator from South Dakota (Mr. McGOVERN), and the distinguished chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana (Mr. ELLENDER), that it is very likely, if the Senate acts affirmatively on this bill, which, from all appearances, it will, the so-called logjam in which the food stamp bill has been caught for so very long will be ended. Hopefully, on Thursday of this very week, a rule may be obtained for the food stamp bill in the House.

Incidentally, it will interest my colleagues to know that the National Governors Conference recommended many of the food stamp reforms contained in the Senate passed bill, S. 2547.

I offered the amendment so that I could get the time to ask the chairman of the Committee on Agriculture and Forestry if he would be kind enough to share with the Senate, first, his information on this subject, and, second, his opinion of the best way in which to proceed.

Mr. ELLENDER. Mr. President, in response to the Senator from New York, I think it would be a mistake to put the amendment he proposes on the bill. I was informed, as the Senator from New York stated, that a rule will be obtained this week some time. I think better results and quicker results can be obtained on the food stamp bill by letting the bill now before the House take its course rather than attaching it to the farm bill.

Mr. JAVITS. The Senator feels that, at long last, the logjam will be broken. Is that correct?

Mr. ELLENDER. Yes.

Mr. JAVITS. Mr. President, knowing that the Senator from Louisiana (Mr. ELLENDER) and the Senator from South Dakota (Mr. McGOVERN) feel as strongly as I do about the food stamp bill, with that explanation and assurance from the Senators, I withdraw the amendment.

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

Mr. JAVITS. I yield.

Mr. DOLE. I believe in fairness to the other body—particularly its Agriculture Committee—it should be stated that it favorably acted on the food stamp bill. As I understand, the bill is now in the Rules Committee, as the Senator from New York has pointed out. If there is favorable action, it is my understanding that the rule will be granted and the logjam will be broken. I share the view expressed by the Senator from New York that we have been a long time trying to get an expanded food stamp program through the Congress. I hope there will be passage of the bill and that action will be taken some time next week on the food stamp bill.

Mr. JAVITS. I am grateful. On the eve of accomplishment I wouldly hardly be critical of those who are going to move.

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

Mr. JAVITS. I yield.

Mr. McGOVERN. If I had doubt that the other body was prepared to move, I would not only join the Senator in his amendment, but do everything I could to secure its adoption.

As the Senator knows, it was a year ago this month that the Senate passed overwhelmingly a very strong food stamp measure; but I am encouraged to believe that the other body is about to move, at long last, on that measure. I think the Senator is wise in bringing this matter to our attention and also in withdrawing it so the other body can work its will.

Mr. JAVITS. I am thankful to the Senator, who has done so much for the people of the country in this area. It is my confidence in him and the Senator from Louisiana, the Senator from Kansas, and other Senators who are similarly advised that convinces me that this is the right course.

I believed it was useful and important to call vividly to the attention of the Senate how long we have been hung up and to have these expressions of real reliance on the fact that, at long last, we are going to get action.

Mr. McGOVERN. The Senator is to be commended on his action.

Mr. JAVITS. I thank the Senator. I am not doing this idly. There will be other farm bills before us. I think it is useful to let it be known that we are interested in having a food stamp bill enacted into law.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The Senator from New York withdraws his amendment.

AMENDMENT NO. 883

Mr. SMITH of Illinois. Mr. President, I call up my amendment 883.

The PRESIDING OFFICER. The amendment will be stated.

Amendment No. 883 was read as follows:

AMENDMENT No. 883

On page 57, at line 21, strike out lines 21 through and including line 25 and insert the following:

"(1) The total amount of payments which any person shall be entitled to receive under the annual programs provided for under titles IV, V, and VI of this Act for the 1971, 1972, or 1973 crop of the commodities shall not exceed $20,000. The Secretary shall not permit the sale, lease, or transfer of any acreage allotment or base acreage for any farm if he determines that such action is intended primarily for the purpose of evading the limitation prescribed in this subsection."

Mr. SMITH of Illinois. Mr. President——

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. SMITH of Illinois. I yield myself 10 minutes.

At this time I request that at the conclusion of the debate on this amendment the yeas and nays be taken.

The PRESIDING OFFICER. The yeas and nays are requested. Is there a sufficient second?

The yeas and nays were ordered.

Mr. SMITH of Illinois. Mr. President, next Thursday will mark my first anniversary as a Member of this body. As the newest Member of the Senate, I have often, during my first year, had occasion to marvel at the wisdom, dedication, and expertise of some of my senior colleagues. Among the greatest of these, I have counted the distinguished senior Senator from Louisiana, whose 33 years here is second only to that of the distinguished President pro tempore of the Senate. The Senator's service on the Committee on Agriculture and Forestry is, in my opinion, in the highest tradition of this body. His experience with farm legislation is extensive; his dedication and ability are unquestioned; his goals and aspirations for American agriculture the highest; and his familiarity with the problems of farmers throughout the Nation broad and deep.

I do not, therefore, lightly tap the lance of the very able and experienced Senator from Louisiana on the critical matter of payment limitations. I have offered my amendment only after long and serious consideration, after extensive research, after wide and free interchange of opinion with my Illinois constituents, and last, after a careful analysis of all the effects an across-the-board limitation of $20,000 per person would produce.

Since the early months of my tenure in the Senate and before, I have questioned the wisdom of high subsidy payments to huge agriculturalists like banks, State governments, corporations, and giant agribusinesses. I have been shocked at the conversion of a farm program originally created to help all farmers, but principally the small farmers, into a program specially designed to protect the interests of the corporate giants. I have been appalled at the expense to the taxpayer that excessive, unproductive farm payments impose.

My apprehensions were not new in the Senate. The distinguished Senator from Delaware, and others, had voiced them before, with far greater eloquence. The one significant distinction between myself and those who have long fought the good fight for payment limitations before me is, I believe, that I am the first Senator from a major agricultural State to propose an end to this vast waste. It was always assumed that farmers supported these payments, large and small, and that it would be political suicide to attack them. Now I lay no special claim to legislative courage, but I do think I have done something no other farm State Senator has done before: I conducted a poll of the more than 200,000 Illinois recipients of Federal crop subsidies. I asked them what they thought about subsidy limitations—and they told me. The results were dramatic, decisive and overwhelming; just about nobody in Illinois, farmer or city dweller, widow or housewife, lawyer or hired hand, approved of subsidies in excess of $20,000 per person. Of nearly 10,000 replies, fewer than 5 percent objected to a subsidy limitation at that level, and at least a third suggested that Government get out of agriculture entirely.

Armed with such clear evidence of the feelings of my constituents, and with expert assurances that a $20,000 limitatian would not wreck the farm program, I introduced limitation legislation, first as an amendment to the Senate farm bill, then as an amendment to the agriculture appropriation measure, and finally as an amendment to the bill we consider today. At every step along the way, and contrary to the sky-is-falling protests that this amendment will destroy American farming, I have enjoyed the support of those who believe that the very opposite will result: that the ugliest, most unseemly, and most abused element of the farm program can and should be removed; and that American agriculture can and should be rid of the black eye huge subsidy payments have given it.

Mr. President, an amendment identical to the one I offer today was attached to the Agriculture Appropriation Act by a vote of 40 to 35 here in the Senate. Because the House version contained no such limitation, the Agriculture Appropriation Act languishes, awaiting conference—awaiting Senate reiteration of its bold and forthright action of only a few weeks ago.

I might add, Mr. President, that the reaction to that first success in history in the Senate limiting crop subsidies was widespread and almost universally favorable. From Dallas, Tex., to Boston, Mass.—including both metropolitan and farm newspapers—editors, reporters, and the public enthusiastically supported the $20,000 limitation. I ask unanimous consent that a sampling of newspaper clippings concerning this topic be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. SMITH of Illinois. Mr. President, I offer for the third time a brief, simple amendment, but one which would chart a fundamental reform for agriculture legislation. The amendment would limit to $20,000 Federal crop subsidies payable to any one producer.

Not long ago, President Nixon challenged both the Congress and the American people with the hope that under his administration, the 1970's would be "a great age of reform of the institutions of government." Today we have an opportunity to achieve just such reform in an area vital to the whole country—the agricultural sector. With a single vote we can wipe from the slate the most scandalous, unfair, ridiculous, expensive, and indefensible Government program ever put on the books. We can outlaw payments of $1 million or more to eight giant agribusinesses for income supplementation; we can forbid 14 checks of between ½ and $1 million to similar entities, and, if we have the will and the courage to do so—we can turn agriculture legislation in a new direction—a direction toward less interference in the marketplace and toward Government help where it is genuinely needed.

When I introduced my amendment in early July, Mr. President, only the distinguished senior Senator from Delaware joined me in cosponsoring the measure, and defending it on the floor of the Senate. Today there are Senators cosponsoring not only from the Midwest, but from the far West, the middle Atlantic region, and New England. They are of both political parties and are united in their desire to enact a farm program fair to all citizens.

In July, some Senators suggested the appropriations bill was not the proper place for a payments limitation; they insisted that when the general farm legislation came up, they would happily consider a payment limitation. Well, that day has arrived, and what do we see in the bill? We see a pitiful, weak, puny, half-hearted gesture toward payments limitation—a "limitation" which is effectively $165,000 per producer, in lieu of the limitation with teeth in it—$20,000 per person—which the Senate has already specifically approved.

Why does the bill before us contain a "limit" of $165,000? Is the committee deaf to the will of the Senate?

At least it can be said that the committee and the administration have accepted the principle of a subsidy limitation. Until now it was the standard response to insist that any limit would be unacceptable, but now a $55,000 per crop limitation has been submitted to us for approval. It seems to me, however, that if the committee was persuaded in principle of the need for a limitation, it would have made it a meaningful limitation. Instead of affecting only 1,100 producers, the committee might have aimed at 11,000; instead of saving the American taxpayer a paltry $48 million, the committee could have saved $345 million.

I think the so-called "limitation" of $165,000 per person makes no fundamental change in direction in American agricultural legislation. Rather than take a manful step in correcting the most flagrant abuse of a program designed to help the family farm, the committee's "limitation" assures the American farmer of being shackled to the Federal dole for another 3 years.

Let me very briefly outline, Mr. Presi-

dent, exactly what the $20,000 limitation would accomplish: First, out of the nearly 2½ million subsidy recipients nationwide, about 11,000 would be affected, but these 11,000 constituting barely one-half of 1 percent, 0.5 percent, presently collect 14 percent of total subsidy payments, amounting in 1969 to $451 million. The amount over $20,000 alone was $350 million tax dollars. At the same time that gigantic payments are being doled to corporations, banks, State prison farms and the like, the average recipient gets $1,450 per year, and fully one-third receive under $500 in subsidy payments.

Of the 11,000 affected, about half are cotton producers. Under my amendment 28 percent of cotton production would be affected; about 3 to 4 percent of the wheat production; and only about 2 percent of feed grain production would feel the effect of this reform.

Many have suggested that producers will be able to avoid the limitation by a practice called "farm splitting" whereby in order to get a larger payment, portions of the land are parceled out to members of a corporation, a family, or some similar arrangement.

Such a subterfuge is deliberately and specifically proscribed by the language of my amendment. It provides:

> The Secretary shall not permit the sale lease, or transfer of any acreage allotment for any farm if he determines that such action is intended primarily for the purpose of evading the limitation prescribed in this subsection.

The Agriculture Department has had ample experience administering programs with similar limitation and I have every confidence that officials will be able to do so under the broad authority granted by this amendment.

Here are a few things the amendment will not do: First, it affects only 3 programs; wheat, feed grains, and cotton.

Sugar is not included.

Wool is not included. Furthermore, the limitation is still quite high enough so that the programs covered will not be ruined by nonparticipation. Even though the amendment affects 28 percent of cotton production, it is still more profitable to produce cotton than any other cash commodity in the southeast part of the United States. For wheat and feed grains, production affected is so minimal as to be wholly insignificant in terms of national or even State production.

Some will suggest that this limitation deliberately discriminates against cotton producers, but I would hasten to point out a significant and critical difference between cotton on one hand and feed grain and wheat programs on the other: The system works for corn and wheat; it limits production. Cotton subsidies do not work, but instead only supplement incomes, and I suggest that incomes over $20,000 need no supplementing. For feed grains, 89 percent of the payments went for limitation of output in 1969. For wheat the figure was still above half, but for cotton, only 38 percent of the subsidy payments went to limit production. In 1970, experts predict that nearly all cotton payments will be for income supplementation with virtually no payments for production limitation.

Mr. President, where I grew up in Illinois, politicians or bureaucrats who used complicated words were either laughed off, or changed their language. Let me say right now that polysyllabic nonsense like "Income supplementation" means just one thing to me: Padding somebody's pocket. When the taxpayer does the padding, and the person getting the padding is Standard Oil of California, the Southern National Bank, or the Louisiana State Penitentiary—to the tune of tens of thousands of dollars, I think it is time to change our language, or be laughed right out of our seat.

Besides causing an incredible drain on the Federal Treasury, payments in excess of $20,000 per person accelerate an already fast-moving trend in American agriculture: The trend toward bigness. I think there can be no doubt that there are already too many independent forces encouraging heavy concentration in large farm corporations or agribusinesses: The high price of land and equipment requires immense capital outlay. Intense mechanization requires far greater acreage for full machinery utilization. Consistently lower per cost prices for farm products necessitate bigger volume to support the producer.

All these forces are by their nature the consequence of the technological revolution in agriculture and are virtually beyond effective Government direction in a free economic society. One thing that is not beyond effective direction, however, is the amount we choose today to pay the individual recipient in Federal subsidies.

Mr. President, I will conclude these remarks with one more statement: Because I introduce today an amendment whose effect would be to take money away from the agricultural program as administered by the Federal Government does not in any way mean that I am against farmers, farming, or the agricultural way of life. Just the very opposite is the case. I have a deep concern for the present lot and the future prospects of the average farmer; first, of course, for the average Illinois producer of corn, livestock, beans, and wheat, but in a larger sense, for the Nation's agriculture as a whole. We may never be able to return to the Jeffersonian ideal of a republic of small farmers, but we can certainly do our best to keep the Government which we represent and on whose behalf we write laws, from encouraging bigness; encouraging corporate farms; monoliths whose interest in the outdoors is limited to a profit and loss sheet; whose head is a board of directors and whose heart is made of green rectangular pictures of deceased Presidents.

In the period between 1968 to 1969, there was a 30-percent increase in the number of producers getting more than $25,000 individually. Since 1966, the increase is a shocking 60 percent. At the current rate of increase of 20 percent per year, twice as many big operators will get big Government checks by the time this bill expires in 1974 than there were in 1966.

Enough, Mr. President, is too much.

EXHIBIT 1

[From the New York Times, Aug. 18, 1970]

In two working days last week the Agriculture Department mailed out $2.1 billion in checks to farms for complying with Government acreage allotments that limit the output of cotton, feed grains and wheat.

Total farm payments this year will amount to $3.5 billion. But even that huge sum does not represent the full cost to American consumers. By limiting supply, Government controls boost prices to consumers by an additional $4 billion or more.

The House of Representatives has taken a step so small as to be insignificant in setting a future limit of $55,000 on the subsidy payment that can be made to any one farm. At maximum, this limit would save $58 million of the $3.5 billion total. And even that estimate assumes that large farm owners will not split up their farms so they can collect the $55,000 ceiling several times. Such an end run by major growers could reduce the saving to microscopic dimensions.

However, the ceiling voted by the House will at least help to scale down the outrageously high payments, running in some cases to millions of dollars, now being made to a small number of huge farm operators. To that degree, it may signal a decline in the political power of wealthy farmers.

The drive to scale down farm subsidies must not stop at the House figure. The Senate, in another bill, already has indicated its approval for a $20,000 top limit. It would do well to write that figure into its version of the present measure, thus giving the House another chance to consider the question. What the nation needs more than continued payments to big farmers is a new program that will help to solve the income, employment and educational problems of the rural poor.

CUT FARM SUBSIDY HARVESTS

The Senate has taken long-needed action in voting to fix a $20,000 ceiling on individual farm subsidies. The question now is whether the House will follow suit.

There can be no doubt that a limit should be placed on the amount of federal money a farmer is eligible to receive for keeping crop land out of production.

Idle lands have reaped vast harvests of money for big farmers. Payments last year ranged up to $4 million for a single corporate farm for not growing crops.

This is an abuse of not only the farm subsidy program—which is most questionable to begin with—but of the millions of taxpayers who are supplying the dollars for the whopping payments to big landowners.

If approved by the House, it is estimated the subsidy curb would result in savings of possibly $400 million a year.

Although not an impressive slice in the subsidy program, now costing about $3.5 billion annually, it would be a move in the right direction toward cutting this agricultural giant down to size.

In years past the House or Senate, either one or the other, has voted for a lid on farm subsidy payments.

With the present strain on the national budget, the time is ripe for the two bodies of Congress to put their heads together and pass this tax-saving legislation.

END OF A BOONDOGGLE?

Two things may be said of the vote in the Senate to limit federal farm subsidies to $20,000 per farm annually. One is it represents a significant victory for Sen. Ralph T. Smith [R., Ill.] and others who contend that huge subsidies to a relatively few big farmers serve only to aid the wealthy while giving little more than a black eye to the

public image of vast numbers of small and medium size farmers.

The other is that the vote should be another warning to convince Secretary of Agriculture Hardin and those farm leaders who oppose subsidy limitations that they can no longer be assured that an urban-oriented Congress will keep refilling the public trough for this particular type of boondoggle. Of the 2.5 million farms which receive subsidies, probably no more than about 12,000 would be affected by the $20,000 limit, including various kinds of corporate giants, banks, oil companies, lumber yards, universities, and land owned by state governments.

As Sen. John J. Williams [R., Del.], cosponsor with Smith of the amendment to impose the subsidy limitation, remarked: "Those collecting the money aren't cultivating farms. They're cultivating the treasury of the United States."

This is the first time a farm subsidy limitation has been approved by the Senate, which in each of the last two years killed similar measures approved by the House. One of the leaders in the House for limiting subsidies is Rep. Paul Findley [R., Ill.], who failed a few weeks ago to win approval for a $20,000 limit largely because of a mixup in strategy among proponents. Findley is expected to join Smith and Williams in pushing for Senate-House conference agreement on the Senate measure as an amendment to the agriculture appropriations bill.

There is a good chance the conferees will approve, but even if they do not the Senate vote carries a message that should be pondered by Secretary Hardin and the nation's farm leaders. The door to the federal treasury is starting to close on those who think that more government funds, rather than sound farm legislation, will bail agriculture out of its economic problems.

[From the Chicago Daily News, July 9, 1970]

SENATE VOTES $20,000 CEILING

WASHINGTON.—The Senate, told that some farmers were cultivating the U.S. treasury rather than their fields, voted Wednesday to limit the amount of federal payments a farmer could collect in one year to $20,000.

Attached to a $7 billion agriculture appropriations bill for the fiscal year that began July 1, the ceiling would apply only for the 1971 crop year that the appropriation covers—if the House goes along.

Expert observers believe the House might not, even though it did approve a similar $20,000 ceiling in 1969. The House approved the same appropriations bill July 9 after rejecting efforts to write a payment ceiling into it.

There is no payment ceiling now on the three federal programs that account for most of the Agriculture Department's price support crop diversion payments. Those programs are for wheat, cotton and feed grains, which includes such things as corn and grain sorghum.

Figures from 1969 showed that five farms received federal payments from those crops totaling more than $1 million. All five were in California.

In addition, two big Hawaiian sugar companies received more than $1 million in payments under a separate federal sugar support program last year.

The provision approved by the Senate Wednesday on a 40 to 35 roll call vote specifically excluded sugar. The key language said:

". . . No funds appropriated by this act shall be used to formulate or carry out any price support program (other than for sugar) under which payments aggregating more than $20,000 under all such programs are made to any person on any crop planted in the fiscal year 1971."

Sugar generally has been omitted from proposed payment ceiling because it has its own sliding scale for limiting payments, although some critics claim it is very generous.

Sens. John J. Williams, R-Del., and Ralph T. Smith, R-Ill., co-sponsored the Senate limit amendment, arguing that many of the payments went not to the small family farms the programs were designed to help but to corporations, banks and big business.

"Those collecting the money aren't cultivating farms," Williams said. "They're cultivating the treasury of the United States."

But Sen. Spessard Holland, D-Fla., manager for the bill, argued against tacking the amendment onto the appropriations bill. The proper place, he said, was on a big farm program bill now bottled up in the House Agriculture Committee. Put the limit there, Holland said, and he would vote for it.

The question of whether to keep the payment ceiling in the final appropriations bill will be up to a conference committee representing both houses.

Rep. George H. Mahon, D-Tex., chairman of the House Appropriations Committee, said House conferees would seek elimination of the limitation and "I think chances are good the House will prevail."

NEW DRIVE TO CUT SUBSIDIES FOR GIANT FARMS

This may be the year when Congress votes an end to checks running into millions for some farm operators.

A ceiling on subsidy payments is being demanded by many Congressmen before they support a new farm program.

Pressure is growing in Congress to stem the flow of Government cash paid to big farm operators every year for not growing crops.

A ceiling of $20,000 on such payments has been voted by the Senate. And farm leaders in Congress concede that their colleagues from urban districts are not likely to approve a new plan for farm aid unless assured that large payments to individual farms will be curbed.

For years, there has been an outcry every time the U.S. Department of Agriculture announces its payouts to farms—some checks running in the millions of dollars.

These payments are made to farm operators who restrict plantings under programs designed to bolster farm income and prevent surplus crop production.

THE TOP PAYMENTS

The chart on page 55 lists the 25 farms that got the largest checks drawn on the U.S. Treasury in 1969 for participation in crop-control programs. These checks ranged from $4,370,657 down to $360,823.

All told, in 1969, 396 farm operators received Government checks for more than $100,000.

Congressmen leading the campaign to put a ceiling of $20,000 on payments say that this move would save taxpayers around 300 million dollars a year.

Total payments to farmers in 1969 came to 3.8 billion dollars. Most of this was paid under the cotton, wheat and feed-grain programs. There are also sizable payments to some sugar and wool producers. These commodities are not included in most limitation proposals, however, because the sugar and wool programs are self-financing through import taxes.

The great majority of farmers get considerably less in Government payments than the big operators. Of the 2,517,304 farmers who received Government checks in 1969, only 44,665 got amounts of $10,000 or more.

COTTON, WHEAT AND CORN

Virtually all of the farm operators receiving the 25 largest payments are in California and Arizona. In these States, farming is often on a large scale, with intensive cultivation of irrigated land that produces big yields of cotton.

In Kern County, Calif., alone, 27 farm operators received payments of more than $100,000 in 1969.

West Texas and the Mississippi Delta are other areas where cotton farming tends to be on a large scale. In Sunflower County, Miss., for example, seven farms got checks ranging from $100,854 to $184,630.

In Sherman County, one of the top wheat-producing counties of Kansas, the 20 largest checks to farmers ranged from a high of $61,696 down to $25,419.

In the corn belt, most Government checks to farmers are for considerably less than in the cotton and wheat regions. Iowa, in 1969, had only 118 farmers who got payments of more than $20,000, Illinois had 152, and Indiana 106.

Corn-belt farmers, in fact, are shown by some polls to favor a crackdown on big payments under federal farm plans. "Wallaces Farmer" magazine, in April, 1970, reported that 75 per cent of farm people questioned would like to see a limit of $20,000 or less.

CONGRESSIONAL ACTION

Some farm-State Congressmen have joined their urban colleagues in the drive to clamp a ceiling on federal checks to farmers.

Senator Ralph T. Smith (Rep.), of Illinois, on July 9 proposed an amendment to the agricultural appropriation bill to restrict payments to no more than $20,000 to any one farm. The Senate approved this amendment by a vote of 40 to 35.

Representative Paul Findley, a Republican who represents a central Illinois district with much farming, is urging his House colleagues to endorse the Senate action. Mr. Findley's district is one of 50 scattered across the U.S. that receive the largest amounts in federal farm payments. In a recent letter to Representatives of the 49 other districts, Mr. Findley said:

"As you know, big payments to farmers of substantial means—more than any other factor—have put farm programs in disrepute with almost all citizens, urban and rural alike."

A COMPROMISE PLAN

The drive to crack down on big payments comes at a time when the future of Government farm programs hangs in the balance. The plan now in effect runs out at the end of this year. The Nixon Administration and farm leaders in Congress are trying to hammer out a new plan that will be acceptable to members representing urban areas.

Representative W. R. Poage (Dem.), of Texas, chairman of the House Committee on Agriculture, has warned farm-State Congressmen that a payment limitation is inevitable.

Mr. Poage and Agriculture Secretary Clifford M. Hardin are urging that the ceiling on payments be put at $55,000 per farm. They hold that dropping it down to $20,000 would seriously undermine crop-control plans because big farms would no longer limit production and the result would be a build-up of surplus farm products.

The Hardin-Poage strategy is reported to be a move to get the Senate and the House to accept the new farm bill with a limit of $55,000 on payments. This would avoid a showdown vote in the House on the $20,000 limit approved by the Senate.

Congressmen pressing for a payment limitation point out that the ceiling of $55,000 proposed by Secretary Hardin and Mr. Poage would apply on a per crop basis. In other words, farms growing cotton, wheat and feed-grains could get this much on each crop, or a total of $165,000. In few areas, however, would farms be able to grow all three crops.

FUTURE AT STAKE?

Representative Findley holds that a limit on payments is essential to preservation of the family farm. In his view:

"It is big Government checks that enable

these corporation-type farms to keep expanding."

A gradual lowering of the payment ceiling is advocated by some farm economists to prevent severe dislocations in areas where big farms predominate.

In California, for example, one of the nation's largest cotton growers is experimenting with tomato production—5,000 acres at a crack—in case a cut in payments makes it less profitable for him to grow cotton. Says one California tomato grower:

"If the big cotton producers shift to tomatoes, they will blow the rest of us right out of the water."

A cotton grower in the Mississippi Delta wonders what will happen to the 40 families to which he gives employment and housing if his 5,000-acre holdings are broken up.

"IT ISN'T PURE GRAVY"

E. L. Hatcher, president of the National Association of Wheat Growers who farms at Lamar, Colo., says:

"A lot of people think a Government check is pure gravy for the farmer, but it isn't. When you idle land you have to keep it cultivated, your taxes and other expenses go on, so does the rent if you are leasing land."

In Washington, some observers say the fight over limiting payments to farmers might end with Congress's failing to pass the new farm bill. That is discounted by others who say that, with 1970 elections coming up, neither Democrats nor Republicans want to be blamed for not approving the farm bill. But it is generally agreed that any new farm plan is going to include a ceiling on Government payments to farmers.

[From the Christian Science Monitor, July 14, 1970]

HUNGER IN WORLD, BUT—FARMERS FIGHT FOR UNGROWN-CROP SUBSIDIES

(By Richard L. Strout)

WASHINGTON.—Though much of the world goes hungry, not growing crops is one of the more lucrative occupations in America.

The more crops some big farm corporations don't grow the more the government pays them.

With $250 million at stake for big farm corporations, they are expected to make a desperate effort in Senate-House conference to throw out a $20,000 limitation on such subsidies just voted by the Senate.

The Nixon administration has decided to support a $55,000 farm-subsidy limitation instead of $20,000. Previously it took no position.

The $20,000 limitation has been bandied about for years. Unlimited subsidies are attacked by critics as upside-down economics that aid the rich at the expense of the poor and expand "farm factories" to the detriment of family-size farms which the program is supposed to aid.

HOUSE MOVE REJECTED

Now, unexpectedly, the Senate voted 40 to 35 for the $20,000 limit as an amendment to the pending farm appropriation. The House voted for the ceiling two years ago, but that doesn't mean it will pass.

Consumer pressure is rising, and proponents say the measure will save taxpayers $300 million or more. The Senate passed the amended $8 billion appropriation, 73 to 6.

But the House move in 1968 was rejected by Senate leaders in conference. Now it is expected to go back to conference a second time for what could be a ferocious battle.

One senator who voted against the $20,000 limitation July 8 was James O. Eastland (D) of Mississippi. In 1969 Eastland Plantation, Inc., of Sunflower County, Inc., received $157,930 under the farm-subsidy program. He did not participate in the debate.

Sen. Ralph T. Smith (R) of Illinois, who said Midwest corn growers overwhelmingly back the limitation, says the cutoff would save "$350 to $400 million annually."

Relatively few farmers received more than $20,000, but a few large agricultural corporations get big amounts.

PRICES SUPPORTED

In 1969 eight subsidy payments were in excess of $1 million. Total recipients in 1969 were $2,525,800, and the average farmer got $1,463. A third of subsidy recipients (1.1 million) get less than $500.

The program was instituted after the depression to supoprt prices and equalize production.

In 1968 Undersecretary of Agriculture John A. Schnittker concluded after a survey that a $20,000 subsidy limit would not have the dire effects which lobbyists forecast, and that it could be instituted "without serious adverse effects."

In 1969 acreage diversion and price-support subsidies cost taxpayers the following on three main crops:

Cotton	$828,000,000
Feed grains	1,643,000,000
Wheat	857,000,000
Total	3,328,000,000

Sen. John J. Williams (R) of Delaware told the Senate seven big farm corporations receive $1 million each for not growing crops. Fourteen companies get subsidies of $500,000 to $1 million. Six banks are classified as "farmers," he said, and receive from $27,000 to $224,000 "not to cultivate their farmland."

PENITENTIARY COLLECTS

In Louisiana, the state penitentiary at Angola is listed as a 'farmer" under the meaning of the act and collected $85,219 in 1969 for not growing crops on certain acreage.

Senators expressed sympathy for small farmers: "The average farmer gets only about $100 a month," Mr. Smith said, "for deliberately leaving idle his most valuable asset, his land; and more than a third got no more than a dollar a day." On the other hand, the Standard Oil Company, Oildale, Calif., collected $127,995.

Several state penitentiaries get substantial subsidies. This led Senator Williams into a philosophical inquiry. Suppose one of these penitentiaries became subject to criminal penalties under the law, he said. Suppose it violated the law and was convicted? he asked.

"Mr. President," he demanded, "how could you put a penitentiary into the penitentiary for violating the law?"

[From the Chicago Daily News, July 9, 1970]

SENATE VOTES SHARP CUT IN FARM SUBSIDIES

(By William McGaffin)

WASHINGTON.—The day of huge farm subsidy payments may be about to end. Scores of Illinois farmers would be affected.

The Senate unexpectedly voted Wednesday to limit the amount of federal subsidy a farmer may collect for the year.

Two Republican senators, Ralph T. Smith of Illinois and John L. Williams of Delaware, sponsored the proposal, which was approved on a 40-to-35 rollcall vote.

Their proposal, offered as an amendment to a $7 billion agriculture appropriation bill, was considered to have a chance in the House.

In each of the last two years, a similar proposal passed the House only to be killed in the Senate. Last year, the House approved it, 224 to 140.

Nobody knows better than Williams that the problem has rested with the Senate. He remarked after Wednesday's vote that he had been trying to get the Senate to agree to this for 15 years.

The two congressmen who have led the drive in the House are Republicans Paul Findley of Illinois and Silvio Conte of Massachusetts.

If the proposal becomes law, it means that Sen. James O. Eastland (D-Miss.) can no longer collect $146,792 in a single year, as he did in 1969, in farm subsidy payments to his plantation at Doddsville, Miss.

Nor will the Meadow Lark Farms in Fulton County, Illinois, be paid $118,973 as they were in 1969.

Meadow Lark Farms, headquartered in Sullivan, Ind., holds more than 12,000 acres of Fulton County farmland. A subsidiary of the gigantic American Metal Climax (AMAX) Corp. of New York, Meadow Lark also has extensive farm holdings in other Illinois counties, Indiana and other states, according to a company source.

Under the current law there is no dollar limit on the amount of federal cash a farmer may receive for not planting crops and subsidies ranging to more than $1 million a year have been paid to large landowners and corporate farms.

Last year in Illinois, for example 152 farms received more than $20,000 each. These huge payments have helped run the cost of the farm subsidy program to more than $3 billion a year.

Smith estimates that if the proposal becomes law, it will save the taxpayers $200 million to $300 million a year.

Smith told the Senate he had decided to get into the fight after sending a letter to 200,000 Illinois farmers asking their opinion on whether to limit the subsidies. He said that the response was overwhelmingly in favor of his proposal. In fact, he added, many who wrote urged the government to get out of farming altogether.

A conference of Senate and House representatives will be convened to reconcile the Senate version of the agriculture appropriation bill containing the Smith-Williams amendment and the House version that does not have it.

An aide to Findley said he thought the congressman probably would offer a motion in the House to instruct the House conferees to accept the Senate amendment. If he does, and it passes the House, the conference approval will automatically follow.

The subsidy limitation would last for one year—fiscal 1971—which is the period the appropriation bill covers. Its acceptance, however, could prepare the way for adoption of a longer limitation.

[From Human Events, Aug. 8, 1970]

BETTER FARM POLICY NEEDED: "NEW LOOK" PROMISED IN 1968, BUT NONE HAS EMERGED

In October 1969, when he was campaigning for the presidency, candidate Richard Nixon was quoted in a farm magazine as saying: "The 1965 farm act is a patchwork of old laws and can be improved—and it should be. It is not good enough for the future."

About the same time, in a campaign speech, Mr. Nixon called for a "new look" in farm programs, asserting he was disturbed over the fact that the nation's farmers had to depend on federal subsidies for a fifth of their net income.

"Those who control the purse strings control the power," he said, "and the new programs that are designed should insure a fair return while reducing this dangerous level of dependency on an arbitrary political power."

Now the Nixon Administration has given its blessing and strong support to new legislation, approved by the House Agriculture Committee, which essentially is little more than a three-year extension of the very same patchwork of old laws the President criticized less than two years ago.

Not only that, but Secretary of Agriculture Clifford M. Hardin has made it quite clear that the Administration insists on continuing present levels of farm subsidies at $3.7 billion annually. Apparently, now that it has gained the White House, the Administration no longer cares if farmers have to depend on arbitrary political power.

Hardin did finally agree reluctantly to go along with the House committee on a subsidy ceiling of $55,000 for each of three major crops. But that would save taxpayers no more than $58 million. The secretary is adamantly opposed to the $20,000 ceiling per farm which the Senate approved as an amendment sponsored by Sen. Ralph T. Smith (R.-Ill.) and which would save more than $300 million.

Hardin's excuse that the bookkeeping required to impose a $20,000 limit would be too burdensome is nonsense. A $20,000 limit would apply to only about 12,000 of the 2.5 million farms which get subsidies. Sen. Smith hit the target when he described the proposed $55,000 ceiling as a "sham and a fraud," and a slap in the face to the taxpayers.

The dispute over the subsidy ceilings, however, should not be allowed to obscure the fact that the Administration has not lived up to its promises to support sounder legislation for agriculture. Neither the Administration nor the House committee gave serious consideration to any legislation designed to phase out subsidies and crop controls, such as that advocated by the nation's biggest farm organization, the American Farm Bureau Federation.

Congress now has an opportunity to correct this oversight by junking the House committee's bill and coming up with something better. Mr. Nixon was right the first time. What is being proposed is not good enough for the future.

[From the Chicago Tribune, Nov. 24, 1969]

U.S. FARM AID HELPS RICH GROW RICHER

WASHINGTON, Nov. 23.—America's farm programs are a multibillion dollar complex of subsidies, some of which undermine others, and all of which give little help to the small farmer.

One official view, as expressed by Secretary of Agriculture Orville L. Freeman, is to the contrary. "Today," he says, "'we have a wide range of programs aimed at underpinning and strengthening America's family agriculture."

But the President's National Advisory Commission on Rural Poverty has disagreed. In a report entitled "The People Left Behind," the commission said: "It is clear that the price support and related programs do very little for the rural farm poor and nothing, directly, for the rural nonfarm poor."

FARMERS INTERVIEWED

Interviews with farmers from Mississippi to California found none who agreed with Freeman that the programs' aim is to strengthen family agriculture.

"Talk of the 'family farm' is a nostalgic longing for the past; It does not reflect reality," said Thomas K. Greer, general counsel for Salyer Land company, a 60,000-acre family-owned farm in California.

"No one in his right mind could justify the payments the farmer is getting along with the market price," said Richard Shaw, a Mississippi cotton grower. "But I haven't heard of anyone sending a check back."

An examination of the agriculture department's various farm programs showed:

Farmers received more than one billion dollars this year for holding land out of production, including one payment of $4,091,818 to a single corporate farm, J. G. Boswell company of Kings county, California.

Farmers collected millions of dollars from various programs to help them increase production on the land they did plant.

[Altogether, farmers will collect 3.4 billion dollars in direct federal subsidies under various programs this year.]

That as a result, farm production continued to increase faster than the market could absorb it, thus forcing the government to lay out another one billion dollars to support crop prices.

Wealthy Americans are going into farming in a big way, but the suspicion persists, especially among some members of Congress, that the rich are more interested in cultivating tax breaks than crops.

CATTLE TAX BREAKS

Sen. Lee Metcalf [D., Mont.], cited an internal revenue service study that said 119 individuals with incomes of more than one million dollars in 1965 had farm operations, and 104 of them reported losing money at farming.

Cattle breeding, especially, has tax advantages that have led to a new business—companies that specialize in setting up wealthy people as owners of cattle herds. Expenses are deducted from gross income. Profits from later sale of calves are taxed at the lower capital gains rate.

But it is the direct subsidies, the huge farm payments, that bother the congressmen, beset as they are with demands for more money for troubled cities.

Cotton is king on Capitol hill, primarily because southerners dominate the agriculture committees of both Senate and House. It was for taking land out of cotton production that the Boswell company collected more than 4 million dollars.

A more prominent recipient was Sen. James O. Eastland of Mississippi, a ranking Democrat on the Senate agriculture committee. The senator and members of his family got $211,364 for retiring land from production.

REJECTED BY SENATE

In an attempt to stop such large outlays, the House passed a bill to limit payments to $20,000 to any one farm. But Senate conferees refused to accept it.

Contrasted to this was Congress' acceptance of a little noticed amendment to the 1965 farm bill which will pay cotton growers a bonus of up to 150 million dollars in price support payments this year.

Introduced by Sen. Allen J. Ellender (D., La.), chairman of the Senate agriculture committee, the amendment took away the Secretary of Agriculture's authority to lower the price support payment on cotton.

Farmers and economists say present market conditions call for price support payments of 9 cents a pound. The Ellender amendment forces the government to pay 12.24 cents a pound.

Where do all the billions in farm payments go?

WHERE MONEY GOES

The President's commission on rural poverty, using cotton as an example, but citing similar figures for rice, wheat, feed grains, and sugar, put it this way:

"The 10 per cent of cotton producers with the smallest payments receive less than one per cent of cotton program benefits; the 10 per cent of producers with the largest payments receive more than half of these benefits; and the top one percent of producers in size of payments receive 21 per cent of the benefits."

Freeman dislikes the word subsidy, especially as applied to payments for holding land out of production.

"They amount to rental payments. . . . It is not in the national interest to produce so much cotton and wheat and corn. And the government says that "for one year we will rent so much of your land if you do not plant it.' "

BILLION IS PAID OUT

Call it rent or subsidy, $1,114,617,466 went to 91,887 farms that received payments of $5,000 or more in 1967.

But most of the nation's 3 million farmers received a lot less than $5,000. The average payment per farm in 1967 was $978.

And rent or national interest aside, farm production is rising despite the money spent to discourage planting.

Last Oct. 1, the department of agriculture predicted the 1968 wheat crop would be a record 1.6 billion bushels, 30 per cent above the average for the five years, 1962 to 1966.

Production forecast for other crops was corn, 4.6 billion bushels, 20 per cent above average; soybeans 40 per cent above average; oats, 3 per cent; hay, 2 per cent; fall potatoes, 4 per cent; and grain sorghum, 33 per cent.

PAYMENTS FOR COTTON

When the program of direct payments to farmers for price support and land diversion was passed in 1965, there was a 16.6 million bale surplus of cotton. The land diversion program plus two years of disastrous weather reduced the surplus to 6.5 million bales.

To reduce that surplus by 10 million bales cost the government 1.7 billion dollars or about $170 a bale.

The agriculture department tries to help the small farmer—the one with cotton allotment of 19 acres or less—by permitting him to plant his entire allotment and still collect the diversion payment. But these payments average only $114.80 to each small farm.

In Ford County, Kans., farmers expressed amazement that one ranch in California received a 4 million dollar payment from the federal government. All the wheat and feed grain farmers in Ford county received a total of 3.4 million dollars.

These have been drouth years in western Kansas, and the price of wheat is down because of bumper crops in other areas.

In July 1967, a committee of farmers, economists, labor leaders, and retailers called the National Advisory Commission on Food and Fiber looked on farm programs and recommended some changes.

"Acreage allotment programs for supply management tend to be self-defeating so long as they contain incentives for farmers to increase yields," said the commission.

The report recommended that production quotas be set in quantities rather than yields.

URGE REASONABLE NET

On the issue of direct payments, the commission recommended that payments be geared more to giving farmers a reasonable net income, rather than to boost the price of each unit produced.

Some commission members backed a proposal for variable payments on a scale giving smaller amounts as the production goes up.

The commission report was published in a 361 page volume complete with charts, graphs, and tables, and then forgotten.

Not one of its recommendations was included in the farm bill passed near the end of the last session of Congress.

Mr. SMITH of Illinois. I yield 3 minutes to the distinguished Senator from Delaware (Mr. WILLIAMS).

Mr. WILLIAMS of Delaware. Mr. President, I am glad to join the Senator from Illinois as a cosponsor of this amendment, which earlier this year was approved by the Senate and which I hope will be approved again as a part of this bill.

For many years I have been critical of the fact that the large corporate farmers have been getting a large share of the subsidies and have pointed out on many occasions that these large payments of subsidies do not benefit the small farmer because he cannot take advantage of them with his small farm. He has to have a certain minimum amount of equipment, tractors, combines, and so forth, to the point that he cannot efficiently operate his farm and put a part of it under the Soil Bank. In my opinion, if this program is to be con-

tinued at all, these payments should be limited to not exceeding $20,000.

On March 24 of this year I placed in the RECORD a long list of names of individuals and companies who had received in excess of $60,000. They appear in the RECORD as of that date, and I shall not ask to have them printed again. That report showed that one company had received $4,370,657 subsidy payments. A second company received $3,412,867.

Seven companies last year were paid in excess of $1 million each. Fourteen other companies were paid between a half million dollars and $1 million each. Fifty-four companies or individuals were paid between $250,000 and $500,000 each. These were not small farmers. Six banks on this list received from $27,445 up to $224,254. There were two penal institutions, State penitentiaries, on this list. One of the large oil companies was paid $127,995 not to farm.

I ask unanimous consent to have the list of these largest payments printed at this point in the RECORD.

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

One company, J. G. Bosnell Co., of California, received $4,370,657.

Griffen Inc. of California, received $3,412,867.

Seven companies received in excess of $1 million each.

Fourteen companies were paid between $500,000 and $1 million each.

Fifty-four companies were paid between $250,000 and one-half million dollars each. These are not small farmers.

The Southern National Bank of Lumberton, N.C., was paid $224,254.

The First National Bank of East North Carolina at Dunn, North Carolina, was paid $69,943.

The First National Bank of Dumas, Texas, was paid $69,415.

The Waccamaw Bank & Trust Company, Lumberton, North Carolina, was paid $58,134.

First National Bank & Trust Company, Wichita Falls, Texas, received $34,686.

The Wilbur Security Co., Wilbur, Wash., was paid $27,445.

The Standard Oil Company, Oildale, California, was paid $127,995.

The Arizona State Penal Farm, Grady, Ariz., was paid $148,628.

The Louisiana State Penitentiary, Angola, La., was paid $85,219.

Mr. WILLIAMS of Delaware. Mr. President, there can be no reason under which these banks or the oil company or the penitentiaries could qualify as small farmers. It is utterly ridiculous to continue these payments to the large corporate-type operator, and Congress should accept this opportunity to correct this inequity in our law. By doing so we can save a much needed $350 million. I hope the amendment will be adopted.

Mr. PERCY. Mr. President, will the Senator yield me 3 minutes?

Mr. SMITH of Illinois. I yield 3 minutes to the Senator.

Mr. PERCY. Mr. President, I rise in support of this amendment which I cosponsor.

I commend my distinguished and valued colleague from Illinois for his initiative in this area. I commend the distinguished senior Senator from Delaware, who is the watchdog of the Treasury, and who is always protecting the taxpayer as well as the consumers' interests.

I also pay tribute to my colleague in the House, Representative PAUL FINDLEY, who has taken comparable action in the House of Representatives and who for many years has led this fight to reduce our subsidies and wean ourselves away gradually from this support program.

One of the problems that I think the American consumer has is to try to make sense out of very large Government subsidies being paid to farmers not to produce food when we have a great deal of hunger in the country and a shortage of funds to provide food for hungry Americans. We are failing to meet the needs of the hungry; yet, year after year we continue to pay these excessively large farm payments.

For the most part, in the State of Illinois, a State of 11 million people, with several hundred thousand farmers, here is an issue on which farmers and consumers are united almost unanimously. There is a consensus that we simply must wean ourselves away from these excessive payments.

By imposing this $20,000 limitation, we can save $345 million in fiscal 1971, according to the figures that have been given to me. With a predicted deficit of several billion dollars in fiscal 1971, this would be a responsible way to save the Federal Government money.

So far as the marketplace is concerned, it is the supported crops that are in trouble. Nonsupported crops respond to the market and are healthy. Well over a hundred crops trade in the free market and are healthy. It is the ones that for some 30 years we have tried to prop up that constantly seem to be in trouble.

Another reason to adopt the payments limitation amendment before the Senate is that these large payments put small farmers at a disadvantage. Small farmers cannot afford to have idle acreage in order to take advantage of these payment programs. What these programs really do is to subsidize large farmers and perpetuate the trend toward driving small farmers off the land, leaving agriculture in the hands of ever-larger producers.

For these reasons, I support the $20,000 payments limitation. The Senate, by a vote of 40 to 35 on the 1971 agricultural appropriation bill, supported the very same amendment, and I trust that the Senate will adopt it this evening.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. I yield myself 5 minutes.

As I have often pointed out, so far as I personally am concerned, I have fought for effective farm legislation, and that required that producers be compensated if they agreed to cooperate in the programs. This year, in order to obtain a farm bill, I went along with the $55,000 limitation that is provided in the House bill.

What made the past farm program work as it did was the fact that the Secretary of Agriculture had the power, under the law, to declare how many acres would be planted in order to produce a sufficient amount for export as well as our own use. That situation obtained with respect to cotton and other of the various crops we are supporting.

The concept of price supports comes about as the best way to attain a reduction of the amount produced, by a reduction in acres planted. Whether those acres come from a large farmer or a small farmer makes no difference in light of what we are trying to do. The objective is the annual production of the amount of cotton, the amount of corn, and the amount of wheat we can consume domestically, plus export needs, with a little carryover.

This program has been very effective, as I pointed out in my speech yesterday evening. If we should adopt the pending amendment, it would in effect destroy this program. If the $20,000 limitation is in effect, it will mean that many of the large producers who are efficient farmers will remain out of the program. The probability is that they will go into production of more corn—that is a voluntary program—and they might go into the production of other commodities that are not under the program. That would greatly increase our surplus supplies, and harm the entire economy. By allowing the Secretary of Agriculture the authority to designate the number of acres necessary to produce certain of our commodities, this program has been very successful.

It is true that the cost has been very high. I wish to place in the RECORD at this point some of the costs. But the costs I am referring to now are a pittance compared with what the costs to the consumer would have been had we not had an abundance of food on hand.

As I pointed out earlier today, the corn and feed program from 1961 has cost the taxpayers $14,052,300,000. That is a large amount. The cost for wheat for the same period was $13,274,000,000. That was in order to reduce the huge surpluses that had accumulated under former programs. Today, we have surpluses, or a carryover, about in line with our requirements.

Take, for instance, cotton. In 1965 we had 14 million bales of cotton, when our requirement for normal carryover was only about 7 to 8 million bales. The bill presented to the Senate in 1965 was intended to work off that surplus, and that goal was accomplished in 3 years instead of 4—the whole length of the bill. The same thing took place with respect to the huge amount of feed grains we had on hand. As I said earlier, the amount of feed on hand over and above our requirements was over 15 million tons. In order to work that off it cost the taxpayers the amount that I have just suggested.

Mr. ELLENDER subsequently said: Mr. President, some time ago during the debate I referred to several tables to be placed in the RECORD to show the entire cost of our farm programs since the inception. It is to be noted that there are three columns on this table, one indicating the cost through June 30, 1961, another column indicating the cost through June 30, 1970, and the other presenting the entire cost.

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

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

PROGRAM RESULTS, OCT. 17, 1933, TO JUNE 30, 1961, AND OCT. 17, 1933, TO JUNE 30, 1970, AND INCREASE SINCE JUNE 30, 1961

[In millions of dollars]

Program	Oct. 17, 1933 through June 30, 1961	Oct. 17, 1933 through June 30, 1970	Cost and losses incurred since July 1, 1961
Corn and feed grains:			
Price support costs [1]	2,928.9	5,347.8	2,418.9
Public Law 480	628.7	1,798.7	1,161.0
Direct payments	333.3	10,178.4	9,845.1
CCC credit sales		627.3	627.3
Total	3,890.9	17,943.2	14,052.3
Wheat:			
Price support costs [1]	2,251.9	4,118.3	1,866.4
Public Law 480	4,391.6	13,389.5	8,997.9
Direct payments		1,818.3	1,818.3
CCC credit sales		335.5	335.5
International wheat agreement	1,218.7	1,474.7	256.0
Total	7,862.2	21,136.3	13,274.1
Cotton, upland:			
Price support costs [1]	1,502.2	3,179.6	1,677.4
Public Law 480	1,087.2	2,439.2	1,352.0
Direct payments		4,274.8	4,274.8
CCC credit sales		264.4	264.4
Total	2,589.4	10,158.0	7,568.6
Dairy products:			
Price support costs [1]	2,480.6	4,967.8	2,487.2
Public Law 480	171.6	741.5	569.9
CCC credit sales		1.6	1.6
Total	2,652.2	5,710.9	3,058.7
Oils and oilseeds:			
Price support costs [1]	539.1	987.6	448.5
Public Law 480 [2]	578.6	1,398.5	819.9
CCC credit sales		5.7	5.7
Total	1,117.7	2,391.8	1,274.1
Rice:			
Price support costs [1]	219.5	549.3	329.8
Public Law 480	551.8	1,710.8	1,159.0
CCC credit sales		52.0	52.0
Total	771.3	2,312.1	1,540.8
Tobacco:			
Price support costs [1]	5.7	177.7	172.0
Public Law 480	214.4	443.7	229.3
CCC credit sales		101.1	101.1
Total	220.1	722.5	502.4
Potatoes:			
Price support costs [1]	478.6	478.6	
Public Law 480	1.8	2.5	.7
Total	480.4	481.1	.7
Wool:			
Price support costs [1]	116.0	116.0	
Direct payments	324.6	724.3	399.7
Total	440.6	840.3	399.7
All other commodities:			
Price support costs [1]	29.6	261.4	231.8
Public Law 480	127.1	453.5	326.4
CCC credit sales		30.0	30.0
Total	156.7	744.9	588.2
Total, all commodities	20,181.4	62,441.1	42,259.7
Other costs:			
Strategic and critical materials	1,008.9	1,475.4	466.5
Offshore procurement premiums		25.9	25.9
Other		3.6	3.6
Ocean transportation on commodities donated through voluntary agencies	125.5	521.8	396.3
Storage facilities	12.5	13.0	.5
Research expense		42.1	42.1
Accounts and notes receivable	12.7	21.6	8.9
Purchases of foreign currencies for use in self-help activities		4.9	4.9
Interest expense	2,170.0	5,269.3	3,099.3
Operating expense	552.9	1,133.8	580.9
Disease eradication	218.8	218.8	
Wartime consumer subsidy	2,102.3	2,102.3	
Total, other costs and losses	6,203.6	10,832.5	4,628.9
Recoveries of costs		3,645.4	3,645.4
Total, all costs	26,385.0	69,628.2	43,243.2

[1] Price support costs include price support losses, export subsidies, and other related costs reimbursed CCC through appropriations to restore capital impairment.

[2] Includes vegetable oil products.

Source: CCC financial statements. All data subject to minor adjustment due to rounding.

Mr. ELLENDER. Mr. President, I have figures before me indicating the amount of payments that were made to producers of cotton, feed grains, and wheat in selected States for the period 1965 through 1969. In 1965 the total amount of payments for all States was $1,985,822,000. Over one-half of that went to these seven States. In 1969 the total amount for distribution among all States was $3,328,941,000, and almost one-half of that went to these Midwestern States.

I ask unanimous consent that this table may be printed in the RECORD.

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

PAYMENTS TO PRODUCERS OF COTTON, FEED GRAINS, AND WHEAT IN SELECTED STATES, 1965-69

[In thousands]

State	1965	1966	1967	1969	1968
Illinois	130,782	94,060	85,117	148,024	184,660
Iowa	218,423	195,642	127,111	230,346	247,577
Kansas	188,615	64,842	192,656	209,370	222,522
Minnesota	114,119	105,236	73,388	115,287	154,881
Missouri	105,437	105,715	98,128	122,811	142,488
Nebraska	171,019	118,748	116,290	166,616	186,925
Texas	151,399	355,587	403,433	401,627	448,448
Total of States	1,079,794	1,039,830	1,096,123	1,394,081	1,587,501
Total, all States	1,985,822	2,093,498	2,528,036	2,899,960	3,328,941

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. Mr. President, I strongly oppose the amendment because I think its defeat is critical to adoption of the farm bill this year.

I call the attention of the Senate to the fact that the principal point that made trouble with reference to the 1965 farm bill was the excessive payments paid to a few people, some going up to $3 million and $4 million. I call attention to the fact, then, that under the amendment, those excessive payments are not only done away with, but the $55,000 limitation per commodity means that the largest payment that could be made to anyone would be $165,000. I am told that is applicable only to three people. There are very few people to whom the $110,000 could be made, and as to most, $55,000 would be the highest payment possible. The excesses that took place under the 1965 bill which existed, in spite of the good values that came out of it, largely had to do with these huge payments. This action would do away with those excesses.

The second point I make is that the reduction in payments was a reduction of 50 percent of the amount first suggested and strongly recommended by the Department of Agriculture. Members of the committee will recall that the first time the Secretary appeared this year on a farm bill, he strongly recommended $110,000 as the amount for each com-

modity which would be the limit. The House has worked out this $55,000 figure and that is a reduction by 50 percent of the strong recommendation of the Secretary of Agriculture and of the administration.

The third point I call attention to is that there was grave difficulty in the House in passing this provision, even with this figure in it. I do not recall the figures, but when the effort was made in the House to substitute a smaller limitation for the $55,000, there was grave difficulty in rejecting that amendment. The Senator from Louisiana will recall that shortly after the action of the House, we were called upon by the leadership, from the House Agriculture Committee and others, to see to it that it was absolutely imperative we not make a change in this particular section of the bill if we expected to gain approval of the House and to have a bill. Because I feel that is critical to approval of a bill this year, I feel so strongly about the rejection of the amendment.

The fourth point I make is that the effect of the amendment will be to divert much acreage to non-price-supported commodities and just make trouble for farmers who are controlling their own production so as to meet market demands. I am thinking about vegetables. I am thinking about soybeans. There are other crops which I could mention which would be adversely affected.

I want to say to my good friend from North Dakota, whom I see in the Chamber, that while $20,000 will meet most of the needs of the wheat-producing people, when we figure their needs for both wheat production and feed grain production—they would both come together—under the $20,000 limitation, I think severe damage would be done to the people in the great areas including his own State, where both wheat and feed grains are produced.

Mr. President, I strongly oppose the amendment because I think it is the most critical need we have got in this whole debate; namely, to stand by this particular provision in the House bill, for the reasons I have indicated.

Mr. CRANSTON. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from California.

The PRESIDING OFFICER (Mr. MUSKIE). The Senator from California is recognized for 5 minutes.

Mr. CRANSTON. Mr. President, I rise to speak in opposition to the proposed amendment to the pending farm legislation, H.R. 18546, which would lower the limitation on direct payments from $55,000 to $20,000 per crop. California is the No. 1 agricultural State in the Union. This amendment would utterly disrupt agriculture in California—not only in cotton but in many other crops. I have found that many of my "liberal" and "conservative" constituents alike do not understand why I oppose the $20,000 limit on farm subsidies and support the higher $55,000 limit proposed in the committee bill. I want to explain to my distinguished colleagues why I take this position and to urge them to join me in opposition to the floor amendment lowering the payment limitation to $20,000.

California's interest in this far surpasses Cotton Belt States—if the limit is fixed at $55,000, farmers in my State will lose about $24,800,000—50 percent of the $51.8 million involved. The USDA estimates that in cotton, 949 payees will be affected by the $55,000 limitation, and 247 of these farm in the State of California. I will nonetheless support the $55,000 per crop limit, but I oppose the $20,000 limit.

No one in California is being paid for not growing cotton this year, and no one was paid for not growing cotton last year.

Cotton is the principal subsidized crop in California. It costs considerably more to produce cotton—34 to 35 cents per pound according to USDA national averages—than cotton brings on the market—22 to 23 cents per pound. The subsidy is paid like the merchant marine subsidy, to maintain the industry. Thus, the payment keeps the cotton grower in business.

Generally, a limitation on payments is really a limitation on the number of acres a grower can plant in cotton.

The $20,000 limit would bankrupt many California farmers who do not grow any cotton at all. At the present time, there are about $40 million worth of farms in the cotton-producing San Joaquin Valley in bankruptcy proceedings. Obviously, any limitation on payments would add to this figure. A limitation on payments would force many acres of land now planted in cotton into other crops or onto the land market, depressing land and crop prices significantly for small farmers as well as large.

I wish to emphasize at this point that the cotton industry includes much more than the cottongrowers. It also includes hundreds of thousands of people employed on the farms, in the cotton gins, oil mills, warehouses, trucks, railroads, farm implement maufacturing plants, insecticide and chemical companies, and the textile industry. It also includes small town merchants, implement dealers, and others who supply the cotton farmers with hundreds of millions of dollars of goods and services each year.

I am not opposed to reasonable limitations on payments, and my remarks should not in any way be interpreted to mean that I favor the continuation of paying exorbitant sums to wealthy corporate farmers. Under the present farm program and under the proposed committee bill, however, I am convinced that a strict $20,000 limit would cause economic chaos in agriculture.

I believe that any reasonable limitation on payments should be aimed at those receiving huge payments and who grow thousands of acres of cotton. This is not accomplished by the difference between the $55,000 proposed in the committee bill and the $20,000 limit. On the contrary, while comparatively a $20,000 limit would save the Government and the taxpayer some money in direct expenditures, it would also have some disastrous and unforeseen results, which may prove far more costly in the long run.

Let me illustrate. Assuming that a grower plants cotton on his entire acreage allotment, at 16¼ cents per pound of cotton, a farmer receiving a $55,000 payment will have a planting of only 520 acres, while a farmer receiving a payment of $20,000 will have a planting of 200 acres. It is obvious that we are not talking about the difference between large and small farms, but between two family-sized farms. A $55,000 limitation is quite adequate to limit the payment of large subsidies to those large corporate farmers, who farm from 10,000 to literally hundreds of thousands of acres. A $55,000 limitation, as I said before, is, in cotton, a payment for only 520 acres.

Furthermore, for the benefit of those not familiar with the nature of farming in California, I want to clarify that 520 acres is a family-sized farm. A 520-acre cotton farm has a capital investment equal to a 160-acre citrus grove or a 320-acre vineyard. These are small operations in California.

If a $55,000 limit would affect those with cotton plantings over 520 acres, and if the $20,000 limit would affect those with cotton plantings over 200 acres, is there a significant advantage to the $20,000 limit? It would save the Government the difference between $55,000 and $20,000. But, in my opinion, its disadvantages far outweight the advantage of this savings.

First of all, a $20,000 limit would not accomplish the purpose espoused by its proponents—namely, to eliminate the payment of large subsidies to large corporate farmers. This goal is accomplished quite adequately by the $55,000 limit.

Second, a $20,000 limitation would force the diversion of all plantings over 200 acres into other crops, including nonsupported crops such as grapes, nuts, tree fruits, cling and freestone peaches, plums, nectarines, apricots, berries, carrots, asparagus, tomatoes, cantaloupes, safflower, olives, figs, and pomegranates. It is not difficult to imagine the chaos that would result. Thousands of acres of cotton land which cannot produce cotton without the subsidy will be forced onto the market or into other crops. It would cause chaos in land values, it would create crippling surpluses in many California crops, it would cause bankruptcies on thousands of acres of farms, and it would contribute to unemployment both on the farms and in the small businesses serving them.

It is significant to note that in the feed grains and wheat sections of the bill, growers affected by the limitation can grow outside the program and produce and sell as they see fit. They would do so without payment, but also without penalty or restriction. This is not true under the cotton section of this bill. A cottongrower affected by limitations cannot go outside the program and produce without subsidy. Secretary Hardin noted this fact in a letter to Senator ELLENDER:

In contrast, the House Bill would allow maximum freedom to produce for the market

without subsidy. The government cannot spend this much money to save an industry and at the same time preclude freedom of action by those who will try to save it without being subsidized.

In cotton, the grower hit by limitations has but two choices: go broke or go into other crops.

In short, the $20,000 limitation amendment would injure thousands of small people who would not otherwise be directly affected by a limitation on payments, who may not even be growing cotton, and who may not even be in farming. While the $55,000 figure will have some similarly adverse effects, I believe California agriculture can withstand them, while it cannot absorb the consequences of a $20,000 limitation.

I urge the acceptance of the $55,000 per crop limitation on payments for the 3-year period of the bill. It is the best Agriculture and the House and Senate Agriculture Committees that a lower limit could prove disastrous for our agricultural economy.

Mr. SMITH of Illinois. Mr. President, I yield 1 minute to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, I have listened with interest to the argument of the Senator from California (Mr. CRANSTON) that these large payments would trickle down and help the small farmers. I hope that the Senate does not adopt this trickle-down theory that we should give $2 million or $3 million payments to some of these large operations on the basis that it would trickle down to help some of the small operators.

Surely our friends on the other side of the aisle are not advocating the trickle-down theory as a solution to the problems of the small farmers. Let us make direct payments to the small operators and hold the big operators down to $20,000.

Mr. FANNIN. Mr. President, let us take a look at the farm bill we are considering. We have narrowed the issue considerably. We are no longer talking about subsidies of millions or hundreds of thousands. We are no longer talking about $75,000 or $100,000. Right or wrong, we are talking about $55,000 per crop as the top figure.

To propose a limitation of anything less than $55,000 would, according to the Secretary of Agriculture, jeopardize the chance of bringing about a balance of supply and demand.

The most immediate victims of drastic change in the subsidy program would be individual cotton farmers, their employees and businesses which depend upon this industry. Farmers not only have their livelihood at stake, but they also, in many cases, must pay on the debt on their land and pay off loans carried over from previous years.

Mr. President, there are many illustrations that could be given as to why this amendment should not be adopted. The prices received by farmers are equal to their lowest levels since 1933—about 74 percent.

The average cost to produce cotton in the Western irrigated land areas is nearly 32 cents a pound. The world price is about 22 cents a pound. The cotton subsidy is in the form of a 16.8 cents payment a pound. But it applies only to 65 percent of a grower's cotton allotment. For a grower's total production, the subsidy figures out to 10.92 cents per pound. So, if we take the world price of 22 cents a pound and add the subsidy, we come up with 32.9 cents, or about break even. Some farmers, of course, produce at a smaller cost, and some are over that cost.

Mr. President, let me give one example of the burden that will accrue to an Indian tribe in Arizona, and there are many others.

Limiting cotton subsidy payments to $20,000 for a single farm would be disastrous for the Gila River Indian Community. At present most of the income of the Gila River Indian Community comes from the 15,000-acre community farm—tribally owned—and large agricultural lease operations. This income would practically be eliminated if the proposed legislation with the $20,000 limitation is passed. The income of some 1,000 Indians leasing their own small 10-acre farms with cotton allotments would be practically eliminated. Our agricultural workers would be without jobs.

The results of this would be poverty and increasing welfare rolls for our Indian population and the halting of most of the progressive development programs being undertaken by the Gila River Indian Community. As pointed out by President Nixon, Gila River Indian Community is making real progress. This momentum should not be lost or curtailed now.

Because of water costs and other factors, cotton in Arizona can only be farmed successfully in large unitized operations. The proposed legislation would make such operations impossible.

The writer of the letter, Alexander Lewis, Sr., Governor of the Gila River Indian Community, said:

I can speak for the 7,000 Indian residents of the Gila River Indian Community in requesting that you do everything possible to have the legislation amended to exempt Indian Reservation lands from the limitations in the bill and to make the bill more equitable for all farmers.

Mr. President, let us keep the pending bill in its proper perspective. This action should not be considered without a full understanding of its detriment such as to our Arizona Indians and to many others in similar circumstances.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Kansas.

Mr. DOLE. Mr. President, first I commend the Senator from Illinois, although I intend to vote against his amendment. His initiative a few weeks ago may have resulted in saving some $58 million. For that I commend the junior Senator from Illinois.

The question here is not whether there should be payments limited to $55,000 or $20,000. The question is whether we should have payments at all. That should be the question before the Senate this evening.

If we adopt a $20,000-payment limitation, it will have no great effect on the State of Kansas. It would affect some wheat and feed grain producers but they would survive in any event. But it would force farmers out of cotton production and they would then raise more feed grains. We would end up with a shortage of cotton and an excess of wheat and feed grains.

I believe the basic question must be whether there should be farm payments at all and whether there should be any incentive for the American farmers.

It is recognized that there should be some limitation and I credit this to the major efforts of the Senator from Illinois (Mr. SMITH).

I believe that one way to kill farm programs is to include an unrealistic limitation.

I believe that the committee and the other body have made progress and the limitation of $55,000 would affect some 1,100 farmers. It would save the U.S. Treasury some $58 million and that is a significant step forward.

Mr. President, I ask unanimous consent to include an analysis at this point in the RECORD.

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

AMENDMENT NO. 883

Attached is a thorough analysis of the possible effects of a $20,000 limit applicable to payments made under the cotton, feed grain and wheat programs as proposed by Senator Smith and others.

Such a payment limit would divert approximately 4 million acres that are now in the production of cotton or in conserving uses to the production of feed grains or wheat. It would result in too much grain for feed and a shortage of cotton.

Note on Table 3 that if such a limit had been in effect in 1969, it would have made almost 2 million bales of cotton ineligible for payment and would have affected 1.7 million acres of domestic cotton allotment. A good part of this 1.7 million acres would not have been planted to cotton if it were ineligible for payment and would have become available for production of feed grains and other crops. This would be especially true in 1971 since we are anticipating a 2-cent reduction in the loan rate for cotton.

Acreage affected under the feed grain program would have been 1.9 million resulting mainly from the fact that most feed grain payees affected by the limit would be forced out of the program entirely and would tend to increase their plantings of feed grains by even more than 1.9 million. This follows since it is clear that most non-cooperators in the feed grain program plant an acreage to feed grains which is larger than their feed grain base. Table 3 indicates 1.2 million wheat acres would be affected most of which would be planted to wheat.

For the three programs combined there would have been 4.8 million acres affected in 1969 under the $20,000 payment limitation. Four to five million acres is a lot of ground. It is enough to make the difference between a program that would work and a program that would be ineffective. If this much additional acreage is planted to grains, it is enough to depress prices below loan levels and build up surplus stocks.

We conclude that: (1) a $20,000 payment limit is too low and (2) applying the limitation to the combination of three or four crops forces an undue adverse effect on the feed grain program.

TABLE 1.—EFFECT OF A $20,000 LIMIT APPLIED IN 1969 TO COMBINED PAYMENTS OF COTTON, FEED GRAINS AND WHEAT (AMENDMENT NO. 846) [1]

	Greater than 19,999 3 programs combined		Greater than 19,999 cotton alone		Under 20,000 for cotton but more than 19,999 from 3 programs combined			
	Number of payees	Program payments (thousands)	Number of payees	Program payments (thousands)	Payees (col. 1 minus col. 3)	Program payments (thousands) (col 2 minus col. 4)	Payments retained [2] (thousands)	Reduced payments [2] (thousands)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Cotton	8,754	$294,000	6,194	$262,623	2,560	31,377	155,257	138,743
Feed grain	7,941	95,585	[3]	[3]			79,403	78,041
Wheat	6,193	61,859	[3]	[3]				
Total	11,733	451,444	[3]				234,660	216,784

[1] Major assumptions are producers involved in all 3 programs who are affected by the limit would first elect to forego feed grain payments; if they were still above the limit they would then forego wheat payments. They would retain as much of their cotton payment as allowed by the limit. No payee would be forced out of the program (refuse to qualify for the $20,000). However, those receiving $20,000 on cotton alone would drop out of the wheat and feed grain programs and those receiving $20,000 on wheat would drop out of the feed grain program. There would be no change in ownership or leasing arrangements to avoid the limit (this, of course, is not a realistic assumption).

[2] For cotton, "payments retained" are calculated by multiplying $20,000 by 6,194 payees to equal 123,880,000 and then adding col. 6; for 3 programs, $20,000 by 11,733 payees to equal $234,660,000; wheat and feed grains are a residual; reduced payments are also calculated as a residual.

[3] Not relevant to this analysis.

TABLE 2.—PAYEES AFFECTED AND REDUCED PAYMENTS UNDER A $20,000 PAYMENT LIMITATION (COMBINED)

Cotton			Wheat			Feed grain			Wheat-feed grain		Cotton-wheat-feed grain		
State	Payees affected	Amount (in millions)	State	Payees affected	Amount (in millions)	State	Payees affected	Amount (in millions)	State	Amount (in thousands)	State	Payees affected	Amount (in thousands)
California	939	$40.7	Texas	2,127	$9.0	Texas	3,086	$21.8	Texas	$30,787	Texas	3,782	$53,082
Mississippi	1,377	29.3	Washington	225	2.1	California	373	7.2	California	8,637	California	1,017	49,355
Texas	3,308	22.3	Montana	169	1.8	New Mexico	262	3.0	New Mexico	3,767	Mississippi	1,377	30,912
Arizona	594	20.6	California	229	1.4	Kansas	355	2.7	Kansas	3,283	Arizona	602	23,288
Arkansas	650	10.5	Colorado	237	1.0	Arizona	233	2.3	Colorado	3,026	Arkansas	650	11,062
Louisiana	306	3.9	Idaho	94	.9	Colorado	232	2.1	Arizona	2,694	New Mexico	332	4,799
South Carolina	276	2.8	New Mexico	219	.7	Georgia	282	1.8	Washington	2,261	Louisiana	306	4,392
Alabama	317	2.8	Kansas	361	.6	Missouri	212	1.8	Montana	2,036	Georgia	344	3,924
Georgia	337	2.0	Other	2,532	4.5	Nebraska	197	1.7	Missouri	2,023	South Carolina	277	3,893
New Mexico	168	1.0	United States	6,193	22.0	Illinois	136	1.3	Georgia	1,916	Alabama	317	3,881
Tennessee	120	1.0				Indiana	97	1.1	Nebraska	1,796	Kansas	361	3,283
North Carolina	78	.7				Alabama	265	1.0	Illinois	1,333	Colorado	238	3,026
Missouri	147	.6				South Carolina	224	1.0	Oklahoma	1,283	Missouri	240	2,658
Oklahoma	113	.3				Iowa	112	1.0	Indiana	1,125	Washington	225	2,261
Other	24	.2				North Carolina	78	.9	Idaho	1,094	Montana	169	2,036
United States	8,754	138.7				Oklahoma	143	.7	Alabama	1,087	Nebraska	197	1,796
						Minnesota	77	.5	South Carolina	1,082	Oklahoma	177	1,553
						Tennessee	99	.5	Iowa	1,037	North Carolina	85	1,464
						North Dakota	100	.5	North Carolina	931	Tennessee	120	1,417
						Mississippi	718	.4	North Dakota	898	Illinois	136	1,333
						Other	660	2.7	Oregon	721	Indiana	97	1,125
						United States	7,941	56.0	Mississippi	588	Idaho	94	1,084
									South Dakota	578	Iowa	112	1,037
									Arkansas	561	North Dakota	109	898
									Minnesota	465	Oregon	84	721
									Tennessee	465	South Dakota	64	578
									Louisiana	464	Minnesota	77	558
Payees pushed out of program by limit.									Other	2,018	Other	144	1,368
									United States	78,041	United States	11,733	216,784
	0			1,721 (21%)			4,341 (55%)						

TABLE 3.—ACREAGE AFFECTED BY A $20,000 PAYMENT LIMITATION (COMBINED)

	Reduced payments	Payment rate 1969	Production affected (col. 1 ÷ col. 2)	Projected yield, 1969	Acreage affected (col. 3 ÷ col. 4)
	(1)	(2)	(3)	(4)	(5)
Cotton	$138.7 (million)	$70.7 per bale	1.96 million bales	550 pounds	1.7 million.
Feed Grain	56.0 (million)	54 cents per bushel	104 million bushels [1]	54 bushels [1]	1.9 million.
Wheat	22.0 (million)	$62.5 per bushel [1]	35 million bushels	28.3	1.2 million.
Total	216.7 (million)				4.8 million.

[1] Payment rate for additional diversion: grain sorghum.

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

Mr. DOLE. I yield.

Mr. STENNIS. Mr. President, the Senator is pleading for the system. It is the system that does result in making the payments to the individuals.

Mr. DOLE. The Senator is exactly correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 2 minutes on the bill to the Senator from Georgia.

Mr. TALMADGE. Mr. President, I hope that the Senate will not be so pennywise and pound foolish as to agree to the pending amendment. It would be contrary to the recommendations of the President of the United States, the Secretary of Agriculture, the Committee on Agriculture in the House, the House of Representatives itself, and the Senate Committee on Agriculture and Forestry. All of these have given serious consideration to the problem.

It is easy enough to pick out some farmer that has been receiving big payments and to characterize them as welfare payments.

Sometimes unthinking people might feel that is the situatiton. What are the facts? Only three farmers in my State of Georgia draw payments in excess of $100,000.

The Atlanta Journal sent a field representative out to get a story for its magazine section on these three farmers.

What are the facts? One farmer, Hubert Cheek, Jr., of Hart County, Ga., drew payments of $114,065. He raises cotton on 72 different small farms that are primarily owned by widows and people who are too aged or who are physically unable to farm them themselves. These small farms are their source of livelihood.

The payments Mr. Cheek receives are

not only divided among the 72 small farmers, but they also provide payments for the tenants. They are divided among the people that work the farms.

These payments keep many people off the welfare rolls. That is what we are talking about. If we deprive them of these payments, those people will be deprived of a livelihood. They will gravitate to the urban areas and go on welfare, thus adding to the problem of pollution, the problem of housing, and the problem of crime. We would also be adding to the welfare rolls and adding to the problems we have in the cities that are so complex.

We talk about the urban problems. I share the concern for those problems. The problems are very complex. But if we make the rural problems any worse than they are today, people will leave the rural areas and go on welfare rolls in the urban areas.

PAYMENTS IN PERSPECTIVE

Most of us recognize that farmers have the ability to outproduce the market. And if they are not able somehow to adjust their overall production, they are in serious trouble. And so is our country. Obviously, the individual farmer—acting alone—cannot do much about the total supply. If he takes the lead in cutting his own production—and overall production stays high—he just ends up taking a low price for a smaller crop.

This is what this bill is all about. It will enable the individual farmer to work with his neighbors and his government in adjusting production to expected demand—so that his ability to overproduce does not crush him economically and destroy the private marketing system. There is no other way for the more than 3 million farmers to gear their production to need—as other economic groups are able to do through large corporate enterprises, through union contracts, and through professional arrangements of various kinds.

Payments to farmers are but one essential part of this legislation. Basically these payments make possible a loan level that is realistic in terms of world price. In other words, the payment makes up the difference between that rate and a higher level geared to fair income. None of these is a welfare payment. None is a payment for doing nothing. All are quid pro quo in terms of performance.

The decision to establish a limitation on payments at $55,000 is a compromise; it is the lowest possible level at which a limitation can be set.

In fairness, we should consider what could happen if a lower limit is put into effect.

First, and most obviously, it would discriminate against larger farmers. But there is also another side to that coin: We would also be taking away from smaller farmers the opportunity to get larger. This involves a pretty basic right in agriculture—a right that to an increasing degree involves survival for many farmers. The trend toward higher and higher costs in farming is well established. Farm prices remain basically unchanged today compared to 20 years ago. The only way farmers can remain in business is to become more efficient, and often this involves expansion of the size of the farm unit.

Although no exact data is available, I believe the $55,000 payment level will permit farmers to utilize the latest in equipment and supplies in an efficient manner, while cooperating with the programs. However, a reduced level could substantially impair efficiency on many farms—if they are to remain enrolled in Government farm programs.

Congress has concluded wisely over a long period of time that piling up large agricultural surpluses is not in the public interest. Thus, we want to attract participation on the part of farmers as a means of preventing price-depressing surpluses, reduced farm income, and increased Government costs.

On the question of costs to the Government, I would urge my colleagues to resist the temptation of fools gold—the lure of possible savings through a substantially lower limit. In the long run, it is possible that there would be no savings, and that the programs simply would become more expensive to operate. If many of our most efficient farmers are forced outside the programs, they would have little alternative but to increase production as a means of recouping lost income. Since they would not be eligible for price support, their production probably would flood the market.

If another buildup of Government stocks were to occur—such as we had back in the 1950's—the increase in loan investment plus storage and handling costs would exceed any savings.

Remember, too, that we are talking here about the future of the small farmer. His position would be severely damaged by the downward pressure on prices. It is he who would be dependent on the loan program to obtain the support price. And if only the little farmers got into the programs, they could give up all of their production and still not begin to solve the surplus problem. The cycle would be endless.

I believe a limitation at $55,000 is the lowest practical level at which the programs provided in this bill can be operated without severe and totally unnecesary disruption. I urge you to support that level in the interest of all farmers and a stable agricultural economy.

Mr. President, I ask unanimous consent that the article to which I have referred, entitled "Trouble in the Cotton Field," be printed at this point in the RECORD.

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

TROUBLE IN THE COTTON FIELD

(By Andrew Sparks)

Three Georgia farmers last year received more than $100,000 apiece from the federal government.

Many a taxpayer, remembering his personal involvement in government programs back at income-tax time, might envy the farmers and dream of having a little place of his own where he "could do nothing and get rich."

But farming is not like that, according to the men who received more than $100,000 in price support payments from Uncle Sam, one in north Georgia, one in middle Georgia, one in south Georgia.

They are cotton farmers, and raising cotton, they say, is the most expensive kind of farming you can do. It is so expensive, they claim nobody in this country could grow cotton without government support.

These top money men—the biggest cotton farmers in the state—were Asbury Wright of Dooly County, who received $123,156 in government payments; Hubert Cheek Jr. of Hart County, $114,065; and Guy H. Shivers of Warren County, $105,031. For them, cotton was no bonanza. One of the men says he lost money on his 1969 cotton crop, even with more than $100,000 in aid from the government. Another, who at times borrowed as much as $200,000 to finance his crop, figures he had a total net profit on his entire farming operation of only $14,000. The son of the third says, "We didn't make the laws, and everybody farms the way he does trying to come out with the most money."

Hubert Cheek, who lives in a tiny north Georgia town called Bowersville, seven miles from the county seat at Hartwell, grows cotton on 72 different farms. All but one of them are somebody else's. The only farm he owned he has now sold to a south Florida cattleman who will take it over in 1972. Mr. Cheek's operation is so far flung he has to mark the sites on county maps and carry a list in his pocket to keep up with where he is planting, plowing, spraying and picking. Without him, and maybe a dozen smaller farmers who operate the same way, the bulk of the cotton in Hart County would not be planted.

Mr. Cheek rents land and rents cotton allotments and grows his crop in scattered patches over an area 10 miles square. He says if limitations are set on future crops and the amount of federal payments one farmer could collect in one year is restricted to $20,000 he could simply let each of the 71 farm owners collect the government payment and hire him to produce the crop. Twenty-four of the farms he plants are owned by widows ("It's kind of a sob story," Mr. Cheek says) and few of them could grow the cotton themselves.

Many of the owners—widowed, retired or gone to work at industrial or city jobs—would get no income at all from their farms without Mr. Cheek's help. His rent money often pays the owner's taxes, which have risen considerably under Hart County's tax reevaluation, and part of the owner's living expenses as well. Mr. Cheek's crop also keeps the cotton allotment on the farm. If unused, the allotment would revert to someone else, and if not used in Georgia would go to another state.

Bud Cheek's base of operations is a range of brick buildings facing the railroad tracks in Bowersville. His father, and his grandfather before that, operated a farm supply business in the big brick stores, back when Bowersville was a prosperous town and every little Hart County farm supported at least one family. The big buildings are now used as shops for repairing farm machinery. There's so much of it, inside and out, the place looks like an equipment dealer's display yard for second-hand tractors, pickers and sprayers. All the equipment is Mr. Cheek's—thousands and thousands of dollars' worth.

"Farming has got to where a man can't own both land and machinery," he said. "All over the United States the bulk of farming is now done by people who lease other people's land. All of the farms I work used to support one or two families. Now they won't support any.

"I didn't intend to do all this cotton farming, but my neighbors came and begged me to work their land. I turned down 1,000 acres of cotton this year. I couldn't get to it, and the owners couldn't get anybody else to do it.

"Mine is just a one-man operation. No partners. No corporation. Just me. I usually have five or six workers. We use all modern

equipment, like sprayers to put out weed and insect control. I have 15 tractors, including late model highboys. Here's the first tractor I ever bought—in 1949," he said, walking around the corner of his shop to point out an old machine that had been retired to the shade of an ancient oak. "This tractor cost $2,500 back when we were getting 45 cents a pound for cotton. Today, when the market for cotton is down to 20 cents that same tractor costs $8,000. Fertilizer and labor are up—we pay all the wage increases across the board. A cotton picker costs between $20,000 and $25,000, and I have three. It's not economical to use them in a lot of little scattered fields, but I do."

Most men are sensitive about the public exposure of their private finances, and Mr. Cheek was understandably riled when newspapers started publicizing how much he received each year from the government. Rep. Paul Findley, a Republican from Illinois, supplies Congress with an annual list of every farmer who receives more than $5,000 as part of the Findley campaign to limit farm subsidies to $20,000 per individual. Mr. Cheek's payments have increased from $60,000 to $80,000 to $114,000 over the last three years as he has upped his cotton acreage. The figures have been reported in state and local papers.

"Folks have tried to sell me everything but the Brooklyn Bridge since the stories started coming out," Mr. Cheek said. "It used to make me mad as hell. I could have stopped it. I could have let the money come to the people who own the land and let them pay me for growing the cotton. It never would have been noticed. But I believe this way is better. I have to pay income taxes on it anyway. But the publicity got rough before I began to sway with it.

"In the last four years, 50 people have been here to see me. They've come from as far away as Washington and California. I'm just not that large. I've got a friend in California the government pays $2 million to. My operation is just like a handful of marbles.

"Basically, the government is paying farmers what it used to pay the textile mills. For years and years we had a two-price system on cotton. Cotton brought about 22 cents a pound on the world market, but it sold for around 32 cents a pound here. The government paid the mills the difference between the world market price and what they had to pay to buy cotton in this country. It was a rebate to the mills. If a mill bought a million dollars' worth of cotton, they'd be rebated between $300,000 and $400,000 in a direct payment from the government. That was never mentioned. Then the mills got scared of possible publicity, and the government gave the money to the farmers. Farmers have been getting the money for four years."

Georgia Sen. Herman Talmadge sponsored the 1965 Agriculture Bill which brought about the change.

Most of the big money payments in Georgia are for cotton. Mr. Cheek says cotton is responsible for 99 per cent of his. Three crops have a price support—cotton, wheat and feed grains, which are corn, barley and grain sorghum.

Wheat and feed grains are "diversion" programs, in which a farmer can divert some acreage to something else, or leave some acres idle, and receive a payment. But in cotton—unless he has less than a 10-acre allotment—he's got to grow it to get it. He is paid on the basis of his projected yield, determined by the past history of the farm. And he can draw a payment—currently 16.8 cents a pound—for only a certain part of his allotment, set each year by the secretary of agriculture. This year it is 65 per cent.

"What this money is doing, like any money the government puts out, is getting people to cooperate in something," says Paul Holmes, state executive director of the Agricultural Stabilization and Conservation Service, which handles the payments and allotments. "The government is asking farmers to participate in orderly production, asking them to leave land idle—as in the grain program—and to limit the cotton production to what we think we need.

"Our program is available to everyone. When it was designed, it was never intended that anyone would get $100,000. What these big farmers have done is buy up land, rent farms, lease allotments—agriculture is no different from radio or any other business; you're always going to have the J. B. Fuquas and the Coxes. When you hear about a farmer who has received $100,000, you know he's gone out and exposed himself. What I feel for him is not envy or jealousy but compassion."

Mr. Cheek agrees. "It's no bed of roses," he said. "With what I borrowed, I could have made more money in any other kind of business. Not many individuals would be crazy enough to go out on a limb for that kind of money."

"If the government reduces supports, I'll reduce my crops, reduce the land I work, the allotments I lease, the workers I hire. If I go plum out, I've got to think about a diversion to something else. could get a job but there are not many things I could do on account of my disability. I can't get on a tractor."

Mr. Cheek came home from World War II with some souvenirs. He has two bullets, one in his heart tissue and one in a bronchial tube, and a silver plate in his head. After the Battle of the Bulge, he spent two and a half years in hospitals. He went back to Clemson and graduated, with a degree in animal husbandry. Now the oldest of his three children is a son at the University of Georgia, majoring in business administration, which is what Mr. Cheek figures a farmer most needs to know today.

"I'll probably continue growing cotton as long as it's feasible and I can make a living for the boys who work for me and make some money for the landowners, but when it gets to the point I can't, I'm going to get out.

"The way I look at it, 72 people drew the $114,000 that was paid me. Down in Dooly County, 28 people drew $1.1 million. Dooly County is the seat of the big producers."

Asbury Wright, "Bury" to his friends, is the biggest cotton farmer in the state. The 40-year-old south Georgian lives near Pinehurst, Ga., eight miles north of the Dooly County seat at Vienna. He and his wife and four children, ages 8 to 18, live in a modern red-brick ranch house built in 1950. There's a new blue swimming pool in the yard, and nearby rows and rows of cotton wagons and tractors are neatly parked under long red-stained open sheds.

Mr. Wright's office, set on blocks in a thick stand of coastal bermuda, is a blue and green, three-room house trailer, air-conditioned, carpeted wall to wall, and equipped with two telephones and two secretaries, all busy. One of the secretaries is Mr. Wright's. The other works for the Pinehurst Dusting Service, which does aerial dusting for farmers in Georgia and Florida. Mr. Wright is one of five men who own the business.

"If I had to depend on this farm to feed me, I'd be out of luck," Mr. Wright said when he arrived at his trailer office. He wore pointy-toed boots, an alligator belt, pants cut Western style with horizontal pocket openings on the front, and a wide-brimmed Panama. He has the kind of sunburn typical of farmers who wear hats—brown cheeks beneath a pale white forehead. "I was in a tax meeting all morning, trying to find out what to do about the property tax on these airplanes."

The Pinehurst Dusting Service operates in Georgia in summer and Florida in winter, and both states want to tax the company's five airplanes. Mr. Wright and his secretary, who had gone to the tax meeting in Vienna with him, had evidently missed lunch, and, when they had a break, kept nibbling on Tom's Peanut Butter Logs from a glass apothecary jar on the desk. "Allen Fullford, the county agent, is coming out," Mr. Wright said in a momentary lull between phone calls about trucks and airplanes and herbicides that hadn't killed what they were supposed to.

Dooly is Georgia's No. 1 county in cotton production, and has been for the past seven years, the county agent said when he got there.

"The practices our farmers carry out are responsible," he explained. "We don't have the highest cotton allotment in the state, but by leasing allotments from other counties we are up close to the top. The biggest reason our folks are No. 1 in production is because of improved practices—getting a good stand, planting on beds, preparing land, proper fertilizing and liming. Where they succeed more than anywhere else is in insect control.

"Dooly County has the highest projected yield in the state—it's been more than 600 pounds per acre for three years.

"I'd say 85 or 90 per cent of the farmers growing cotton here plant it on their own land and on rented acres. We have farmers renting a tremendous amount of land. Economic pressure brought this about. Farmers must have large units to be able to afford the equipment necessary to grow cotton and to be efficient enough to stay in business. A man with 15 or 20 acres can't grow cotton. He couldn't buy the necessary equipment. He's got to rent his land out."

Mr. Fullford estimated that most farmers in Dooly County pay between $40 and $50 an acre to rent land with a cotton allotment. This is twice as much as Mr. Cheek pays for his scattered fields in north Georgia.

"I pay $50 an acre," said Mr. Wright, who grows cotton in nine different locations. He has a 1,000-acre farm of his own and rents five others. Last year, but not this, he also grew some cotton in Sumter County, for which he received around $5,000 in price support payments, a sum that was not included in the published figure of $123,156. This year he has 1,456 acres of cotton.

"During a break in the tax meeting this morning, I tried to figure what it costs me to grow an acre of cotton—I never had broken it down before," he said. "It's almost $220. I'd have shot myself if I'd known it cost that much. I never figured it before."

He pulled his penciled tabulation out of this pocket. Taxes, $2.20. Preparing land (mowing old stalks and harrowing twice), $10. Seed, $6.80. Planting, $2. Herbicides, $7.10. Insecticides, $72. ("That's outrageous—last year I sprayed till November. My bill for insecticides was $66,000.") Application of sprays, $19.80. Cultivating, $6. Harvesting, $46.20. Fertilizer, $23.20. Lime, $8.20. Interest on borrowing money, $14 per acre.

Mr. Fullford says his office figures it costs the average farmer 27 cents to raise a pound of cotton—six or seven cents more than the world price.

"This comes to almost $170 per acre," he said. "A farmer gets about $100 per acre for his cotton, plus $95 from the government, and he should have a profit of $25 or $30. If Bury's $220 figure is right—it probably is; I checked him once for the Bale-and-a-Half Cotton Club and his expenses did go over $200—he may have lost $25 per acre. If so, he went $38,000 in the hole.

"Before farmers received direct payments, they were able to put cotton in the loan, to acres which he and his mother own together. Guy graduated from the University of Georgia with a major in dairying in 1949, after a 26-month interruption for military service.

"What I intended to do was have a dairy, but beef prices were high and we were already in beef cattle," he said. "We sold cattle

higher then than we ever have since. Then I got off into this cotton business."

Mr. Shivers was helping workmen load some reluctant cattle into a truck for the weekly auction sale in Washington, Ga. A friend watching him work, as he pushed and shoved with a cattle stick in his hand, said, "You won't get him to stay still long enough to make a picture."

He wore rumpled khakis, with a hole in his pants, and big-toed high shoes. A mat of gray hair portruded at the open neck of his shirt, and the dark hair on his head was cropped in a crew cut. He and his wife, who have two children, a boy at Middle Georgia last year a girl who will be a freshman at Brenau this fall, live in a handsome white frame ranch house on Highway 287; it sits in a shady landscaped island surrounded by cotton fields.

The base of the farm operations is at his mother's house, a one-story structure enveloped on three sides by a screen porch, that traditional Georgia way to combat the summer heat which cotton thrives on. Farm equipment and shops cover a couple of acres behind the house. Between the shops and the house is the office, a little one-room trailer.

"We plant about 1,400 acres of cotton," Mr. Shrivers said above the hum of the air-conditioner in the dark, cool retreat from the heat outside, "and we have to lease allotments to plant that much. Only 400 acres of it is on the home farm. I also have a farm and plant 100 acres there. The rest is planted on land we rent, including 250 acres on Cox Woodlands land. We make a payment to Cox Woodlands of about $9,000, part rent payment, part cotton payment.

"Two or three farmers draw the government payment themselves and pay us for growing the cotton. We feel $25 an acre is the minimum we can get by with. We also get the cotton, but the cotton doesn't bring much. Farmers can't grow cotton at the world price. We aren't paying the world price for anything else. Insects are the big problem—we spray every five days beginning the last of June. If we could get rid of insects we might be able to produce cotton at the world price.

"Without price supports, we couldn't even plant cotton. The farmer is not the only one to benefit from the payment. When you take row crops out of an area, you pretty well take a lot of business out of the area—fertilizer, chemicals and equipment aren't used as much and that hurts business. Our payments for cotton last year were around $80,000 and our chemical and fertilizer bill was $70,000. There's not as much business when the fields go to pasture. Yet, I don't see how taxpayers can subsidize farmers to keep small communities alive. (The Barnetts, the Bowersvilles, the Pinehursts.) Maybe they'll have to let them die.

"In the farm program, everytime they find a solution to one problem, they create another one. It gets more complicated, and more misunderstood.

"We farm and try to do the best we can. We didn't make the laws or the rules. Everybody farms the way he does trying to come out with the most money. Sometimes you try to maximize your payments. Sometimes you don't.

"You can cut down on your corn, and plant just half, and get the same payment as if you planted it all. That's what I call maximizing. If you have a 100-acre cotton allotment, you get a payment for only 65. So you only plant 65. That's maximizing.

"In Congress, they say they're going to put limits on payments. Some congressmen want to wipe out the farm program. It is bad that you have to depend on a government subsidy to operate. I'd rather not have it that way, but farming's not the only one.

"If they put a maximum on payments, we'd have to cut out the farms we're renting. We'd get into a position where we would not suffer a cut in payments by going over a specified amount. We don't know what that is—they're talking about $25,000. We'd probably just plant 300 acres of cotton on our own farm—not 1,400.

"It takes a lot of money to grow cotton. And cotton has a way of being disappointing. At harvest time you don't have as much cotton as you think you have. It doesn't grade as good. The price drops. It's not as sure as some crops."

Is it on the way out?

"I wish I knew."

Meanwhile, back in the patch, weevils are working. And farmers are working to get the weevils, to kill the weeds, to pick the lint. Taxpayers are working to earn enough to pay the government enough to support the farmers, the sprayers and pickers, so the farmers can get cotton to the mills cheap enough to compete with cheap cotton and cheap labor of other countries. Mills complain that they need tariff protection which, in effect, is what the farmers already have.

Cotton is the most expensive crop you can grow and the most troublesome, and the expensive crop is in trouble.

Any way you look at it, cotton is trouble.

Mr. TALMADGE. Mr. President, all the pending amendment will do in the final analysis is cost the Government more money and not less.

Mr. ELLENDER. Mr. President, I yield 2 minutes on the bill to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, last Thursday I spent the day in the high plains area of Texas where I attended an annual exposition of farm machinery and equipment. It was the first time in more than 5 years that I had seen such a demonstration of farm machinery. I was impressed by the sharp increase in the price of farm machinery and equipment during the last 5 years.

These machines are manufactured primarily in the Northern States. By limiting farm support payments, we will be discouraging the growth of agriculture in America. When the farm economy is curbed it hurts not only the farm States but the industrial States of the North—farm support payments are necessary if the individual farmer is to compete against the large corporate farms which would ultimately put an end to family farming if there were not support payments. These payments help keep the small farmer in business and off the welfare rolls. If this unwise amendment is adopted, we will be sounding the death knell for family farming as a part of American life.

In the last month, there have been more foreclosures of farms advertised in the newspapers in the high plains area of Texas than in any other month in the last 10 years. This demonstrates the desperate condition of American farming and why these payments must be retained.

The farm program is important not only to the well being of the people of rural America but it is also essential to urban America where the people are in need of reasonably priced food and other agricultural products. Therefore, I urge the Senate to reject this amendment.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. Mr. President, I yield 2 minutes on the bill to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, I merely wish to add my voice in support of the committee action. This matter has been considered, as was pointed out by the Senator from Georgia, by all responsible agencies from the President down through the congressional committees. It would seem to me that it would be the height of irresponsibility if the Senate took this way to abolish the farm program. It would be much more honest and straightforward to recommit or table the bill itself because this is an indirect way of attacking the whole program of agriculture which has served this country so well.

Mr. President, I congratulate the committee, and particularly the able chairman, for having reached what I think is a reasonable compromise. Along with him, I have always believed that limitations, as such, would not be in the interest of agriculture over all. Having worked out this compromise of $55,000 I think it would be a great mistake for everyone involved, including the businessmen in the cities, as has been mentioned, as well as the farmers, for us to now disrupt this very reasonable agreement which has been reached and which I believe is essential to the enactment of this bill.

I hope the Senate does not accept the amendment of the Senator from Illinois.

Mr. ELLENDER. Mr. President, I yield 2 minutes to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, I thank the Senator for yielding. I think the Senator from Georgia (Mr. TALMADGE) gave the best down to earth summary that I have heard anywhere any time when he mentioned the small farmers that would be affected by this limitation. I can testify that this is certainly true in the major areas of my State.

This limitation would leave out payments on two million bales of cotton. That would mean that that land would be driven into some other enterprise because it has gotten so expensive to grow cotton now in the conditions we have.

As the Senator from Kansas said, the real question is: Are we going to have the program? The system of having this orderly supply of these products at an economic level that will support the people is what we are having to pay for. There is a cost to the Treasury Department but it is the system and it is a system that has been proven over and over again because we do not have the surplus of cotton any more.

I think this matter has been carefully studied. The President studied the matter as well as the Secretary of Agriculture, and the two committees and we are the last ones to pass on it at this level.

Mr. President, as is usually the case when a farm bill or an agriculture appropriation bill is under consideration, there occurs an immediate and frequently violent attack on farm payments.

The farm payment program is not well understood by the average urban dweller, and is resented by him because he knows individuals are given money that comes from taxes and he does not know why. It is attractive because it is psychologically easy to drum up enthusiasm for cutting farm payments. It is a subject that is attractive to the news media, and it gets favorable attention at home—unless home happens to be one of the agricultural States that labors to feed the great industrial States, those rich and populous States, particularly the Northeastern States, where it has been found that it is much more profitable to manufacture things and sell them to farmers than it is to farm, and where in consequence there are very few farmers left.

Mr. President, let us make it clear on the record that there is no way that a farm problem can be dealt with in isolation, without relating the problem to that vast group that must share the consequences of any action that has an effect on farm production, the multitude that do live in your States, wherever they may be, the consumers.

Let us recognize that our larger concern must be for the consumer, whom we all represent. Should anything be done that would decrease the availability of food and fiber to him, or increase its cost, it is his mouth and his back you take it from, not the farmer's alone.

From what sources does the most economically produced food and fiber come? It comes in large part from the larger producers, where the most efficient mass production methods can be used.

And who is being attacked with these demands for lower and lower farm payment limitations? Why, it is the large producers, of course.

So I think it must be clear that what is being debated here with gusto by those who feel they have a good thing going is not the farmer, or his bank account, or the size of his note to the bank, but his crop. And of course it is not his crop. It is the consumer's because he has to have it. There is no way he can do without it. So he must pay whatever price must be paid to obtain it, and that depends on how much it costs to grow it. I am sure my colleagues understand that it is the consumer's welfare that is ultimately at stake, when the economic processes have run their full course. I do not know whether their constituents understand this, as they read or hear of the strenuous efforts to cut the payments to farmers. If they do not know now, they will in time.

Mr. President, the agricultural product of our country is the true golden egg in our economy. The easiest way to cook the goose that laid it is to put the large producers out of business.

These are the most efficient producers, the innovators of new technologies. They do not grow a different crop from the smaller farmers, whom we all worry about. They just grow more of it. It would be puzzling to understand why the larger grower should be penalized more, per increment or crop, than one somewhat smaller in scope—if it were not so apparent why these cuts generate so much enthusiasm on the part of those who propose them. I submit that the enthusiasm will continue only as long as the consumers at home do not fully appreciate the problem.

I think, too, that Congress must remember that this system of farm payments was adopted because in 1965 the Congress departed deliberately from price supports based on parity, using these payments to take up the slack. Drive the programs back into the old system, and it is going to cost more than the system we have.

The $55,000 limitation represents an effort to keep enough farmers in the various areas of agriculture to maintain adequate levels of production to meet demand. It is a compromise, but reached by reasoned judgment by the Agriculture Committees of the Senate and the House, in conjunction with the Department of Agriculture. It should be supported.

There appears to be a rather widespread impression that these payments to larger farmers represent their profit. I wish to point out that it covers a part of his costs and all of his profit, as well, and there may not be any profit, unless there have been favorable growing conditions.

As you know, there are only three kinds of crops that are covered by these payments—wheat, feed grains, and cotton. I am mainly concerned with cotton, of course. There are no farmers in Mississippi who would receive more than $20,000 in the wheat or feed grain program, but nevertheless I strongly support the $55,000 figure for all three crops, because the consequences of a $20,000 limitation are unacceptable.

I know what the consequences would be in the cotton belt. The businesses and banks in many of our rural towns would have to close their doors. Land values would be greatly depressed. There would be widespread economic disruption, and not just among farmers, but across the entire community.

Secretary Hardin, in his written statement issued on July 27, 1970, after the passage of the House bill, stated that he supports the $55,000-payment limitation, without reservation.

I am supporting the payment limit of $55,000 because this is the lowest possible figure that the cotton industry can tolerate without serious disruption. According to the Department of Agriculture even this high a limit will deny payments to some 730,000 bales of cotton.

With the cost of production higher than market prices for nearly all farmers—large as well as small—very little cotton can be grown without the incentive payment. Those who do plant some cotton beyond that on which they receive payment depend on the payment to cover overhead costs on this part of their production.

The cost of growing cotton has increased rapidly over the last few years, and the labor force has dwindled. This had made alternative crops such as soybeans and feed grains more attractive in relation to cotton. In 1968, there was an optional diversion payment of 6 cents per pound. To plant cotton beyond 65 percent of their allotments, cotton farmers had to give up this 6-cent diversion payment. In 1970, there was no diversion payment; and the decision of what to plant on the other 35 percent of the allotment turned on what crop promised the greatest return. Under these circumstances, a smaller percentage of the available allotment was planted to cotton than in 1968 when the 6-cent diversion payment was offered.

Farmers are showing less and less inclination to plant cotton and more inclination to substitute other crops for it when market prices are the only return they can expect. If this trend continues, we can expect to get very little cotton produced for which no incentive payment is made.

The cotton supply is now down to dangerously low levels. Shortages exist in some very important quality categories. USDA estimates that this season we will have demand for more cotton than we will produce for the fifth consecutive year.

We simply cannot go on producing less than the market requires. Just a threatened shortage of certain qualities in 1967–68 cost us millions of bales in markets. A much more real shortage faces us if we do not do everything possible to encourage cotton production.

I said that the $55,000 limit might cost us in production up to some 730,000 bales. Under the circumstances, this is bad enough. The $20,000 limit which is being proposed would deny payments on 2 million bales. This is simply intolerable. There would be little point in spending money on a cotton program to help one of the Nation's important industries survive, on the one hand, and then turn around and make it economically impossible, through too low a payment limit, for that industry to produce enough to hold its markets.

The most serious problem facing the cotton industry in the next few years is that of getting enough cotton grown to supply the demand. It is simply not in the national interest to compound that problem with an unrealistic payment limit.

Mr. President, I hope the Senate will sustain the committee and this compromise, because that is what it is. I thank the Senator for yielding.

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

Mr. ELLENDER. I yield.

Mr. DOLE. I merely want to say that if this payment limitation is reduced we end up killing the program or, in the alternative, make large storage payments to those who store cotton, wheat, and feed grains.

Mr. PACKWOOD. Mr. President, at the request of the Senator from Texas (Mr. TOWER), who is necessarily absent, I ask unanimous consent that a statement prepared by him be printed in the RECORD.

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

Mr. TOWER. Mr. President, while I can understand and appreciate the arguments of those who advocate lowering the payments limitation to $20,000, I cannot support such an effort for reasons which I will make clear.

It has been my record in the Senate to support the concept of market economics. I believe that intervention by the government in economic matters seldom benefits the economy or the people in the short run and never in the long run. Secondary problems immediately appear which must be dealt with. Legislation is then drafted to circumvent the problems caused by the first instance of intervention. Passage of this legislation further disrupts the market and leads to further problems, and so forth and so on.

As Professor Ludwig von Mises, the distinguished founder of the Austrian school of economics, has pointed out so often, intervention begets intervention.

That is the situation we find ourselves in in debating the feasibility of limiting agricultural payments. Both Committees have recommended a limitation of $55,000 per producer per crop. This figure is high enough so as to affect a relatively few producers. The economic impact would be minimal. If, however, we were to adopt the lower figure, a great many producers would be affected. The secondary economic impact would be considerable.

I anticipate that a great many farmers would move into the production of crops for which their land, their weather, their resources were less adequately suited. This shift in production would imperil the markets of other products, which markets are stable at this time. I believe we would compound our problems by making less optimum use of our resources, endangering or destroying presently stable markets, creating confusion for the agriculture industry as a whole, and imperiling the flow of agricultural goods on which our people and our foreign trade balance depend.

I hope that the Senate rejects this amendment.

Mr. SMITH of Illinois. Mr. President, the senior Senator from Oregon (Mr. HATFIELD) is unable to be here today. He has consistently supported the $20,000 farm payment limitation, and he has asked me to place in the RECORD a statement of support for the amendment. I ask unanimous consent that the statement may be printed in the RECORD.

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

EFFECTS OF FARM SUBSIDY LIMITATIONS IN OREGON

Mr. HATFIELD. Mr. President, I support the efforts, led by Senator Ralph Smith, to limit farm subsidy payments to $20,000. This amendment will save our taxpayers nearly $345 million annually.

Many of the recipients of farm subsidies are large "agribusinesses." Corporations and agribusinesses are receiving large sums of money from programs originally intended to strengthen the rural family farmer. I am aware of the positions taken by the opponents of this amendment; but the current program is making the rich richer and the poor poorer, because it is widening the monetary gap between the small farmer and the corporate farmer.

In Oregon, less than 90 of our thousands of farmers would be affected by the $20,000 limitation, 69 of whom are in wheat farming. The Oregon payees receiving over $20,000 receive a total of $2.3 million—a small percentage of the same group on the national scale, which receives $374,000,000. Thus only six-tenths of one percent of the over-$20,000 payments received nationwide are received by Oregonians. Only 44 Oregon payments are over $25,000; the other 57 are between $20,000 and $25,000. A very high percentage of the recipients of subsidy payments in Oregon are receiving less than $500—it is interesting to note that 52.5 percent of all payees receive less than $500 in payments. These payments, however, amount to only 6 percent of the total amount of subsidy money paid. At the same time, 7.3 percent of all Oregon payees received over $5,000, but this group collected 50.5 percent of the total amount paid to all payees in 1969.

Those few Oregonians—one-half of one percent—affected by this farm subsidy limitation presently receive 10 percent of the total money paid in Oregon.

I insert a Department of Agriculture chart showing the payment breakdown for subsidies in Oregon in 1969 to appear at this point in the RECORD.

U.S. DEPARTMENT OF AGRICULTURE—AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE, FREQUENCY DISTRIBUTION OF ALL ASCS PRODUCER PAYMENTS EXCLUDING PRICE SUPPORT LOANS FOR CALENDAR YEAR 1969

OREGON

Range of total payments		Number of payees	Percent distribution	Total amount dollars	Percent distribution
From (1)	Through (2)	(3)	(4)	(5)	(6)
Less than	$100.00	3,422	21.77	146,884	0.62
$100	199.99	1,792	11.40	261,095	1.10
$200	499.99	3,049	19.40	1,016,080	4.28
$500	699.99	1,918	7.62	714,078	3.01
$700	999.99	1,254	7.98	1,050,599	4.43
$1,000	1,999.99	2,077	13.22	2,942,582	12.41
$2,000	2,999.99	881	5.61	2,150,054	9.07
$3,000	3,999.99	522	3.32	1,813,950	7.65
$4,000	4,999.99	370	2.35	1,663,165	7.01
$5,000	$7,499.99	505	3.21	3,078,974	12.98
$7,500	9,999.99	245	1.56	2,113,624	8.91
$10,000	14,999.99	232	1.48	2,792,350	11.77
$15,000	19,999.99	80	0.51	1,370,770	5.78
$20,000	24,999.99	43	0.27	959,547	4.05
$25,000	49,999.99	40	0.25	1,262,449	5.32
$50,000	99,999.99	6	0.05	381,102	1.61
Total		15,716	100.00	23,717,303	100.00

Note.—The above statistics show the number of farmers in Oregon receiving over $20,000 in subsidy payments to be 89. This figure is slightly different from an earlier report which shows the same category to be 86. The difference stems from the fact that the 86 comes from a State report and the 89 is a sum of the county reports. (Bi-county farmers result in the higher figure in the county report.)

Mr. JAVITS. Mr. President, on behalf of my distinguished colleague from New York (Mr. GOODELL), who is necessarily absent, I ask unanimous consent to have printed in the RECORD a statement by him in support of a limitation on farm subsidy payments.

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

STATEMENT BY SENATOR GOODELL

Mr. GOODELL. Mr. President, the amendment before the Senate today wil alter one of the most wasteful programs in Federal Government spending: the payment of outrageously large farm subsidies to a handful of wealthy producers. It offers the Senate an unparalleled opportunity to correct an excessive waste of the taxpayers' money.

For a number of years, I have been active in the effort to bring an end to these indefensible farm payments. I have voted against agriculture appropriations and authorization bills in a protest against the funds they contained for large subsidies and because I did not believe them to be the best measures for the farmer, the consumer or the taxpayer. I actively supported efforts in the House of Representatives to impose payments limitations. Upon coming to the Senate, I continued to press for such limitation. Last year, when the FY 1970 Agriculture Appropriations Bill was considered, I offered an amendment to place a $10,000 per crop limit on the amount an individual producer of cotton, wheat or feed grains could receive. Regrettably, my motion to suspend the rules to consider this amendment did not carry.

On May 5 of this year, the Senator from Indiana (Mr. BAYH) and I together with 8 cosponsors, reoffered this amendment to the "Coalition Farm Bill" (S. 3108) in order to place a $10,000 per crop limit on all producers. Contrary to popular notion, a payment limitation at this level would effect only 3.8 per cent of the cotton producers, 0.5 per cent of the feed grain producers, and 0.7 per cent of the wheat producers—of the total 2.5 million producers in the United States—yet would have resulted in a substantial saving of approximately $338 million.

In July of this year, the Senate passed a $20,000 limit on the Fiscal Year 1971 Agriculture Appropriations Act, a measure which I supported.

The fight for a meaningful limitation is now confronted by the fact that the House of Representatives and the Senate Agriculture Committee have agreed to what I consider to be a totally unacceptable limit on these outrageously high subsidy payments. They have accepted a limit on each producer of $55,000 per crop for each of the three crops of cotton, wheat and feed grains—which is really no limit at all. It is, in my view, a facade. Imposing a limit of $55,000 per crop will save a mere $58 million of the total $3.6 billion now paid out in farm subsidies nationwide. This will limit only about 1100 of the 2.5 million producers.

As presently constituted, our farm subsidy program is a national scandal. The number of individuals and corporations receiving payments constantly increases, as does the total amount of subsidies paid out for these programs.

An examination of the facts about this program reveals that in 1969 2.5 million producers in the United States received a total of $3,695,200,000 in subsidy payments for all programs. Less than 1 per cent of these producers received subsidies over $25,000, but these large payments total $406 million—11 per cent of the aggregate amount paid.

In testimony before the Senate Appropriations Committee on June 4, 1969, Secretary Hardin, on the basis of 1968 figures, estimated that 65 per cent of the cotton pay-

ments, 49 per cent of the wheat payments, and 11 per cent of the feed grains payments were simply income supplements rather than payments for acreage diversion. In other words, a large part of the large payments are a net addition to producers' substantial incomes from farm products marketed rather than payment for leaving land out of production to balance supplies with market outlets available, as is commonly supposed.

A most distressing fact is that farm subsidy payments do not aid the hardpressed small- and middle-size family farmer. Moreover, the list of "farmers" who receive large checks includes non-farm corporations, banks, several State prisons, and even State governments. In the cotton program, for example, in 1968, 62 per cent of the program payments, totaling $787 million, went to fewer than 35,000—7.6 per cent—of the 449,000 producers and landlords who received cotton program payments. These 35,000 large producers received checks of $5,000 to $3 million while the other 414,000 producers received checks averaging about $700 each. Half the cotton producers received checks of less than $700. Subsidies to cotton and wheat growers, fully half of which go to the very large farmers, now exceed 50 per cent of the value of the crops they produce.

If the Senate adopts this amendment, we will place in permanent legislation a realistic limit on this great giveaway program. If we accept the Committee recommendation of $55,000, we will not have done the job. Imposing a $55,000 limit on each of these three crop programs is a little like chipping away at the tip of an iceberg. A $20,000 limit will still affect a very small number of our total farm producers and result in a substantial saving of over $200 million, as contrasted to the mere $58 million which the House and Senate Committee have provided.

The scourge of hunger and malnutrition still exists in our land of wealth. We are told that there is not enough money to provide sufficient funds for welfare reform, revenue sharing, and adequate health, urban rehabilitation, education and job training programs. Meanwhile, inflation continues to eat mercilessly away at the pocketbook of every American.

How, then, can we accept a meaningless limit of $55,000? How can we justify the perpetuation of a program which assists no one but a small handful of wealthy producers and corporations? We cannot. I urge the adoption of a $20,000 limit by the Senate.

Mr. SMITH of Illinois. Mr. President, very briefly, in conclusion, I have listened most interestedly to the arguments, but I must say in all candor that I am not very impressed or convinced.

If we have a problem with the Gila Indians in Arizona, and we may have, I would be willing to do whatever is reasonable or appropriate to solve that problem. But let us not call it a farm program if we do it.

If we have a problem in Georgia, as suggested by the distinguished Senator from Georgia, and we may have, with respect to widows, or people who will not work their farms—and I think that was the language used——

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

Mr. SMITH of Illinois. I yield.

Mr. TALMADGE. I did not say "would not work their farms." I said "could not."

Mr. SMITH of Illinois. I beg the Senator's pardon. I misunderstood and I did not mean to misquote the Senator.

If we have such a problem, and I am certain we do, with corporate profits of Standard Oil in California, with certain institutions and others that collect these giant subsidies, and if we have a problem that needs to be handled, that is fine, but we should not call that a farm program either.

Mr. President, this bill is designed to work toward a farm program for farmers, and I think that is a reasonable objective.

The PRESIDING OFFICER. All time has expired on the amendment. The question is on agreeing to the amendment offered by the Senator from Illinois and the Senator from Delaware. On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BENNETT (when his name was called). On this vote I have a pair with the Senator from Maryland (Mr. MATHIAS). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore I withhold my vote.

Mr. GRIFFIN (when his name was called). On this vote I have a pair with the Senator from Nebraska (Mr. CURTIS). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. HUGHES (when his name was called). On this vote I have a pair with the Senator from Wyoming (Mr. MCGEE). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the distinguished senior Senator from Georgia (Mr. RUSSELL). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." Therefore I withhold my vote.

Mr. PACKWOOD (when his name was called). On this vote I have a pair with the Senator from Texas (Mr. TOWER). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. SAXBE (when his name was called). On this vote I have a pair with the Senator from California (Mr. MURPHY). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

Mr. SCOTT (when his name was called). On this vote I have a pair with the distinguished Senator from South Dakota (Mr. MUNDT). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. INOUYE (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Indiana (Mr. HARTKE). If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." I therefore withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from Maryland (Mr. TYDINGS), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from New Jersey (Mr. WILLIAMS) would each vote "yea."

On this vote, the Senator from Oklahoma (Mr. HARRIS) is paired with the Senator from Rhode Island (Mr. PASTORE). If present and voting, the Senator from Oklahoma would vote "nay" and the Senator from Rhode Island would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from New York (Mr. GOODELL), the Senator from Idaho (Mr. JORDAN), the Senator from Oregon (Mr. HATFIELD), and the Senator from Vermont (Mr. PROUTY) would each vote "yea."

The respective pairs of the Senator from Nebraska (Mr. CURTIS), the Senator from Maryland (Mr. MATHIAS), the Senator from South Dakota (Mr. MUNDT), the Senator from Texas (Mr. TOWER), and that of the Senator from California (Mr. MURPHY) have been previously announced.

The result was announced—yeas 21, nays 44, as follows:

[No. 296 Leg.]

YEAS—21

Bayh	Gore	Proxmire
Boggs	Hart	Ribicoff
Brooke	Javits	Schweiker
Byrd, Va.	McIntyre	Smith, Ill.
Byrd, W. Va.	Nelson	Spong
Case	Pell	Williams, Del.
Cook	Percy	Young, Ohio

NAYS—44

Aiken	Dole	Gurney
Allen	Dominick	Hansen
Allott	Eagleton	Holland
Anderson	Eastland	Hollings
Bellmon	Ellender	Hruska
Bible	Ervin	Jordan, N.C.
Burdick	Fannin	Long
Church	Fong	McClellan
Cooper	Fulbright	McGovern
Cranston	Gravel	Metcalf

Miller	Smith, Maine	Talmadge
Mondale	Sparkman	Thurmond
Montoya	Stennis	Yarborough
Muskie	Stevens	Young, N. Dak.
Pearson	Symington	

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—8

Bennett, against.
Griffin, for.
Hughes, for.
Inouye, against.
Mansfield, for.
Packwood, for.
Saxbe, for.
Scott, for.

NOT VOTING—27

Baker	Hatfield	Mundt
Cannon	Jackson	Murphy
Cotton	Jordan, Idaho	Pastore
Curtis	Kennedy	Prouty
Dodd	Magnuson	Randolph
Goldwater	Mathias	Russell
Goodell	McCarthy	Tower
Harris	McGee	Tydings
Hartke	Moss	Williams, N.J.

So amendment No. 883 was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following address, which was delivered by the Senator from Alabama (Mr. ALLEN) earlier today, is printed at this point in the RECORD by unanimous consent.)

Mr. ALLEN. Mr. President, I rise in support of H.R. 18546.

This bill comes to the floor after much deliberation and consideration by our Senate Agriculture Committee. Although the legislation does not contain all of the provisions which I feel are needed to round out our farm program, it is a good bill and basically a sound bill. It is a bill which will continue support for many of the tried and proven programs of American agriculture.

May I say that in this bill there is much of the experience and much of the wisdom of the senior Senator from Louisiana. The farmers and farm families of America have no greater friend than ALLEN ELLENDER. His name stands near the top of any rollcall of Senators who have sponsored and worked and voted for farm programs such as price supports on basic farm commodities, soil conservation, farm credit, farm housing, and the school lunch program.

Through the years, the distinguished Senator from Louisiana has been a most effective and eloquent spokesman in the battle to enable the farmers of our Nation to obtain their fair share of the national income and to enjoy the fruits of American prosperity.

Mr. President, American agriculture is the marvel of the civilized world. It is a remarkable fact that less than 5 million farm producers have fed and clothed 200 million Americans and fed and clothed them better than any people have been fed and clothed in all the history of the world.

It almost goes without saying that most of us today are feeling the effects of the high cost of living and consumers are telling each other about how much they spend at the grocery store. Yet, food continues to be one of the best buys around. For this we have the American farmer to thank. His use of advanced production know-how has enabled him to grow more and better food on fewer acres with a smaller input. The application of ever-better harvesting and marketing practices has put more food on the shelves, provided surpluses for food programs for the needy, provided farm commodities for huge exports, and has built up reserve stocks sufficient to meet emergency needs.

The unparalleled genius of the American farm producer has resulted in a rate of increase in farm efficiency in the past two decades which has surpassed that in nonfarm industries. Productivity of the American farmworker increased at a rate of 6 percent in the 1960's while other industries showed an increase rate of only 3 percent. The American farmer today produces 20 percent more on 6 percent fewer acres than he did in the 1957-59 period. I am sure it will be of interest to the Senate to know that in the 18th century, Adam Smith, the renowned economist, made a prediction that flabbergasted the people of his day. He said:

> When the time comes that one farm worker, through improvement and cultivation of land, can provide food for just two people, the labor of half of the society will be able to provide food for the whole society. Then and only then can the other half of the people be employed in providing the other the wants and fancies of mankind.

I wonder, Mr. President, what Adam Smith would say if, through some process of reincarnation, he could be brought back among us for a while to view the amazing record of agricultural production and to learn that instead of half the people producing for the other half, the American farmer today can produce for himself and 44 others.

As the farmer's inputs have decreased, his capital outlays have risen sharply. To replace man-hours, the farm producer buys more machinery, chemicals, and other commercial products. Agriculture generates jobs for more than 30 percent of our work force, either by providing the raw material on which they work, or by providing the market for the products that they produce.

Farmers are responsible for buying nearly $37 billion in production goods and services each year. The American farmer annually purchases about 5 percent of our steel production and 2½ percent of our electricity. In dollars and cents, he buys nearly $2 billion worth of lime and fertilizer products and more than $4 billion of petroleum products. From an investment standpoint, agriculture's total assets of $298 billion is equal to two-thirds of the value of the current assets of all corporations in the United States.

Yet, Mr. President, while the farmer's importance to our economy is generally underrated, his relationship to the increased cost of living is vastly overrated.

Today the American consumer spends only 16.5 percent of his disposable income to buy food. In Western Europe the comparative figure is between 20 and 25 percent and in Russia between 40 and 50 percent. In the Far East the consumer spends as much as 75 or 80 percent of his disposable income for food.

But, Mr. President, all too often, it is the farmer who is blamed for the increase in the price of bread or potatoes or cornflakes. According to reports from the U.S. Department of Agriculture for 1969, however, we find that the farmer is the person least responsible for increased food costs. Using the items I have just mentioned, let me point out just how much is returned to the farmer for what the consumer pays for these staples.

Out of a 23-cent, 1-pound loaf of bread, the farm share in 1969 was 2½ cents.

From 10 pounds of potatoes that averaged 82 cents, farmers received 24 cents last year.

In 1969, farmers received 2.6 cents from a 12-ounce box of cornflakes that cost an average of 31 cents to the housewife.

The American farmer received an average of 39 cents on the dollar consumers spent for domestic farm foods in retail food stores during the second quarter of this year. This was 2 cents less than in both the previous quarters and all of last year, and down from 50 cents in 1947 when a dollar went much further.

The true story, of course, is that it is the middleman, not the farmer, who has gained the most from any increase in food prices. The farmer produces our food, but it is the middleman who transports it, wraps it, and displays it in tune to the demands of the consuming public. A revealing measure of the ever-decreasing share of the farmer in the overall amount spent by the consuming public for food is contained in a table published by the U.S. Department of Agriculture Economic Research Service, for which I ask unanimous consent to place in the RECORD at this point.

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

FARM-FOOD MARKETING BILL AND FARM VALUE OF FOOD BOUGHT BY CIVILIAN CONSUMERS, 1947-69

[In billions of dollars]

Year	Farm value	Farm-food marketing bill
1947	$19.3	$22.6
1948	19.9	24.9
1949	17.4	26.0
1950	18.0	26.0
1951	20.5	28.7
1952	20.4	30.5
1953	19.5	31.5
1954	18.8	32.3
1955	18.7	34.4
1956	19.2	36.3
1957	20.4	37.9
1958	21.5	39.5
1959	20.9	42.2
1960	21.7	44.2
1961	22.0	45.1
1962	22.4	46.9
1963	22.6	48.9
1964	23.4	51.2
1965	25.5	52.1
1966	28.1	54.7
1967	27.3	57.5
1968	28.9	60.6
1969 [1]	32.2	63.7

[1] Preliminary

Source: U.S. Department of Agriculture Economic Research Service.

Mr. ALLEN. From the foregoing chart, Mr. President, we see that the farm value of the total farm-food marketing bill has risen only 67 percent since 1947; yet, during this time the farm-food consumer's bill has increased nearly 200 percent.

Meanwhile, our farmers are paying the highest expenses in history. In 1948, gross farm income was $34.7 billion compared to $54.6 billion in 1969. But net income was $15.9 billion in 1948 compared to only $16 billion in 1969. This is because farm expenses soared from $18.7 billion in 1948 to $38.5 billion, or more than double, in 1969.

Simply stated, Mr. President, these statistics show that the American farm producer is still not yet receiving a fair share for his contribution to our economy and that he is caught in a vicious cost-price squeeze. I have heard it said that the farmer is the only producer who has to buy everything at retail and sell everything he produces at wholesale. Anyone would be hard pressed to show from these figures, Mr. President, that the farmer is getting rich on either Government subsidies or anything else.

It is appalling to me that the goal of gaining access to the economic mainstream still evades our farm people. Equally distressing to me is the distorted image of agriculture and the difficulties of getting the true picture of agriculture across to the nonfarm people of our Nation. It is downright despicable the way much of the national news media deliberately belittles, belies or otherwise fails to relate to the urban public the favorable and positive side of farming and how very important it is to maintain a stable farm economy.

Consequently, Mr. President, a large percentage of the public is unaware that we are facing a farm crisis today which is simmering to a boil and that, as consumers, they have as much at stake in farm problems as the farmers themselves. Yes, because we often see perfidious newspaper headlines or hear sensational radio and television reports about agriculture in general and farmers in particular, expressions such as "farmers are getting rich off the Government" seem to be gaining wider acceptance daily.

This seemingly deliberate and concerted attack on agriculture by many of the big city newspapers, national magazines, and radio and television commentators is selfish, reckless, and irresponsible. What the mass news media should be extending to the American farmer is understanding, not indifference; faith, not cynicism.

A typical example of pharisaical journalism concerning our agriculture program was exhibited in the May 1970 issue of Reader's Digest magazine in an article calling for an end to farm subsidies. The Reader's Digest not only failed to tell the whole truth about our farm price support programs, the article was patently anticotton.

I shall not dignify the Reader's Digest article by placing it in the RECORD. As I have previously stated the article appeared in the May 1970 issue of that magazine and I have copies of the article here at my desk should any Senator be interested in seeing it. I do, however, wish to call to the attention of the Senate and insert in the RECORD at this point a very excellent rebuttal of the Reader's Digest article which appeared as an editorial in the July 1970 issue of the Progressive Farmer magazine, one of the most distinguished publications in America.

The editorial is entitled "They Didn't Tell 'The Whole Truth'." I ask unanimous consent that this splendid editorial be printed in the RECORD.

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

THEY DIDN'T TELL "THE WHOLE TRUTH"

What a shame publication with the potential for good of *Reader's Digest* (they claim the largest magazine circulation in the world) should stoop to gross misrepresentations and half-truths in an attempt to destroy farm price supports. We are referring, of course, to the article "Time To Say *No* to Big Farm Subsidies" in their May issue.

It's obvious from the article that *Reader's Digest* editors aren't just opposed to "big farm subsidies" but to *all* farm subsidies. Why do we say this? Because the article is predicated entirely on costs. Nowhere is any credit given to farm programs for stabilizing the farm economy or the spectacular benefits to consumers of cheap, wholesome food and fiber.

We will not attempt to answer the *Reader's Digest* article item by item. To do so would take more of your reading time and our writing time than it justifies. But perhaps a point or two will help brand the article for what it is.

Item: "Over the years, by rigging the payment programs and acreage allotments, 'cotton men' have so fattened up the subsidy that cotton producers now draw half their gross income from the U.S. Treasury. . . ."

Elsewhere, charging Chairman Bob Poage of House Agriculture Committee, and a 33-year veteran in Congress, with withholding action on the food stamp program to get concessions on payment limitations, the article quotes Representative Paul Findley of Illinois: "He's holding the hunger program hostage, in order to corral votes for his $2 billion for cotton."

Fact: USDA figures show sales of cotton and cotton seed totaled $1,211,000,000, Government payments to cottongrowers to have been $827,000,000 in 1969. Payments to cottongrowers were *not $2 billion* and *not half the gross*, only 41%.

In another slap at the South, the article stated: "Out of some 250 U.S. farm commodities, only cotton, peanuts, sugar, rice, tobacco, feed grains, and wheat—40% of total farm sales—are subsidized and controlled. . . ."

Words to watch here are *and controlled.*

The most direct farm subsidy we have is on wool—going predominately to Western flockowners. But since there are no surplus problems with wool, there are no controls. That makes the wool program no less a subsidy, though.

Price support loans on soybeans and dairy products are made with Government funds and to that extent these commodities are subsidized. Federal purchases of food products in surplus—eggs, beef, pork, honey, beans, peas, pecans, and many others—for school lunch programs, food for the needy, foreign aid, and other charitable programs constitute subsidies, both to the producer and to the recipient. The fact that these products aren't "controlled" seems irrelevant. What is relevant is that *Reader's Digest* did not tell the whole story.

Perhaps we are exaggerating the damage this article can do. We are living in a time of slanted news and planted propaganda. Vice President Agnew said it; Howard K. Smith said it; *Reader's Digest* is helping prove the point. But, we doubt that many people of influence, least of all Congressmen, are readily taken in by distortions and half-truths.

Like the football coach said: "Our best defense is our offense." We need to continue telling our story of how well farmers are feeding the other 95% of the population, with some to spare, at the least cost ever in workingtime to purchase. These facts aren't even arguable.

Mr. ALLEN. In addition, Mr. President, what the Reader's Digest deliberately, or conveniently if you prefer, failed to mention is that it enjoys a mail subsidy each year which is by far and away higher than any producer receives under the farm price support program. My fellow Alabamian, Postmaster General Winton Blount, recently advised me that the total costs of operating the postal services for the 1969 fiscal year were made up of more than $3.6 billion of direct costs and another $3.6 billion of indirect costs. The Postmaster General further advised me, and I quote from his letter:

In the fiscal year 1969, the direct costs to the Department for regular rate publications, including Reader's Digest were $238.8 million. The revenues brought in by this category during that period were $122 million for a loss of $116.8 million. Only 51.1 percent of the direct costs were covered by revenue and none of the indirect costs.

It appears that Reader's Digest and certain other segments of the mass news media want the public to think that only the farmers are receiving a Government subsidy. Or perhaps they are anxious to steer people's minds away from the fact that they themselves get a flow—a continual flow—of taxpayers' money in the form of a mail subsidy. I say that publications should, under some type of fairness doctrine, also be responsible enough to tell the truth about themselves when they write about payments made to our farmers.

Another point which the mass news media so often fails to tell the public is that programs comparable to the farm support program exist for other businesses and have for many years.

Mineral producers are protected by government purchases, import quotas and tax concessions.

Outright subsidies go to many industries, such as airlines, railroads and shiplines.

Payments for cost overruns seems to have almost become a fact of life for many defense industries, but farmers cannot fall back on the Government for their cost overruns.

And, of course, to this list we can add the publishing houses and bulk mailers of unwanted junk mail.

We are forced to realize that when one large economic group—such as the farmer—suffers, many other economic groups suffer. The ginners, warehousemen, merchants, farm laborers, business, and professional people and others whose endeavors and livelihoods depend upon or are directly related to the successful functioning of a productive agricultural economy are also sharply affected by drops in farm income.

I have in my hand, Mr. President, the August economic report of the First National Bank of Florence, Ala., and in it the story is told of how the depressed income and reduced purchasing power of our farm people today are inevitably passed along to industry and business in the form of reduced demand for consumer goods and loss of sales. The results are curtailed production, unemployment, and a weakening of the Nation's economy.

I ask unanimous consent to have printed in the RECORD at this point the article to which I have just referred.

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

ECONOMIC TRENDS AND THEIR IMPACT ON BUSINESS

Farmers pull in their horns, too—Consumers and businessmen are not the only ones cutting back expenditures; the nation's farmers have likewise drawn their purse strings tighter.

Merchants in the nation's Farm Belt have been suffering even longer than their city cousins. Sales of farm equipment started to plunge as early as last year.

After reaching a peak in 1968, volume skidded 10% to $4.4 billion in 1969. So far this year, the sales curve is running even lower.

The decline in farmers' purchases of equipment has been largely in tractors. The Farm and Industrial Equipment Institute reports that first-quarter 1970 tractor sales slid 11% behind year-ago, following sales declines of 10% in the full year 1969, and 12% in 1968.

Harvesting machinery is moving more sluggishly, too. Purchases of combines dropped 18% in this year's first quarter, after declining an average of 20% in each of the two previous years.

Unit sales of major types of farm equipment had actually been in a downslide for several years. But until 1969, rising prices more than offset these drops—producing increased dollar volume. Since 1969, however, the loss has extended to dollar sales as well.

Agricultural economists point out that usually gross farm cash receipts are a major determinant of what farmers will spend on equipment. This being the case, you would expect more—not less—to be spent, since gross receipts have been in an accelerating uptrend since 1968.

But the relationship has broken down this time around. The reason: almost all of the increase in total farm receipts since 1968 has resulted from higher livestock prices. Income from grains has fallen sharply.

Obviously, the need for machinery is greater among grain farmers than among those who make a living principally off livestock. The combination of reduced demand for most grains, coupled with increased participation in government programs that call for idling acreage has, in turn, reduced the demand for new sources of mechanical power.

Tight money has affected sales, too. Unlike general operating or feeder animal loans, which usually mature in one year—hence are relatively easy to obtain—loans for farm machinery usually run from three to five years. These types of loans are usually among the first to become scarce.

Finally, the softening in the farm real estate market has contributed to reduced equipment purchases. The Federal Reserve Bank of Chicago reports that farmland values in its district have declined for the first time in nine years.

Because farm equipment and farmland are joint inputs, it is easy to see how reduced real estate demand can hit equipment sales. Many farms are too small to utilize newer, more efficient machines. To increase productive capacity, more land must be acquired, and when such acquisitions are blocked, machinery purchases may be delayed.

Mr. ALLEN. These unhappy facts cannot be regarded as mere statistical data. These figures speak much more, particularly when they are translated into the practical realities of stark tragedy for thousands of men, women, and children whose hopes and aspirations for a decent standard of living are inseparably tied to the soil. These are statistics of a pending economic catastrophe if we do not take steps immediately to improve and maintain farm income.

Mr. President, I believe that the Senate version of H.R. 18546 embodies the provisions that would give the protection needed by our farmers in their quest to attain and enjoy an income and standard of living on a par with their fellow citizens. These important objectives simply cannot be achieved by the administration-backed farm bill which was passed in the House last month. This truth is self-evident when it is recognized that not a single major farm organization has endorsed, or even spoken favorably of, the bill as sent to the Senate as being able to maintain farm income.

In the area of cotton, the House bill would destroy parity, eliminate marketing quotas and take away from growers the opportunity to balance supply with demand. These are time-honored, time-proven principles which our farmers have cherished ever since the farm bloc in Congress under the leadership of the late Edward O'Neal, of Alabama, then president of the American Farm Bureau, persuaded Congress to write them into law nearly four decades ago.

Parity is important because it is the only effective yardstick whereby farm prices are stipulated in a manner that reflects the continuous costs of production and the effects of inflation. In other words, the difference between farm prices and farm costs. Supply control is equally important because under our free enterprise system no business, whether it be farming or floor tile, can long succeed if it consistently produces more than can be sold at a fair price.

Frankly, Mr. President, I am having some difficulty in determining the real position of the Nixon administration in the area of parity. Two years ago, on September 14, 1968, to be specific, then candidate Richard Nixon in Des Moines, Iowa, said:

> Seventy-four percent of parity is intolerable in my book; farmers are entitled to better, and I pledge that in my Administration they will have better.

Normally, I suppose one could dismiss these remarks as campaign rhetoric. But on July 24, 1970, now President Nixon told an audience in Fargo, N. Dak., that he was "for 100-percent parity for wheat."

I would like to remind the President that last month prices received by farmers declined 3 percent—the sharpest 1-month price drop in 22 years. Farm operating costs on the other hand, remained at near-record highs with the result that the parity ratio plummeted to 71 percent.

I would further remind the President that the House bill which his administration is supporting would tie the future of parity levels to the world market. Loan and purchase price levels would be set between zero and 90 percent, thus the Secretary of Agriculture could slash price support floors to zero on feed grains, wheat and cotton.

And finally, I would like to remind the President that on August 31, 1970, the Secretary of Agriculture with Budget Bureau approval wrote our Senate Agriculture Committee objecting to the Senate bill's adherence to the parity concept. In fairness, let me say that it may very well be the President subscribes to one position in connection with the concept of parity and that bureaucrats in the Agriculture Department and the Budget Bureau subscribe to another. But as I interpret article II of the U.S. Constitution, the President is supposed to be the boss of the executive branch and, therefore, it would be my suggestion that he convey his wishes regarding parity to his assistants post haste.

Beyond the unfair economic aspects of the House bill, the set-aside program would require cotton producers to idle up to 33⅓ percent of their cotton allotments without any compensation and without any assurance that they would be able to use this land for any other purpose. In testimony before our Senate Agriculture Committee it was repeatedly demonstrated that this proposal would decrease farm income.

It was shown that the set-aside proposal coupled with the freedom to plant feature was a step away from marketing controls and would increase farm surpluses comparable to the disastrous era of Bensonism. The committee recognized that the huge majority of farmers would not make any change in their planting histories and, therefore, the proposal would not give the farmer the freedom of decision and flexibility that had been so widely acclaimed by set-aside proponents.

Marketing quotas, which is a means of controlling farm acreage allotments has been the primary ingredient of farm programs since their inception. Because of the present supply and demand situation in the cotton industry we must continue to use this valuable tool in order to assure an adequate supply of cotton and at the same time prevent a costly and damaging surplus such as we have seen in the past. I do not agree with the argument that elimination of marketing quotas, thus allowing unlimited planting of cotton, is the proper way to reduce cotton production costs. Let me suggest that the most efficient way for any producer to reduce production costs is that he be able to accurately anticipate production needs for the longest period of time possible. Stable acreage allotments coupled wth a guaranteed minimum price, both provided for in the Senate bill, enable farmers to adequately plan production inputs thus obtaining an efficiency which could not be otherwise attained.

Alabama farmers have long shown by their votes—I do not mean in an election race—that they believe in marketing quotas. In 1968, a total of 28,745 Ala-

bama cotton producers voted for cotton marketing quotas in the agriculture referendum provided by the act, and only 1,074 voted against quotas. In other words, a ratio of 28 to 1 favored the marketing quotas which the present administration seeks in its proposal to do away with.

Mr. President, my interests are not limited to a single commodity. They extend to every segment of the farm program. The Senate version of H.R. 18546 is clearly more favorable to all commodities, but I am restricting the majority of my discussion to cotton because of its extreme importance to the economy of Alabama.

The Senate bill ties cotton payments to parity. The national acreage allotment for cotton will be 14.5 million acres, but the Secretary of Agriculture may increase this figure by up to 25 percent if he determines it necessary to assure an adequate supply. Cotton farmers may substitute feed grains, soybeans, or wheat for cotton, if wheat or feed grain producers are permitted to do so.

Under the Senate bill the loan level will be for 1 year at 90 percent of the world market price of cotton in the 2 preceding marketing years. The loan plus the payment will be 35 cents a pound or 65 percent of parity, whichever is greater. The initial payment will be 15 cents a pound and will not be reduced, whatever the final payment is determined to be.

Mr. President, a most significant feature of the Senate version of the farm bill is that income of farmers is supplemented for producing cotton, not for not producing it. I think that is a concept that the Senate of the United States will approve—not to pay for not producing a crop, but to help subsidize the production of the much needed crops and to subsidize that and not the failure to plant. So the Senate bill does provide for supplemental payments to encourage the planting of cotton. It makes no payment whatsoever for not planting cotton.

In addition, the payment will be 30 percent higher for small cotton producers whose average gross sales of farm products in the preceding 3 years were $5,000 or less and whose annual off-farm income in the preceding 3 years is $2,000 or less. A small cotton producer is defined in section 602 of the bill as one whose farm acreage allotment is 10 acres or less. Certainly, they would be classed as small farmers.

I regret that the administration is opposed to this proposal. In Alabama, 43,772 farms have cotton allotments of 10 acres or less. I am sure that the overwhelming majority of these Alabama farmers were astonished by Secretary Hardin's declaration concerning this proposal "that poverty in agriculture should be dealt with through the President's family assistance plan." Frankly, I am disturbed when the chief spokesman for farm people in America proposes to relegate a portion of them to the status of welfare recipients and endeavors to shunt them, as cattle into a corral, off to the Department of Health, Education, and Welfare. The income problems of our small farmers deserve more consideration and efforts to strengthen the economic position of small farmers who desperately want to continue their farming operations and be self-sustaining should come from the Agriculture Department. I am not aware of anyone down at HEW whose mission is to restore purchasing power to agriculture.

The cotton section of the bill provides that the set-aside shall not be over 12½ percent of the farm acreage allotment. With respect to sale, lease, or owner transfer of farm acreage allotments, the bill retains the same provisions of the 1965 Farm Act except that the referendum for out-of-county transfers is eliminated. The person acquiring the allotment, however, must be dependent on cotton farming for his livelihood and must give assurance that the full farm base acreage allotment will be used.

As we know, both the Senate and House versions of the farm bill limit payments under the wheat, feed grain, and cotton programs to $55,000 on a per farm, per crop basis. I regret the considerable misunderstanding and controversy which has occurred over farm payments. The big demand for a payment limitation is based on the charge that many big farmers are getting rich off Government payments and that the producer is being paid not to grow. This is not true. There are undoubtedly some abuses in the program, but many of these producers are having a difficult time making ends meet even under the present program. In addition, the program is structured to subsidize the commodity, not the farmer. Thus, the farmer who produces the most qualifies for the biggest price support or production payment. In other words, the program of farm payments until now has treated all farmers fundamentally alike. It has provided payments in direct ratio to the volume produced or the amount of land diverted from production.

The issue of payment limitations and how farm payments have made the farm program workable was the subject of an editorial in the September 1970 issue of the Progressive Farmer. I commend the editorial to the Senate and ask unanimous consent that it be printed in the RECORD.

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

[From the Progressive Farmer, September 1970]

PAYMENT LIMITATIONS—A BLOW TO U.S. AGRICULTURE

Congress seems determined to make the already critical cotton situation even more serious. Certainly if the $20,000 limitation on farm payments, as voted by the Senate on July 8, becomes law, the impact on the nation's cotton economy will be devastating.

Such a limitation would be a low blow to many cotton producers. But its effect would vary radically from one area to another. Little harm would be done in North Carolina, for instance, where the average cotton allotment is less than 25 acres. On the Texas High Plains, 10% to 20% of the area's growers would suffer reduced income. Total farm payments in this area would be cut 25%, and a like percentage of production would be affected. But in Arizona, the impact would be disastrous. About half the state's domestic allotment would not qualify for payment.

Overall, the $20,000 limitation as voted by the Senate would adversely affect cotton farmers who produce 4 million bales annually. And it would make it senseless from an economic standpoint for a farmer to grow more cotton than is covered by the payment limitation.

The limitation also applies to wheat and feed grains. To the extent he grows not only cotton but these other crops, a producer would be hurt even more.

The demand for a payment limitation is based on the wrongheaded conclusion that big cotton farmers are getting rich off Government payments. This is not true. Many of these growers are having a hard time breaking even at present payments, even without limitations.

The purpose of the direct payment plan, under which the cotton program operates, is to keep market prices at a low level so that U.S. cotton can compete successfully in domestic and world markets with foreign cotton and manmade fibers. Under such a program, a considerable part of the producers' income must of necessity come from Government payments. But producer income from cotton program payments is *earned* income. It costs money to idle high-priced land from which the owner must forego income while continuing to pay taxes and maintenance costs.

A payment limitation is incompatible with the American economic system which is based on fair pay for work performed. It would disrupt most phases of agriculture and deny many agricultural producers a just return on their labor.

If big producers are forced out of the program by payment limitations and continue to grow cotton, this means that more land must be taken out of production by small operators if the program is to succeed.

Finally, a limitation places a penalty on size and efficiency. It would serve notice to farmers that their Government will penalize them if they become big by becoming efficient.

Even though farm payment limitations of any sort are fundamentally wrong, Congress seems determined to go ahead with them regardless of consequences. This being the case, Congressional farm leaders should exert themselves to put the limits high enough to allow practically all farmers to escape them. Limitations should apply to individual crops rather than cover total payment for all crops.

At one time, it seemed Congress might agree to a variable limitation ranging from $20,000 to a maximum of $110,000 per crop. But that hope has "gone with the wind." A $55,000 limitation per crop now seems the best that can be expected.

Farm programs should be designed to give efficient farmers with economic units of land and capital a fair shake. It is these operators, the backbone of U.S. agriculture, who will give us our food and fiber at fair prices in the years ahead, They should not be hamstrung with payment limitations, if by reason of their efficiency they are now or later to become *big* farmers.

Mr. ALLEN. Mr. President, I do not wish to belabor the matter of payment limitations. I do want to point out, however, that the $55,000 figure was arrived at by our committee by the most careful analysis. It was determined that $55,000 was the minimum limit which would keep the efficient producer in the farm program.

Mr. President, today the demand for food and fiber is greater than ever before. People are eating more, and more people are eating. There are about 70 more people sitting around the American family table now than when I started this speech. This time tomorrow there

will be 6,500 more. That adds up to over 2 million a year. And the world population increases that much every month. These are mouths that must be fed if democracy is to continue to flourish at home and be strengthened and extended abroad.

Shall we eat and wear less in the days to come, or shall we raise more products as the need for them arises? The answer is obvious. This will present an even greater challenge to the American farmer who up until now, has been able to sustain us by providing us, often at sacrifice to himself, with the food and fiber necessary to life itself. But the continued ability of our farmer to feed and clothe the growing population of our Nation and much of a hungry world is contingent upon a sound and sensible agricultural policy which will maintain and improve form income.

We must never forget that the strength and prosperity of agriculture is basic to the strength and prosperity of our country. In times of crisis and war, the American farmer has toiled selflessly to produce the goods to meet the needs of the hour. The farmer has never failed our country, and now the country must not fail him.

Mr. CHURCH. Mr. President, I wish to give a short explanation of why I cast my vote against the amendment on which the Senate has just voted.

A few weeks ago, I voted in favor of a $20,000 ceiling on farm price supports. Tonight, I voted against a $20,000 limit in order to support the committee's recommendation that the ceiling be set at $55,000 instead.

My reason stems directly from the legislative history on this question. In recent months, we have seen the House of Representatives establish a limit on farm supports, only to have it rejected by the Senate; and we have seen the reverse. The Senate has approved support limitations which, in turn, have been rejected by the House.

Now, for the first time, the Agriculture Committees of both the Senate and the House have agreed on a common figure, which will set, again for the first time, a statutory ceiling on price supports.

I think it best, under these circumstances, not to tamper with the committee figure, for fear that if we change it now, we shall once more risk falling between two stools and end up with no ceiling at all.

AMENDMENT NO. 891

Mr. PERCY. Mr. President, I call up my amendment No. 891.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. The Senator from Illinois (Mr. PERCY) proposes an amendment, for himself and Mr. SMITH of Illinois, identified as No. 891.

The legislative clerk read as follows:

On page 69, at line 15, insert the following after the period: "*Provided,* That the payment rate with respect to any producer who, during the three-year period immedately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum."

On page 87, at line 10, insert the following after the period: "*Provided,* That the payment rate with respect to any producer who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum."

Mr. PERCY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. How much time does the Senator from Illinois yield himself?

Mr. PERCY. Mr. President, I yield myself 5 minutes. I do not feel that it will require the full 15 minutes on the proponents' side for this amendment. It is a very simple amendment. I understand that it will be opposed by the distinguished chairman of the Committee on Agriculture and Forestry, so I have asked for a rollcall vote.

I think this amendment could be called the "poor farmers" amendment. But it also could be termed the "Let's deal with all farmers equitably, uniformly, regardless of where they live in the country, and regardless of what crops they grow" amendment.

We have heard a great deal in this body about having our laws uniformly applied across the country; and it is for that reason that I ask, when the Senate Agriculture Committee bill provides that cotton farmers with less than $5,000 annual farm sales and less than $2,000 off-farm income shall have their payments increased by 30 percent, then I would ask, How about other farmers?

It does not matter whether you are a poor farmer raising cotton or a poor farmer raising corn or wheat, or whatever it may be. Why should we have discrimination in favor of cotton farmers, and not take into account that other farmers also have low incomes?

I think the poor corn farmers and poor wheat farmers are just as entitled to modest increases as the cotton farmers under similar circumstances. The Department of Agriculture estimates that this amendment would bring a maximum of $250 additional income per farmer. This is a very modest increase, and a matter of simple equity for the farmer who does not grow cotton.

Poverty is not confined to those who grow one crop. The 30-percent extra payment provision should apply to all farmers across the country in the same circumstances.

As I understand it from Secretary Hardin, who wrote a letter to the Senator from Louisiana (Mr. ELLENDER) on August 31, it is estimated that the cost of the small farm 30-percent extra payment for cotton growers will be $10 million. The Department of Agriculture estimates that feed grain farmers would receive $630,000, and wheat farmers $375,000, for a total of $1,005,000. So the payment ratio for wheat and feed grain farmers is about 1 to 10 as against cotton.

I do not object to that at all: Poverty is poverty, wherever it occurs. We have a great deal of it in parts of my State. There is a great deal of it in parts of other States. I think that when we are trying to correct a condition of poverty before we have some sort of a family assistance program which will uniformly handle all types of poverty, regardless of whether you are an unemployed laborer, a farmer, or whatever it may be, until we enact legislation that affects all families, as long as we intend to pick out one group of farmers, I think it only fair that we take a look at other farmers as well, and provide for them in this bill.

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

Mr. PERCY. I yield.

Mr. AIKEN. I ask the Senator, what consideration has been given to the annual off-farm unearned income?

Mr. PERCY. So long as the farmer does not earn more than $2,000 of off-farm income.

Mr. AIKEN. But I know quite a few people who live on a farm who sell less than $5,000 from the farm, but perhaps have an income of $50,000 from investments, stocks and bonds, equities, trust funds, and so forth. What about them?

Mr. PERCY. Mr. President, I have simply taken the language from the Senate Agriculture Committee's bill affecting cotton farmers, and I would ask the same question of the members of the Committee on Agriculture.

Mr. AIKEN. I think it is a good question to ask of them, too.

Mr. PERCY. I am trying to put other farmers on the same basis as the Committee on Agriculture and Forestry has put cotton farmers.

Mr. AIKEN. But this would provide the 30-percent extra payment for wealthy retired people in some instances.

Mr. PERCY. Well, the reference is to other income, regardless of source, so that if it is other income from stocks and bonds, I presume that is calculated for cotton farmers also.

Mr. AIKEN. Why not cut out the word "earned," so that it will apply to all income?

Mr. PERCY. I kept the language, I believe, exactly as it appeared in the committee bill.

Mr. AIKEN. Maybe we can take care of that in conference, because certainly anyone with a $100,000 income should not be subsidized in this fashion.

Mr. PERCY. I would be agreeable to that, if the committee will cut out the words "earned income" on page 106, line 9, as it affects cotton farmers. I have taken the same language: "Earned income."

Mr. AIKEN. Well, if a cotton farmer who would sell less than $5,000 worth, but had $50,000 worth of unearned income, could get the 30-percent extra, I agree it is only fair to extend the provision to other producers. If the word "earned" were taken out of this amendment I would try, for one, to see what we could do toward taking it out of the cotton provision in conference, because I am sure the members of the Committee on Agriculture and Forestry do not want

to subsidize men who have retired with large incomes.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. PERCY. I yield 2 minutes to the distinguished Senator from Iowa.

Mr. MILLER. Mr. President, I think we ought to point out to the Senate that some of what the Senator from Illinois is getting at is already provided for on page 123. This is an amendment that I offered in the committee, which was unanimously adopted by the committee, and the Senator from Illinois will observe that it covers all farmers, regardless of what price-support commodity they are growing.

In addition to this provision, it is evident that there is a provision covering the small cotton farmer, but the provision on page 106 goes beyond the definition that the Senator from Illinois is using in his amendment with respect to wheat and feed grains farming; and, starting on line 12, the Senator will note that in the case of cotton farmers, the amendment is delimited to those who are on a small farm, with an acreage allotment of 10 acres or less, and there are other limitations which the Senator's amendment does not parallel in the case of wheat and feed grains.

I do not mind saying to the Senator from Illinois that I think he has a point, but I think the point is pretty well covered in the amendment to which I have referred, which the committee adopted.

Mr. PERCY. I thank my distinguished colleague, because he did make a very valuable contribution to the bill now under consideration.

But I would like to point out that, as provided by the distinguished Senator's amendment which he offered to this bill, the Secretary of Agriculture is authorized to carry out an agreement with any farmer—that is true—who has less than $5,000 of annual sales or less than $2,000 of off-farm income. However, that farmer must make an agreement with the Secretary which can include the surrender of acreage allotments in exchange for cash and, second, adjustment assistance not to exceed $2,500 a year for a period not to exceed 1 year. The purpose is to get people out of farming. I want to help poor farmers who want to decide to stay in farming. The distinguished Senator's amendment appears to be a method of weaning the farmers off the farm and making an agreement with the Secretary to get off the farm.

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

Mr. PERCY. I yield.

Mr. MILLER. That is precisely the intention behind the amendment to which the Senator just referred. It is cruel to keep them in a submarginal condition, and I think that with the Federal Government's assistance they can be moved into a different type of activity where they can be productive citizens.

I think the trouble with the cotton amendment is that it tends to lock people in. I do not want to just have them stay there forever more. I would like to see them move out. I think the cotton amendment plus my amendment will help them move out.

I must repeat that the Senator's amendment is not parallel to the small cotton farmer amendment. If he wants to parallel it, he is going to have to have something about a feed grains farmer or a wheat farmer with a certain amount of an allotment and other definitions similar to the ones used for the small cotton farmer, and he has not done that.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. I yield myself 2 minutes.

I think there is an acreage limitation of 10 acres for a cotton farmer. But I submit that I can put in the word "poor" instead of a limit of acres. Any farmer who has less than $5,000 of cash sales—that is not income, that is sales—or $2,000 of outside earned income is a poor farmer. It does not matter whether he owns a thousand acres of land. That man does not have the income.

If we are going to help poor farmers who raise cotton, then I submit it is fair and equitable to help poor farmers who raise other crops and a poor farmer is a man who has less than $5,000 sales or $2,000 of extra outside income.

I am happy to yield to the distinguished Senator from Kansas.

Mr. DOLE. Mr. President, I agree with the Senator from Illinois. There is no reason to discriminate against those who produce wheat or feed grain. There should be equity.

I raised the question in committee whether we should have this section in the bill, because it amounts to a welfare program in a farm bill. I share the view of the Senator from Illinois; however, other commodities, other farmers, should be included and I intend to vote for the amendment.

Mr. PERCY. I appreciate that. I submit that it is a protection for the bill itself, because I, today, could not vote for this bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PERCY. I yield myself 1 additional minute.

The PRESIDING OFFICER. The Senator has no further time.

Mr. ELLENDER. I yield the Senator 1 minute.

Mr. YOUNG of North Dakota. I yield the Senator 3 minutes on the bill.

Mr. PERCY. I thank the Senator.

I could not vote for it. This bill has been termed on the floor of the House by my distinguished colleague, Representative PAUL FINDLEY, as the Cotton Protection Act of 1970. He is not saying this in disparaging terms. He is saying it because the Senators from cotton States have well taken care of and provided for their interests, and their interests and constituents are cotton farmers. I am saying that if that is the right thing to do, what is good for the goose is good for the gander. If we are going to have the principle of taking care of the poor farmers, then let us take the onus away from this bill which it has gained in many parts of the country, and which I do not think the U.S. Senate would want to do. I am trying to make the bill more fair and equitable and put it in a position where I can vote for it.

A million dollars for the number of farmers we are talking about, spread at $250 per farm, is not very much, but it is more equitable than the bill now is.

I yield to the Senator from Kentucky.

Mr. COOK. May I say to the distinguished Senator from Illinois that I intend to support his amendment. With the problem the farmers in my State are having this year in relation to their corn crops, if we are really talking about being fair with the American farmer, this is the year to be equitable. This is especially so in view of the loss of the corn crop that we are going to sustain, and many farmers in western Kentucky have already plowed their crop up. This is one of the opportunities we have to see ourselves on a parity with cotton, with relation to the small feed grain farmers of the Commonwealth.

Mr. PERCY. Two days ago I was in Illinois with the head of the Republican Caucus, Representative JOHN ANDERSON. We visited cornfields. One can pick up ears of corn that do not weigh more than an ounce.

If a small farmer is stuck with corn blight, as are some farmers in southern Illinois, this bill would be a tremendous boon to help with a little additional income, to help out at a time of distress.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. YOUNG of North Dakota. I am in full agreement with the objective of the Senator from Illinois. I have tried for years to figure out some way to help the small wheat and feed grain farmers.

I note in the Senator's amendment that in the case of cotton and feed grains, he would increase the payments. In the case of wheat, he would increase the price support loan level by 30 percent, or from $1.25 a bushel to $1.52 a bushel. The small farmer would thus be encouraged to produce more wheat, and his only market would be the Commodity Credit Corporation.

I think the Senator ought to deal with cotton, feed grain, and wheat in the same way. As written, this amendment would create many problems.

Mr. PERCY. I feel that the amount would be so miniscule, as to the percentage, that it would not be worth worrying about.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I yield myself 5 minutes.

Mr. President, the language in respect to the small cotton farmer has been in the law for quite a few years. The fact that we limit it to 10 acres or 3,600 pounds would indicate that a man who has but such a small production of cotton to plant is really and truly a poor farmer.

What the distinguished Senator from Illinois seeks to do is to give to every farmer, irrespective of the size of the farm—he could have 1,000 acres, 5,000 acres—a premium of 30 percent more pay, so long as his income is $5,000 on the farm and $2,000 on the outside. I do not believe that this $5,000 or $2,000 figure is applicable to a man who owns a 10-acre farm.

As was suggested earlier, if the distinguished Senator from Illinois would put a limit on the amount of land owned and cultivated by a farmer, somewhat similar to what the 10-acre cotton farmer has, I would have no objection to that. But to give a 30-percent increase in income to all farmers irrespective of the size of the farm, and simply to limit it to those receiving an income of $5,000 on the farm and $2,000 from other activities, I think is simply out of the question.

I am very hopeful that the Senate will reject this proposal. I wish to say that if the distinguished Senator from Illinois would limit the acreage somewhat in keeping with the small 10-acre cotton farmer, there would then be comity between them. But to make it apply to all farms irrespective of size, I do not think the Senate should vote for a proposal of that kind.

Mr. PERCY. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. PERCY. Could the distinguished chairman of the Committee on Agriculture and Forestry tell me what the average acreage allotment is for a cotton farmer?

Mr. ELLENDER. There are many farmers with as little as an acre and a half or 2 acres planted to cotton. That has been in the law for quite some time. If the Senator would put in his amendment, say a limit of 25 acres for wheat and 25 acres for corn, there would be some sense to it, but to make it apply to all farmers, I think, is going too far.

Mr. PERCY. Will the Senator yield me sufficient time to make some comments on that?

Mr. ELLENDER. Yes. I yield 2 minutes to the Senator.

The PRESIDING OFFICER (Mr. PACKWOOD). The Senator from Illinois is recognized for 2 minutes.

Mr. PERCY. My information is that the average acreage allotment for a cotton farmer is 26 acres. Ten acres is, then, a sizable farm. I would ask my distinguished colleagues from the Western and Midwestern States what could a farmer produce on a 26-acre farm, whether it be wheat, corn, or soybeans? One could not live on that. So there is quite a difference here from the yield from a cotton farm and from a feed grain or a wheat grain farm. I think that when the Secretary of Agriculture says that this amendment would yield $250 on an average per farmer, then, at most, it would only cost $1,005,000. We are talking about a bill that will cost billions and billions of dollars. We are looking for equity. This cannot possibly be some sort of a giveaway program, when people have less income than $5,000 in sales and $2,000 outside of earned income.

If the Senator would remove the earned income, this is to take into account anything earned by the cotton farmer, it is right that we should do the same thing for other farmers, and I would be happy to amend my amendment accordingly.

Mr. ELLENDER. That is the one the Senator from Iowa (Mr. MILLER) suggested. That is why I recommended awhile ago that the Senator have a talk with him about it, because it is his amendment.

Now, Mr. President, in answer to the question propounded to me awhile ago by the Senator from Illinois, I wish to point out that we have over 250,000 cotton farmers with acreages of less than 10 acres, some as low as an acre and a quarter or an acre and a half. Those are considered poor. That is why the committee years ago limited this extra pay to those farmers who had such small acreages.

Mr. TALMADGE. Mr. President, will the Senator from Louisiana yield at that point?

Mr. ELLENDER. I yield.

Mr. TALMADGE. Is it not further true that the cotton farmers have voted themselves under a quota system with penalties and have reduced their acreage during the past 30 years from 42.5 million acres to 14.5 million acres in the present bill?

Mr. ELLENDER. Yes, the Senator is correct on that.

Mr. TALMADGE. No other farmers have done that, except——

Mr. ELLENDER. Except the——

Mr. TALMADGE. Except the tobacco and peanut farmers, is that not correct?

Mr. ELLENDER. The Senator is correct. The rice farmers have done the same thing.

Mr. TALMADGE. Correct.

Mr. ELLENDER. But the reason why the acreage in cotton has shrunk, as the Senator from Georgia has just pointed out, is that we had a mandatory program that, of course, gradually reduced the acreage from year to year in planting for cotton. These farmers retained the small acreage. They still have it. As I said, a few years ago, I think it was in 1964, an amendment was put into the bill whereby those who retained the small acreages would get the 30 percent. We have changed the law to this effect from what it was in the original bill—that in order to be able to obtain this pay, cotton must be actually planted. If the farmer does not plant it, the Secretary of Agriculture would then have the right to purchase the small allotments to get him out of the cotton business.

Mr. PERCY. Mr. President, will the Senator from Louisiana yield me 1 minute?

Mr. ELLENDER. I yield 1 minute to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 1 minute.

Mr. PERCY. I would be hopeful that this amendment could be accepted by my distinguished colleague from Louisiana. I have great affection for him. I have a long-time friendship with him. He is the greatest photographer in the Senate and the greatest cook in the Senate——

Mr. ELLENDER. I use a Bell & Howell camera manufactured by my good friend from Illinois.

Mr. PERCY. Well, I do not want to be commercial about it [laughter]. But he does use the finest camera equipment in the world.

Mr. ELLENDER. And it is foolproof, too.

Mr. PERCY. Yes, it is foolproof [more laughter]. But if I could just point out that it is not only the amendment of the Senator from Iowa (Mr. MILLER) that I consider in the term "earned income" but it pertains particularly to the amendment to the cotton title. That amendment, on page 106, line 9, has the reference there to "earned income."

The point the Senator made about the acreage limitation is reasonable. I hope that I am a reasonable man. I would be happy to amend the amendment accordingly. Would the Senator accept such an amendment if modified? I believe we could save some time here and I would be happy to put on a limitation of 160 acres.

Mr. ELLENDER. The Senator means, for what? Wheat?

Mr. PERCY. Feed grains and wheat.

Mr. ELLENDER. With that addition we would take it to conference, if that is agreeable to my friend from Illinois.

The PRESIDING OFFICER (Mr. PACKWOOD). The Chair would advise the Senate that the yeas and nays have been ordered on this amendment.

Mr. PERCY. Mr. President, I ask unanimous consent to withdraw the yeas and nays.

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

Mr. PERCY. I thank my distinguished colleague very much.

Mr. ELLENDER. Mr. President, has the amendment been sent to the desk as modified?

The PRESIDING OFFICER. Does the Senator from Illinois modify his amendment accordingly?

Mr. ELLENDER. It should apply to wheat or feed grain farmers with 160 acres or less.

Mr. YOUNG of North Dakota. We should treat cotton, wheat, and feed grains alike, but with respect to this amendment, it provides assistance through increased payments for feed grains and cotton and increases the loan level to assist small wheat producers. This would create a great many problems, and I do not think an amendment like this should even be taken to conference.

Mr. ELLENDER. I am trying to save time. Maybe we can work it out in conference. I emphasize what the Senator from Vermont (Mr. AIKEN) stated today, and what I stated, that when we try to mark up a bill of this character on the floor of the Senate, we do not really know what we are doing. For that reason, as I said, in order to save time, we might take it to conference in an effort to provide some language that would be applicable.

Mr. AIKEN. I hope that we can do that. I would be very much in favor of giving additional support to bona fide poor farmers, but I would not want to give additional support to millionaires who happen to produce a small amount of farm commodities.

The PRESIDING OFFICER (Mr. PACKWOOD). The Chair would state that the desk does not have the modification yet.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Louisiana will state it.

Mr. LONG. If we do not have the amendment in written fashion, and we

are asked to vote on it, how can we vote on it?

The PRESIDING OFFICER. The Senator from Illinois will please send his amendment, as modified, to the desk.

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

The PRESIDING OFFICER. The clerk will call the roll.

Mr. MILLER. The time not to be taken out of either side on the amendment.

Mr. MANSFIELD. If the Senator will withhold that request, could we not get this settled while we are working on another amendment?

Mr. PERCY. Mr. President, may I withdraw my amendment momentarily, and have the amendment to be offered by the Senator from New York presented, and then I will have sufficient time to correct the wording of my amendment?

Mr. President, I ask unanimous consent to withdraw my amendment temporarily.

The PRESIDING OFFICER. The Senator does not need to ask unanimous consent for that. The amendment is withdrawn temporarily.

Mr. PERCY. I so request.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask that it be stated. This is an amendment offered on behalf of myself and my colleague from New York (Mr. GOODELL) who is unable to be here.

The assistant legislative clerk read the amendment as follows:

On page 123, after line 24, insert the following:

"SEC. 806. (a) Section 306 of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1926), is amended by adding at the end thereof a new subsection as follows:

"'(d) Any amounts appropriated under this section shall remain available until expended, and any amounts authorized for any fiscal year under this section but not appropriated may be appropriated for any succeeding fiscal year.'

"(b) Subtitle A of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1921–1929), is amended by adding at the end thereof a new section as follows:

"'Sec. 310. Funds appropriated for the purpose of making direct real estate loans to farmers and ranchers under this subtitle shall remain available until expended.'"

Mr. JAVITS. Mr. President, let me explain the amendment. I yield myself——

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. If the Senator will yield briefly, I ask unanimous consent, Mr. President, that there be a time limitation of 10 minutes on this amendment, with the time to be equally divided between the Senator from New York and the manager of the bill.

Mr. JAVITS. Mr. President, I have a problem there. The Senator from Oklahoma (Mr. BELLMON) wants a minute. Could the Senator from Montana make that 15 minutes?

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a time limitation of 15 minutes on this amendment, with the time to be equally divided between the Senator from New York and the manager of the bill; and 10 minutes on all other amendments, with the time to be equally divided between the proponents of the amendment and the manager of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. BELLMON. Mr. President, I would like to ask the distinguished chairman of the Agriculture Committee a question if I might. It has come to my attention that there is some apprehension over the language on page 71, in section 379(b), as it relates to grazing, the so-called set-aside.

It is my understanding as a member of the committee that the provision which allows producers to have a set-aside in grazing is that certain crops must be in short supply, and it would only allow grazing during months other than the 5 most principal grazing months.

Mr. ELLENDER. The Senator is correct.

Mr. BELLMON. So there is nothing that allows the grower to graze the year-round.

Mr. ELLENDER. The Senator is correct.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I yield the Senator from Oklahoma 1 additional minute.

Mr. BELLMON. Mr. President, the farm bill which the Senate is considering is one of the most enlightened pieces of farm legislation that has ever been before the Congress.

This bill contains many provisions which will give farmers greater freedom of decisionmaking and remove the restraints which have hampered farmers in their efforts to attain maximum efficiency and lowest costs of production.

The bill also contains features that will enhance the American farmer's position in international commerce.

Another important aspect of this legislation is that it will encourage multiple use of privately owned agricultural land. It will provide great benefits to urban dwellers whose need for outdoor recreational opportunities has not been met and can never be met realistically through the use of publicly owned lands.

While this legislation is referred to as the farm bill, it is, in effect, consumer legislation, because the benefits which farmers receive under this act are immediately passed on to consumers through high-quality, low-cost food and fiber.

At the present time, the average American family spends about 16.5 percent of its take-home pay on food. This is the lowest percentage of any country in the world. By comparison, British families spend more than 25 percent, the French almost 30, the Japanese more than 40 percent, and in Ghana the figure is almost 60 percent. Americans spend more for housing and home furnishings than for food.

Because American agriculture has become the greatest food production enterprise in the world, now it takes only 1 hour of factory work to buy 3.3 pounds of beef, a half a pound more than in 1960; and it gets him 25 percent more pork, 20 percent more milk, and 13 percent more potatoes.

The proportion of disposable income spent for food by American consumers dropped between one-fourth and one-third in the past 20 years. During the same period, the proportion of disposable consumer income received by farmers for the food they produced and sold was cut in half. Today, farmers receive only 5½ percent of disposable consumer income for their food products, compared with 11 percent in 1947.

The Department of Agriculture reports that if farm prices had kept step with increases in the general level of food prices over the past 20 years, consumer expenditures for food would be well over $32 billion more than they were in 1969.

Over that 20-year period, consumers would have paid about $100 billion more for food.

Truly American agriculture has produced an abundance of benefits for American consumers and this legislation will make it possible for benefits to be even greater in the future.

In addition the presently largely untapped but invaluable recreational opportunities which only American agriculture can offer to the urban American citizen will for the first time be realistically available to both urban and rural dwellers.

Agriculture remains our Nation's biggest industry. Three out of every 10 jobs in private employment are related to agriculture. Six million people work to provide the supplies farmers use for production and family living. Agriculture employs more people than public utilities, the steel industry, the automobile industry, and transportation combined. All told, about 8 to 10 million people are employed storing, transporting, processing, and merchandising the products of agriculture.

Agriculture also is the largest customer of American industry. Farmers are spending more than $38 billion a year on goods and services to produce crops and livestock and another $12 billion for the same things that city people buy—food, clothing, drugs, furniture, appliances, and other products and services. Agriculture, therefore, must attain a fair level of prosperity and receive its fair share of income if it is to continue to utilize the products of our laboratories and factories.

A huge percentage of the American work force is employed in meeting the needs of American agriculture and in processing the products of our farms and ranches. This bill will benefit this major segment of the American economy by assuring the ability of agriculture to continue as a substantial customer of business and industry.

The American farmer has become the world's worst efficient food producer. He now feeds himself and 43 others. In order to do this, American agriculture must have access to modern equipment, the latest products and ideas of American technology, and orderly, efficient marketing services. This legislation will help stabilize farm income so that American

agriculture will be able to obtain the tools it must have to keep Americans well fed and well clothed and to enable the vast majority of our citizens to seek their livelihoods in their preferred fields of endeavor.

The American farmer is making a great contribution to the health and welfare of all Americans. This farm bill will enable American agriculture to continue to function as a vital part of the Nation's economy. This bill represents a sound investment in the future of our Nation and it deserves the support of the Senate.

Mr. BELLMON. Mr. President, the Senator from Texas (Mr. TOWER) is absent tonight on official business. He is particularly interested in the agriculture bill but a previous commitment of some months standing made it impossible for him to be at this evening's session.

He has asked that I insert a statement in the RECORD in his behalf relating to a program for cotton promotion and marketing research. I ask unanimous consent that it be inserted in the RECORD at this point.

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

Mr. TOWER. Mr. President, I want to commend the distinguished Chairman of the Senate Agriculture Committee for having the foresight to include in this legislation a section establishing a marketing program of research and development for cotton. He and the other distinguished members of the Committee are to be congratulated for their vision, for they apparently understand the bind cotton cotton producers are in due to the competition in the fiber market. This competition has had a severe impact on the cotton industry, and it is imperative that the industry be able to help itself in meeting the challenge of synthetics. I know the industry can and will survive and grow greatly in the years ahead.

As the distinguished Chairman and members of his Committee know, I wrote to each of them last month prior to the mark-up of the Senate bill and asked that they consider adding such a section to the Senate version. There was no such section in the bill as passed by the House. The language I suggested would have funded the program through a deduction from funds made available for producer payments and, although I do appreciate the fact that a market development section was made a part of the bill, I do think it would have been preferable to have the program funded in this manner rather than from savings realized from limitations as was finally agreed upon by the Senate Committee.

A program as important to cotton farmers as the research and market development program is deserves adequate funding. It was important enough to put into the bill, and I believe it is important enough to be adequately funded. I believe that I speak for cotton producers in my state, and I would imagine that Senators from other cotton producing states would agree with me in saying that the industry deserves some sort of assurance that the program—if written into law—is not an empty promise, but an adequately funded, conscientious attempt to help the cotton producer and the whole cotton industry itself.

I myself am convinced, as I stated in my letter to my colleagues on the Agriculture Committee, that the cotton industry is "experiencing substantial marketing problems" and is sorely in need of help to be able to meet those problems in its own way. Finding ways of expanding markets for American agricultural products is vastly superior to a policy of waiting until the particular crop industry involved is in serious decline and then arbitrarily and artificially propping it up with price supports and subsidies of various kinds.

I hope that when the varying bills are submitted to conference the conferees will be disposed to look at the section I have discussed and will seriously consider my remarks today. We must have adequately funded, viable programs of market research and sales promotion.

Mr. DOLE. Mr. President, will the Senator yield briefly?

Mr. JAVITS. Mr. President, I yield to the Senator from Kansas.

Mr. DOLE. Mr. President, I would like to point out that the Senator from Nebraska (Mr. CURTIS), who is necessarily absent, is vitally interested in this matter. He agrees with the views expressed by the Senator from Louisiana (Mr. ELLENDER).

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, the amendments I proposed for Senator GOODELL and myself would accomplish two things: First, assure that funds appropriated by Congress for the Farmers Home Administration's water and sewer program would remain available until expended; and second, provide that fiscal year authorizations not appropriated would remain available until appropriated.

This authority is identical to that provided for the sewer and water program administered by the Department of Housing and Urban Development. It would provide Congress with flexibility in appropriating funds for the Farmers Home Administration consistent with our economy and with the urgent need.

These amendments would resolve problems similar to those faced last spring regarding the release of appropriated funds from budgetary reserve for the Farmers Home Administration's sewer and water program.

Congress appropriated $46 million for direct grants in fiscal year 1970, but $18 million was placed in budgetary reserve. In mid-March Senator GOODELL made the appeal for the release of these funds, and I was pleased to join many Senators and Congressmen in this effort. A month later the funds were released, with scarcely enough time for the Farmers Home Administration to sign contracts to commit the funds before the end of the fiscal year.

It was not until May, however, that we learned that the Budget Bureau had not released $10 million out of the $74 million appropriated for direct loans to enable the agency to make loans to communities to complement the grants, so that the communities could proceed with their projects. Senator GOODELL'S request to the President for release of these loan funds was denied and it was simply too late for further appeal. The $10 million appropriated by Congress thus reverted to the Treasury on June 30, 1970.

As a result of the release of the $18 million in grant funds, the Farmers Home Administration was able to approve 145 additional grant applications by July 1, 1970, for hard-pressed communities that had been waiting on the pipeline for a number of years. However, many of these grants cannot be released until the communities are able to borrow funds for the remaining costs of their projects. Forty-three States have grant commitments that could not be carried out until additional loan funds are made available.

These projects require about $25 million in direct loans, and the Farmers Home Administration has suggested that they be given priority when fiscal year 1971 funds became available.

The Department of Agriculture appropriation bill for fiscal year 1971, which is now awaiting House-Senate conference, includes $100 million for grants, and the amendment sponsored by Senator GOODELL to provide $123 million for direct loans for the sewer and water program. This money will go a long way toward completing pending projects and allowing new projects to be undertaken. However, for the program to be really effective, it is necessary for the appropriation to remain available after the present fiscal year if, for any reason, the money is not committed during the fiscal year.

A survey conducted last December by the Farmers Home Administration disclosed that more than $11 billion will be required to construct or improve water and sewer systems in over 30,000 villages with a population of 5,500 or less.

Without adequate systems not only is the growth of these villages seriously impeded, but a national program to clean up our environment will be delayed beyond an acceptable time. In light of the great need, it is the responsibility of Congress to assure that adequate funds are available to meet the need.

Mr. President, apparently the difficulty has been that for reasons which are integral to the particular program, hard-pressed communities are shut out either because there is an expiration of time within which the appropriated moneys can be expended or because of fiscal year authorizations for which there is no appropriation in time.

Senator GOODELL detailed a number of individual cases in which major programs for villages and towns have been shut out solely for that technical reason.

I have shown the amendment to the Senator from Louisiana (Mr. ELLENDER) and to the Senator from Georgia (Mr. TALMADGE) who is very deeply interested in this particular matter. The Senator from Georgia was kind enough to say that it is a good amendment.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Georgia.

Mr. TALMADGE. Mr. President, I have examined the amendment. I have discussed it with the distinguished chairman of our committee. It would authorize funds to be made available under the Aiken bill for water and sewerage in rural areas to remain available until fully expended.

Inadequate water and sewer facilities is one of the most pressing problems in the rural areas. The Aiken bill was cosponsored by, I think, by almost 100 percent of the membership of the U.S. Senate.

Unfortunately, funds made available through the Farmers Home Administra-

tion have been withheld from time to time, and in many cases they have been denied altogether.

I think it is a very worthy amendment. I hope that the Senate will accept the amendment.

Mr. JAVITS. Mr. President, I thank the Senator from Georgia.

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

Mr. JAVITS. I yield.

Mr. COOPER. Mr. President, I wish to repeat what the distinguished Senator from Georgia has said. I remember very well that the Senator from Vermont (Mr. AIKEN) introduced this program, and he was joined by 93 Members of the Senate. This amendment by Senator GOODELL is one of the most constructive offered to the bill. It will guarantee, if accepted by the House, the steady progress of the water and sewerage facilities for communities in New Work and throughout our country.

Senator GOODELL is to be commended for his foresight and interest in this program. This amendment will be of great benefit to the people of his State and the Nation.

Mr. JAVITS. The Senators are very kind. There is nothing I would rather do in my life in the Senate than do something that would implement and forward a program of the Senator from Vermont.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having expired, the question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

AMENDMENT NO. 896

Mr. SMITH of Illinois. Mr. President, I call up amendment No. 896.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows: "On page 114, strike all of section 610."

Mr. SMITH of Illinois. Mr. President, I yield myself 5 minutes. I am sure that will be sufficient time.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. SMITH of Illinois. Mr. President, this is an amendment which seeks again to obtain equality for the feed grain and wheat farmers by deleting something in the bill at the present time which appears to be a plus for the cottongrowers which is not there for those who get subsidy payments.

The section provides for $10 million to be set aside out of the subsidy payments that would be made except for the limitations in the bill, as the language of the bill says, for the conduct, in domestic and foreign markets, of market development, research or sales promotion programs, and programs to aid in the development of new and additional markets, marketing facilities, and uses for cotton and cotton products, including programs to facilitate the utilization and commercial application of research findings.

There are no such programs, of course, for feed grains and wheat farmers.

This, I think, would be $10 million that could be saved, which is not going to be saved by the limitation if this language in the section remains in the bill.

It is my understanding, or at least I am advised, that there is presently a promotional program which is pursued by cotton producers by means of the payment of $1 a bale on cotton produced. That does provide approximately this amount of money that is used for this purpose. It is provided by the cotton producers themselves.

I feel that it is not proper that there be an additional $10 million provided by the taxpayers out of the money appropriated in the bill for the same purpose.

This amendment would simply delete that $10 million of promotional money from the language in the bill. It would do nothing beyond that.

Mr. ELLENDER. Mr. President, I hope that my good friend, the Senator from Illinois, will not press the amendment. These funds have been used by the farmers to fight the boll weevil and all kinds of insects for many years. This amount has been appropriated from year to year to do this very thing. In addition to the amount provided in the bill, the cotton farmers themselves put up $10 million.

Mr. President, I yield to my good friend, the Senator from Georgia, who will go further into the matter.

Mr. TALMADGE. Mr. President, I deeply regret that the Senator from Illinois sees fit to offer a series of amendments regarding the cotton industry.

Money for research and promotion has been raised by the cotton farmers of this country who have assessed themselves $1 per bale to provide the fund of approximately $10 million so that cotton can stand on its own feet and they will not have to ask Congress year after year for supports and subsidies.

Cotton is a vital crop in this country. In the early days when our country was not industrialized, the dollars earned from cotton provided the money to industrialize the United States of America.

We still export a great deal of cotton. Agricultural exports are now the largest dollar earner that our country has.

Cotton is in serious trouble. Synthetic fibers make most of the cloth that we weave into fabrics for use in this country and in foreign countries.

What this amendment would do would be to authorize an additional $10 million out of the savings from the limitation on payments together with the $10 million annually that the farmers are levying upon themselves to provide research to develop new uses for cotton fibers and also to promote their product and to try to prevent some of the pestilences and diseases, such as the boll weevil, that make the production of cotton cost so much. It would be on a 50–50 matching basis.

I would point out that Du Pont alone spends $50 million for research and promotion. We are asking for only $10 million for cotton.

I have visited one plant in Alabama, Chemstrand, that produces manmade fiber. This plant produces more fiber than the entire cotton crop in the State of Alabama. That is one plant.

I think this small amount of money that will be made available from the savings on the limitation of payments will provide research to produce cotton cheaper and research to expand markets.

This $10 million is, of course, a small price to pay for attempting to put the cotton program on a more self-sustaining basis. The only salvation of the cotton industry in this country is research which will enable farmers to cut costs, research which will increase the utilization of cotton, and an aggressive promotion program to increase cotton's share of the consumer dollar.

The money for this research and promotion would not have an unfavorable budget impact; it would come from the savings out of payment limitations. Of course, no one knows exactly how many savings will accrue from the $55,000 payment limitation, but the Department of Agriculture has estimated that we would save over $50 million in cotton payments.

For some time, the cotton industry and the members of the appropriate committees of Congress, have been aware of the need for more research for cotton. They realize that something must be done to correct a situation in which the market price of cotton is about 22 cents per pound, while it costs farmers on the average about 35 cents per pound, to grow cotton. Either we mount more aggressive efforts to make cotton stand on its own feet or we continue to make up the difference between the market price and the farmers' cost of production by a subsidy payment.

The cotton interests are aware that they cannot forever receive the kind of subsidy that they now get. Therefore, the cotton farmers in 1966 agreed to a program whereby $1 would be deducted from the sale price of every bale of cotton, and this money is used for research and promotion. This money is utilized through the Cotton Producers Institute, a group which is controlled by representatives of cotton farmers throughout the cotton-producing areas.

Currently, almost $10 million is collected and spent by the CPI in this program. Section 610, which I introduced as an amendment in the Agriculture Committee deliberations, would merely match the $10 million put up by the producers with another $10 million from payment limitations savings.

I suppose the opponents of this section are concerned that only cotton would have this special research and promotion money under the pending bill. However, they should recognize that it is only the cotton farmers who are already contributing $10 million for the survival of their industry.

It is only the cotton farmers who will give up millions of dollars because of the payment limitations. The Department of Agriculture has estimated that under a $55,000 limitation, cotton payments would be reduced by $51.6 million annually, while feed grain payments would be reduced by $4.6 million annually and wheat payments would be reduced by $2.1 million annually.

It is only the cotton industry which is faced by not only foreign competition but by aggressive competition from synthetics.

When the cotton industry came to me and asked for money for research and promotion, they asked for $30 million. However, the Senate Agriculture Committee agreed to only $10 million. This sum should be considered the barest of minimums if the cotton farmers are to hold their own against the multi-million-dollar competition from synthetic manufacturers.

Section 610 of the pending bill is essential if we are to preserve a cotton industry in this country.

I regret that the Senator has seen fit to offer this amendment. I hope that the Senate rejects it by an overwhelming vote.

The PRESIDING OFFICER. Do Senators yield back the remainder of their time?

Mr. TALMADGE. I yield back the remainder of my time.

Mr. SMITH of Illinois. Mr. President, I would like to conclude briefly.

It is apparently inherent in the remarks of the distinguished Senator who just commented on this amendment and there is some suggestion that there is an intention on my part to discriminate against or do something harmful or hurtful to the cotton growers. I would like to assure him and the Senate that that is not in anyway my intention nor my motive.

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

Mr. SMITH of Illinois. I yield.

Mr. TALMADGE. I did not mean to leave that inference, but it seems a little strange for a Senator from a State that produces almost no cotton to offer a series of amendments relating to cotton.

Mr. SMITH of Illinois. I do not think it so strange in that this bill in this section is obviously designed to be a help to the cotton grower but it would do nothing for the feed grain growers of my State.

The comment was made by the Senator that there is the problem of boll weevils in connection with cotton.

Mr. TALMADGE. The cotton farmers tax themselves $10 million. It would be a matching fund. I think if the feed grain producers placed that tax on themselves Congress would be sympathetic to providing more research money for feed grains.

Mr. SMITH of Illinois. I would like to continue. In Illinois now, as mentioned by my distinguished colleague, the senior Senator from Illinois, there is the very serious problem of blight in corn. There are other mishaps relating to feed grains and wheat. Unfortunately, this bill does not provide anything to help farmers who grow these crops, yet it obviously does provide help for cotton.

By this amendment we are suggesting nothing to harm or discriminate against cotton farmers. We are suggesting there should be equality of treatment to all of those involved in the program and no more than that. This is not in any sense designed to be a vendetta against the cotton producers as suggested.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment—the question.

The amendment was rejected.

Mr. PERCY. Mr. President, I call up my amendment No. 891 in revised form, which has been submitted to the chairman and now meets with his approval. If it is the wish of the Senate it can be read by the clerk.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

AMENDMENT No. 891

On page 70, at line 20, insert the following before the period: "*Provided*, That the face value with respect to any producer on a farm with a farm domestic allotment not in excess of 160 acres who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum"

On page 87, at each of lines 7 and 10, insert the following before the period: "*Provided*, That the payment rate with respect to any producer on a farm with a base acreage not in excess of 160 acres who, during the three-year period immediately preceding the year in which the payment is due—

"(1) had average gross annual sales of farm products of not more than $5,000; and

"(2) had average annual off-farm earned income of not more than $2,000 (including income of both husband and wife in the case of a married farmer) shall be increased by 30 per centum."

The PRESIDING OFFICER. All time on this amendment has expired. The question is on agreeing to the amendment. All those in favor will signify by saying "aye." All those opposed will signify by saying "no."

The Chair is in doubt, and requests a division.

Those in favor will rise and stand until counted. [After a pause:] Those opposed will rise and stand until counted.

On a division the amendment was agreed to.

Mr. MILLER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. It is too late. The Chair has already announced the result.

The bill is open to further amendment.

Mr. PERCY. Mr. President, I send an amendment to the desk which, in revised form, was originally submitted as amendment No. 890.

The PRESIDING OFFICER. The amendment will be stated.

The amendment was read as follows:

On page 99, at line 9, strike "fourteen million five hundred thousand" and insert "eleven million five hundred thousand".

Mr. PERCY. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator is recognized for 4 minutes.

Mr. PERCY. Mr. President, the purpose of the revision is simply to improve the drafting of the amendment; it does not change the substance of amendment 890. The Senate committee bill allows 14.5 million acres for cotton allotment. The House passed a provision for 11.5 million acres—last year the crop was grown on 11.1 million acres. The Senate increase to 14.5 million acres costs an additional $151 million a year. The Senate bill encourages the inefficient high-cost producer to increase cotton production and requires the efficient producer to reduce nonsubsidized production from 6 million acres in 1970 to 1.8 million acres in 1971. It reduces flexibility for cotton to move toward the market and keeps cotton tied to the Government.

Mr. President, I would like to make clear that the administration would like to take the differences of opinion to conference, but I would also like to point out that Secretary Hardin opposed the 14.5 million acres in a letter to the Committee on Agriculture and Forestry on August 31. He stated:

> Government's costs would be increased to unacceptable levels (about $150 million per year above the House bill). . . . This means that the cotton industry cannot make the adjustments necessary to move toward a more viable economy but would in fact move backwards toward an almost completely Government supported economy. . . . The Government cannot spend this much money to save an industry and at the same time preclude freedom of action by those who will try to save it without being subsidized.

We are trying to restore the House language of 11.5 million acres and support the Secretary of Agriculture in his proposal and in the letter he sent to the Committee on Agriculture and Forestry through its chairman.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I did not expect my friend from Illinois to bring that amendment up. As I pointed out before, the cotton program has been a mandatory program now for almost 20 years. We started out with an acreage of 42 million. Because of the fact that the cotton program is mandatory, each year the amount of acres to be planted was fixed. Today, under the present law, the minimum has been reduced to 16 million acres from a total of 42 million a few years ago.

The pending amendment, if adopted, would reduce the acreage on which payment can be obtained to 10 million acres. If that happens, I know there will not be a sufficient amount of cotton grown to supply our domestic needs and our export needs.

The bill as voted out by the Senate committee has reduced the total acreage of 16,310,000 acres in order to adjust the distribution among farmers who may have a small acreage. We may have reduced all of that to 14.5 million acres.

So with the law now on the statute books, the acres to be planted to cotton will be reduced from 16,310,000 to only 14½ million acres. With respect to that 14½ million acres, under the bill there is a set-aside provision of 12½ percent. So if 12½ percent is taken from the 14½ million acres fixed in the bill, the planted acres on which the farmers will be able to draw pay will be reduced to 12,700,000 acres.

I think that is low enough. On that

acreage, I can envision that enough cotton will be planted to supply our domestic as well as our foreign needs.

What gave birth to our present law is that we had a big surplus in 1964 of over 14 million bales. The law provided for cotton production on 16,300,000 acres, but the Secretary could reduce that base by 12½ percent and give to the farmer a payment on that 12½ percent equal to 25 percent of parity. Then, on the rest of the acreage, that is, 87.5 percent of the base, the farmer was paid the equal of 65 percent of parity on the bales that he would produce on all of that acreage if planted. But the law was so drafted that in the event the Secretary of Agriculture felt that too much cotton would be planted on the 87.5 percent of the allotment, he could pay farmers not to plant cotton.

By doing that, it was thought and felt that it was cheaper to pay the farmer not to plant the cotton than for him to plant it and then have the Government store it and pay the storage on it. That was the device used in the bill to reduce the enormous surplus we had at the time.

Under the present bill, we change that. We need the cotton now. We have reduced the acreage down to 14.5 million acres, less than 12.5 percent set aside without pay.

So from 42 million acres of 25 or 30 years ago, the cotton farmer is now reduced to 12.7 million acres on which he can grow cotton.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ELLENDER. I am very hopeful the Senate will reject the amendment.

Mr. TALMADGE. Mr. President, will the Senator yield himself 1 additional minute?

Mr. ELLENDER. Yes; on the bill.

Mr. TALMADGE. Is it not true that under existing law we have reduced surpluses from 16 million bales to 5,700,000 at the present time?

Mr. ELLENDER. That is correct.

Mr. TALMADGE. Is it not true that 5,700,000 is the absolute minimum for a carryover to meet the needs of the domestic industry plus exports?

Mr. ELLENDER. That is correct.

Mr. TALMADGE. Is it not further true that if the amendment of the Senator from Illinois were to be agreed to by the Senate, we would have a shortage of cotton both for domestic use and for export?

Mr. ELLENDER. That is correct. As I said, it was reduced to a little over 12 million acres.

Mr. YARBOROUGH. Mr. President, will the Senator yield himself a half-minute in order that I may ask him a question?

The PRESIDING OFFICER. There is no more time on the amendment. The time would be chargeable against the bill.

Mr. PERCY. Mr. President, a parliamentary inquiry. How much time do I have?

The PRESIDING OFFICER. One minute.

Mr. PERCY. Mr. President, I would simply like to say that all my life in business, I heard businessmen say they believed in the free enterprise system "except for our industry; we need something special from Government." I think this is a classic example of the term "conservatism" being taken in vain here when really, if we are looking at the issue from the standpoint of principle, we ought to be working against it and away from it. We ought to be working away from Government control. We ought to be working toward what I am providing.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. PERCY. May I ask for an additional 1 minute?

Mr. MANSFIELD. Mr. President, I object. If it is on the bill, all right, but not on the amendment.

Mr. YOUNG of North Dakota. I yield the Senator 1 additional minute on the bill.

Mr. PERCY. I thank my distinguished colleague.

Last year our cotton crop was grown on 11,100,000 acres. The House bill provides for 11 and a half million acres. The Senate committee has increased this to 14 and a half million acres. This will cost an additional $151 million, which we do not have, which the Federal Government must borrow, and we must add it to the debt. What is conservative about that?

In addition, the Secretary of Agriculture has said it would lead to almost a completely Government supported program.

I do not see how any conservative could move in the direction of fiscal responsibility and yet in the direction of Government control simply because it involves a particular crop we might be particularly interested in.

I hope the Senate will support the amendment.

Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. PACKWOOD). The question is on agreeing to the amendment of the Senator from Illinois (Mr. PERCY). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from Maryland (Mr. TYDINGS), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Ohio (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting the Senator from Washington (Mr. MAGNUSON) and the Senator from Georgia (Mr. RUSSELL) would each vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

On this vote, the Senator from Washington (Mr. JACKSON) is paired with the Senator from New Jersey (Mr. WILLIAMS). If present and voting, the Senator from Washington would vote "nay" and the Senator from New Jersey would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of Illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from Nebraska (Mr. CURTIS), the Senator from South Dakota (Mr. MUNDT), the Senator from Vermont (Mr. PROUTY) and the Senator from Texas (Mr. TOWER) would each vote "nay."

On this vote, the Senator from New York (Mr. GOODELL) is paired with the Senator from California (Mr. MURPHY). If present and voting, the Senator from New York would vote "yea" and the Senator from California would vote "nay."

The result was announced—yeas 13, nays 60, as follows:

[No. 297 Leg.]

YEAS—13

Bellmon	Packwood	Schweiker
Brooke	Pell	Smith, Ill.
Case	Percy	Williams, Del.
Griffin	Proxmire	
Javits	Ribicoff	

NAYS—60

Aiken	Ervin	McIntyre
Allen	Fannin	Metcalf
Allott	Fong	Miller
Anderson	Fulbright	Mondale
Bayh	Gore	Montoya
Bennett	Gravel	Muskie
Bible	Gurney	Nelson
Boggs	Hansen	Pearson
Burdick	Harris	Saxbe
Byrd, Va.	Hart	Scott
Byrd, W. Va.	Holland	Smith, Maine
Church	Hollings	Sparkman
Cook	Hruska	Spong
Cooper	Hughes	Stennis
Cranston	Inouye	Stevens
Dole	Jordan, N.C.	Symington
Dominick	Long	Talmadge
Eagleton	Mansfield	Thurmond
Eastland	McClellan	Yarborough
Ellender	McGovern	Young, N. Dak.

NOT VOTING—27

Baker	Jackson	Murphy
Cannon	Jordan, Idaho	Pastore
Cotton	Kennedy	Prouty
Curtis	Magnuson	Randolph
Dodd	Mathias	Russell
Goldwater	McCarthy	Tower
Goodell	McGee	Tydings
Hartke	Moss	Williams, N.J.
Hatfield	Mundt	Young, Ohio

So Mr. PERCY's amendment (No. 890) was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 895

Mr. SMITH of Illinois. Mr. President, I call up my amendment No. 895.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. SMITH of Illinois. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 87, at line 15, insert the following after "adjustments"; "for abnormal yields in the preceding year caused by drought, flood, corn blight, or other natural disaster".

Mr. SMITH of Illinois. Mr. President, I will explain the amendment, and I will be very brief.

In the State of Illinois at this time there is a very serious problem with regard to the current corn crop, because there is a blight, as it is called, which is affecting a very substantial portion of the crop.

Inasmuch as subsidy payments are based on yield figures from previous years, this amendment is designed to provide that in determining the yield figure upon which the subsidy payment will be based, abnormal yields in the preceding year caused by drought, flood, corn blight, or other natural disaster may be taken into account. It is no more complicated than that.

I hope the Senate will adopt the amendment and that it will become a part of the bill.

The PRESIDING OFFICER. Who yields time?

Mr. ELLENDER. Mr. President, I hope the Senator is not serious in offering this amendment, because it really limits the authority that the Secretary of Agriculture now has in dealing with the situation about which he is talking.

Under the law, the Secretary has the right and authority to take into consideration any calamity, and what the distinguished Senator does now is to limit that authority, so that in case of excessive moisture, hail, difficulties in obtaining labor, and other matters not specified in the Senator's amendment the authority would be stricken from the bill. As it is now, the Secretary has the right to deal with all the situations about which the Senator is complaining.

This amendment, in my opinion, would simply limit the Secretary's authority, and I urge that the amendment be rejected.

Mr. SMITH of Illinois. I, of course, yield to the wisdom and judgment of the distinguished chairman of the Committee on Agriculture and Forestry; but if what he says is true, then I do not understand the English language. All we do by this amendment is to insert additional language. We take out nothing. We eliminate nothing in the Secretary's authority, as it reads in the bill at the present time. We do spell out specifically that in situations where there is drought, flood, corn blight, or other natural disaster, an adjustment may be made. We do not restrict the adjustment that can be made for any other cause. That is what this amendment would do.

I regret that the Department of Agriculture, apparently, from what the distinguished Senator has said, does not read the English language the way I do. I think the way I describe it is fair and reasonable. I still think that this is a good amendment and that it would be helpful to those in my State who have suffered from and are this year suffering from a very serious corn blight.

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

Mr. SMITH of Illinois. I yield.

Mr. YARBOROUGH. The Senator from Illinois says that this amendment takes out nothing. The Secretary has broad power now. The amendment reads "for abnormal yields in the preceding year caused by drought, flood, corn blight, or other natural disaster." What about a corn borer, boll weevil, or many of the other insects that come into the country? The Secretary could now take that into consideration, if some insect destroyed the crop. What would be the situation with respect to the Senator's amendment? Would not the farmer be out in that case? It is not a natural disaster when some pest comes in.

Mr. SMITH of Illinois. As I would define the language, I would think that was a natural disaster. But, again, I think it is a matter of semantics. It is a matter of interpretation. My interpretation is as I have explained. Apparently, there is some disagreement.

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

Mr. SMITH of Illinois. I yield.

Mr. COOPER. While my State is not the largest corn producer in the Union, we produce approximately 75-million bushels of corn. It has been said that the blight has resulted in a 6-percent loss in corn production. We have already estimated in the State of Kentucky, according to the Department of Agriculture, that it will be 16 percent. But in talking with representatives of the Farm Bureau today, they think it will be 30 percent. I understand that before the Secretary had prepared his estimates of the loss due to the blight, the committee had already acted.

I would think that many steps could be taken which would help these corn producers, who are actually losing their crop this year and will probably lose it next year. There may not be enough seed to plant corn. We could have a national disaster.

I think that any steps that can be taken to help these people, or at least to provide a remedy which can be considered in conference, ought to be taken. I had intended to propose later not an amendment but some suggestions which I think the Secretary could follow in making recommendations. I will do that later, but I will support the amendment of the Senator from Illinois.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. SMITH of Illinois. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. MOSS), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from Maryland (Mr. TYDINGS), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Ohio (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), the Senator from Washington (Mr. MAGNUSON), the Senator from Rhode Island (Mr. PASTORE), and the Senator from Georgia (Mr. RUSSELL) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from Nebraska (Mr. CURTIS), the Senator from South Dakota (Mr. MUNDT), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) would each vote "nay."

The result was announced—yeas 10, nays, 63, as follows:

[No. 298 Leg.]

YEAS—10

Cook	Gurney	Scott
Cooper	Percy	Smith, Ill.
Dominick	Saxbe	
Griffin	Schweiker	

NAYS—63

Aiken	Brooke	Eastland
Allen	Burdick	Ellender
Allott	Byrd, Va.	Ervin
Anderson	Byrd, W. Va.	Fannin
Bayh	Case	Fong
Bellmon	Church	Fulbright
Bennett	Cranston	Gore
Bible	Dole	Gravel
Boggs	Eagleton	Hansen

Harris	McGovern	Ribicoff
Hart	McIntyre	Smith, Maine
Holland	Metcalf	Sparkman
Hollings	Miller	Spong
Hruska	Mondale	Stennis
Hughes	Montoya	Stevens
Inouye	Muskie	Symington
Javits	Nelson	Talmadge
Jordan, N.C.	Packwood	Thurmond
Long	Pearson	Williams, Del.
Mansfield	Pell	Yarborough
McClellan	Proxmire	Young, N. Dak.

NOT VOTING—27

Baker	Jackson	Murphy
Cannon	Jordan, Idaho	Pastore
Cotton	Kennedy	Prouty
Curtis	Magnuson	Randolph
Dodd	Mathias	Russell
Goldwater	McCarthy	Tower
Goodell	McGee	Tydings
Hartke	Moss	Williams, N.J.
Hatfield	Mundt	Young, Ohio

So the amendment of Mr. SMITH of Illinois (No. 895) was rejected.

Mr. ELLENDER. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. TALMADGE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 889

Mr. MONDALE. Mr. President, I call up my amendment No. 889 and ask unanimous consent that its reading be dispensed with.

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

The amendment reads as follows:

AMENDMENT No. 889

On page 61, line 22, strike out "ninety days later" and insert in lieu thereof "within ninety days".

On page 64, between lines 2 and 3, insert the following:

"(d) The provisions of this section shall not be effective after December 31, 1973.".

Mr. MONDALE. Mr. President, the key portion of the amendment would limit the duration of the class I base plan as recommended by the committee of a 3-year period rather than for the permanent period proposed in the bill. The reason why the Senator from Wisconsin (Mr. NELSON), I, and others feel that this class I base plan should be so limited is that we believe far more needs to be known about the working of the plan before it becomes permanent. We created it in the 1965 act and I supported it. We made it a temporary bill so that we could learn how the program would work before we extended it. Unfortunately, only a few such class I base plan orders were created and we knew very little about its actual operation. Therefore, I believe that we should have a further period of experimentation before we make it permanent, especially in our area in Minnesota where we have a good deal of high quality and reasonably priced milk which could be easily affected by the class I base plan ordered created under this provision.

In view of the time and the lateness of the hour. I do not intend to press this amendment tonight. Moreover, in view of the fact that the House bill as adopted proposed only a 3-year extension, it is possible that this issue could be worked out in conference and take into account the concerns felt in Minnesota as I have expressed them here tonight.

Mr. President, we recognize the merits of the objectives of the class I base plan approach included in title II of the Agricultural Act of 1970 and believe this bill is a substantial improvement over the specific provisions of the 1965 act pertaining to the class I base plan.

There are two changes that need to be made to further improve this legislation.

First, change "shall ninety days later" to "within 90 days" in order to be consistent in treatment of producers. I am pleased the committee has accepted this as a technical amendment to the bill.

Second, reestablish the House provision for a 3-year extension of class I base plans to December 31, 1973.

A 3-year extension of the class I base plan rather than making it permanent as the Senate bill does, is needed, Mr. President, as we believe that we need far more experience with this new innovation in milk marketing before we give it permanent status.

Only one market in the Nation saw fit to establish a class I base plan under the provisions of the 1965 act, particularly the allocation of additional base as the market grew was completely unequitable between old and new producers.

This bill should go a long way in correcting these problems, but we in the Upper Midwest have a lot of high quality, reasonably priced milk that has not been a part of any marketing order, but things are changing.

In the past 2 years, significant changes in the market structure of Minnesota and Wisconsin milk is beginning to occur.

A grade A standby program has been established providing an opportunity for a good many producers to shift to grade A.

More important has been the Organization of Associated Milk Producers, Inc., and Mid-America; large regional co-ops whose major interest in the past has been fluid-milk markets. Now they have manufacturing plants in Minnesota and Wisconsin and there will be additional pressure and opportunity for their producers to shift to grade A.

In addition, Land O'Lakes is giving much more emphasis to the fluid milk side of their operation. This also provides an opportunity for more producers to shift to grade A.

So it is not just the changes in the 1965 act that we must consider, but also the changes occurring in our markets.

This bill gives the Secretary certain discretionary power in establishing bases for new producers without milk production history—section II—and in establishing "terms and conditions including those which will prevent bases taking on an unreasonable value," clause (f). Bases in the Pudget Sound order did take on a high value which, if not changed, would in the long run make entering into dairying by a young farmer a very expensive venture.

It would also increase the cost of milk to the consumers.

It is for these reasons that we believe this portion of the bill should have a 3-year time limit. If experience during these 3 years shows this to be a workable program, we would be happy to have it made permanent at that time.

Mr. NELSON. Mr. President, when the present farm program was established in 1965, a new dairy program—the class I base plan—was created.

The class I base plan is a two-price plan designed to reduce Government dairy surpluses and improve farm income. Under the plan, farmers who vote by referendum to accept the program within a certain market area will be paid two prices for their milk—a higher one for fluid or bottled milk and a lower price for that portion of their milk used in manufacturing cheese, butter, nonfat dry milk, and other dairy products. According to the marketing order, dairy farmers are allotted a specific percentage or base of the higher priced fluid milk on the basis of past production and are encouraged under the plan to reduce their milk production and keep it in better balance with the fluid milk needs of the market.

When my colleague from Wisconsin (Mr. PROXMIRE) proposed this program first in 1963 and again in 1965, I supported its enactment because I believed that the program, properly administered, could help reduce dairy surpluses in areas of excess production. I also supported the plan because, as proposed by Senator PROXMIRE, it included safeguards for free access to a milk marketing order by providing that farmers who delivered milk, but not under the order, at the time the bases were initially allotted, would receive bases on the same terms as those farmers who initially received bases under the order.

However, the specific safeguard that was contained in the original bill proposed by Senator PROXMIRE was not adopted by the House-Senate conference which considered the bill. In its place was a provision that enabled new producers to obtain bases in the event that there was enlarged or increased consumption in the market. While this modified version offered some assurance for access to a class I base plan market, it certainly did not reflect the total access guarantee that was included in the initial Senate proposal.

I believe that a plan of this nature should be available to farmers in areas of surplus production to get their milk production in better balance with the fluid milk needs of the local market. However, at the same time, when new milk can be used in that market area, the producers of that milk, whether they be new local farmers or farmers shipping milk from distant locations, should receive the same price for their milk as the farmers traditionally serving that market.

The modifications to the original class I base plan that are contained in the bill approved by the House of Representatives and the bill reported by the Senate Agriculture Committee represent a definite step toward the concept of the free flow of milk to all markets that was contained in the legislation first passed by the Senate to establish such a plan.

The language proposed by the Senate committee benefits both consumers and farmers by giving the Secretary of Agri-

culture the discretionary authority to allow both new and distant producers to receive the same price for their milk used in a market as the farmers already established within that market as soon as he deems it appropriate, and not later than 90 days after the initial delivery.

Without this opportunity for fair prices, there will be no incentive for new milk to be shipped to the market. The supply of milk will be scarce and milk prices to consumers will skyrocket to artificially high levels.

Without this provision, a dairy farmer without a base supplying milk to a market would receive only the lower manufacturing price, around $4.50 per hundred pounds, for his milk regardless of the higher class I price, usually $6 or $7, that producers with bases would receive. The dealer who handles the new producer's milk would have to pay the $2 or $3 difference between what he paid the new producer and the regular class I price to the market pool for distribution to producers who have bases. So in addition to getting a premium price for their milk, the established producers would also cash in on the extra dividends in the market pool at the further expense of new farmers.

In my judgment, this provision makes congressional intent absolutely clear that there must be the right of access in both physical and economic terms in all milk markets across the country.

TERMINATION DATE

The class I base plan section 201 has been singled out from the entire farm bill to become permanent legislation. There are a number of new provisions authorized by section 201 dealing with class I base plans. They are innovative and untried. It is not known whether they will in fact be workable or desirable for all concerned. Therefore, the 3-year termination date which applies to all other sections of the bill should also apply to the class I base plan provisions, as was done in the House version.

There have been a number of expressions indicating that the proposed legislation provides more freedom for the movement of milk between markets than is currently authorized in the 1965 Agricultural Act when class I base plans are in effect. However, it is important to note that all restrictions have not been completely removed.

Section (f) (v) provides the method by which producers who have a history of deliveries to other markets during the base period will receive bases upon becoming producers and entering a market which has a base plan in effect. While such producers would receive a base, based on their past history of production, at the end of 90 days after beginning deliveries to the new market, they are required to receive the lowest use class for their milk up to the first 90 days of delivery.

There are a large number of dairy farmers who shift between Federal milk marketing orders depending upon the supply and demand balance for given markets. When certain markets become deficit, it is normal that some of the producers delivering to other nearby markets will shift their deliveries to the deficit markets. The provision, section (f) (v), as now constituted would be a tremendous deterrent to such shifts and would cause artificial inflation of milk prices in the deficit area. There is no conceivable reason that a dairy farmer who has a history of production during the base-making period but who has been delivering to other markets should not be granted the right to deliver to any market for which he obtains the necessary health and sanitation permits. Contrary to all of the statements indicating free access to markets where class I base plans are in effect, the fact of the matter is substantial barriers and restrictions can still develop in class I base plan markets.

Another restriction relating to the entry of new producers is found in section (f) (ii). This section pertains to dairy farmers who were not producing milk during the base period. Such new dairy farmers upon becoming producers under the order are to be allocated bases within 90 days after their first regular delivery. However, it is my understanding that there is no guarantee as to what portion of their deliveries will be included in their base. It might be 5 percent, 10 percent or any amount so specified in the order. The provision also provides that after such producers have been allocated a base, it will automatically be reduced by 20 percent for some period of time not to exceed 3 years.

The surpluses of milk products that burdened the market a few years ago have lessened. In fact, the Secretary of Agriculture has taken action during the past several years to maintain support prices for milk at or near the maximum authorized by law in order to maintain milk production. The provision which is referred to could be a substantial deterrent to the entry of new dairy farmers into milk production. The legislation which contains these kinds of provisions should not be made permanent.

It is also a fact that high capitalization of bases is more likely to occur when order provisions are permanent than when they have a short period of termination.

Even now in the Pudget Sound market, bases have been priced for transfer at as much as $18 a pound—with a daily production level of 1,000 pounds of milk, that amounts to $18,000 for the mere right to produce milk for the Puget Sound market—not for farm buildings, equipment or cows. That is the value of a base when the authorizing legislation was on a 4-year term. How high the valuation might go under permanent legislation is impossible to imagine.

With the provisions contained in the bill limiting the access of new dairy farmers and producers who have a history of production but deliver to other markets, the ingredients for bases accruing a substantial market value are present. That is to say if dairy farmers who do not have bases receive a lower price than those who do, there is an automatic incentive to buy bases from the dairy farmers who already have them. If that right to deliver milk under the purchased base extends only for a limited period of time, the dairy farmer producing it would probably not pay as much as if the authorizing legislation were extended indefinitely.

In addition, it seems unwise to make this program permanent at a time when the marketing patterns for milk and dairy products in the United States is undergoing significant change. Because of the rising cost of operating a dairy farm, there has been a steady exodus of farmers from dairying over the past few years. In most cases, this means that new milk may be needed on short notice in those areas to keep up with population growth alone.

There are also increasing reports about the establishment of national standards covering the production of milk for manufactured products such as butter, cheese, and nonfat dry milk. These standards may result in many present producers of manufacturing milk deciding to go out of business rather than investing money in order to meet the improved standards.

Therefore, the supply of milk in most regions of the country, other than the Upper Midwest, available for future conversion to fluid milk uses, when the demand occurs, will simply not be in those areas and will have to come from the Upper Midwest.

Therefore, if the Class I base plan needs modification, that modification will be far easier if it comes up for automatic review rather than facing the difficulty of revision a permanent statute.

For these reasons, it is my belief that a 3-year term should be placed on the extension of this program to bring it in line with the House proposal.

Mr. MONDALE. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. DOLE. Mr. President, the farmers who produce our food and fiber are receiving the same prices for the fruits of their labor that they were receiving 20 and 30 years ago. As the distinguished senior Senator from North Dakota stated last evening, average wheat prices received by farmers in 1969 were lower than at any time since 1942.

I commend the chairman, Senator ELLENDER, and the ranking minority member, Senator AIKEN, of the Senate Agriculture and Forestry Committee, for their leadership. Their remarks yesterday clearly reveal their knowledge and experience in this field.

The statements of other members of the Senate Agriculture Committee demonstrate the thought and consideration given this bill in committee. I will not repeat the figures my colleagues have quoted, but this data substantiates their unanimous accord that farm prices must not be lowered. The prices received by farmers must be maintained if the efficiencies of increased production are to benefit our agricultural producers.

The Department of Agriculture reported this year that farm income has reached an all time high—an annual average of $5,537 per farm. Welfare recipients are asking for a minimum guaranteed annual income of $5,500. The average farm income figure is accurate. The proof of its accuracy is that 147,000 people left the farm during 1969. These

people cannot earn a living at the prices paid in today's farm commodity markets. In my home State of Kansas the average farm income in 1969 was $5,587.

The average farmer has an investment in land, buildings, and equipment of over $50,000—yet his income is far less than a laborer in the city who has little or no capital investment.

This is not the time to lower farm income.

This is no time to lower the prices farmers receive for their commodities.

As a member of the Senate Agriculture and Forestry Committee, I can assure you this committee amended the House-passed bill with the primary intention of providing safeguards to protect present farm income.

FOOD FOR PEACE

Since my distinguished colleagues explained the details of the several grain and cotton titles of the bill yesterday, I would like to comment on title 7 which extends Public Law 480, commonly known as the food-for-peace program.

During four terms in the House of Representatives, service on the House Agriculture Committee emphasized the importance of Public Law 480 to agriculture in this country and the free world.

Hopefully this program will continue to expand and end up in feeding the hungry around the world and in turn help pay our Government expenses in foreign nations.

Section 406 of Public Law 480 contains a provision for a farmer-to-farmer program to be administered under this law. As author of this section, I am hopeful funds can be appropriated to implement this program. It would provide funds for American farmers to train farmers in foreign nations to employ agricultural practices to help them produce their corps more efficiently and in greater abundance.

RURAL DEVELOPMENT

As I mentioned earlier, the Department of Agriculture reports the Nation lost 147,000 in farm population last year. This exodus from the farm to urban centers must be stopped. Many of the problems we now find in urban centers result from increasing population density, which is compounded by the shift from rural to urban areas. President Nixon has stated his desire is to "reverse" this outmigration from rural areas. The distinguished Senator from Georgia (Mr. TALMADGE), whom I joined in cosponsoring the rural development amendment in committee, commented yesterday on rural outmigration. I would add that the Department of Commerce reports rural outmigration between 1950 and 1960 indicated a total of 4.6 million people moved away from the rural counties. Commerce Department figures also show these people move from the farm to industrial centers. These industrial centers are often the centers for some of our greatest social and human problems.

What every Senator acknowledges is the need for rural development and the hope it holds for solving some of the problems of urban America. The Talmadge-Dole rural development amendment, title 9 of this bill, is a start toward reversing rural outmigration.

The title specifically asks for research and reports to Congress on five critical areas that are basic in planning for social and economic development:

First. Location of Federal facilities: It directs all Government departments and agencies to establish and maintain policies and procedures to assure preference in the selection of the location of new offices and other facilities in areas of lower population density.

Second. Planning assistance: It directs further cooperation between the Department of Housing and Urban Development and the Department of Agriculture in planning for the development of rural multicounty economic areas not included in economically depressed areas. This emphasizes the importance of collective planning for further growth of rural areas.

Third. Information and technical assistance: Since planning requires research and information, this section provides guidelines to the Department of Agriculture that will assure the availability of this technical assistance to the leaders of rural communities.

Fourth. Government services: This section assures that rural communities will be treated with the highest priority in the provision of all Government services. Emphasis is made for the provision of adequate transportation, communication, water and sewer systems, health and medical care, protection and educational facilities.

Fifth. Financial assistance: This section requests a report on the possible utilization of the Farm Credit Administration and agencies of the Department of Agriculture to provide needed financial assistance in developing rural America.

These reports will serve Members of Congress as foundations for research from which to formulate additional rural development legislation involving jurisdiction and operations of many departments and agencies of Government—Agriculture, Health, Education, and Welfare, Housing and Urban Development, Transportation, Commerce, and others.

The Agriculture and Forestry Committee unanimously endorsed this amendment.

This bill is not perfect. We know this. However, the bill did pass the House of Representatives by the largest margin a farm bill has passed that House in many years. The vote was 212 to 171. The House vote in September 1968, to extend the present program 1 year passed the House by only 189 to 171, a more customary margin.

Strong support in the Senate will be most valuable in enabling the joint conference committee to work out a worthwhile compromise bill.

Mr. COOPER. Mr. President, as I said last evening during commencement of debate on the Agricultural Act of 1970, that it would be very critical if a farm bill were not enacted this year. The bill before us generally extends, with some modifications, the feed grains, wheat, cotton, and wool programs—including price support loan and payments, and acreage diverted or "set aside" to conservation purposes. Nothing in the bill approved by the Senate or passed by the House makes any change in the support program for tobacco.

It was my privilege to serve as a member of the Committee on Agriculture for 5 years, and to help develop the 1965 farm programs which have been in effect and which will be extended, with changes, by the 1970 bill. Without legislation we would revert to the old programs which were in effect prior to 1965 and which built up tremendous and costly surpluses, depressing market prices. Since 1965, the farm surplus has been worked down, and the prices farmers receive have increased. Farmers still face a difficult cost-price squeeze.

I am particularly concerned about the corn blight which, while already estimated to reduce the crop 6 percent nationally, the Department of Agriculture officially estimates at a loss of 16 percent in Kentucky. The loss may run much higher, especially in affected areas, and those I have talked to in western Kentucky and in the Kentucky Farm Bureau are very worried.

I hope the Secretary of Agriculture will take all steps to insure the production of resistant seed for 1971 planting, and will report to the Congress on additional recommendations. Not only must preparation be made for the 1971 crop, but also some provision for those farmers who may suffer a large crop loss. I suggest the Department consider allowing those farmers who suffer blight loss to plant additional compensating acreage next year, without regard for the limitations otherwise applicable.

It may be that hard-hit counties should be declared emergency areas, just as in case of drought the Secretary may permit the grazing of diverted acres, with the restrictions on planting removed to the extent necessary to replace losses from corn blight.

The occurrence of blight reminds us that crop reserves are not always "surplus," but may be valuable insurance and at times a blessing. But beyond this lesson, I believe provision must be made for those farms hit hard by corn blight, who will suffer loss of income this year. I suggest consideration also of releasing to such farmers Government stocks of corn in an amount to make up their losses, at a reduced price or even at the loan rate.

Mr. President, I would like to give some facts regarding agricultural production in my State of Kentucky.

While Kentucky is becoming more industrialized, it can still be characterized as a "farm" State. While it is not the largest producer of any of the basic crops, it ranks second in the production of tobacco, and produces all of the other basic crops—including some cotton—except rice and peanuts.

Gross farm income in Kentucky reached $1 billion for the first time last year—1969—on its estimated 120,000 commercial farms, averaging in size 140 acres; 1969 gross farm income was $7,819 per farm—net farm income $3,128. Several years ago Kentuckians, including the Governor's commission on agricul-

ture, had set as a goal making Kentucky a "billion dollar farm State," and this goal has now been realized, largely through increased diversification, livestock and a growing feeder cattle and feeder pig production.

Livestock and livestock products income reached a record high last year. Farm receipts from livestock and livestock products were $445 million, while receipts from crops were $380 million. Kentucky ranks tenth in the Nation in the numbers of beef cows—and it is a familiar sight to see farms raising cows with calf at side.

Burley tobacco accounts for nearly three-fourths of the crop income—$290 million but figured on crop year rather than calendar year. The 1969 crop was 406 million pounds averaging $69.82.

The State is also tenth in numbers of dairy cows—2 years old and older—12th in milk production; fifth in the production of cheese; second in the production of evaporated milk, and ranks 13th in number of hogs.

The 129,000 farms have feed grain bases, totaling 2 million acres, with the average feed grain base of about 15 acres.

It was my honor to introduce, joined by Senator Alben Barkley in 1948, the amendment which provided a 90-percent parity support for tobacco, which has been maintained since that time. The bill before us offers farmers better assurances of fair prices and better prices than the House bill. I support it strongly and hope that it will be approved by the Senate and then by the House.

Mr. President, I do not believe the contribution of farmers to the economy, industry and nutritions of our Nation is known by many people of our country.

The report of the committee has an admirable section etitled "Agriculture's Contribution to the American Economy." I ask unanimous consent that it be printed in the RECORD as a part of my remarks.

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

AGRICULTURE'S CONTRIBUTION TO THE AMERICAN ECONOMY

It would be as difficult to exaggerate the impact of American agriculture on the American economy as it would be to describe fully its importance. American agriculture with its efficiency, increased production and productivity, advanced research efforts and contributions to the economy through export levels, labor use, purchasing power, and supply of raw materials must never be considered lightly. Farmers have always fed and clothed the American population, protected its resources, and looked ahead to the future. They have contributed toward feeding us less expensively and have allowed Americans to spend more of their take-home pay for luxuries they might never have afforded otherwise. Increased production levels have contributed greatly toward feeding hungry and malnourished Americans who would otherwise not be able to share in American abundance. Agriculture's contribution to American industry and to the American economy are extensive and certainly classify it as an industry of major importance to us all.

A picture of American industry would be bleak without the contributions of large volume purchases by farmers of goods and services. To produce crops and livestock farmers spend over $38 billion a year for goods and services and another $12 billion a year for food, clothing, drugs, and other essential consumer items. Five percent of total yearly steel production is bought by commercial farmers. This 6.5 million tons of steel is purchased in the form of farm machinery, trucks, fencing, and building materials. Farm industry use of steel amounts to about one-third as much as that of the automotive industry. In 1966 primary metals industries spent $2.2 billion for equipment and new machinery, while farmers bought $4.9 billion worth of tractors, machinery, equipment, and motor vehicles. Farmers spend over $4 billion yearly for fuel, lubricants, and maintenance of vehicles and machinery, and use more petroleum products yearly than any other single U.S. industry. Yearly purchases of lime and fertilizer products run to slightly more than $2 billion. Of total rubber used in the United States, 7 percent—about 360 million pounds—is purchased by farmers. This is equivalent to the amount needed to put tires on 7.5 million automobiles. Two and one-half percent of the Nation's total yearly electricity production of 32 billion kilowatt-hours is used by farmers annually.

Farming as an industry employs more than 5 million workers. This figure represents more than the total number employed by transportation, public utilities, the steel industry and the automotive industries combined. An additional 3 million are paid as hired farmworkers. The increase in capital and mechanical inputs has freed valuable manpower to other vital and growing industries of the Nation and has created jobs outside agriculture itself.

Thirty percent of all jobs in private employment are agriculture related. Over 110,000 people are needed to produce farm equipment and more than 40,000 jobs are required to produce steel in products for farm use. The storage, transportation, processing, and merchandising of farm products employed some 8 to 10 million people in 1968. Meat preparation, packaging, and poultry dressing employs nearly 300,000; their payroll is close to $2 billion. Almost 240,000 people are employed in the production of dairy products at an approximate payroll of $1.5 billion. Baking industries pay out about $2 billion to 275,000 employees. Industries for processing fruits and vegetables employ almost 190,000 people who earn a total combined salary of over $800 million. Six million more Americans have jobs providing the supplies farmers use for production and for their personal comforts. Without the raw materials supplied by U.S. farmers which help to generate new jobs and new businesses, industry would be at a near standstill.

Agriculture's contribution to the American economy has been enormous. As a consumer in 1969, agriculture spent $6,634 million for feed—twice what it did in 1950 and nearly one and one-half times the amount in 1960. Purchases of livestock ran to $4,174 million—more than double the 1950 figure. Over $2 billion worth of lime and fertilizers were purchased by farmers in 1969.

As taxpayers in 1969, farmers paid $2.3 billion in farm real estate taxes, $446 million for personal property taxes, $1.9 billion in Federal and State income taxes, and $350 million in sales taxes. Interest payments on farm mortgages were more than $1,600 million. Nearly $3,192 million was paid to almost 3 million hired farmworkers in 1969. About $1.3 billion was made in rent payments. The people employed either directly in agriculture production or in agriculture related industries helped substantially to keep unemployment figures low.

In 1968 agriculture assets were $281 billion, the equivalent of about two-thirds of the value of capital assets of all corporations in the United States, or about half the market value of all corporation stocks on the New York Stock Exchange.

Agriculture plays a vital role in creating a favorable balance of trade. Production from 1 of every 5 acres harvested is exported, making the United States the world's largest exporter of farm products accounting for 20 percent of world agricultural trade. In fiscal year 1970, record commercial sales for dollars pushed total agricultural exports past the $6.6 billion mark. This represented only slightly less than one-fifth of total nonagricultural exports for the same period. Fiscal 1970 marked the first time a single market purchaser of American farm goods, in this case Japan, had bought over $1 billion worth of products in 1 year. Exports of animals and animal products totaled $773 million; animal fats and oils, $213 million; dairy products, $109 million; poultry, $55 million; fruits, $341 million; and foreign sales of grains reached $2,348 million. With exports totaling over $6.6 billion and imports at $5,481 million, a favorable balance of trade in agricultural products was achieved.

If the American citizen is not fully aware of the importance of agriculture to U.S. industry or of its generous contribution to the well-being of the American economy, he certainly should realize what benefits he reaps as a consumer of agricultural products. The increased efficiency and use of modern know-how in the production, harvesting and marketing of food and fiber products means that the consumer spends a smaller percentage of his take-home pay for a higher quality and a wider variety of products than ever before. Over the years farmers have succeeded in using advanced chemical fertilizers, pesticides, modern labor- and cost-saving machinery and sophisticated livestock breeding techniques to increase production levels, increase yields per acre and increase meat and poultry production with smaller amounts of cropland and labor hour inputs. Today's farmer produces over 20 percent more on 6 percent fewer acres than he did in 1957–59. He produces food and fiber to meet the needs of an increasing population with fewer man-hours of labor and a smaller farm labor force.

In 1950, there were 152 million people in the United States. The farm population was 23,048,000—about 15.3 percent of the total population. Farmers fed and clothed them by harvesting 336 million acres with an input of 15,137 million man labor-hours. Total farm production for the period from 1947 to 1949 was 85 (using 1957–59=100 base). By 1960, with an input of 9,795 million labor hours on 317 million acres, output was 106. In that year, when the U.S. population was increased to 180.7 million, the number of farmworkers had dropped to 15,635,000—8.7 percent of the total population. By 1968, farm efficiency had risen to the point where 10½ million farmworkers—only 5.2 percent of the U.S. population of over 201 million—could produce on only 297 million acres with 6,998 million labor hours enough food and fiber for the Nation. Farm output had risen to 120. Land released from production because of higher per acre yields has been allowed to rest and regain its fertility. Much of this diverted acreage is now used for conservation purposes.

Efficiency of the U.S. farmer means that productivity of the American farmworker in the 1960's increased by 6 percent a year, while in other industries the figure was only 3 percent. One farmworker today produces food, fiber, and other farm products for himself and 44 other Americans. Today 1 hour of farm labor produces seven times as much food and other crops as it did 50 years ago. Production sufficient to feed over 200 million people today uses only one-third the amount of labor as was required to meet the needs of only 91.9 million people in 1910. Output per man-hour on the farm increased by 83 percent from 1957–59 to 1969.

A look at the increased efficiency of Amer-

ican agriculture over the years is more impressive still when compared with figures from other countries. In 1968, when only 5.2 percent of our population fed, clothed, and helped to house us; in Canada the figure was 11 percent; in Denmark, 15 percent; in France, 18 percent; in West Germany, 11 percent; in Japan, 24 percent; and in the U.S.S.R., 32 percent. The gap becomes even wider with the realization that none of these nations produces the abundance and the amount of export commodities we do.

These increases in production and improvements in production efficiency have been reflected in better buys for consumers at the supermarket. Between the base-period years of 1947–49 and 1969 when the price of all items on the cost-of-living index rose by 57 percent, such things as rent increased by 63 percent and medical costs increased by 124 percent. However, in that same period, food costs rose only 48 percent. In 1969 the American consumer spent only 16.5 percent of his take-home pay for food. That represents a substantial drop from 20 percent in 1960. The average customer in Western Europe spends 25–30 percent of his income for food; in the U.S.S.R. the figure is 45–50 percent; and in Asia the purchase of food takes 75–80 percent of per capita income. For 1 hour's factory labor Americans can now buy nearly two times as much steak, twice as much bacon, and almost twice the amount of milk as they could in 1948.

For his expenditures in 1969, the American consumer received food products of higher quality, higher nutritional value, and of a wider variety of processed and packaged forms than ever before. A higher standard of living, combined with increased efficiency of marketing, packaging, and transportation methods allowed Americans to purchase preferred food items—5.4 percent more livestock products, 42 percent more poultry, and 35 percent more beef than 10 years ago.

Not only is there more food at lower prices, but the food is better. Extensive research and food processing innovations have given the consumer new food products of higher nutritional value. Genetic selection of livestock has produced leaner, more flavorful meats and higher milk production. Combined efforts of producers and the Federal Government insure that meat, poultry, and dairy products will be inspected and graded and sold with a guarantee of purity.

Much of consumer benefit is a result of agricultural research. Work with fiber processing has produced cottons that are wash and wear and wrinkle resistant. Many wools can now be machine washed. These developments not only save the consumer money on cleaning bills, but also save him time. Newly developed farm equipment now picks fruits and vegetables faster, cutting production costs. New machinery frees labor and reduces damage to crops at the harvest stage thereby reducing wastes and yielding higher production levels. Research in irrigation and conservation practices help to preserve America's natural resources and increase effective use of much potential cropland.

Increased production has meant abundances of food products with which we can support food programs to help needy Americans. The school lunch, school milk, direct distribution, and food stamp programs are only some of many projects which are feeding and nourishing millions of American children and adults. Abundant production has enabled us to build essential reserves which can be called upon in case of emergency.

Mr. MILLER. Mr. President, I suppose that no farm bill that has ever been presented to the Senate has been all one would like it to be, and that is assuredly true in the case of the pending bill.

What is important, however, is whether the programs set forth in this bill represent an improvement over what we now have. This, I believe, is the case.

Most of us, I believe, realize that farm programs are necessary and will continue to be necessary for quite some time. An indepth study by the research center at Iowa State University of 2 years ago provides ample testimony to the disaster which would befall the farm sector of our Nation if farm programs were discontinued. It is true that these programs cost the taxpayers a great amount of money every year, but, in exchange for this cost, the consumers of our Nation have long benefited from the highest quality, lowest cost food and fiber of any nation in the world. If farm programs were done away with in the present circumstances, this benefit would not be assured for the future, because many reasonably efficient producers would be forced out of business and their production would be lost. Greater reliance would have to rest on production from other countries—and such reliance would be fraught with deep risk to the Nation's security. Additionally, the social consequences to affected agricultural producers, local communities, and the giant agribusiness industry would be catastrophic; and the cost to the taxpayers to even partially relieve these social problems would be tremendous.

So the question before the Congress and before the people is really not whether or not there will be farm programs, but rather what kind of programs we shall have. The kind of programs are terribly important and go far beyond the matter of dollar-and-cents cost to the taxpayers and dollars-and-cents income to producers. The economic system of this Nation is capitalism—"peoples capitalism," it is often referred to, because, unlike the laissez faire capitalism of a hundred years ago, our Federal and State governments have developed laws and regulations calculated to make this system work for the best interests of not only those who risk their capital, but those who supply their labor and those who consume the goods. A study of history will show that where a basic industry, such as agriculture, moves away from capitalism, it is only a question of time when other segments of industry follow. What happened in Germany under Adolph Hitler will serve as a particularly dramatic example. Farm programs which tend to move agriculture away from the capitalistic economic system should be avoided—except in the case of genuine emergency. Farm programs which tend to strengthen the market economy for agriculture are to be preferred.

What concerns me so much about the farm programs we have had in recent years has been that they have tended to make farmers increasingly dependent on the Federal Government for their income. Government payments amounted to $693 million in 1960 and had climbed to $3.7 billion by 1969. National net farm income in 1960 was $11.7 billion; and, in terms of 1960 dollars, it was $13 billion in 1969. Without the increase in Government payments, 1969 income—in terms of 1960 dollars—would have been only $10 billion. This is why I say that farm programs in recent years have tended to make farmers more dependent on the Federal Government for their income.

The taxpayers who have footed the bill for these payments have benefited greatly. In 1960, 20 cents per consumer dollar went for food. In 1969, only 16½ cents per consumer dollar went for food. The savings to consumers represented by that difference greatly exceed the cost in taxes needed to make the $3.7 billion in payments to farmers.

During a period of inflation, it might be news to consumers that if they were paying 20 cents of each consumer dollar for food, prices in the grocery stores would be far higher than they are. But actually, food prices have not gone up as high relative to other things consumers buy, and this is basically why farmers have not shared fairly in the national net income—even with Government payments. Another point to be made is that a considerable amount of the increases in food prices have not gone into the farmers' pocketbooks, but into someone else's pocketbooks.

If we really believe in "peoples capitalism," and most of us do, then we must look forward to the day when farmers can rely, with confidence, on the marketplace for all of their income—rather than on payments from taxes paid by consumers to supplement artificially depressed market prices. But the movement toward this goal is going to be gradual if undesirable social consequences are to be avoided.

The pending bill, with its set-aside features—giving farmers wider choice to grow the crops they consider most advantageous, with authority in the Secretary of Agriculture to move a substantial amount of retired acreage into 3, 5, and 10-year retirement contracts—instead of being forced to use only the 1-year retirement contract approach, with further authority in the Secretary to assist small, submarginal farmers to adjust to nonfarming activities—these are all improvements over the programs we now have, and they tend toward a market economy rather than away from a market economy. Frankly, I wish the trend would be more pronounced, but this is a 3-year program, and if it succeeds, we will be in a better position to know how fast and how far we wish to move at the end of 3 years than we are now.

So many jobs in agribusiness are so deeply dependent on a viable agricultural economy that many of us feel it would be an undue risk to enact programs at this time which did not provide assurance for at least the same amount of national net farm income as the present level. This assurance is provided by the bill—as nearly as we can legislate such an objective. And with increased exports of agricultural commodities, for which the bill provides a foundation, the opportunity for improving that income position seems reasonably good.

I hope that the bill reported out by the Senate will, in the main, be retained in the conference committee, because it is a better bill than we received from the House—and it contains better programs than the ones that expire at the end of

this year. It is not all I would like to see, but legislation is the art of doing the possible, and I believe it is the best that can be legislated at this time—taking into consideration the views of the House of Representatives and the many varied interests represented here in the Senate.

Mr. HANSEN. Mr. President, I commend the distinguished Senator from Louisiana (Mr. ELLENDER) and his committee for including an extension of the National Wool Act in the farm bill which is now before the Senate. Title III of the bill would extend the National Wool Act for 3 years, or through December 31, 1973.

In the 16 years that the wool program has been in operation, it has proven to be a sound program. Furthermore, it has worked better than previous wool programs; for example, the purchase program that was in effect in the early 1940's and through which the Government acquired a stockpile of wool which in turn became a depressant when free market operations were resumed after World War II.

After an investigation completed in 1954, the Tariff Commission recommended to the President that the tariff duty on imported raw wool be increased to protect the price support program then in effect on our raw wool.

President Eisenhower felt it would be unwise to raise the tariff due to our close ties with wool producing countries, such as Australia.

In lieu of a tariff increase, the National Wool Act was evolved.

Under the act incentive payments cannot exceed 70 percent of the tariff duties collected on wool and wool manufactures, so payments under the act are related to tariff duties collected.

These payments, however, have always been lower than the tariff duties collected on wool and wool manufactures.

Furthermore, under the National Wool Act, growers have instituted a self-help program to advertise and promote their products, lamb and wool. They are currently contributing 1½ cents per pound of wool sold to finance this worthwhile promotion program.

Last, but certainly not least, the National Wool Act is operated in such a manner that it provides an incentive to growers to improve the quality of their wool and thereby receive the best price possible in the open market.

Wyoming is the second largest wool-producing State in the Nation.

However, all 50 States have wool production. The National Wool Act has proved to be a practical means of providing necessary income assistance to producers while permitting domestic wool to compete with foreign wool and synthetic fibers in the domestic market.

The National Wool Act has worked well for our wool producers, and I highly recommend that it be extended.

Mr. YARBOROUGH. Mr. President, I would like to commend the Senate Agriculture Committee for reporting H.R. 18546 with many strengthening amendments, which make it a far better bill than the House-passed version. The Senate committee bill is better for farmers, businessmen, consumers, and the entire national economy. This bill will not solve the myriad of problems facing the agricultural industry, but it will assure the continued survival of the family farmer, whose rightful position in our economy has been steadily deteriorating despite his yeoman contributions to all Americans.

Throughout my 13½ years in the Senate, one of my greatest concerns has been in helping farmers. I have worked for and supported those programs which best contributed to a sound agricultural policy. For nearly 6 years, I have served on the Senate Agriculture Appropriations Subcommittee, representing and fighting for farmers all over Texas and America. I have fought for parity, for increased appropriations for REA and for rural telephones, as well as many other programs to create a strong rural policy and to protect agriculture in Texas, the Nation's greatest agricultural State.

In the past two decades Americans have reaped great benefits from the modernization and streamlining of the agriculture industry. Following World War II American consumers paid 25 percent of their disposable income for food; today we pay only 17 percent. This compares with figures ranging from 28 to 40 percent in Europe and close to 50 percent in the Soviet Union. Not only does this improvement save each individual American more money to spend on other items, but it also frees billions of dollars which go back into the national economy.

But despite these tremendous improvements for consumers and the national economy as a whole, the farmers and ranchers have been left out in the cold. While the cost of living and the costs of agricultural production have risen, the income for an individual farmer or rancher has lagged far behind. He pays 1970 prices for what he buys—50 percent higher than 20 years ago. But he sells cotton at 1942 prices; he sells corn at 1944 prices; he sells livestock at 1952 prices; he sells wheat at 1942 prices; in fact, he is often forced to sell his products below his actual cost of production. The 1968 farmer's net annual income was more than $1 billion below the net annual income received in 1947. During this same period, farm productivity increased by 50 percent and retail food prices advanced 47.3 percent. But farmers have not been the ones to benefit from this increased productivity, and increased prices for food at retail.

Personally, I would prefer for farmers and ranchers to receive a fair price in today's market, without the need for Government programs and help.

But the fact is that they do not receive a fair price. Under the current conditions, the family farmer simply cannot survive in our inflated economy without the help provided by the farm program.

On October 23, 1969, I jointly introduced with 14 other Senators, led by the capable junior Senator from South Dakota (Mr. MCGOVERN, the bill S. 3068, commonly known as the coalition farm bill of 1970, which was backed by 32 major farmers' groups in the Nation, including among others the National Farmers Organization, the National Farmers Union, the Grain Sorghum Producer's Association, the Western Cotton Growers Association, and the National Rice Growers Association. Since that time many other organizations also endorsed our bill.

The Senate Agriculture Committee's bill is basically the same as our original coalition farm bill, retaining parity and strengthening many farm programs. Although the Senate bill will not remedy all that ails the agricultural industry, it will assure survival. One particular provision I will work to restore in the Senate bill, is parity for feed grains. This was deleted by the House, but I have cosponsored and will join with the distinguished junior Senator from New Mexico (Mr. MONTOYA) in pushing for an amendment on the Senate floor to put back in the bill parity for feed grains, so that our grain sorghum and other feed grain growers will be given protection.

Throughout the history of America, the primary struggle for farmers has been for equality and fairness in the market place. Since New Deal days the chief tool in that struggle for equality has been parity. But now certain interests propose that we eliminate it in favor of a support level based upon average market prices. Thus, it is suggested that we abandon the legislatively approved standard, one in which the Government assumes its proper role of maintaining, protecting, and hopefully, improving farm income. In exchange, we are being asked to turn over to the grain and textile trades the function of determining farm income and Government costs, leaving the farmers out in the cold.

Mr. President, as the senior Senator from Texas, I will continue to fight for those agricultural programs which will protect farmers, consumers, and our overall national economy. I will fight to insure a reliable food supply at the cheapest real cost to consumers ever achieved by any major Nation in history. I will fight to guarantee a stable agricultural economy domestically, and a favorable balance of trade on farm and ranch exports internationally. But most important, I will fight to give farmers and ranchers a fair break in the marketplace and to help them stay on their land, producing those products which feed and clothe our Nation.

Mr. PEARSON. Mr. President, in these days of moon explorations, great international tensions, urban crises, the growing threat of pollution of our environment and the rising concerns about social stability, law, and justice, it is easy to overlook the importance of the legislation which we consider here today. In actual fact, of course, there are few legislative measures before the Congress which are of greater importance to the individual States and to the Nation as a whole than the farm bill.

While it is true that the farm population continues to decline in both relative and absolute terms, the importance of agriculture to the overall national economy is of great significance. This was documented very effectively, I thought, by the report of the Senate Committee on Agriculture and Forestry. And I would

cite just a few examples from that committee report. Each year American farmers spend over $38 billion for goods and services in the production of crops and livestock. As consumers they spend more than $12 billion every year. Of the total rubber used in the United States, 7 percent is purchased by farmers and as the committee report noted, this is the equivalent of the amount needed to put tires on 7.5 million automobiles.

Even more significant is the fact that 30 percent of all jobs in private employment are agriculturally related. These jobs, of course, vary all the way from the individual farmer himself to the millions of workers who are needed to produce the items which the farmer uses to those who produce, distribute, and market the commodities he produces.

For States like Kansas, of course, agriculture is the bedrock of our economy. When Kansas farmers are in trouble, much of our State is in trouble.

But, Mr. President, I would also suggest that agriculture is important to the Nation in much more than an economic sense. American agriculture is basically organized around the family farm. Over the history of this Nation's development, the family farm has proved to be an extremely valuable social institution. Its importance is undiminished today.

Therefore, we seek not simply an economically healthy agriculture, but an economically healthy family farm agriculture. The difference may seem slight on the surface, but, in fact, is of major significance.

Except for the 1940's and early 1950's, American family farm agriculture has been in economic difficulty ever since the 1920's. The farm programs adopted during the 1930's and modified periodically since then have helped enormously to alleviate the economic problems facing agriculture, but the farm problem as such, of course, has never been completely solved and if we are candid, we will not claim here today that the bill before us will somehow eliminate all the economic problems which continue to bear down on the family farmer.

However, it is my judgment that the Senate Committee on Agriculture and Forestry has reported a bill which is basically sound and which should be adopted.

Title II, dealing with the dairy segment of agriculture, is well designed and I am sure generally acceptable. The same, I think, applies to title III, dealing with wool. And, although I recognize the great importance of the cotton industry, I shall limit my comments primarily to the sections of the bill dealing with feed grains and wheat and also the new title, which was added this year dealing with rural development.

Wheat farmers in Kansas are already sowing the seed which will become next year's crop. I know that a great many of them have been extremely frustrated over the fact that Congress has not already adopted new farm legislation. This has enormously complicated the decisions they have had to make about their cropping patterns.

For this and also for other reasons, I very much support that provision of the Senate bill which provides for the extension of the present program through the 1971 crop. And then by next spring the farmers will be in a position to make a more informed judgment as to whether they want to continue with this program or to shift to the so-called set-aside approach.

The minimum loan level of $1.25 is, I think, essential. Because of the experience of the past year or so, there is considerable evidence to indicate that the expenses involved in producing a bushel of wheat are so great that the $1.25 floor is of critical importance to the wheat farmer economy.

The retention of the wheat marketing certificate is also desirable and the use of 100 percent parity on that portion of the farmers' production used for domestic consumption is sound and desirable and certainly fair.

The provision of the bill calling for advance payments to wheat farmers is more controversial, I know, because of the statistical impact on this year's budget expenditures. However, these advance payments are an important source of credit to farmers. They need to be maintained. I opposed elimination of advance payments last year. I favor their restoration this year.

The provision in the Senate bill dealing with feed grains are very much similar to the feed grains portion of the farm bill recently passed by the House of Representatives and, indeed, both of these bills are quite similar to the existing feed grains programs. As in the case of wheat I support advance payments on feed grains.

The adoption of a set-aside approach for the feed grains program is a departure from the past pattern and one which, I think, is basically desirable. For one thing, feed grain producers will have sufficient time to come to understand the mechanics of this production control technique prior to their planting season next spring.

Mr. President, the concept embodied in the amendments offered to the feed grain sections by the distinguished Senator from New Mexico and the distinguished Senator from Missouri is of considerable importance, namely, the use of the parity formula to the price-support mechanism on feed grains. It seems to me this is a fair and reasonable proposal. I think there should be some opportunity for the support level to be increased as the farmers' costs of production rise. To enhance the reaching of agreement between Senate and House conferees it is desirable, I believe, that the level be pegged at 75 percent of parity; the specific guarantee of $1.35 is, at this time, a few cents more than 75 percent of parity. But it is particularly important, Mr. President, that we restore the parity support mechanism for feed grains as we have for wheat and cotton.

I have discussed the provisions of this bill with the members of the committee and with officials of the Department of Agriculture and I am rather convinced that the adoption of the bill before us will prevent any significant reduction in price and income levels. This is absolutely essential. Farmers, particularly wheat farmers, already are in very serious trouble. Any downward trend in prices would be intolerable. Indeed, Mr. President, if it were not for the present strength in livestock prices, the Kansas agricultural economy would be in desperate straits.

Mr. President, I want to take this opportunity to commend the committee for adding the new title to the farm bill this year, namely, title IX, "Rural Development." This provision of the bill expresses the commitment by the Congress to a sound balance between rural and urban America. It also calls for some new initiatives intended to help achieve this objective. Over the past several years I have been active on behalf of the cause of rural development. And it certainly seems to me that this is one of the significant new contributions to that cause. I certainly hope that this section will be retained when this proposed legislation is signed into law.

Mr. President, the bill we adopt tonight may not meet the desires of all concerned. But all in all and considering all the countervailing pressures it is, I believe, a basically good bill.

Mr. HARRIS. Mr. President, agriculture is the largest single industry in Oklahoma, and Oklahoma farmers have patiently waited for the Congress to enact new farm legislation to replace the Food and Agriculture Act of 1965 which after a 1-year extension expires this year. I think it is safe to say that practically all farmers would welcome the opportunity to operate without a farm program if it were possible to do so and still guarantee fair prices and a balanced supply of food and fiber for the Nation. Unfortunately, the experience of other countries, such as Canada, for example, has shown that unlimited production of farm commodities brings about economic disaster in the farm sector and threatens the guarantee of an adequate long-range supply of food and fiber.

The Food and Agriculture Act of 1965, through a system of voluntary production controls, has enabled us to substantially reduce the surpluses of farm commodities created during the 1950's, and because of our ability to more nearly gear production to demand, we have been able to stabilize farm markets and slowly strengthen farm prices. The Food and Agriculture Act of 1965 has proven to be good legislation, both for the farmer and for the consumer. But, no legislation is perfect, and that is why I joined with a number of my colleagues in the Senate in the introduction of the so-called coalition farm bill. This legislation, which had the combined support of some 32 major farm organizations called for continuation of the basic provisions of the 1965 act with some needed revisions and improvements which would have further strengthened farm income. The failure to enact any farm bill would have resulted in a reduction in farm income of $1 billion or more, and would have further contributed to the very difficult cost-price squeeze in which farmers find themselves.

The Senate Committee on Agriculture and Forestry has reported a bill which

represents the combined suggestions of the administration, the committee and the coalition of farm organizations. I feel that, basically, the bill is a good one and should be adopted by the Senate. Certain provisions of the bill must be retained in order to give some protection to future farm income. For instance, we must adopt the Senate provision for advance payments for wheat and feed grains producers. With rising costs of production and with continued high interest rates, it is imperative that wheat and feed grain producers who participate in the program be paid at least 50 percent of their production control payments in advance. This provision was not in the House-passed bill, and I am hopeful that the Senate will retain it in its bill and that the conferees will stand behind the Senate version. Further, I feel that we must retain the loan floor as provided in the bill and continue the parity concept for price supports for cotton and wheat as recommended by the committee. I also felt that the same parity concept should have been extended to include feed grains in order to maintain incomes of feed grains producers in future years and because I felt very strongly about the need to include this provision in the bill, I earlier cosponsored an amendment with my distinguished colleagues, Senators MONTOYA and MONDALE, which would have extended the concept of parity to feed grains. I am happy that an amendment was agreed to which extends the concept of parity to feed grains at a level of 75 percent.

I want to commend the committee for developing what appears to be a sound program for cotton, wool and the dairy industry. I feel that the programs suggested will be fair to both producer and consumer, and I am hopeful that the committee recommendations will be adopted.

Mr. President, cash receipts from farm marketings totaled $939.3 million in Oklahoma in 1969. Oklahoma farmers spent $606.6 million for such things as feed, livestock, seed and fertilizer, hired labor, machinery, and miscellaneous expenses, plus $162.7 million for depreciation and $87.3 million for farm property taxes and interest on farm mortgages and rent. Hundreds of communities and thousands of small businessmen throughout rural Oklahoma depend upon a strong farm economy for their livelihood, and without the enactment of a sound farm program such as we are considering here today, I feel that the billion dollar business of farming in Oklahoma is in jeopardy of a further tightening of the cost-price squeeze and additional economic pressures which might force more and more people off the farm and cause more and more small businessmen in rural Oklahoma to close their doors.

I commend the Committee on Agriculture and Forestry for including a section in the bill dealing with rural development. Specifically, I commend the distinguished Senator from Georgia (Mr. TALMADGE) who, I understand, authored the section on rural development. I believe we will all agree that it is in the best interest of the country to develop a national policy which will stabilize our population and perhaps even bring about a reverse in the present trend of population migration from our rural areas into our already overcrowded cities. Development of our rural areas and small towns, with the provision of adequate private jobs for our people in these areas, is the basic answer to this problem, and I feel that nothing short of a full commitment such as recommended by the committee will bring this about. We should have not only a congressional commitment, but a commitment on the part of every level of government—local, State, and Federal—to a policy of sound balance of population between rural and urban America, and I believe that the rural development program contained in this legislation is a step in the right direction toward developing such a policy.

Mr. President, I support the adoption of the pending farm bill as the best we can do this session.

Mr. HRUSKA. Mr. President, commendations for good work are due to the Senator from Louisiana and the Senator from North Dakota and their committee members in getting this bill to the Senate floor and the direction which they have given to the debate on H.R. 18546 up to this time. I do not intend to make any extended remarks but I do feel it is of utmost importance that we proceed with prompt consideration and passage of a farm bill.

While the farm bill reported by the committee is not everything I would like, it is a better bill and provides a better program than we now have.

With fall wheat planting time nearly upon us, however, we must understand the present pressure being felt by the farmers of Nebraska and the other wheat-producing States. Basic laws under which they have been operating expire with this crop year. In the absence of new legislation, wheat producers are at a loss as to how they should proceed with their planning and their planting. Of course other producers are in the same situation, but do not have the same pressing time problem.

Because of the critical time problem, I respectfully urge my colleagues to make every effort to complete the consideration of this bill this evening. I appreciate that the committee, along with Secretary of Agriculture Hardin, has been working very hard against a deadline to reach prompt agreement on a good general farm bill. I am asking that the Senate now apply the same urgency to the passage of this bill.

The Nation's farmers have been caught in a vicious cost-price squeeze that has threatened even the most efficient of our family farms. Prices which farmers have to pay have risen well over 100 percent in 15 years, while prices they receive for their crops have remained the same, or in some cases declined.

If we are to maintain a strong national economy, both urban and rural, it is essential we pass a good farm bill. I hope that all Senators—regardless of whether they come from farm States—realize the full importance of a healthy and prosperous agriculture industry. Party and regional interests must be set aside, for the needs of rural America are vital to the interests of urban America.

Productivity and abundance of farm output is a built-in guarantee that wholesale food prices will continue to remain relatively lower than all other items of the family budget. Farmers deserve and must have the opportunity to earn a decent living comparable to workers in other industries. If they cannot, they will leave the farm in increasing numbers. The eventual result will be higher prices for food and a further flight to already overcrowded cities. Consumers stand to lose most if agriculture is allowed to sink into a depression.

Our national economy starts with an agricultural base—a sound, vigorous agricultural industry interrelates with the automotive, fuel, chemical, and other industries that supply and service farmers and from whom the farmer buys. City workers have a vested interest in the agricultural process—in a direct sense the steelworker in Pittsburgh and the tractor maker in Detroit are partners in the agricultural effort.

As I said a few moments ago, this bill is not everything I would like, but it is an improvement. It will give the farmers more flexibility in making their own farm operating decisions and it will put a greater reliance on the marketplace. It seems to me that this feature is sound and in the best tradition of America.

One of the main differences between the Senate version and the House version relates to the price support for corn. The House-passed bill provides for a loan price support not in excess of 90 percent of parity. I do not quarrel with the figure as a ceiling, although I would prefer that it be 100 percent. However, there is no floor provided in the House bill, and that is regarded as a deficiency.

Many of the feed grain and wheat producers are concerned about having a floor which would protect them in the event of adverse circumstances—at least to cover their costs. In my opinion I feel that we should pass the $1 per bushel price support for corn as provided in the Senate bill. Likewise the $1.25 guarantee for wheat will give some of the needed protection to our wheat producers.

In regard to the limitation of farm subsidy payments as provided in the bill, I feel that we must work out a formula that in limiting the payment would at the same time permit the program to proceed and not be impaired by the larger operators withdrawing from the program. If there is to be a program to protect all the farmers, there must be cooperation by the large owners or enough of them to make an impact upon the reduction in production. In my opinion the $55,000 limitation is a desirable limit which will insure the continuation of a workable program. A lower limit would seriously jeopardize the passage of the bill. A failure to pass new legislation would have a disastrous effect on farmers' income.

The main goals which I seek for Federal farm programs are those sought by all of us; namely, to strengthen farm income, stabilize the economy of rural

America, open new markets for farm produce, and give increased freedom of decision to the farmer. This bill will take us a little way upon that road. I urge that we join together to dispose of this bill as promptly as possible.

INDEMNIFICATION OF BEEKEEPERS

Mr. McGOVERN. Mr. President, the farm bill approved by the Committee on Agriculture and Forestry does not include a provision which had been included by the House, relating to the indemnification of beekeepers who suffer pesticide losses. The support would be available to honey producers whose colonies have been damaged since January 1967, through no fault of their own, from the use of commercial pesticides and poisons which have been approved for use by Federal agencies.

As described by the report of the House Agriculture Committee, the provision would place the burden on the beekeeper to show that he took all reasonable precautions and that he did not have adequate warning. There would be no reimbursement in cases where he failed to use the opportunity to remove his colonies from the area of pesticide use.

In my view this provision is both reasonable and necessary. I hope the Senate conferees will accept it.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 18546) was read the third time.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. GRIFFIN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time on the bill has now been yielded back.

The question is, the bill having been read the third time, Shall it pass?

On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SCOTT. On this vote I have a pair with the senior Senator from South Dakota (Mr. MUNDT). If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. BYRD of West Virginia. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Connecticut (Mr. DODD), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. MAGNUSON), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Wyoming (Mr. MCGEE), the Senator from Utah (Mr. Moss), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from Maryland (Mr. TYDINGS), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Ohio (Mr. YOUNG) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. HARTKE), the Senators from Washington (Mr. JACKSON and Mr. MAGNUSON), the Senator from Wyoming (Mr. MCGEE), the Senator from Rhode Island (Mr. PASTORE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Georgia (Mr. RUSSELL), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Ohio (Mr. YOUNG) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from New Hampshire (Mr. COTTON), the Senator from Nebraska (Mr. CURTIS), the Senator from New York (Mr. GOODELL), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from California (Mr. MURPHY), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) are necessarily absent.

The Senator from Maryland (Mr. MATHIAS) is absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

If present and voting, the Senator from Tennessee (Mr. BAKER), the Senator from Nebraska (Mr. CURTIS), the Senator from Oregon (Mr. HATFIELD), the Senator from Idaho (Mr. JORDAN), the Senator from Vermont (Mr. PROUTY), and the Senator from Texas (Mr. TOWER) would each vote "yea."

The pair of the Senator from South Dakota (Mr. MUNDT) has been previously announced.

On this vote, the Senator from California (Mr. MURPHY) is paired with the Senator from New York (Mr. GOODELL). If present and voting, the Senator from California would vote "yea" and the Senator from New York would vote "nay."

The result was announced—yeas 65, nays, 7, as follows:

[No. 299 Leg.]

YEAS—65

Aiken	Fannin	Metcalf
Allen	Fong	Miller
Allott	Fulbright	Mondale
Anderson	Gore	Montoya
Bayh	Gravel	Muskie
Bellmon	Griffin	Nelson
Bennett	Gurney	Packwood
Bible	Hansen	Pearson
Brooke	Harris	Pell
Burdick	Hart	Proxmire
Byrd, Va.	Holland	Saxbe
Byrd, W. Va.	Hollings	Smith, Maine
Church	Hruska	Sparkman
Cook	Hughes	Spong
Cooper	Inouye	Stennis
Cranston	Javits	Stevens
Dole	Jordan, N.C.	Symington
Dominick	Long	Talmadge
Eagleton	Mansfield	Thurmond
Eastland	McClellan	Yarborough
Ellender	McGovern	Young, N. Dak.
Ervin	McIntyre	

NAYS—7

Boggs	Ribicoff	Williams, Del.
Case	Schweiker	
Percy	Smith, Ill.	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY ANNOUNCED—1

Scott, against.

NOT VOTING—27

Baker	Jackson	Murphy
Cannon	Jordan, Idaho	Pastore
Cotton	Kennedy	Prouty
Curtis	Magnuson	Randolph
Dodd	Mathias	Russell
Goldwater	McCarthy	Tower
Goodell	McGee	Tydings
Hartke	Moss	Williams, N.J.
Hatfield	Mundt	Young, Ohio

So the bill (H.R. 18546) was passed.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MILLER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The motion was agreed to; and the Presiding Officer (Mr. COOK) appointed Mr. ELLENDER, Mr. HOLLAND, Mr. EASTLAND, Mr. TALMADGE, Mr. AIKEN, Mr. YOUNG of North Dakota, and Mr. MILLER, conferees on the part of the Senate.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the bill be printed as passed by the Senate.

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

Mr. MANSFIELD. Mr. President, it is difficult to describe just how deeply the Senate is indebted to the distinguished senior Senator from Louisiana (Mr. ELLENDER). Having served longer than any other chairman of the Committee on Agriculture and Forestry, he truly has devoted the greatest expertise and experience possible to the interests and problems of the American farmer and of the American farm. His record for length of service to the agricultural needs of the Nation is equaled only by the depth of his understanding of those needs. To the handling of this measure he applied the immense skill and ability that has characterized his many, many years of public service. We are deeply grateful.

We are grateful as well to the distinguished senior Senator from North Dakota (Mr. YOUNG). He, too, has served the American farmer long and faithfully. He, too, deserves the highest praise of the Senate. His strong efforts on this measure were indispensable.

As a final thought I only wish to offer my appreciation to the entire Senate. Each Member cooperated splendidly to enable final disposition of this bill tonight.

BANK HOLDING COMPANY ACT AMENDMENTS OF 1970

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 1094, H.R. 6778, I do this so that it will be the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The title of the bill was read, as follows:

A bill (H.R. 6778) to amend the Bank Holding Company Act of 1956, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Bank Holding Company Act Amendments of 1970".

TITLE I—BANK HOLDING COMPANIES

SEC. 101. (a) Section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended to read as follows:

"SEC. 2. (a)(1) Except as provided in paragraph (5) of this subsection, 'bank holding company' means any company which has control over any bank or over any company that is or becomes a bank holding company by virtue of this Act.

"(2) Any company has control over a bank if—

"(A) the company directly or indirectly or acting through one or more other persons has power to vote 25 per centum or more of any class of voting securities of the bank;

"(B) the company controls in any manner the election of a majority of its directors or trustees; or

"(C) the Board determines, after notice and opportunity for hearing, that the company directly or indirectly exercises a controlling influence over the management or policies of the bank.

"(3) For the purposes of any proceeding under paragraph (2)(C) of this subsection, there is a presumption that any company which directly or indirectly holds with power to vote less than 5 per centum of any class of voting securities of a given bank does not have control of that bank.

"(4) In any administrative or judicial proceeding under this Act, other than a proceeding under paragraph (2)(C) of this subsection, a company may not be held to have had control of any given bank at any given time unless that company, at the time in question, directly or indirectly held with power to vote 5 per centum or more of any class of voting securities of the bank, or had already been found to have control in a proceeding under paragraph (2)(C).

"(5) Notwithstanding any other provision of this subsection—

"(A) No bank and no company owning or controlling voting shares of a bank is a bank holding company by virtue of its ownership or control of shares in a fiduciary capacity, except as provided in paragraphs (2) and (3) of subsection (g) of this section, but bank shares acquired after the date of enactment of the Bank Holding Company Act Amendments of 1970 shall not be deemed for the purposes of this sentence to have been acquired in a fiduciary capacity if the acquiring bank has discretionary authority to exercise voting rights with respect thereto.

"(B) No company is 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.

"(C) No company formed for the sole purpose of participating in a proxy solicitation is a bank holding company by virtue of its control of voting rights of shares acquired in the course of such solicitation.

"(D) No company is a bank holding company by virtue of its ownership or control of any bank operated within the United States principally for the purpose of conducting or facilitating transactions in foreign commerce, if the Board determines by regulation or order, and subject to any terms and conditions which may be imposed thereby, that such ownership or control would not be substantially at variance with the purposes of this Act and would be in the public interest.

"(E) No trust company which is an insured bank under the Federal Deposit Insurance Act is a bank holding company by virtue of its ownership or control of one bank located in the same State, if (i) such ownership or control existed on the date of enactment of the Bank Holding Company Act Amendments of 1970 and is specifically authorized by applicable statute law, and (ii) the trust company does not after that date acquire an interest in any company that, together with any other interest it holds in that company, will exceed 5 per centum of the voting shares of that company, except that this limitation shall not be applicable to investments of the trust company, direct and indirect, which are otherwise in accordance with the limitations applicable to national banks under section 5316 of the Revised Statutes (12 U.S.C. 24).

"(6) For the purposes of this Act, any successor to a bank holding company shall be deemed to be a bank holding company from the date on which the predecessor company became a bank holding company."

(b) Section 2(b) of such Act is amended—

(1) by inserting "partnership," after "corporation,";

(2) by striking out "(1)";

(3) by striking out ", or (2) any partnership"; and

(4) by adding after the period a new sentence as follows: "'Company covered in 1970' means a company which becomes a bank holding company as a result of the enactment of the Bank Holding Company Act Amendments of 1970 and which would have been a bank holding company on March 24, 1969, if those amendments had been enacted on that date.

(c) The first sentence of section 2(c) of such Act is amended to read as follows: "'Bank' means any institution organized under the laws of the United States, any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands which (1) accepts deposits that the depositor has a legal right to withdraw on demand, and (2) engages in the business of making commercial loans. Such term does not include any organization operating under section 25 or section 25(a) of the Federal Reserve Act, or any organization which does not do business within the United States except as an incident to its activities outside the United States."

(d) Section 2(d) of such Act is amended—

(1) by striking out "or (2)" and inserting in lieu thereof "(2)"; and

(2) by striking out the period and inserting in lieu thereof the following: "; or (3) any company with respect to the management of policies of which such bank holding company has the power, directly or indirectly, to exercise a controlling influence, as determined by the Board, after notice and opportunity for hearing."

(e) Section 2 of such Act is further amended by adding at the end thereof a new subsection as follows:

"(i) For the purposes of this Act, no company shall be deemed to own, control, hold shares of, or control the election of directors of any other business entity solely by virtue of attributing to or aggregating with the interests of the company the ownership or other interests of one or more individuals in such entity."

SEC. 102. Section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842) as amended—

(1) by adding at the end of subsection (a) a new sentence as follows: "For the purpose of the preceding sentence, bank shares acquired after the date of enactment of the Bank Holding Company Act Amendments of 1970, shall not be deemed to have been acquired in good faith in a fiduciary capacity if the acquiring bank has discretionary authority to exercise voting rights with respect thereto.";

(2) by adding at the end of subsection (b) a new sentence as follows: "In the event of the failure of the Board to act on any application for approval under this section within the ninety-one-day period which begins on the date of submission to the Board of the complete record on that application, the application shall be deemed to have been granted."; and

(3) by adding at the end thereof the following new subsection:

"(e) Every bank that is a holding company and every bank that is a subsidiary of such a company shall become and remain an insured bank as such term is defined in section 3(h) of the Federal Deposit Insurance Act."

SEC. 103. Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended—

(1) by striking out paragraph (2) by subsection (a) and inserting in lieu thereof the following:

"(2) after two years from the date as of which it becomes a bank holding company, or in the case of a company which 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, or, in the case of a company covered in 1970, after December 31, 1975 (or such other date not later than December 31, 1980 as the Board may by order or regulation prescribe), 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 activities other than (A) those of banking or of managing or controlling banks and other subsidiaries authorized under this Act or of furnishing services to or performing services for its subsidiaries, and (B) those permitted under paragraph (8) of subsection (c) of this section subject to all the conditions specified in such paragraph or in any order or regulation issued by the Board under such paragraph: *Provided*, That a company covered in 1970 may also engage in those activities in which directly or through a subsidiary (i) it was lawfully engaged on March 24, 1969 (or on a date subsequent to March 24, 1969 in the case of activities carried on as the result of the acquisition by such company or subsidiary, pursuant to a binding written contract entered into on or before March 24, 1969, of another company engaged in such activities at the time of the acquisition), and (ii) it has been continuously engaged since March 24, 1969 (or such subsequent date). Nothing in this paragraph shall be construed to authorize any bank holding company referred to in the preceding proviso, or any subsidiary thereof, to engage in activities authorized by that proviso through the acquisition, pursuant to a contract entered into after March 24, 1969, of any interest in or the assets of a going concern engaged in such activities.";

(2) by striking out "period" in the last sentence of subsection (a) and inserting in lieu thereof "two-year period";

(3) by striking out that part of the text of subsection (c) which precedes the first numbered paragraph and inserting in lieu thereof the following: "The prohibitions in

this section shall not apply to any bank holding company which is (i) a labor, agricultural, or horticultural organization and which is exempt from taxation under section 501 of the Internal Revenue Code of 1954, or (ii) a company covered in 1970 more than 85 per centum of the voting stock of which was collectively owned on March 24, 1969, and continuously thereafter, directly or indirectly, by or for members of the same family, or their spouses, who are lineal descendants of common ancestors; and such prohibitions shall not, with respect to any other bank holding company, apply to—";

(4) by striking out paragraph (8) of subsection (c) and inserting in lieu thereof the following:

"(8) shares retained or acquired with the approval of the Board 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) which except for such other activities as are permitted under this Act is engaged solely in activities that the Board has determined, after notice and opportunity for hearing, are functionally related to banking in such a way that their performance by an affiliate of a bank holding company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased competition, conflicts of interest, or unsound banking practices;";

(5) by striking out paragraph (9) of subsection (c) and inserting in lieu thereof the following:

"(9) shares held or activities conducted by any company organized under the laws of a foreign country the greater part of whose business is conducted outside the United States, if the Board by regulation or order determines that, under the circumstances and subject to the conditions set forth in the regulation or order, the exemption would not be substantially at variance with the purposes of this Act and would be in the public interest;";

(6) by striking out the period at the end of paragraph (10) and inserting in lieu thereof a semicolon, and by adding after paragraph (10) the following:

"(11) shares owned directly or indirectly by a company covered in 1970 in a company which does not engage in any activities other than those in which the bank holding company, or its subsidiaries, may engage by virtue of this section, but nothing in this paragraph authorizes any bank holding company, or subsidiary thereof, to acquire any interest in or assets of any going concern (except pursuant to a binding written contract entered into before March 24, 1969, or pursuant to another provision of this Act) other than one which was a subsidiary on March 24, 1969;

"(12) shares retained or acquired, or activities engaged in, by any company covered in 1970, or by any subsidiary thereof, if such company—

"(A) within the applicable time limits prescribed in subsection (a)(2) of this section (i) ceases to be a bank holding company, or (ii) ceases to retain direct or indirect ownership or control of those shares and to engage in those activities not authorized under this section; and

"(B) complies with such other conditions as the Board may by regulation or order prescribe;

"(13) shares of, or activities conducted by, any company which does no business in the United States except as an incident to its international or foreign business, if the Board by regulation or order determines that, under the circumstances and subject to the conditions set forth in the regulation or order, the exemption would not be substantially at variance with the purposes of this Act and would be in the public interest; or

"(14) shares retained or acquired or activities conducted in accordance with an order, ruling, or regulation issued by the Board pursuant to this section before it was amended by the Bank Holding Company Act Amendments of 1970.

In making its determinations under paragraph (8) of this subsection, the Board may differentiate between activities commenced de novo and activities commenced by the acquisition in whole or in part of a going concern. In the event of the failure of the Board to act on any application for an order under such paragraph, within the ninety-one-day period which begins on the date of submission to the Board of the complete record on that application, the application shall be deemed to have been granted. The Board shall include in its annual report to the Congress a description and a statement of the reasons for approval of each activity approved by it by order or regulation under such paragraph during the period covered by the report."; and

(7) by redesignating subsection (d) as subsection (f), and by adding after subsection (c) new subsections as follows:

"(d)(1) Except as otherwise provided in this subsection, the prohibitions in this section shall not apply to any company which becomes, as a result of the enactment of the Bank Holding Company Act Amendments of 1970, a bank holding company on the date of such enactment, if such company has only one subsidiary bank and the net worth of that bank does not exceed the greater of—

"(A) $3,000,000; or

"(B) an amount equal to (i) 25 per centum of the combined net worth of such company and all its subsidiaries, or (ii) $50,000,000, whichever is the lesser.

The net worth of any company or subsidiary thereof shall be determined in accordance with rules and regulations prescribed by the Board.

"(2) The Board by order, after opportunity for hearing, may—

"(A) waive the limitation specified in clause (B)(ii) of paragraph (1) with respect to the net worth of a bank, if it determines that such action is consistent with the purposes of this Act and is necessary or appropriate (i) to avoid undue hardship to the bank or its parent company, or (ii) to meet a public need for banking services not otherwise available; and

"(B) terminate or modify the exemption provided by clause (B) of paragraph (1) with respect to any company, if it determines, having due regard to the purposes of this section, that such action is necessary to prevent undue concentration of resources, decreased competition, conflicts of interest, or unsound banking practices.

"(3) No banking subsidiary of a bank holding company which is exempted under this subsection from the prohibitions of this section shall—

"(A) enter into a merger transaction pursuant to section 18(c) of the Federal Deposit Insurance Act without receiving the prior additional approval of the Board thereunder;

"(B) increase its capital by contributions from its nonbanking subsidiaries, its nonbanking parent, or from affiliates of such parent without the prior approval of the Board; or

"(C) pay dividends in excess of its current earnings.

"(e) With respect to any proceeding before the Board wherein an applicant seeks authority to engage directly or indirectly in a nonbanking activity pursuant to this section, a party who would become a competitor of the applicant or subsidiary thereof by virtue of the applicant's or its subsidiary's entry into that business, shall be a party in interest in such proceeding and, in the event of an adverse order of the Board, shall have the right as an aggrieved party to obtain judicial review thereof as provided in section 9."

SEC. 104. (a) As used in this section, the terms "bank", "bank holding company", "subsidiary", and "Board" have the meaning ascribed to such terms in section 2 of the Bank Holding Company Act of 1956. For purposes of this section only, the term "company", as used in section 2 of the Bank Holding Company Act of 1956, means any person, estate, trust, partnership, corporation, association, or similar organization, but does not include any corporation the majority of the shares of which are owned by the United States or by any State.

(b) A bank shall not 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—

(1) that the customer shall obtain some other credit, property, or service from such bank, a bank holding company of such bank, or from any subsidiary of such bank holding company;

(2) that the customer provide some other credit, property, or service to such bank, the bank holding company of such bank, or to any subsidiary of such bank holding company; or

(3) that the customer shall not obtain some other credit, property, or service from a competitor of such bank, bank holding company of such bank, or any subsidiary of such bank holding company.

The Board may by regulation or order permit such exceptions to the foregoing prohibition as it considers will not be contrary to the purposes of this section.

(c) The district courts of the United States have jurisdiction to prevent and restrain violations of subsection (b) 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 possible, 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. 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 or not they reside in the district in which the court is held, and subpenas to that end may be served in any district by the marshal thereof.

(d) In any action brought by or on behalf of the United States under subsection (b), subpenas for witnesses may run into any district, but in civil actions no writ of subpena 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 prior permission of the trial court upon proper application and cause shown.

(e) Any person who is injured in his business or property by reason of anything forbidden in subsection (b) may sue therefor in any district court of the United States in which the defendant resides or is found or has an agent, without regard to the amount in controversy, and shall be entitled to recover three times the amount of the damages sustained by him, and the cost of suit, including a reasonable attorney's fee

(f) Any person 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 reason of a violation of subsection (b), under the same conditions and principles as injunctive relief against threatened conduct that will cause loss or damage is granted by courts of equity and 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.

(g) Any action to enforce any cause of action under this section shall be forever barred unless commenced within seven years after the cause of action accrued.

(h) Nothing contained in this section shall be construed as affecting in any manner the right of the United States or any other party to bring an action under any other law of the United States or of any State, including any right which may exist in addition to specific statutory authority, challenging the legality of any act or practice which may be proscribed by this section. No regulation or order issued by the Board under this section shall in any manner constitute a defense to such action.

TITLE II—PROVISIONS RELATING TO COINAGE

SEC. 201. Section 101 of the Coinage Act of 1965 (31 U.S.C. 391) is amended to read as follows:

"SEC. 101. (a) The Secretary may mint and issue coins of the denominations set forth in subsection (c) in such quantities as he determines to be necessary to meet national needs.

"(b) Any coin minted under authority of subsection (a) shall be a clad coin. The cladding shall be an alloy of 75 per centum copper and 25 per centum nickel, and shall weigh not less than 30 per centum of the weight of the whole coin. The core shall be copper.

"(c)(1) The dollar shall be 1.500 inches in diameter and weigh 22.68 grams.

"(2) The half dollar shall be 1.205 inches in diameter and weigh 11.34 grams.

"(3) The quarter dollar shall be 0.955 inches in diameter and weigh 5.67 grams.

"(4) The dime shall be 0.705 inches in diameter and weigh 2.268 grams.

"(d) Notwithstanding the foregoing, the Secretary is authorized to mint and issue not more than one hundred and fifty million one-dollar pieces which shall have—

"(1) a diameter of 1.500 inches;

"(2) a cladding of an alloy of eight hundred parts of silver and two hundred parts of copper; and

"(3) a core of an alloy of silver and copper such that the whole coin weighs 24.592 grams and contains 9.837 grams of silver and 14.755 grams of copper."

SEC. 202. For the purposes of this title, the Administrator of General Services shall transfer to the Secretary of the Treasury twenty-five million five hundred thousand fine troy ounces of silver now held in the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98–98h) which is excess to strategic needs. Such transfer shall be made at the value of $1.292929292 for each fine troy ounce of silver so transferred. Such silver shall be used exclusively to coin one-dollar pieces authorized in section 101(d) of the Coinage Act of 1965, as amended by this Act.

SEC. 203. The dollars initially minted under authority of section 101 of the Coinage Act of 1965 shall bear the likeness of the late President of the United States, Dwight David Eisenhower.

SEC. 204. Half dollars, as authorized under section 101(a)(1) of the Coinage Act of 1965, as in effect prior to the enactment of this Act may, in the discretion of the Secretary of the Treasury, continue to be minted until January 1, 1971.

SEC. 205. (a). The Secretary of the Treasury is authorized to transfer, as an accountable advance and at their face value, the approximately three million silver dollars now held in the Treasury to the Administrator of General Services. The Administrator is authorized to offer these coins to the public in the manner recommended by the Joint Commission on the Coinage at its meeting on May 12, 1969. The Administrator shall repay the accountable advance in the amount of that face value out of the proceeds of and at the time of the public sale of the silver dollars. Any proceeds received as a result of the public sale in excess of the face value of these coins shall be covered into the Treasury as miscellaneous receipts.

(b) There are authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the purposes of this section.

SEC. 206. The last sentence of section 3517 of the Revised Statutes, as amended (31 U.S.C. 324), is amended by striking the following: ", except that coins produced under authority of sections 101(a)(1), 101(a)(2), and 101(a)(3) of the Coinage Act of 1965 shall not be dated earlier than 1965".

SEC. 207. Section 4 of the Act of June 24, 1967 (Public Law 90–29; 31 U.S.C. 405a–1 note), is amended by adding at the end thereof the following new sentence: "Out of the proceeds of and at the time of any sale of silver transferred pursuant to this Act, the Treasury Department shall be paid $1.292929292 for each fine troy ounce."

SEC. 208. Section 3513 of the Revised Statutes (31 U.S.C. 316) and the first section of the Act of February 28, 1878 (20 Stat. 25; 31 U.S.C. 316, 458) are repealed.

SEC. 209. Coins produced under the authority of section 101(d) of the Coinage Act of 1965, as amended by this Act, shall bear such date as the Secretary of the Treasury determines.

Mr. MANSFIELD. Mr. President, there will be no further voting tonight.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, will the Senator yield briefly?

Mr. SPARKMAN. I yield.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that all debate on each of the Proxmire amendments, of which there are two, the amendment to be offered by the Senator from Utah (Mr. BENNETT), and each of the three amendments to be offered by the Senator from Massachusetts (Mr. BROOKE), be limited to 1 hour, with the time equally divided between the mover of the amendment and the manager of the bill; and that time on all other amendment to be offered by the Senator the exception of motions to lay on the table, be limited each to 30 minutes, the time to be equally divided between the mover of the amendment and the manager of the bill, and in the case of amendments to amendments the time to be divided between the mover of the amendment and the author of the basic amendment; the time on the bill to be limited to 1 hour, to be divided equally between the manager of the bill and the minority leader or his designee.

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

Mr. BYRD of West Virginia. I yield.

Mr. BENNETT. On the Bennett amendment the manager of the bill will be in accord with the amendment, so the opposition should be in the control of the minority leader or his designee.

Mr. BYRD of West Virginia. I thank the Senator.

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

AMENDMENT OF SECTION 19(e) OF THE SECURITIES EXCHANGE ACT OF 1934

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Joint Resolution 1247.

The PRESIDING OFFICER (Mr. PACKWOOD) laid before the Senate House Joint Resolution 1247, to amend section 19(e) of the Securities Exchange Act of 1934, which was read twice by its title.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection to the present consideration of the House joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The joint resolution was ordered to a third reading, was read the third time, and passed.

AMENDMENT OF TITLE 39, UNITED STATES CODE, TO REGULATE THE MAILING OF UNSOLICITED CREDIT CARDS

Mr. SPARKMAN. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 16542.

The PRESIDING OFFICER laid before the Senate H.R. 16542, to amend title 39, United States Code, to regulate the mailing of unsoliciated credit cards, and for other purposes, which was read twice by its title.

Mr. SPARKMAN. I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Is there objection to the pressure consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SPARKMAN. Mr. President, some time ago the Senate passed a bill dealing with this same subject matter. It went to the House and was referred to the Committee on Banking and Currency there. In the meantime the House Post Office Committee had taken up this bill that has just been reported and has passed it.

My purpose in calling it up is to move that the Senate agree to the House bill with an amendment and that amendment will be to strike out the House language and insert the language initially passed by the Senate.

Mr. President, I move to strike all after the enacting clause and insert in lieu thereof the language contained in S. 721 as passed by the Senate on April 15, 1970.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to.

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

The amendment was agreed to as follows:

That section 103 of the Truth in Lending Act (82 Stat. 146) is amended by redesignat-

ing subsections (j), (k), and (l) as subsections (p), (q), and (r), respectively, and by adding after subsection (i) the following:

"(j) The term 'adequate notice', as used in section 133, means a printed notice to a cardholder which sets forth the pertinent facts clearly and conspicuously so that a person against whom it is to operate could reasonably be expected to have noticed it and understood its meaning. Such notice may be given to a cardholder by printing the notice on any credit card, or on each periodic statement of account, issued to the cardholder, or by any other means reasonably assuring the receipt thereof by the cardholder.

"(k) The term 'credit card' means any card, plate, coupon book or other credit device existing for the purpose of obtaining money, property, labor, or services on credit.

"(l) The term 'accepted credit card' means any credit card which the cardholder has requested and received or has signed or has used, or authorized another to use, for the purpose of obtaining money, property, labor, or services on credit.

"(m) The term 'cardholder' means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.

"(n) The term 'card issuer' means any person who issues a credit card, or the agent of such person with respect to such card.

"(o) The term 'unauthorized use', as used in section 133, means a use of a credit card by a person other than the cardholder who does not have actual, implied, or apparent authority for such use and from which the cardholder receives no "benefit."

SEC. 2. (a) The Truth in Lending Act (82 Stat. 146) is amended by adding after section 131 the following sections:

"§ 132. Issuance of credit cards

"No credit card shall be issued except in response to a request or application therefor. This prohibition does not apply to the issuance of a credit card in renewal of, or in substitution for, an accepted credit card.

"§ 133. Liability of holder of credit card

"(a) A cardholder shall be liable for the unauthorized use of a credit card only if the card is an accepted credit card, the liability is not in excess of fifty dollars, the card issuer gives adequate notice to the cardholder of the potential liability, the card issuer has provided the cardholder with a self-addressed pre-stamped notification to be mailed by the cardholder in the event of the loss or theft of the credit card, and the unauthorized use occurs before the cardholder has notified the card issuer that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise. Notwithstanding the foregoing, no cardholder shall be liable for the unauthorized use of any credit card which was issued on or after the effective date of this section, and, after the expiration of twelve months following such effective date, no cardholder shall be liable for the unauthorized use of any credit card regardless of the date of its issuance, unless (1) the conditions of liability specified in the preceding sentence are met, and (2) the card issuer has provided a method whereby the user of such card can be identified as the person authorized to use it. For the purposes of this section, a cardholder notifies a card issuer by taking such steps as may be reasonably required in the ordinary course of business to provide the card issuer with the pertinent information whether or not any particular officer, employee, or agent of the card issuer does in fact receive such information.

"(b) In any action by a card issuer to enforce liability for the use of a credit card, the burden of proof is upon the card issuer to show that the use was authorized or, if the use was unauthorized, then the burden of proof is upon the card issuer to show that the conditions of liability for the unauthorized use of a credit card, as set forth in subsection (a), have been met.

"(c) Nothing in this section imposes liability upon a cardholder for the unauthorized use of a credit card in excess of his liability for such use under other applicable law or under any agreement with the card issuer.

"(d) Except as provided in this section, a cardholder incurs no liability from the unauthorized use of a credit card.

"§ 134. It shall be unlawful to use the credit card of another without authorization

"Whoever, in a transaction affecting commerce, uses a credit card without the authorization of the holder shall, upon conviction thereof, be punished by imprisonment for a term not to exceed one year or fined a sum not to exceed $1,000, or both."

(b) The table of contents of chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following:

"132. Issuance of credit cards.

"133. Liability of holder of credit card."

SEC. 3. The amendments to the Truth in Lending Act made by this Act become effective as follows:

(1) Section 132 of such Act takes effect upon the date of enactment of this Act.

(2) Section 133 of such Act takes effect upon the expiration of 90 days after such date of enactment.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 16542) was read the third time and passed.

Mr. SPARKMAN. Mr. President, I move that the Senate insist upon its amendment and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. PACKWOOD) appointed Mr. SPARKMAN, Mr. PROXMIRE, Mr. WILLIAMS of New Jersey, Mr. BENNETT, and Mr. TOWER conferees on the part of the Senate.

BANK HOLDING COMPANY ACT AMENDMENTS OF 1970

Mr. SPARKMAN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is H.R. 6778, the Bank Holding Company Act Amendments of 1970.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the time on the bill not start running until tomorrow.

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

Mr. SPARKMAN. Mr. President, the issues raised by H.R. 6778 are among the most controversial and complex banking issues which the Senate has dealt with in many years.

The Bank Holding Company Act of 1956 was the result of many years of effort, and was caused by situations where several bank holding companies controlled many banks and entirely unrelated businesses as well. I think those of us who were in the Senate at that time will recall that the primary emphasis behind the bill was the fear of undue economic concentration occasioned by the combination of chain banking systems and unrelated businesses.

The provisions of the 1956 act contained an exemption of one-bank holding companies. Indeed, the committees found no abuses requiring control or divestiture in the case of one-bank holding companies. It was consequently found reasonable to exempt these companies from bank holding company legislation.

In 1966, the Bank Holding Company Act was amended to remove two other exemptions, one for long-term trusts for charitable institutions and companies registered before May 15, 1955, under the Investment Company Act of 1940.

A bill removing these exemptions was reported by the House Committee on Banking and Currency. During the course of debate on the House floor, it was amended to eliminate the exemption for one-bank holding companies. After hearings in the Senate Banking and Currency Committee, the House bill was amended to delete the section repealing the one-bank holding company exemption. It passed the Senate in that form and was readily accepted by the House of Representatives in the form in which it passed the Senate, without a conference.

This history is important because it has a direct bearing on the question of a proper and equitable date for a grandfather clause. Since Congress decided to exempt one-bank companies in 1956 and strongly ratified this decision in 1966, it can hardly be seriously argued that the public was on notice of an impending removal of the exemption. Thus, it would be patently unfair to adopt a grandfather clause dated prior to the time the public would be reasonably expected to know of the probability that the law would be changed.

Another important, but often overlooked change in the law was made in 1966, which originated in the Senate Banking and Currency Committee. This amendment made the provisions of section 23 A of the Federal Reserve Act relating to transactions between a bank and its affiliates applicable to all insured banks. The effect of the amendment was to render loans to affiliates by all banks entirely impracticable because of requirements for collateral to secure such loans. Thus, bank subsidiaries of a one-bank holding company were practically precluded from making loans to other affiliates of the holding company. I mention this change because it is often assumed that banks and bank holding companies are free to make loans on favorable terms to their affiliates and that this gives the latter unfair competitive advantages. As a matter of fact, this erroneous assumption was frequently stated during the course of our

recent hearings on the bank holding company amendments. To repeat, a bank in a holding company system, cannot, as a matter of economic feasibility, loan funds to other affiliates or subsidiaries of the holding company.

The Senate Committee on Banking and Currency held 3 weeks of hearings on this legislation, from May 12 through May 28, 1970. In addition to the House-passed bill, we had before us an administration bill, which Senator BENNETT and I introduced, a bill by Senator PROXMIRE, and a bill by Senator BROOKE.

The primary provisions of the bill as reported largely reflect the views of the Federal Reserve Board and are based upon the testimony of Chairman Burns. With one or two exceptions, which will be covered by the debate when amendments are offered, the bill meets the approval of the Federal agencies concerned with the matter, which include the Justice and Treasury Departments, the Federal Reserve Board, the Comptroller of the Currency, and the FDIC.

The bill as a whole represents a broad consensus of the committee's views, and the committee unanimously agreed to report it.

During the hearings held by the committee on this matter, we received many divergent recommendations dealing both with the substance of the issues and with whether or not there should even be legislation this year. I believe that the bill finally reported by the committee is a good bill and a fair bill. It accomplishes the primary objectives of the legislation while assuring that this change in congressional policy does not occasion undue and unnecessary hardship. It protects the various interested nonbanking industries from banking competition which may be unfair to them, and, at the same time, does not arbitrarily prohibit bank holding companies to engage in appropriate activities.

The committee bill proposes immediate legislation, to be administered by the Federal Reserve Board. It allows entry into "functionally related" activities only with the approval of the Board and under criteria which will reflect all factors of public interest, rather than merely the question of which parties will be allowed to compete. The bill also contains provisions enhancing the ability of competitors to challenge decisions of the Federal Reserve Board and it contains strong provisions prohibiting "tie-ins" between banks and their affiliates. Every specific complaint against bank holding company competition was related to the ability of competitors to challenge Board decisions, or to the possibility of tie-ins between the banks and their affiliates.

Earlier I referred to the decision of the committee and the Congress in 1966 to continue the one-bank holding company exemption. Developments over the past 3 years have occurred which require reconsideration of this decision.

Federal Reserve Board Chairman Burns testified that there are 51 banks in the United States with deposits of $1 billion or more. Of these, nine are subsidiaries of registered multibank holding companies. Of the remaining 42, one has been owned by a holding company since 1927. Another one was acquired by a large company in 1965. Beginning in late 1967, however, a greater number of the banks with assets in excess of $1 billion have become affiliated with nonregulated one-bank holding companies.

At present, approximately 23 banks with a billion dollars or more in deposits are subsidiaries of a one-bank holding company. These include the six largest banks in the country, which cumulatively hold more than 20 percent of the deposits of the entire Nation's banking system. It has been estimated that the percentage of the Nation's total banking deposits which are held by banks controlled by one-bank holding companies has grown from less than 10 percent in early 1967 to more than 40 percent at the present time.

In view of the large growth of assets held by one-bank holding companies, the committee agreed that it is necessary to amend the Bank Holding Company Act to bring these companies under regulation.

In making this decision, I would like to point out the agreement of the committee with all of the Government regulatory agencies who testified that there have been no abuses effectuated through the one-bank holding company device. It is clearly understood that the legislation is to prevent possible future problems rather than to solve existing ones. Illustrative of this point, Federal Deposit Insurance Corporation Chairman Frank Wille, in his testimony before the committee, stated:

> Few acquisitions had actually been completed by these recently formed one-bank holding companies, and almost all are in bank related fields that would have followed within the scope of the Federal Reserve Board precedents established under the 1956 act. Because of this, and because the more traditional one-bank holding companies in existence prior to the 1966 amendments had presented few problems, the task of this committee must be considered preventive in nature rather than remedial of proven abuse.

It should be noted, moreover, that the mere recitation of the figures describing control of banking assets by one-bank holding companies does not reflect any substantial attempt to control nonbank assets. I think it is fair to say that all of the larger banks in the one-bank holding company system have acquired only those activities which would have been approved has they been under regulation by the Federal Reserve Board in any event and are and will continue to await the enactment of this legislation before proceeding to acquire any activity not clearly within that category.

There have been a few acquisitions of what would appear to be permissible activities which have been challenged by the Antitrust Division of the Justice Department, not on grounds that the activity itself was improper, but on antitrust grounds. And this points up another important consideration in connection with this legislation. That is, that the antitrust statutes already apply to such acquisitions and will continue to be applicable.

As Assistant Attorney General McLaren testified:

> We believe that bank acquisitions presenting structural dangers may be challenged under present antitrust law, particularly section 7 of the Clayton Act. Section 7 is an important weapon. Under it, we can challenge bank acquisitions which eliminate substantial direct horizontal competition in any particular financing field; we can challenge mergers which involve significant vertical foreclosure; and we can challenge product extension mergers which involve significant loss of potential competition or create dangers of tie-ins or reciprocity.

Attorney General McLaren described example of challenges which his department had already made and went on to state:

> These cases involve big nationally significant enterprises with anticompetitive effects in various markets, large and small. The same types of theories could be applied to deal with regional market situations and local market situations. The Antitrust Division simply would not have the time and resources to apply even a well-established merger theory to the many anticompetitive acquisitions that might occur in local or relatively local markets.

The problem of one-bank holding companies, from an antitrust standpoint, therefore, seems to be not an absence of substantive law upon which cases of economic concentration can be made, but rather a desire, as Mr. McLaren testified, "to screen acquisitions and lighten the load on the Antitrust Division in this area."

GRANDFATHER CLAUSE

After reaching the decision to remove the one-bank holding company exemption, it became necessary for the committee to determine what course of action was to be taken in regard to those one-bank holding companies which are engaged either directly or through subsidiaries, in activities to be prohibited by the act.

Under the circumstance, the committee decided the most appropriate measure would allow existing one-bank holding companies to continue to engage in the activities and retain the subsidiaries they held on a certain date, rather than requiring them to cease the activity or divest the subsidiary.

Accordingly, the committee adopted a provision which would allow a company being brought under the Bank Holding Company Act by this legislation to engage in the activities in which it was directly or through a subsidiary engaged on March 24, 1969, so long as it has been continuously engaged in such activity since March 24, 1969.

As was noted earlier, Congress has twice refrained from placing one-bank holding companies under the provisions of the Bank Holding Company Act. The latest such decision was only 4 years ago. Because of this, it was the desire of the committee to choose a grandfather date upon which all concerned parties should have had reasonable notice that the Bank Holding Company Act would probably be amended to remove the one-bank holding company exemption.

On March 24, 1969, the administration proposal to remove this exemption was introduced in the Senate by myself and Senator BENNETT.

The committee believes that it is entirely appropriate for a company to be allowed to continue to engage in those

activities in which it was engaged on March 24, 1969, and to expand those activities so long as such expansion does not produce anticompetitive or other adverse effects. Accordingly, the committee provided that such a company could not acquire, either by stock acquisition or purchase or the assets, a going concern engaged in the grandfathered activities.

The committee included a provision which would allow the holding company the necessary flexibility to reorganize within its internal structure so that it can shift responsibility for operating one or more of its grandfathered activities from one subsidiary to another, the holding company itself to a subsidiary, or to form a new subsidiary for this particular purpose.

Thus, as has been pointed out, the holding company entitled to the grandfather clause will be limited in the activities it may conduct under that clause and will be restricted in the type of acquisitions it may make. The basic long-term expansion of these companies that decide to keep their banks will be committed to those activities which are permitted to bank holding companies generally. In this regard, the one-bank holding companies which become registered bank holding companies as a result of this legislation will have the rights and privileges of any other registered bank holding company, including the right subject to the approval of the Federal Reserve Board, to own more than one bank and to engage in activities functionally related to banking.

CONTROL PROVISION

The current provisions of the Bank Holding Company Act provide that a company is a bank holding company—assuming it meets other requirements—if it directly or indirectly owns, controls, or holds with power to vote 25 percent or more of the voting shares of each of two or more banks, or if it controls in any manner the election of a majority of the directors of each of two or more banks. We are aware that it is possible to control the affairs of a company without owning 25 percent or more of its outstanding voting stock.

The bank regulatory agency witnesses recommended that the provisions of the existing act be changed in order to allow a finding of control even when less than 25 percent of the outstanding voting shares of the bank stock were not held by the subject company.

Accordingly, the committee approved a provision which would allow the Federal Reserve Board to make a finding of control, after notice and opportunity for hearing, where the company "directly or indirectly exercises a controlling influence over the management or policies of the bank" without regard to the 25-percent stock ownership provision. However, a presumption is established in the bill that a company which controls less than 5 percent of the voting stock of the bank does not control that bank. The percentage of stock owned by the company will be determined by adding the amount of stock the company owns for its own benefit together with the amount, if any, its own indirectly through a subsidiary or otherwise, with power to vote.

DIVESTITURE

Even with the grandfather clause devised by the committee, some companies will be required by the provisions of the act to divest one or more subsidiaries, or cease to engage in one or more activities by virtue of the fact that these were undertaken after the grandfather date or in order to comply fully with all provisions of the act. Moreover, there will be a number of companies that will find it impossible to continue normal growth under the act even with the grandfather clause that has been adopted by the committee. It will be necessary for those companies to divest their banks.

In deciding what provision to make for a divestiture period, there were several factors which were carefully considered by the committee.

It is anticipated that the Congress will follow precedent and pass a bill providing companies required to make divestitures under this legislation with relief from an undue tax burden as a result of such divestiture.

It would be inequitable to require these divesting companies to commit themselves to a divestiture plan without knowing what their tax situation will be in regard to such divestiture. Accordingly, it was deemed necessary to provide a divestiture period of sufficient length that these companies will have adequate time to make their divestiture plans after the appropriate tax relief measure is passed by Congress.

Another factor considered by the committee is the current state of the economy. Market conditions are far less than ideal, availability of money and credit is far below optimum, and the economy in general is going through a period of readjustment. These facts are persuasive that divesting companies should be given more time to divest than would seem to be necessary under better economic conditions.

Finally, the committee is aware that may be a large number of banks or nonbanking subsidiaries which will be divested as a result of the passage of this legislation. Under these circumstances, the sellers may not be able to get fair market value for the assets they are divesting, particularly if they are all required to divest simultaneously within a relatively short period of time.

Because of these various factors, the committee adopted a provision which would allow companies required to make divestitures under the act an initial period of 5 years within which to do so, with the opportunity of obtaining up to an additional 5 years upon the approval of the Federal Reserve Board. This provision would allow the Federal Reserve Board either to make a general extension of the divestiture period by a regulation to that effect, or it would allow the Board to grant specific extensions in individual cases.

The committee adopted a provision which will allow any company covered by this legislation to retain or acquire whatever shares, or engage in whatever activities, it wishes so long as, within the applicable divestiture period, it either ceases to be a bank holding company or ceases to retain direct or indirect ownership or control of share or to engage in activities that are not authorized under the applicable section of the act.

In order to insure that there is no evasion of the general intent and purpose of this provision, the committee further provided that companies utilizing this authority must comply with such other conditions as the Board may by regulation or order prescribe. If it appears to the Board that there is some incentive for a holding company or companies to make an acquisition that would not serve the purpose of this provision, then the Board is given the express authority to issue regulations or orders to prevent such an acquisition. The committee contemplates that the Board will insure that the authority to make the acquisitions and engage in the activities provided by this particular provision will not be utilized by a bank holding company covered by this legislation to go into activities and make acquisitions which are totally unrelated to its present activities in order to gain an undue advantage during the applicable divestiture period, or for any other purpose inconsistent with the intent and purpose of the act.

EXEMPTIONS FOR CERTAIN COMPANIES

As has been previously noted, the decision to remove the one-bank holding company exemption is being taken as a necessary step to prevent possible future abuses and is not being taken on the basis that abuses have occurred in the past. Accordingly, as discussed, the committee adopted a grandfather date designed to allow companies existing prior to that date to continue to retain the subsidiaries and engage in the activities they held or in which they were engaged on that date. The committee is aware, however, of the existence of two other types of holding companies whose hardship will not be adequately relieved by the provision dealing with a grandfather date.

The first of these types is the one-bank holding company located in small towns whose banks are small, and whose nonbanking activities are generally limited to one or two other types of businesses. The committee believes that the possibility of abuse of the purposes of the act by such companies is remote. Accordingly, the committee adopted a provision which would exempt from the prohibitions against nonbanking activities all one-bank holding companies existing on the date of enactment of the proposed legislation, so long as the bank subsidiary does not have a net worth in excess of $3 million. These companies would be allowed to engage in other activities without regard to the prohibitions in the act, as long as the bank does not merge with another bank without the express approval of the Federal Reserve Board; increase its capital by contributions from its nonbanking subsidiaries, its nonbanking parent, or from affiliates of such parent company without prior express approval; or pay dividends in excess of its current earnings.

The second type of bank holding company not relieved by the grandfather clause is the large diversified company which is the owner of a bank as well as numerous diversified nonbanking subsidiaries. These corporations are owners of banks for a variety of reasons. Some have owned their banks for a number of years and acquired the bank to prevent its failure, or to insure that their employees had adequate banking services at their disposal. Other such companies acquired their banks on a more recent date, again for a variety of reasons. The committee is convinced that these companies have not utilized their banking subsidiaries to gain any special advantage for their nonbanking subsidiaries nor have they perpetrated any other abuses in connection with their ownership or control of a bank.

The nature of the businesses of these companies is such that they must continue to broaden their nonbanking activities and affiliations. Their growth must be directed toward those businesses and activities in which they are not engaged. Consequently, the existence of a grandfather clause offers little aid to such companies. Without some provisions in the act, they would, in fact, be required to either divest their bank or cease to expand in their nonbanking activities. Thus, in order to prevent these companies from suffering undue hardship as a result of the proposed legislation, it would be necessary to adopt a provision exempting these companies from the prohibition contained in the act against engaging in new nonbanking activities.

The committee provided that these companies are exempt from the prohibitions against nonbanking activities or subsidiaries so long as the net worth of their bank does not exceed the greater of $3 million—which was mentioned earlier—or an amount equal to 25 percent of the combined net worth of the holding company and all of its subsidiaries, or $50 million, whichever is the lesser.

In addition, the Board is given the authority to waive the $50 million limitation where it determines that such action is consistent with the purposes of the act and is necessary or appropriate to avoid undue hardship to either the bank or its parent holding company or is necessary to meet a public need for banking services that is not otherwise available.

The Board is also given the authority to terminate or modify the exemption provided in regard to the 25-percent net worth test or to $50 million maximum, if the Board determines that such action is necessary to prevent undue concentration of resources, decreased competition, conflicts of interest, or unsound banking practices.

AMENDMENT OF CRITERIA REGULATING PERMISSIBLE NONBANKING ACTIVITIES

The committee approved an amendment to section 4(c)(8) of the act which governs permissible nonbanking activities and acquisitions. This amendment includes two key changes.

First, the language of the act will be amended to allow the Federal Reserve Board greater flexibility in determining what nonbanking activities and acquisitions are to be permitted bank holding companies.

Second, the committee adopted an amendment which, when enacted, will for the first time require that a proposed "functionally related" nonbanking activity of a bank holding company must "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased competition, conflicts of interest, or unsound banking practices."

The present law contains a requirement that such activity be of a "financial, fiduciary, or insurance nature." This language would appear to cover all properly related nonbanking activities, without permitting banks to encroach on commerce generally. However, a narrow interpretation was placed on this language shortly after its passage in 1956. In effect, "the business of banking" was interpreted not to refer to the general business of banking itself but to refer instead to the business of the particular banks within the particular bank holding company structure being considered.

The interpretations of this provision seems to require a "direct and significant connection" between the acquired activities and the activities of a particular bank.

The practical effect of these interpretations has been largely to confine permissible holding company activities to those activities engaged in by the banking subsidiaries of the holding company itself. This has, in many cases, prevented the holding companies from offering new services to new customers. In some instances, it may have served to inhibit competition.

The committee agrees with FDIC Chairman Frank Wille when he stated:

> Inasmuch as the economy and its financial requirements are constantly changing, the Corporation considers it essential that banks and bank holding companies have the flexibility to engage in new types of bank-related activities that may be needed now and in the future if the financial needs of the people are to be met efficiently, competitively, and at reasonable cost. Likely changes in technology, the nature of financial competition and the economic and legal functions of commercial banking all lead to a conclusion that retaining such flexibility is the wise course for the future.

A change permitting such flexibility was strongly recommended by the Federal Reserve Board, the Department of the Treasury, the Department of Justice, the Federal Deposit Insurance Corporation, and the Comptroller of the Currency.

Federal Reserve Board Chairman Dr. Arthur Burns, who suggested the specific language adopted by the committee, noted that "combining banks with functionally related businesses in a holding company system may lead to economies in production, distribution, sales, research, and finance. Economies of production can be achieved where there is a similarity of operation, such as servicing checking accounts and processing payrolls."

Assistant Attorney General Richard W. McLaren was particularly concerned that legislation be enacted which balanced the objectives of allowing the necessary flexibility to bank holding companies and insuring against possible anticompetitive effects resulting from the activities of such holding companies. He testified:

> Banking is not a static form of activity. Modern bankers are offering a variety of specialized services which would have been entirely unknown to their predecessors of a few generations ago. * * * Innovation in financial fields should be encouraged. It seems particularly desirable to permit banks to enter other financial markets when competition is weak, or where banks can be expected to offer real efficiencies.
>
> What is required, therefore, is legislation that will provide a mechanism for allowing bank expansion in areas where it is desirable, minimizing the risks to our competitive system. * * *

STANDING FOR PARTIES IN INTEREST

The Federal Reserve Board has recently ruled that a potential competitor of a bank holding company seeking to engage in nonbanking activities may appear before the Board and participate in the proceedings having to do with the application of such bank holding company. It is not clear, however, what the position of such potential competitor will be in the event of an appeal to the court of appeals under section 9 of the act. The committee believes that such a potential competitor should be entitled to participate in the hearings held by the Federal Reserve Board and should also be entitled, where necessary, to take an appeal as an aggrieved party to the court of appeals under section 9 of the act. Accordingly the committee approved a provision which states that "a party who would become a competitor of the applicant or subsidiary thereof by virtue of the applicant's or its subsidiary's entry into that business, shall be a party in interest in such proceeding and, in the event of an adverse order of the Board, shall have the right as an aggrieved party to obtain judicial review thereof as provided in section 9."

TYING ARRANGEMENTS INVOLVING BANKS

During its deliberations, the committee was concerned that there be adequate safeguards against the possibility of misuse of the economic power of a bank. The committee is aware that such misuse of economic power is possible regardless of the size of the bank, and regardless of whether the bank is affiliated with a bank holding company. Thus, in providing such safeguards, the committee felt it desirable to make them equally applicable to all banks regardless of the presence or absence of an affiliation with a bank holding company.

The provision approved by the committee is intended to provide specific

statutory assurance that the use of the economic power of a bank will not lead to a lessening of competition or unfair competitive practices. Thus, the provision is intended to affirm in statutory language the principles of fair competition. The committee does not intend, however, that this provision interfere with the conduct of appropriate traditional banking practices.

The purpose of this provision is to prohibit anticompetitive practices which require bank customers to accept or provide some other service or product or refrain from dealing with other parties in order to obtain the bank product or service they desire.

The provision authorized the Federal Reserve Board, by regulation or order, to permit such exceptions to the prohibitions of the section as the Board considers will not be contrary to its purposes and the committee expects that by such regulation or order the Board will continue to allow appropriate traditional banking practices.

This will enable the customer to continue to negotiate with the bank on the basis of his entire relationship with the bank. For example, where the customer uses multiple banking services such as deposit, loan, fiduciary, and commercial accounts or facilities, the parties may be free to fix or vary the consideration for any services upon the existence or extent of utilization of such banking services. Similarly, the language is not intended to affect bank correspondent relationships, but insures that traditional correspondent relationships cannot be perverted by being tied to or conditioned upon maintenance or establishment of relationships with nonbank subsidiaries of bank holding companies, or with businesses operated within the bank or by the people controlling a bank. Also, the language is not intended to prevent such traditional banking practices which protect extensions of credit by agreement to restrict other borrowing, but insures that such agreement may not be tied to or conditioned upon an agreement not to do business with competitors of other subsidiaries of the bank holding company, the bank, or of the operators of the bank.

It should be noted that an individual is included within the meaning of a bank holding company for the purposes of this section if he possesses the requisite ownership or control of a bank. Enforcement of this section is a responsibility of the U.S. attorneys under the direction of the Attorney General, and private parties are given the right to sue for injunctive relief as well as treble damages when they have sustained damages, or are threatened by loss or damage, by reason of a violation of this section's prohibitions. The committee intends these private rights of action to be a valuable supplement to the enforcement efforts of the U.S. attorneys.

This bill would also provide for the minting of 150 million 40 percent silver dollars bearing the likeness of Dwight David Eisenhower. These coins will be minted only as uncirculated coins and proof coins and will be sold at premium prices.

There is also a provision in the bill which authorizes the transfer of approximately 3 million rare silver dollars now held by the Treasury to the Administrator of General Services for sale to the public.

The question of an Eisenhower coin has been a matter that has been pending before the Congress for some time. I hope that we can now get a resolution of this matter by the passage of this bill.

PROGRAM

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that not later than 5 o'clock tomorrow afternoon, at the time the unfinished business is to be laid temporarily aside under the previous order, the Senate then proceed to the consideration of Calendar No. 1094, which has already been laid before the Senate by the distinguished majority leader this evening, and that it then be made the pending business.

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

Mr. BYRD of West Virginia. Mr. President, the Senate should be on notice again that it is very likely that action will be resumed on Calendar No. 1094, the Bank Holding Company Act, earlier than 5 o'clock tomorrow afternoon; and it is the intention of the leadership on both sides—if there is a lag in debate or if there is a hiatus in regard to the unfinished business, Senate Joint Resolution 1—in the interest of expediting the business of the Senate and the business of the people, it is the intention of the leadership to move promptly to the consideration of Calendar No. 1094 prior to 5 o'clock in the afternoon.

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

Mr. BYRD of West Virginia. I yield.

Mr. SPARKMAN. I am glad the distinguished Senator made that statement. I just want to say that we who are concerned in handling the bill will be ready at any time, and the earlier we get on it the better we will like it, because there is a good deal of time involved in the amendments and on the bill. So the earlier we get on it, the sooner we will finish it.

Mr. BYRD of West Virginia. Yes. I may say, in addition, that, according to the schedule that was promulgated by the leadership a few days ago, the Senate is to complete action on the one bank holding company bill tomorrow. It is my further understanding that the manpower training bill will be laid before the Senate tomorrow evening after completion of action on Calendar No. 1094, H.R. 6778.

ADJOURNMENT TO 9:30 A.M.

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 31 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, September 16, 1970, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate September 15, 1970:

DIPLOMATIC AND FOREIGN SERVICE

William M. Rountree, of Florida, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

U.S. PATENT OFFICE

The following-named persons to be Examiners in Chief, U.S. Patent Office:

Fred C. Mattern, Jr., of Virginia, vice Nogi A. Asp, resigned.

John H. Schneider, of Virginia, vice Peter T. Dracopoulos, resigned.

Saul I. Serota, of Maryland, vice Pasquale J. Federico, resigned.

DISTRICT OF COLUMBIA PUBLIC SERVICE COMMISSION

Jeremiah Colwell Waterman, of the District of Columbia, to be a member of the Public Service Commission of the District of Columbia for a term of 3 years expiring June 30, 1973, vice William L. Porter, term expired.

OFFICE OF ECONOMIC OPPORTUNITY

Carol M. Khosrovi, of Virginia, to be an Assistant Director of the Office of Economic Opportunity, vice William H. Crook.

FEDERAL METAL AND NONMETALLIC MINE SAFETY BOARD OF REVIEW

The following-named persons to be members of the Federal Metal and Nonmetallic Mine Safety Board of Review as indicated; new positions.

Robert N. Stewart, of Indiana, for the remainder of the term of 5 years expiring September 15, 1971.

Hugh C. Matlock, of Colorado, for the remainder of the term of 5 years expiring September 15, 1972.

Donald E. Pierce, of Idaho, for the remainder of the term of 5 years expiring September 15, 1973.

Kenneth C. Kellar, of South Dakota, for the remainder of the term of 5 years expiring September 15, 1974.

Howard L. Hartman, of California, for the term of 5 years expiring September 15, 1975.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 15, 1970:

UNITED NATIONS REPRESENTATIVES

The following-named persons to be representatives of the United States of America to the 25th session of the General Assembly of the United Nations:

Charles W. Yost, of New York.

Christopher H. Phillips, of New York.

JACOB K. JAVITS, U.S. Senator from the State of New York.

CLAIBORNE PELL, U.S. Senator from the State of Rhode Island.

Glenn A. Olds, of New York.

The following-named persons to be alternate representatives of the United States of America to the 25th session of the General Assembly of the United Nations:

Seymour M. Finger, of New York.

Helen G. Edmonds, of North Carolina.

Richard H. Gimer, of Virginia.

Aloysius A. Mazewski, of Illinois.