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Congressional Record

PROCEEDINGS AND DEBATES OF THE 91st CONGRESS, SECOND SESSION

SENATE—*Tuesday, November 24, 1970*

The Senate met at 10 a.m., and was called to order by Hon. THOMAS F. EAGLETON, a Senator from the State of Missouri.

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

O God, our creator and lord, who didst guide our Founding Fathers to establish "one Nation under God," in the mood of this week, we thank Thee most of all for a faith which presupposes a God to be thanked—that our heritage is not humanistic or atheistic but theistic. We thank Thee for Thyself, for Thy protecting providence, and for Thy guiding hand from the beginning even until now.

We thank Thee for the growing spirit of understanding which broods over the land, for the magnanimity of spirit and hospitality of mind among the religions which once competed but now cooperate. We thank Thee for ancient epithets erased and for men formerly estranged now united. We thank Thee, too, that amid the turbulence, insecurity, and uneasiness of our time our faith in Thee, mediated by many denominations, remains firm and strong. Thankful for many things, we thank Thee most for Thyself.

We ask in the name of Him who made the full revelation of the divine nature. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

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

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 24, 1970.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. THOMAS F. EAGLETON, a Senator from the State of Missouri, to perform the duties of the Chair during my absence.

RICHARD B. RUSSELL,
President pro tempore.

Mr. EAGLETON 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, November 23, 1970, be dispensed with.

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

ORDER FOR RECOGNITION OF SENATOR MANSFIELD TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, immediately following the remarks of the distinguished Senator from Vermont (Mr. AIKEN), I be recognized for not to exceed 15 minutes, to be followed by the distinguished Senator from Wisconsin (Mr. PROXMIRE), who already has an order to speak today.

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair now recognizes the distinguished Senator from Vermont (Mr. AIKEN).

THE SENATE IN FOREIGN POLICY

Mr. AIKEN. Mr. President, now that the joys and sorrows of the election are behind us, it is time to return to the difficult business of government.

We must now turn from promising to practicing.

The critical condition of our national economy and the dangerous position of world affairs demand that we put aside the 1972 election campaign, for the time being, and devote ourselves to serving our country well.

There is a great deal of truth in the contention that here in Washington the paramount business of government is foreign policy.

It is one part of the Nation's business that cannot be conducted anywhere else in the country.

If foreign policy is not adequately determined and implemented, there is only a very dim future for our economic and political policies.

Foreign policy must take precedence in the White House.

It must also take precedence in this Senate.

The only safe way to grant the necessary priority in foreign policy is to restore bipartisanship, not on a political party basis alone but between the branches of Government before decisions are made.

That, in turn, means restoring the habit of consultation between the White House and the Congress, for only consultation gives substance to the idea of bipartisanship.

Before the recent elections, the Senate passed a resolution that I had hoped would signal a return to unity in the making of foreign policy.

That was the resolution of the distinguished senior Senator from Illinois (Mr. PERCY), in support of the President's Vietnam peace proposals.

There was no majority of one for this resolution; it passed nearly unanimously.

That was an auspicious beginning on the road back to bipartisanship, the road back to consultation between the Senate and the White House, the road to a better domestic economy, and the road to a more peaceful and understanding world.

However, not all the precedents of recent years have been good ones.

Another resolution, the Tonkin Gulf resolution, was also passed nearly unanimously in the heat of an election campaign.

That was in August of 1964 and most of my colleagues will remember how much the pending presidential election of that year influenced the vote on that resolution.

In that year, as in this year, the Senate was anxious to remove Vietnam as an issue in an election campaign.

For a while, there was consultation after the Tonkin Gulf resolution was passed.

A good example came in February 1965 at the time of the attacks on our installations at Pleiku.

Some of us received telephone calls from the Secretary of Defense, Mr. McNamara, inviting our approval for dispatching marine reenforcements to Danang because he felt that American lives and the American military position there were being seriously threatened.

We faced the real possibility of a military defeat in February of 1965, and I know of no dissent to the action that President Johnson and Mr. McNamara took at that time.

But consultation ended about then.

The aim of preventing defeat in Vietnam was replaced by the aim of military victory—and the great escalation started, without consultation with the Senate.

We were then called to the White House largely to be told what had already been decided.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Arrangements were made between our Government and other governments that were never submitted or even suggested to the Senate.

Senator SYMINGTON has been exploring these arrangements these past several months through his subcommittee investigations.

It was in part the suspension of consultation that led me publicly to disagree with the executive branch over the conduct of the Vietnam war.

Consultation between the White House and the Senate is not so much a matter of law, though the Senate's role in foreign policy is rooted in our Constitution.

More important, consultation ought to be a matter of policy; it is the element without which the Nixon doctrine cannot become what I hope it will become—the ground of a new, strong, bipartisan foreign policy.

Since President Nixon took office, I have been a consistent supporter of his foreign policy, despite the fact that the habit of consultation has not been fully restored.

For the past 20 months, I have supported "Vietnamization," though not always the rhetoric that surrounds it.

To me, "Vietnamization" is first and foremost a recognition of past mistakes, particularly a recognition of the fact that self-determination in South Vietnam was never possible in the presence of half a million American troops and an American establishment in Saigon of such overwhelming size.

Nearly half of these troops have now been withdrawn in an orderly manner for which I give the President full credit.

"Vietnamization" is apparently succeeding in other ways.

Nearly 2 years ago, the Saigon government undertook to arm the peasantry in South Vietnam, an act of self-determination that cannot be minimized.

Since then, the South Vietnamese Army has assumed a progressively larger role in the war and has done so with credit.

A government that arms the peasantry, as Saigon has done, is not one to be trifled with.

That is why I have joined the President in speaking out against those who advocate yet another intervention in South Vietnamese politics in order to impose a coalition government that might make peace more quickly.

If, in the elections to come in South Vietnam in 10 months' time, the voters choose to change their government, so be it.

We Americans should remain firmly aloof from that election even if we have not always done so in the past.

But we should also restrain ourselves from carping at any government in South Vietnam so long as "Vietnamization" is working.

We should, in fact, continue to help that government overcome the mistakes we both made in the recent past.

I was neither advised nor consulted prior to the incursion into Cambodia, nor so far as I know were any of my colleagues.

If I had been given an opportunity, I would have counseled that any military action necessary to clean out the warehouse areas and sanctuaries on the Cambodian borders should be presented in as routine a manner as possible.

As I said to the Secretary of State shortly after the decision had been made, I did not object to an action to remove a dire threat to American and South Vietnamese forces, and I understand how the political changes in Phnompenh made such an action both necessary and advisable.

But I did oppose expanding an incursion into an invasion.

In the best of circumstances that action would have been highly unpopular in this country.

However, had the President chosen to consult with the Senate in advance, I think he would have spared himself and the country much grief.

Some of us might have been in a position to stand up and help him, if not by praising his words then at least by supporting his deeds.

I have consistently urged that the President be given the time and the resources necessary to effect a change in our posture in Southeast Asia.

I shall continue to support him, but, as in the past, my support in the future will be neither blind nor unquestioning.

If there is discontent in the Senate over the conduct of foreign policy, it is because President Nixon has not yet restored the habit of consultation that lapsed during earlier years.

I do urge the President to restore consultation in the name of making the Nixon doctrine a new, bipartisan policy which will receive the approval and respect of most of the world.

This will take time and patience for there is a formidable list of questions to be resolved.

Some of the basic questions were set out this past summer by the distinguished chairman of the Senate Armed Services Committee, whose clear exposition of defense authorizations each year reflects the meticulous care with which that committee performs its monumental task.

If I understand Senator STENNIS correctly, he is saying that without a bipartisan foreign policy it is going to be progressively difficult, if not impossible, to reconcile in an orderly way the competing and conflicting claims on the defense budget.

One only has to look at the major claims to see the truth of this assertion.

First, there are the claims for new or improved weapons systems.

They must be fitted into a coherent strategic policy.

Then, there are the force levels necessary to meet our commitments in this hemisphere and elsewhere.

Unless the Nixon doctrine is explained more clearly and related to a review of our treaty commitments, there can be no solid consensus on what those force levels should be.

Then, there is the military and related aid that goes to support our commitments abroad, of which I will speak shortly.

Finally, there is the future of the draft.

There has been a lot of talk about an all-volunteer army.

The cost depends, of course, on the size and pay of that army.

It could be very considerable, perhaps as much as $10 billion a year.

We all want to reduce the effect of the draft on the life decisions of young men.

But again this depends upon erecting a bipartisan foreign policy that will permit us to judge the cost and probable effects.

I personally doubt that the President or the Congress should renounce the draft power.

But I firmly believe that both the Congress and the President should make every effort to create such world conditions that any draft would be unnecessary.

The Congress treats these questions in isolation only at great cost to the country.

Congress was never asked, and never did vote the real cost of the Vietnam war under the last administration and as a result today our economy is in the throes of a painful adjustment.

The American people are paying the cost in inflation and now increasing unemployment.

If we treat the questions Senator STENNIS has posed for us in isolation, we will risk repeating another of our past mistakes.

If we cannot treat these questions together in the context of agreed foreign policy guidelines, we will again pay a terribly high price.

The needed foreign policy guidelines can only come out of close consultation between the President and the Senate.

Now what does consultation mean?

First of all, it means avoiding confrontations between the Senate and the White House over mere formulations of words.

The Senate's duty to raise questions about foreign policy means that the Senate's formulation of words will often differ in detail from that of the White House.

So it was with the Cooper-Church amendment to the foreign military sales bill.

I was a cosponsor of this amendment, and if it was inconsistent with the Nixon doctrine, it has never been explained why to me.

The Hatfield-McGovern amendment was different.

By attempting to set a deadline for Presidential action, I felt that that amendment trespassed on the President's constitutional authority, and accordingly I voted against it.

But the Cooper-Church language only reflected what the President must surely know since it gave the approval of the Congress to the President's own announced intentions.

Our experience in Vietnam, an experience in which consultation between the Senate and the White House broke down, left in its wake a legacy of suspicion about our involvement in that part of the world.

I take no pride in reading headlines that say—in effect—"Congress Defeats President" or when they read, "The President Wins Big Battle With Congress."

Defeat for either Congress or the President carries no disgrace for honest differences can and do occur and it is good to have them presented to the Nation.

But to have those headlines used in an arrogant, boastful, political manner intimating that Congress is like another attacking nation undertaking to overthrow our Government, or that the President is undertaking to establish a dictatorship in the White House only serves to humiliate and make ashamed those who have faith in our Nation and its form of government.

The legacy of suspicion and distrust must be lived down before bipartisanship in foreign policy can be restored.

Consultation should also mean avoiding majorities of one on major defense and foreign policy legislation, for majorities of one only expose the lack of bipartisanship in foreign policy.

As Senator STENNIS patiently points out to us, decisions to go with a new or a reformed weapons system have to be made years in advance of their implementation.

Here is where close consultation between the White House and the Senate is vitally important.

The President today has to depend upon technocrats to help formulate his decisions and present them to Congress.

Without consultation, however, technocratic argument becomes a substitute for political debate with disastrous results.

The role of the technocrats is to present the real choices before the politicians, not to substitute their arguments for political debate.

When that happens we find ourselves back in the Middle Ages, only, instead of debating how many angels can dance on the head of a pin, we debate how many nuclear warheads can be juggled without dropping one.

I voted against ABM last year because I was presented with a technocratic argument, not a political argument.

So far as I was concerned, it was an unconvincing argument.

Given a different argument in the context of clear foreign policy guidelines, I might have voted differently.

Consultation means avoiding the substitution of technocratic argument for a political presentation.

It also means recognizing the Senate's duty to ask questions about foreign policy and to help fashion the answers.

The President, for example, is beginning to send to the Congress some of the bills which he says are necessary to finance the Nixon doctrine in Southeast Asia.

They are expensive bills—the bills for "Vietnamization," for modernizing the Korean Army, for continued aid to Thailand, Laos, and Cambodia.

The President must know that they will raise many questions in the Senate.

There will be some who wish that Southeast Asia would simply disappear in order to permit us to salve our consciences and bind our wounds.

There will be some who simply deny that Southeast Asia is important any more.

I cannot agree with either of these points of view, but I understand how they are rooted in the suspicions of the recent past.

If only because of these suspicions, we will raise questions about the course that the President is following until that time when it is possible to say what the new deployment of our troops should be in that part of the world, and what the guidelines are for substituting regional cooperation and initiative for our bilateral presence.

Southeast Asia is, and will remain, an important area of national security interest if only because we so foolishly made it so.

We cannot undo the past in any easy way.

It may take quite a bit of time and quite a bit of money before we can say we have established a new and stable policy.

On all these grounds, the President deserves our concern and cooperation.

At the same time, the very delicacy of the situation is bound to tempt some to offer justifications for legislation that will sound again like the thin blade of the wedge of intervention.

For example, between saying that we do not give a rap about Cambodia and launching another intervention there to preserve self-determination, there must be a policy.

And Cambodia is a tragically good example.

Invaded for nearly a decade by foreign troops and now thrust into a war of survival, that country could become the Ethiopia of world war III—the country that the world ignored because it could not be bothered to help and which became the victim of a chain reaction aggression.

What I am looking for are steps being taken by the President to spread the responsibility in Southeast Asia—steps that will change our image as the coach who assigns other players their position in world affairs and transforms it into an image of teamwork in which we are just one of the players.

It is a difficult formula to fill.

Nobody is very anxious to step in to help us clean up a mess that they think is largely of our own making.

This is the real reason why we may have to spend a great deal during this transition period in the Nixon doctrine, a great deal to buy our way out of the morass.

But even this will not be possible if the Nixon doctrine is not nourished and evolved through close consultations between the White House and the Senate and its purpose made uniformly clear to all the world.

It is still possible to make even more tragic our involvement in Indochina than has been done so far.

This could happen if we simply abandon the nations who trusted us in that part of the world.

This could happen if an attempt is made to divide this Nation on ideological grounds over the nature of our interest there.

How narrow is the path we must follow.

How careful we must be not to lose the path in senseless, partisan controversy here at home.

The Americans who died in Vietnam will truly have died in vain if their sacrifice is made a partisan issue.

The prisoners who are being kept as pawns in the war may never be returned to us if we cannot combine resolve and restraint now.

Need I again illustrate why I say that if foreign policy does not take precedence over partisan politics, this Nation faces disaster?

Need I cite more illustrations why consultation between the White House and the Senate must be restored?

No matter what the claims on our Government here at home, no matter how urgent the need to channel more resources into our pressing social problems, we cannot lower the priority attached to defining our national interest and implementing it through foreign policy.

This is not a matter of ideology.

The Senate is not divided into isolationists and internationalists.

This is a matter of government—of self-government.

It is a matter, if you will, Mr. President, of self-determination at home without which all our talks of self-determination elsewhere are just a mockery.

No President in these times can ever hope to fashion foreign policy in the inner sanctum of the White House without risking grave repercussions at home and abroad.

In the first place, I do not believe any President today can control the huge foreign relations bureaucracies of this country without the help and support of the Congress.

In the second place, foreign policy fashioned in the White House exclusively cannot be a bipartisan policy.

If continued, it will become a policy that falls prey to domestic politics.

It is my intention to go on raising questions, not to oppose the President, but to support him and to encourage him to rise to the opportunity we now have for restoring bipartisanship in foreign policy, not just on an election eve, but for the years that lie ahead.

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

Mr. AIKEN. I yield.

Mr. HATFIELD. Mr. President, as one of the junior Members on the Republican side of the aisle I want to take this occasion to express admiration, respect, and affection for the senior ranking Republican, not only on this side of the aisle but the senior ranking Republican on the Committee on Foreign Relations.

I do this for a number of reasons, and not just because of the statement made this morning, which is a very profound statement on foreign policy.

I believe there are times when we must summarize and get a perspective on the direction we are tending and the commitments we have. I think it is much like

an incident when Abraham Lincoln was asked a question about an issue of the day and he said, "I think the more appropriate question is whither we are tending," meaning the basic direction we are going is as important to know as the specific issues with which we may be confronted on the day-to-day basis.

I think the distinguished Senator from Vermont again today has demonstrated his statesmanship by setting into perspective many initial questions. He and I may not agree on all actions taken by the Senate which he has summarized, but that is not the important point. The point is that he has set into perspective all these specific issues in the greater setting of "whither we are tending," which way are we going, and what are our ultimate goals and objectives.

I further express appreciation to the Senator for performing another important task this morning and that is to put into clear language the combination of two important American constitutional doctrines. First, there is the separation of powers, which, if taken exclusively would create a three-headed monster, but because of the wisdom of our forefathers, they created a second concept, and that is the mixture of powers. It is not a pure separation of powers—executive, legislative, and judicial; but we have a blending and a marvelous example of mixing of powers, so that when the Senator from Vermont talks about the role of the Senate in foreign relations this is example of our concept of the mixture of powers.

The President does not have exclusive power to conduct our foreign affairs. He has an essential and a basic responsibility but Congress, and primarily the Senate, plays a part in that as well.

And so the Senator from Vermont this morning again demonstrated his own wisdom of understanding our constitutional system, and I think it is one we should review from time to time for ourselves, and for the general public.

Another point of the speech—which I had the privilege of reading this morning, and the Senator was very kind to send me a copy—has to do with the necessity of building a common purpose and a common cause in a bipartisan foreign policy. I think when the Senator said the President cannot demonstrate or create a foreign policy in the inner sanctum of the White House, he put his finger exactly on the point in question, and that is if there is not a full partnership between the Congress and the Executive, and between Republicans and Democrats, we cannot have a true foreign policy, and that is something we are all committed to.

Another point which the Senator made is the relationship between foreign policy and military weapons systems. We must put into proper perspective again the foreign policy of this Nation as the major direction and major policies we want to establish, and then the military becomes a supplementary, an auxilary force to the foreign policy.

Sometimes we are in the dark because we have made commitments we know nothing about, plus the fact that there are those who are devising new weapons systems that may not even be related to foreign policy commitments. I think the reference to the interrelationship between foreign policy and military weapons systems was a great assist for all of us to understand again the problem at hand.

There are so many points in the speech to which I would like to refer, but to really just summarize again, I want to thank my friend. I become a little concerned about the phraseologies we tend to utilize here on the floor of the Senate—my distinguished colleague, my good friend, and so forth—but I want to say with a deep feeling, I have always held the Senator from Vermont in the highest respect. This morning he demonstrated again his tremendous capacity of understanding of the problem we have, and put it in succinct language that the man on the street can understand. The average American can understand this speech and what he has talked about, and we have responsibilities to the citizens of this country to discuss and talk about these issues in language that is understandable, and not in some kind of protocol language that only we in this exclusive body can understand. I want to thank the Senator from Vermont.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. AIKEN. Mr. President, if I may have enough time to respond to the Senator from Oregon, I will not call him my distinguished colleague. I will call him MARK HATFIELD, a loyal American citizen, and there is no hogwash in that.

Mr. CHURCH. Mr. President, I wish to commend the Senator from Vermont, my longtime friend and colleague on the Senate Foreign Relations Committee, for an exceptionally lucid and timely address.

I have thought also that we are reaching a point where it may be possible, with adequate consultation between the executive branch and the Senate, to reach a new understanding, a consensus perhaps, on a revised foreign policy for the United States for the 1970's that would be as effective, in its way, as our foreign policy proved to be in the days following the Second World War.

Actually, the critics of the present war in Southeast Asia and the advocates of the so-called Nixon doctrine are not so far apart as to make that impossible. What is required is good faith on both sides. What is required is consultation, as the Senator himself has called for. I hope that the message of Senator AIKEN will be taken to heart here in the Senate and by the policymakers downtown in the State Department and at the White House.

Mr. AIKEN. I thank the Senator from Idaho, and I hope that both the Members of the Senate and the people downtown will take my remarks seriously, because the fault is not entirely on one side.

Mr. MANSFIELD. Mr. President, I want to add my commendation to those of my colleagues to the distinguished senior Senator from Vermont for the remarks he made this morning. As always, listening to Senator AIKEN is educational. When he speaks, it is like a breath of fresh air. His candor is commendable. His integrity, his ability, and his honesty are unquestioned. Would that we had more GEORGE AIKENS. The country would be a good deal better off.

I agree with the distinguished Senator in his call for bipartisanship. I have been aware of the fact that in all too many discussions in this body there have been those who have attacked, those who have defended, and very few who have understood the gray area in between. The fault lies not wholly with the White House, nor does virtue lie wholly within the confines of the Senate. We have both made our share of mistakes.

I would hope, in the interest of the Nation, the responsibility which the Senate has shown during the past 2 years will continue, and that all of us will work together—the legislative and the executive—to end that the Nation will come ahead of any particular party.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Montana is recognized for 15 minutes.

FOREIGN AID POLICY

Mr. MANSFIELD. Mr. President, this has been a troubled and confusing and agonizing weekend. We have been confronted with a request for tens of millions of dollars in aid for Cambodia, in addition to aid for Indonesia, Vietnam, Korea, Lebanon, Jordan, and Israel.

In all those areas, only one part was previously authorized, and that is the $500 million credit to Israel, which was incorporated in the defense authorization bill, agreed to some weeks ago. The others are not authorized and will be the subject of hearings in committee and debate on the floor of the Senate.

I can find justification for assistance to Jordan and Lebanon in the sum of $30 million and $5 million, respectively, because it will tend to stabilize the situation in the Middle East; and the credits to Israel will tend to keep us from becoming involved physically. I do not want to see this Nation become involved physically anywhere else in the world unless it is in the interest of our own security; and when I say I do not want to see any more Vietnams, I mean it, because even one Vietnam is too much.

I can understand also the reason for the aid-proposal for Korea, because it is tied to a drawdown of 20,000 American troops from that country.

I can understand it in South Vietnam, because it is tied to the continued withdrawal of U.S. troops. Hopefully that will be accelerated.

But I find it difficult to locate any compensating factors as far as the Cambodian-aid proposal is concerned. It appears to me that if we act on the basis of this request, we will just be making a second downpayment, because the first

has already been made over the past few months by aid transfers to Cambodia through withdrawals from funds which had originally been allocated to Taiwan, Greece, and Turkey.

As to the situations which developed over the weekend, I am concerned. I am uneasy. When you tie the request for aid to Cambodia with the 250-plane flight over North Vietnam, with the commando raid some 23 miles west of Hanoi, I think we have a set of circumstances which should cause us concern.

I grieve for all Americans, dead and wounded, whether they are in POW camps, whether they have been killed or wounded in action, or whether they have been casualties in Indochina other than in action. According to the latest figures which I have—and this is out of date now, because it goes only to November 7 of this year—291,559 Americans have been wounded, 43,959 have died in combat, and 8,798 have died from other causes. The total dead about 3 weeks ago stood at 52,757 and the total casualties, dead and wounded, at 344,316.

I grieve for those men, as I have said, because they are carrying out their obligation in a war which is highly unpopular and, in my opinion, totally unnecessary—a war which is one of the great tragedies in the annals of this Republic, a war which is causing a continuing drain on the morale of the American people, a war which makes the troubles confronting us at home much more difficult to confront.

I was heartened by the President's negotiating proposals of October 7, because I thought they contained a good deal of substance, and tied in with the proposals from Hanoi of September 17. It was my belief that the groundwork for possible negotiations had been laid. I still think that is the case. But now I wonder about the possibility of reinvolvement, based on the raids north. I wonder about the reaction of Hanoi to the commando raid and these retaliatory air raids for the shooting down of a U.S. reconnaissance plane. I wonder about the situation which confronts the prisoners of war, and whether the commando raid will be helpful or harmful; and I would wonder no less even if the raid had been successful, because it has placed those prisoners in a very difficult position, and we do have to think of them at all times.

Then I wonder about the effect these events may have on the Paris talks—I emphasize the word "talks," because negotiations have not as yet gotten underway.

All these things are matters which the Senate should consider, which the administration should consider, and hopefully, in the words of the distinguished Senator from Vermont and on the basis of his sage advice, that we would consider together, so that we could work in common for the common good.

There has been some talk about an understanding between North Vietnam and this Government relative to the use of reconnaissance planes over the past 2 years. Frankly, I know of no such understanding. There may be one, but if so, I am totally unaware of it. I am assuming that an understanding is being assumed on our part; that on the basis of the stoppage of the bombing of the North, it was tacitly understood—we assumed—that we would be given the right to continue reconnaissance flights.

I would point out that history seems to prove that air power is not the weapon which so many advocates seem to think it is. To see what it does one needs only look to England as an example, or to North Vietnam in the past. The end result is damage temporarily, but a stiffening of the spine of the people bombed for a long period of time.

The President does have a responsibility. His is the ultimate responsibility. But, as the distinguished Senator from Vermont has indicated, we also have a responsibility.

It would do us no good to give up and lie down, because then we would be shirking our duty. We can and we should, in good conscience, support the President when we think he is right, and support him fully. But, also in good conscience, when we think the President has made a wrong move, we have the right and the responsibility to disagree, and to do so on a constructive basis, so that the relationship between the two segments of our Government will not be ruptured as a result.

May I say that I admire the courage of the commandos who undertook this raid in an attempt to free some American POW's. It was a bold stroke. Those men who participated in it are entitled to the highest commendation. But I also raise the question as to the reliability of our intelligence.

I recall, for example, that when we moved into Cambodia, it was to capture the so-called headquarters of the North Vietnamese and the Vietcong—a headquarters which, incidentally, was never discovered. Evidently, as the basis for this recent commando raid, we were again depending on what we thought was reliable intelligence, but according to the reports which appeared in the press, that camp had been evacuated at least 2 weeks before. It was a successful penetration, but the objective was not achieved. My concern now is for the prisoners of war who are still being held in North Vietnam, and what the reaction by North Vietnam to this raid by air and by land will be on them. Their future is something all of us must keep in mind; their safety is something which all of us devoutly pray for.

I wonder if the Senator from Vermont noticed, in the Washington Post yesterday, a summary of a recent special edition of the Foreign Service Journal. Before I carry this further, Mr. President, I ask unanimous consent that that summary, in an article entitled "Nixon Doctrine Battles Those Who Must Use It," written by Murrey Marder, and published in the Washington Post of Monday, November 23, 1970, and another article entitled "Viet War: A New Version," written by Stanley Karnow, and also published in yesterday's Washington Post, be printed in the RECORD at the conclusion of my remarks.

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

(See exhibits 1 and 2.)

Mr. MANSFIELD. Both articles are relevant to what the Senator from Vermont has so ably stated. One is a frank exposition of the reaction of professional U.S. diplomats to the Nixon doctrine in Asia. The other by Mr. Karnow touches on the basic factor that seems to trap successive administrations—including the present administration—in this unending involvement in Indochina notwithstanding efforts to terminate it.

The summary of the special issue of the Foreign Service Journal points out that many of our diplomats who are closely involved in Asian affairs were fearful of the sweeping change in policy implicit in the Nixon doctrine when it was first proposed. In due course, however, they came to see that the implied change really was not going to be much of a change at all and that the idea of "lowering our profile" a little might actually have some virtue.

One may wonder at their reactions, now, after even this modest scaledown seems to be in the process of abandonment, with the renewed expansion of the battle area by the bombing of North Vietnam and by this recent abortive attempt to free prisoners of war near Hanoi. One may wonder, too, at the implications of the Cambodian aid request for the Nixon doctrine which, I should note, I have supported since its inception as an expression of a long-needed change in policy to the end that it might lead us out of this tragic and misbegotten military involvement on the Asian mainland.

In any event, I am led by those articles to address certain questions.

I am sure the Senator from Vermont would concur that if the Nixon doctrine has a fundamental purpose, it is to "lower the U.S. profile" so as to reduce and terminate in a progressive fashion the excessive involvement of the United States on the Asian mainland, a situation brought about largely by the presence of our military forces and by military or other massive aid.

Mr. AIKEN. What I tried to point out was that we should have a uniform interpretation of the Nixon doctrine for all countries, and not one interpretation for one country and one for another. If the Nixon doctrine is good for Southeast Asia, it is, of course, good for most of the rest of the world. We do not want one interpretation of it for Vietnam, another for Nigeria, a third for Chile, or perhaps a fourth for some other part of the world.

I have told the State Department, for whatever good it may do, that our ambassadors in foreign countries should all be given uniform interpretations of the Nixon doctrine and just what it means.

As I pointed out, the Cooper-Church amendment in no way conflicted with the Nixon doctrine. In fact, it supported it. Yet, it was interpreted as being a hostile act on the part of Congress.

Mr. MANSFIELD. I would agree with the Senator completely. I concur in what he has to say about the Cooper-Church amendment, it was in accord with what I understood to be the Nixon doctrine as

it has been enunciated and propounded by the White House and the State Department.

I should like to ask the Senator another question.

Does the Senator think that the Nixon doctrine is served by the recent bombing of North Vietnam? To put it another way, does that action raise or "lower the profile of the United States in Asia"? Is it likely to shorten or prolong the time it will take to get our military forces out of all Indochina?

Mr. AIKEN. I think the answer to those questions is perfectly obvious. It does not improve our profile in the rest of the world. It will not improve our prospects of getting completely out of the war in Southeast Asia at an early date.

In fact, we have been through this before. The majority leader may remember the day we were called to the White House, along with several of our colleagues, to be advised that we would undertake the bombing of North Vietnam; and it was pointed out that a few bombs dropped on them would soon bring them to their knees and they would be begging for peace.

Mr. MANSFIELD. The Senator is correct.

Mr. AIKEN. The Senator may recall that I protested rather vigorously to the President, Mr. McNamara, and Secretary Rusk, but they went ahead with it. I believe we lost a thousand planes, including many of our finest aviators, and something like 500 helicopters. I fear that these new raids, these incursions—I hope they are incursions and not a prelude to any invasion—will simply delay the end of the war, just as the initial bombing of North Vietnam.

I do worry about the effect which this failure to rescue prisoners of war—in spite of the fact that it was bravely carried out—may have on the more than 450 Americans now being held. I believe that we cannot abandon those people. The South Vietnamese hold about 30,000 prisoners of war. North Vietnam holds over 450 hostages, according to our best estimates. Certainly, we are not going to abandon the hostages who are held by the North Vietnamese, and the war will not be over until they have been accounted for and released.

I certainly appreciate the remarks of the Senator from Montana in regard to this whole matter. It points up the need for better understanding.

I understand, Mr. President, that perhaps two or three Members of Congress were called in the middle of the night to be advised that the resumption of the air raids on Vietnam was in effect. But that is not consultation.

Mr. MANSFIELD. No. But I would say it is a continuation of an old policy in which certain members have been informed after the fact. That happened in previous administrations as well.

Mr. AIKEN. The Senator may recall that the previous President, the predecessor to President Nixon, used to advise us shortly before the fact, a few hours in advance, and then asked us to keep still about it, which we did.

Mr. MANSFIELD. Mr. President, I appreciate the remarks of the distinguished Senator from Vermont.

I ask unanimous consent that excerpts from my interpretation of the Nixon doctrine, as contained in a report I made to the Committee on Foreign Relations and to the President in a private capacity, a year ago last August, be printed at this point in the RECORD.

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

PERSPECTIVE ON ASIA: THE NEW U.S. DOCTRINE AND SOUTHEAST ASIA

(Report of Senator MIKE MANSFIELD to the Committee on Foreign Relations, U.S. Senate)

Today, there are treaties and executive agreements and an accumulation of decisions of the executive branch which enmesh this Nation deeply in the affairs of Southeast Asia. In consequence, there are over 500,000 U.S. troops in South Vietnam and 50,000 in Thailand. In the general area and at least partially connected with our involvement in Southeast Asia are 40,000 men in Japan; 45,000 in Okinawa; 10,000 in Taiwan; 60,000 in the 7th Fleet; 30,000 in the Philippines and additional thousands on Guam—in all, a figure approaching 800,000.

Whatever the initial validity of these immense commitments, there is growing doubt as to whether it is wise or beneficial for this Nation and the countries concerned to perpetuate the present state of affairs. In the first place, the independence of Asian countries would be hollow indeed if it involved merely an exchange of a past colonial status for the indefinite prop of U.S. support. From our own point of view, moreover, the United States is feeling the adverse effects of the prolonged expenditure of lives and enormous resources and energy abroad, most of it in Vietnam and Southeast Asia.

In the interim, needs at home have been neglected—needs which are too obvious and omnipresent to require cataloging. They are all around us whether we live in cities or on farms, whether our homes are in New York, Washington, California, the Midwest, or Montana. The solution of these problems—whether they involve equality of treatment or pollution of air and water, or education, or public safety, or transportation and roads, or whatever—will require great and sustained inputs of initiative and attention at a time when these assets are heavily diverted abroad. They will also require substantial public funds in a period of inflation and of heavy tax burdens which result in large measure from military expenditures overseas and, notably, from the war in Vietnam.

While urgent needs at home are neglected, there is deep concern over the war in Vietnam which is still without an end in sight. The conflict continues to result in additional American dead and wounded every week and in expenditures at the rate of about $3 million an hour. Moreover, elsewhere in Southeast Asia there are shadow wars and the pockmarks of violent internal dissension. That these situations, under our present course, might evolve in the pattern of Vietnam gives rise to further concern.

Doubts as to our Asian approach are also fed by the visible consequences of the mass entry of American soldiers, money, and official establishments into Southeast Asia. To be sure, this entry has brought a great inflow of wealth and modern technology. In some places, however, little that is constructive is visible as a result. The very magnitude of the American involvement, emerging as it has in a short span of time, has imposed an almost indigestible alien presence and precipitated severe cultural convulsions.

To date, we have acted on the scale that we have in Southeast Asia largely to support small nations against what has been calculated as the threat of Communist aggression—notably from China. In fact, there was little expression of fear in any of the countries visited of an attack or invasion from China. Considerable concern does exist, however, that internal insurgent movements whose origins lie in local grievances or conflicts will be used as spearheads to influence by China or by North Vietnam. The principal threat to most existing governments in Southeast Asia, in short, seems to arise from within Southeast Asia at this time.

It seems to me that our presumption of a primary danger to the Southeast Asian countries, which they themselves do not perceive, does not provide a sound basis for U.S. policy. Rather, it tends to create for this Nation the role of self-appointed, great power protector in an area in which a militant young nationalism speaks the common language of resistance to foreign intrusion. It is sobering to recall, in this connection, that this Nation has never been an Asian power and, in my judgment, it is essential to avoid a further glissade into that ill-fitting role. Our vital interests with respect to the Asian mainland have always been peripheral. They are peripheral now. They are likely to remain peripheral in the future.

On the other hand, we have been and will continue to be a Pacific power. Vital national interests are indeed, lodged in that ocean. Four of our States border on the Pacific. In addition, one of them, Hawaii, lies in the middle of that vast expanse of water. We have territories and dependencies all over the Pacific. The Aleutian Islands are part of the State of Aalska. American Samoa, Guam, Wake, Johnston, Midway and the Howland, Baker, and Jarvis Islands are dependencies of the United States. The Trust Territory of the Pacific Islands, which we have administered since the end of World War II, comprises over 2,000 islands and atolls with a land area of 678 square miles scattered over 3 million square miles of the Pacific.

As a Pacific power, we have and will continue to have a profound interest in what transpires in the western reaches of the ocean. In my judgment, however, that interest can best be expressed not by our immersion in the regions' internal political affairs but by an orderly shift to a restrained and judicious participation, as on Pacific nation among several, in its peaceful development.

Indeed, it is difficult to discern any other reasonable course for this Nation in present circumstances. It is a new day in Asia. The age in which foreign military dominance of any Asian people was a practical possibility has long since ended. Even the postwar period of one-sided dependency—most of it on the United States—is drawing to a close. Civilized survival, not to speak of peace and progress in the Western Pacific, may well depend on the timely emergence of a new age of cooperation based on equality and on a mutuality of responsibility, respect, and tolerance between this Nation and all the states of Asia.

II. THE PRESIDENT'S NEW ASIAN DOCTRINE

In the course of his recent trip, President Nixon enunciated in the Guam Declaration a new approach to Asia and the Western Pacific which seems to me to take cognizance of the considerations that are outlined in the introductory section of this report. The President's Asian doctrine contains the following precepts, as I introduced them and as I interpreted them to various Asian leaders:

1. The United States will maintain its treaty commitments, but it is anticipated that Asian nations will be able to handle their own defense problems, perhaps with some outside material assistance but without outside manpower. Nuclear threats are

another matter, and such threats will continue to be checked by counterpoised nuclear capacity.

2. As a Pacific power, the United States will not turn its back on nations of the Western Pacific and Asia; the countries of that region will not be denied a concerned and understanding ear in this Nation.

3. The United States will avoid the creation of situations in which there is such great dependence on us that, inevitably, we become enmeshed in what are essentially Asian problems and conflicts.

4. To the extent that material assistance may be forthcoming from the United States, more emphasis will be placed on economic help and less on military assistance.

5. The future role of the United States will continue to be significant in the affairs of Asia. It will be enacted, however, largely in the economic realm and on the basis of multilateral cooperation.

6. The United States will look with favor on multilateral political, economic, and security arrangements among the Asian nations and, where appropriate, will assist in efforts which may be undertaken thereunder.

III. REACTIONS TO THE NEW ASIAN DOCTRINE

Achievement of many of the objectives stated above involves a reduction in the U.S. presence in Southeast Asia. While this report does not deal with Vietnam, it is obvious that the war there is the main cause of the massive dimensions which the U.S. presence has attained. That the possibilities of diminution are bound up with the end of that tragic conflict does not mean that application of the new doctrine must await the war's termination. Quite apart from Vietnam, there are other areas where contractions may be possible. Most immediately, under the new approach there is the possibility of curbing what seem to be built-in tendencies in the many-sided U.S. establishments in Asia to expand the U.S. presence.

In general, the leaders of Asian countries agree that the role of the United States in Asian affairs should shrink. Some uneasiness does exist that the pendulum will swing too far, from overinvolvement to noninvolvement. The fear is that the United States may leave the smaller Asian states in isolation and under the shadow of one or another more powerful neighbor.

There is also some uncertainty as to what the new doctrine will mean in specific terms. This uncertainty is understandable since there was not, at the time of my visit, any sign of a followthrough to the new doctrine. Indeed, other than the transient stimulus of the President's recent personal appearance, little, if any, change was visible. The concepts, practices, and programs by which U.S. missions in Asia have operated for many years remain the same.

Notwithstanding the President's recent visit and Presidential statements to the contrary, some U.S. missions still expect this Nation to continue as a major military factor in Southeast Asia after the conclusion of the war in Vietnam. Developments within Southeast Asian countries are still referred to as "vital" to this Nation's interests, "vital" implying more of a commitment than can be derived from a reasonable reading of the President's new approach. Ironically, in some U.S. embassies an inconsistency is not seen between budgetary requests for greatly increased U.S. bilateral assistance and, hence, greater U.S. participation in the indigenous situation, on the one hand, and the administration's new doctrine on the other.

In short, there is no indication, as yet, of when or how the size of the U.S. presence in Asia is to be reduced in any significant degree. It is a fact that the only reductions contemplated at the time of my visit were those which might result from a continuance of periodic blanket percentage cuts in personnel. These cuts were begun more than a year ago, not as a matter of policy so much as a measure of economy and as a palliative for balance-of-payments concerns.

It would appear, therefore, that the first order of business under the new doctrine is to see to it that the President's new concepts are reiterated and thoroughly explained throughout the U.S. departments and agencies concerned and that they are disseminated among all U.S. officials in Southeast Asia. It would appear, too, that directives which are both clear and firm will have to emanate from Washington if these concepts are to be applied effectively and with necessary dispatch by U.S. missions in Southeast Asia.

V. CONCLUDING COMMENTS

The President's new doctrine clearly calls for a contraction of the official U.S. presence in Southeast Asia. In some instances, the nations of the region have anticipated this contraction; in all the nations which I visited, there is understanding of its inevitability. Most are ready for the transition and, in general, welcome it, provided the U.S. interest does not disappear suddenly under a tidal wave of national retrenchment or indifference.

The President's doctrine, of course, does not carry in any sense the latter implication. Indeed, only by an utter disregard of our own national interests could we disengage completely our concern from the affairs of the Western Pacific. Without any such abrupt withdrawal, there is ample room for an orderly contraction of the prevailing U.S. presence in Asia. Most pressing, there is an immediate need for restraints on the built-in tendency of the presence to grow.

There is room, for example, for the following:

1. A contradiction of bilateral U.S. aid efforts and a shift to expanding U.S. participation in multilateral efforts in the economic development of the region.

2. A rigid and immediate curb on military aid and no deepening of our direct military involvement with any Asian government, to be followed by a reexamination of longstanding treaty commitments and their organizational substructures, notably SEATO.

3. Official encouragement and support of commercial, cultural, technical, and all other forms of nonmilitary interchange on a mutual basis, scaled to the level of the capacity and the clearly expressed desires of the Asian nations.

In my judgment, an interpretation of the administration's doctrine into policies and practices which follow the above lines would be acceptable in most Southeast Asian nations. Nor is it a matter of waiting for the end of the war in Vietnam. To be sure, when this costly and tragic enmeshment is brought to a close, the way will be facilitated for more rapid change. As I have already indicated above, however, and, as I have detailed in specific recommendations to the President in confidential reports, there is much that can be initiated now in order to contract and adjust American activities in Southeast Asia to bring them into line with his Guam Declaration.

It is necessary to reiterate, however, that as of the time of my visit to the region, the President's pronouncements had brought no follow-through in the U.S. missions abroad. Nor did they indicate to me the receipt of new guidance and instructions from the agencies of the executive branch. It would seem to me, therefore, that if the President's initiative is to precipitate the changes which it promises, there is a need for close collaboration between the responsible officials in the elected administration and the Congress.

As a first step, it would be my suggestion that an immediate freeze be placed on all official personnel increases, military or civilian, in Southeast Asia whether by Presidential order, with strong Congressional support, or, if necessary, by legislation, supported by the President, pending full study of the wide range of functions which are now pursued by U.S. Government agencies in Southeast Asia. Some of these functions which began many years ago appear ill-fitted or ill-scaled to present need. A full examination of this kind might well involve a joint effort of the President and the Congress, or it might involve parallel studies or multiple studies by one or the other. However it proceeds, this study should go forward, in my judgment, without delay. It is essential to the maintenance of a U.S. position in Southeast Asia which is relevant to our national interests, to the interests of the people of Asia and to the peace of the Pacific.

Mr. MANSFIELD. May I say that the Nixon doctrine, to me, means a low profile, not just in Southeast Asia or in east Asia, but also in all other parts of the world, as the Senator from Vermont has said. The Nixon doctrine means to me that troops will gradually be withdrawn from overseas in places such as Korea, Vietnam, Thailand, Taiwan, Okinawa, Japan, and the Philippine Islands, and that our bases will be reduced—they number approximately 2,000 at the present time—and that this doctrine applies to Western Europe just as it does to Asia.

May I say, also, that I concur with the distinguished Senator from Vermont, the ranking Republican in this body, in his plea for a bipartisan conduct of our foreign policy and closer consultation between the Executive and the Senate. Somewhere, somehow, there must be the beginnings of an end to the conflict in which we are engaged, and that end will have to be, in my opinion, not a miltary settlement, not a tit-for-tat policy, but a negotiated settlement. Until that negotiated settlement is found, the fires of conflict will continue to blaze in Indochina; and if the fires continue to burn, what nation will then claim the victory? All nations involved will only have lost.

So I join the Senator. I hope that what he has had to say will be given consideration downtown, I hope that all of us, regardless of our feelings, will recognize that there is no black and white picture so far as Southeast Asia is concerned; that there are gray areas which must be considered. Hopefully, there will come a coordination and an accommodation and a sense of cooperation which will benefit us not as individuals, not the parties we represent, but—to repeat what I said in the beginning and which I think is the basis of the distinguished Senator's speech—the welfare of the people of the Nation.

Mr. AIKEN. Mr. President, I point out again that, to me, the Nixon doctrine means that we play as a member of the team and not as a coach who assigns each of the other members to the position which we think they should occupy.

Mr. MANSFIELD. Yes. Not leadership; partnership would be better.

Mr. AIKEN. That is what I tried to express.

EXHIBIT 1

NIXON DOCTRINE BAFFLES THOSE WHO MUST USE IT

(By Murrey Marder)

Revealing glimpses of the federal bureaucracy's struggle with applying the Nixon

Doctrine have now appeared on the public record.

They show that when President Nixon first set out his concept of diminishing direct involvement with the world's troubles at Guam in July, 1969, the U.S. military-diplomatic-intelligence community registered not only support and hope but also shock, disbelief, bafflement and dismay.

A rare public symposium of articles by officials, consultants and others who support the Nixon Doctrine, but who explain with unusual candor the complexities of applying it, is printed in the November issue of the Foreign Service Journal. The journal is published by the American Foreign Service Association for professionals in diplomacy. The articles were cleared for publication by the State Department.

An introduction to the special issue describes it as an attempt to go beyond "ritual incantations" about the Nixon Doctrine and low-posture policy, and explore "the problems and opportunities posed by these new and still largely undefined concepts."

In blunter terms than White House officials normally use in acknowledging that the Nixon Doctrine is "no cookbook" with simple recipes for all world problems, a lead article pointedly notes "the lack of specifics in the Nixon Doctrine."

"The question of implementing a low-posture policy," wrote Thomas P. Thornton, a member of the State Department's planning and coordination staff, "is one of relinquishing power."

For the United States, said Thornton, the question is: "How can we divest ourselves of part of this role without seeming to incur a defeat in the traditional concepts of international politics? How can we get down from the tiger?"

"We have only begun the necessary study for a general application of the policy," he said. ". . . Even the Vietnamization program—the first fruit of the doctrine—has not met its critical test. The program has proceeded thus far under the wing of a large military presence. The critical point, both for the program and for our steadfastness, will come when Saigon must rely predominately on its own resources."

"Whether we have yet to meet the test in Cambodia or have the test in Cambodia or have already failed it," said Thornton, "depends on whether the May incursion turns out to have been a spillover of the Vietnamization program or a coup to relieve the pressure on Lon Nol."

Another writer, Jerome K. Holloway, now U.S. counsul general in Osaka, Japan, recalled the unusual form in which the Nixon Doctrine first hit Washington's unprepared officialdom—through news accounts of the President's "background" remarks to reporters on July 25, 1968, on Guam.

". . . No copy reached the State Department or the Foreign Service until Aug. 11," said Holloway, "no substantial guidance was pouched (sent via diplomatic pouch) until Sept. 2," while news accounts of subsequent explanatory White House backgrounders concentrated more on the power and commitments that the United States was retaining than on what it would relinquish.

When veteran U.S. diplomats, reared in Cold War doctrine, learned what the President actually had said, Holloway continued, the reaction in Southeast Asia "was one of incredulity."

"I was physically shocked when I learned what the Guam Doctrine meant," Holloway quoted one U.S. political officer as saying.

"One of the most senior officials of the State Department cautioned against reading into the backgrounder anything but a restatement of the President's hawkish side.

"An ambassador refused to read a telegram setting forth some examples of what a lower profile might be.

"And, when it came to specific implementation, these types of reaction were translated into the most stubborn and skillful bureaucratic delay."

But "no one would suggest that these reactions should be looked upon as sabotage," said Holloway. "They were the normal reactions of a generation of FSOs (Foreign Service Officers), USIA (U.S. Information Agency) and CIA (Central Intelligence Agency) officers and, above all, military officers who had been taught since 1945 that passivity was not the way to advancement either of career or of national interests or who had been thoroughly induced into what J. K. Galbraith has called the "cult of the cold warrior."

". . . To men with 25 years of such conditioning a double reading of the Guam Doctrine seemed heresy.

"Nevertheless, as months went by after the Guam backgrounder, progress was made in reaching a reduced presence and a lower profile.

"Often," Holloway continued, "this progress came about more as a result of budgetary limitations than from conscious attempts to enforce a new policy concept. The investigations of the Symington (Senate) subcommittee on bases and commitments brought both United States and Asian officials around to some cutbacks. In other cases, Vietnam in particular, the reduced role was related to domestic pressure. And in one case, Okinawa's reversion (to Japan), to enlightened statemanship and skillful diplomacy.

"And then came Cambodia (the April 30 crossing of the Cambodia border by U.S. troops)."

To persistent followers of the older, Cold War doctrine, Holloway wrote, "Cambodia was welcomed . . . as a return to an older and more comfortable faith.

"But if one looks beyond Cambodia and, if that is yet possible, beyond Vietnam, it is not hard to predict the persistence of the Guam Doctrine under its new name of the Nixon doctrine.

"As an exercise in policy and diplomacy, it faltered in Cambodia; as an exercise in bureaucracy it was no great success. Yet it has the wary support of Asian leaders, it has the support of significant parts of the foreign policy establishment in this country, and, most importantly, it can be made to reflect the budgetary and political realities of the United States in the 1970s without needlessly exposing ourselves or our friends in East Asia to danger."

Additional articles in the Foreign Service Journal discuss other questions raised by the Nixon Doctrine, from a constructive, rather than a hostile viewpoint.

Thornton, who stimulated the introspective examination for the benefit of U.S. diplomats, the primary readers of the Journal, issued a call for greater State Department activism to make the Nixon Doctrine work, with blunt notice that otherwise the conduct of foreign policy will increasingly fail by default to the White House.

". . . We of the foreign policy community," he wrote, "have been unduly slow in coming to terms with the Nixon Doctrine and must make up for lost time . . .

"Since a low-posture foreign policy is difficult to implement and the Nixon Doctrine points only in a general direction, the scope for ambiguity and misunderstanding—but also for creative application—is very great."

There is "no real question," he said, that a "low-posture policy" will be applied, but its terms remain to the formulated.

"In a narrower sense, this means that the choice is whether leadership in elaborating an effective new leadership will repose in the Foreign and State Departmental service, or drift still further down Pennsylvania Avenue."

EXHIBIT 2

VIET WAR: A NEW VERSION

Most efforts to reconstruct the history of our entanglement in Vietnam argue that we oozed into that quagmire through a series of small moves inadvertently taken by a sucession of reluctant Presidents.

But now, working separately, two former Defense Department specialists have come up with a new set of perceptive, provocative studies that challenge the comfortable thesis that we slid blindly into Vietnam.

One of these analysts, Daniel Ellsberg, is currently at the Massachusetts Institute of Technology. The other, Leslie H. Gelb, is at present with the Brookings Institution. They both presented their studies to an American Political Science Association meeting in September.

Though they differ in certain respects, both submit that our Vietnam involvement, far from having been accidental, resulted from deliberately calculated White House decisions made with a mixture of hope and doom.

Gelb contends that "those who led the United States did not stumble, fumble or carelessly step into the quicksand of Vietnam". On the contrary, he asserts, the American leaders "had a much better sense of where they were heading than they let the public know".

While no President viewed Vietnam as intrinsically important, Gelb says, each regarded it as "vital" because he interpreted disengagement to mean defeat that would damage America's prestige abroad and his own political position at home.

Accordingly, Gelb suggests, every President "persevered" in the belief that he could compel the Communists to relent—though each escalated only to the degree he considered minimal. Thus the process of involvement was gradual yet explained in verbiage that made Vietnam a "test case of U.S. credibility" for our enemies, our allies and especially ourselves.

The key affirmation in Gelb's study, then, is that while every administration was tragically aware of its inability to solve the Vietnam problem, each expanded our commitment because that seemed to be the only way to avoid or postpone paying the costs of failure that our own spokesmen had rhetorically inflated.

President Eisenhower, for example, conceded that the Communists could "possibly" have won 80 per cent of the votes in an election. Still, he saw "no real alternative" to hanging on in Vietnam lest the dominoes fall throughout Southeast Asia.

Similarly, President Kennedy is reported to have been skeptical about our chances. But he also subscribed to the domino theory and therefore opposed a withdrawal that, he said, would "give the impression that the wave of the future in Southeast Asia was China and the Communists."

Not only did Lyndon Johnson insist as well that there were "no alternatives" but, as Gelb suggests, he plunged deeper into Vietnam partly because he was untroubled by other world crises, partly because the war had become desperate, and partly because U.S. conventional forces had been built up sufficiently to permit intervention.

Reviewing the same period in his parallel study, Ellsberg rejects the arguments of Arthur Schlesinger Jr., Townsend Hoopes, Richard Goodwin and others that there are no villains in the Vietnam drama.

In Ellsberg's opinion, our increasing involvement stemmed from what he sardonically labels a "process of immaculate deception" by Presidents who knew yet failed to inform the public where their strategies might steer the country.

As early as 1961, Ellsberg points out, the Kennedy administration camouflaged General Maxwell Taylor's proposal to send U.S.

combat troops to Vietnam, thereby withholding from the public the seriousness of a situation that would later engulf us.

Ellsberg recalls from personal experience in the Defense Department in 1965 that, while President Johnson was publicly playing down the prospect of further escalation, the Pentagon was acting on White House orders to raise American troop levels in Vietnam.

Against this background, a crucial question at the moment is whether President Nixon is behaving differently—or whether he is following in the same track.

Like the Presidents who went before him, Mr. Nixon has made it plain in his speeches that he considers Vietnam to be "vital." In addition, he clearly stated as he invaded Cambodia last spring that he has no intention of accepting "defeat" in any form.

Therefore, though he has reduced the U.S. commitment numerically, the President has yet to demonstrate in words or deeds that he really aims to deviate from the pattern of his predecessors and disengage completely from what he himself enlarged into the Indochina war.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin is recognized for 10 minutes.

GOVERNMENT SUBSIDIES—BUDGET BUREAU NEGLECT

Mr. PROXMIRE. Mr. President, as everyone knows there is a vast array of direct subsidies, low-cost credit, benefits in kind, Government services, and tax subsidies in the Federal budget. Virtually every department and every agency is involved in some form of subsidy or subsidy-like program.

We provide subsidies for sugar and coffee purchased abroad. The United States contributes to international programs making below-market loans. We make direct grants to overseas projects.

The Defense Department subsidizes its contractors through progress payments which are, in effect, interest-free loans of working capital. Huge companies operate in Government-owned plants and use Government machinery, often at little or nominal cost.

For years the second- and third-class mail rates did not cover the costs of delivery. Newspapers received special rates. These costs were borne by the taxpayers.

FURTHER EXAMPLES OF SUBSIDIES

In the case of public works, neither the principal nor the interest is paid back. In the case of the irrigation portion of reclamation projects, the interest is forgiven. In other programs, interest rates are below market rates or, in some cases, below the cost to the Federal Government to borrow.

Vast sums are expended for medical research. Weather services are provided to commerce and industry. The airlines benefit from large expenditures of public money for airports and airport facilities. Shipbuilders receive direct subsidies for both construction and operations. A multitude of subsidies go to farmers either through subsidy payments for crops or for services provided by the Government.

Both the Department of Health, Education, and Welfare, and HUD provide a galaxy of subsidy programs to the public. At DOT all forms of transportation benefit from the direct or indirect largess which is ladled out to airlines, truckers, railroads, shipping, and automobile owners and manufacturers.

Not all subsidies are bad. Some for education, health, and job training return social benefits a dozen times over. In my own State, the proposed Dairy Cattle Forage Laboratory will bring returns of 100 to 1 to farmers in the more efficient use of forage crops.

DETERMINE EFFICIENCY

The point is, however, that we should determine first of all what subsidies there are and second, how efficient they are. It is obviously silly for the Federal Government to borrow money or to tax businesses and individuals in the private sector for funds which if invested would earn 12 percent—that is 12 percent they would earn in the private sector—and use them on a project in the public sector which will return only 3 or 4 percent. That is one of the reasons I am opposing the SST, and it is the reason that I have opposed so many public works projects. In them we are taking money from the private sector which could earn 12 percent and using it in a much less efficient way in the public sector.

I might add, Mr. President, every economist who studies this question, every liberal as well as conservative economist, agrees that this kind of Government investment is wasteful.

We should cut the inefficient programs. We should push those where the return is great.

One of the major reasons the Federal budget is as large as it is and the deficit this year is as big as it is, is the billions which go in subsidy and subsidy like payments. We need to get some control over them. We need to know how efficient each of them is. We should know which ones pay out and which ones do not. We should attempt to determine, in the case of each of them, their economic or their social payout. Those which are efficient, we should keep. Those which are wasteful and inefficient, or which serve only a marginal public purpose, we should do away with.

JOINT ECONOMIC COMMITTEE STUDY

In order to come to grips with this problem, the Joint Economic Committee has underway a study of subsidy and subsidy-like programs. We hope both to bring together factual data about just what subsidies exist and where they are found as well as some analysis and evaluation of how they work and their economic and social impact.

The one agency above all which should be both the main source of information and most concerned about such an effort is the Office of Management and Budget. It is they who review and recommend every dollar in the administrative budget. It is they whose job it is to be concerned about loan programs, back-door spending, excessive costs, and hidden subsidies.

That is their job. They should know more about it than anyone else. They should be the main source of data and information about subsidies since it is impossible to make intelligent choices between programs and expenditures without such information.

Because of that fundamental fact, as chairman of the Subcommittee on Economy in Government of the Joint Economic Committee, I wrote to George B. Shultz, the Director of the Office of Management and Budget. I asked for both help and information in developing our project.

ASTONISHING REPLY FROM DIRECTOR SHULTZ

But to my surprise and consternation, I received an astonishing reply. After telling us of his concern about the problem; after asserting that in the 1972 budget an evaluation of subsidy programs would be made; and after attesting to the usefulness of more professional and academic work in the area; Mr. Shultz wrote as follows:

I think that such a data collection and evaluation effort deserves more attention than we can provide. Also, our staff is already overworked. Therefore, I recommend that you rely on the resources of another body, perhaps the General Accounting Office, the Library of Congress, or the Brookings Institution.

What a reply. The budget is over $200 billion. The deficit this year will probably be in the neighborhood of $10 to $15 billion—much higher than originally projected. We hear constant platitudes from the executive branch about how savings should be made and spending should be cut.

But the agency in charge of the spending either does not have the fundamental information on which judgments about the budget should be made, or they are refusing, contrary to law, to make it available.

Here is the Office of Management and Budget whose job it is to review programs for efficiency, telling us to seek fundamental information about the budget from either Government organizations outside the executive branch or an outside private institution.

REPLY EXPLAINS WHY BUDGET OUT OF CONTROL

That answer by Director Shultz epitomizes the problem. It tells us why the budget is out of control. It explains more than any other single example why the programs of the Federal Government have grown so much, why spending is up, why functions are inefficient, and why taxes are so high.

In the past the old Bureau of the Budget failed to control or even evaluate military spending. The Pentagon had a blank check. Now the new Office of Management and Budget tells us they lack elementary information on Government subsidy programs, one of the largest contributors to both debt and deficits.

No wonder spending is out of control and taxes are excessively burdensome. The agency in charge of watching and controlling Government spending tells us to go somewhere else for basic data and economic evaluation of Government spending programs.

On this subject, the watchdog is asleep.

I ask unanimous consent that a copy of my letter to Director Shultz and of his letter to me be printed in the RECORD.

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

CONGRESS OF THE
UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C., September 28, 1970.

Hon. GEORGE P. SHULTZ,
Director, Office of Management and Budget, Executive Offices, Washington, D.C.

DEAR MR. SHULTZ: Federal subsidy programs continue to proliferate and today represent a large outlay of governmental resources. Among the general public, in the Congress, and in the Executive Branch, it is not difficult to find people who feel this is unfortunate because many of these programs are either wasteful giveaways or do not reflect the changing priorities of the country. Yet Federal subsidies persist and continue to grow because there is no comprehensive accounting of these programs. I am sure you are well aware and concerned about this situation.

The Joint Economic Committee has had a continuing interest in this subject, as evidenced by our original 1965 study "Subsidy and Subsidy-Effect Programs of the U.S. Government," and we would like at this time to put together a full accounting of Federal subsidy programs. Our objective, in this original effort is simply to raise the level of information on Federal subsidy programs by providing an objective, non-evaluative accounting of as many Federal subsidy programs as possible.

As you know, this is a complex area involving difficult conceptual and measurement problems. We have talked to several professional economists about these problems and have obtained their suggestions as to how to go about dealing with them. In addition, we have held consultations with people in the Treasury Department and people on your own staff, in the Office of Budget Review, the Office of Program Evaluation, and the Office of Management Information and Systems Analysis. I want to thank you at the outset for the cooperation of your staff.

We now feel that we understand these conceptual and definitional problems well enough to begin the accounting process. As you can appreciate, given the many subsidy programs that exist, we very much need help in gathering the data to fit our framework of study. We have requested that the Department of Treasury assist us in the gathering of data on tax and loan subsidy programs. We would appreciate your staff assisting in the compilation of a comprehensive list of direct payment, intergovernmental grant, and certain benefit-in-kind subsidies. Some conceptual guidelines, a working definition of subsidies, and a data form, are attached. In order to obtain the data for the attached form, it is requested that our staff representative, Mr. Jerry J. Jasinowski, receive the following assistance. One, the establishment of a contact person in the Office of Management and Budget, who is very knowledgeable about the specifics of the budget, and who could provide overall assistance on this project. Two, a representative from each of the budget review divisions to provide assistance on gathering data from that division. Three, access to individual budget examiners in those cases where only the examiners can resolve certain data questions.

In closing, I would like to assure you that I do not view this accounting of Federal subsidy programs as having a partisan dimension. The purpose of this study is to provide an objective and comprehensive cataloging of information on Federal subsidy programs for all interested users. Evaluation of subsidy programs, which will cause disagreement among many, but which I hope this accounting will stimulate, will necessarily take place subsequently.

I want to thank you for your assistance on this matter and for your continuing cooperation.

Sincerely,

WILLIAM PROXMIRE,
Chairman, Subcommittee on Economy in Government.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., November 13, 1970.

Hon. WILLIAM PROXMIRE,
Chairman, Subcommittee on Economy in Government, Joint Economic Committee, New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: I share your interest and concern about Federal subsidy programs. In our review of the fiscal year 1972 budget, we are attempting to evaluate whether Federal subsidy programs are serving national objectives. Where they are not, we hope to recommend changes to the Congress.

Now that we are at mid-stream in the budget review, I can appreciate the usefulness of more professional and academic work in this area. But I think that such a data collection and evaluation effort deserves more attention than we can provide. Also, our staff is already overworked. Therefore, I recommend that you rely on the resources of another body, perhaps the General Accounting Office, the Library of Congress, or The Brookings Institution. The 1972 Budget, when it is printed in January, should provide the basic accounting data which you need.

I was pleased to learn that the staff members of the Office of Management and Budget have been helpful in your initial exploration of the "difficult conceptual and measurement problems."

As you requested, I have asked Jack Carlson to be available as a point-of-contact as you develop your project.

Sincerely,

GEORGE P. SHULTZ, *Director.*

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, with statements therein limited to 3 minutes, and that, at the close of that period, the unfinished business, S. 3562, the drug bill, be laid before the Senate.

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

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may proceed for an additional 5 minutes.

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

U.S. TROOP WITHDRAWALS FROM THAILAND

Mr. BYRD of West Virginia. Mr. President, the United States is currently in the second phase of troop withdrawals from Thailand—a phase that calls for bringing home approximately 9,800 of our men and reducing our total troop strength in that Southeast Asian country to 32,000 men by next summer.

Our withdrawal program in Thailand has been successful to date. We now have an estimated 38,000 troops in Thailand, down from a peak of about 50,000 men in October of 1969.

Yet, Mr. President, while these withdrawals are encouraging to all Americans who want to see an end to U.S. involvement in Southeast Asia, I believe that our troop strength could be further reduced in Thailand without rewarding Communist aggression.

When we announced the withdrawal of 9,800 troops from Thailand last September, the Thai Government simultaneously announced that it would withdraw 50 percent of its 12,000 troops from Vietnam by this summer.

Mr. President, Prime Minister Thanom has recently announced an escalation in the Thai schedule of withdrawals from Vietnam; and, according to reports, no Thai troops will be in Vietnam after 1972. It is reasonable to assume that these troops will be employed in the defense of Thailand when they return home, and that an increased number of American troops, therefore, could be brought back to the United States.

To be sure, we are slowly turning over military operations in Thailand to Thai forces. The Takhi Airbase, for instance, will reportedly be given to the Thai Air Force by the end of this second phase of U.S. troop withdrawals. This base is located 80 miles north of Bangkok, in the central plain province of Nakhon Sawan, and was built at a cost of $17.5 million.

I am hopeful, Mr. President, that plans are in the works to turn over other American bases in Thailand to the highly improved Thai military. And I am hopeful that these plans—including a third phase of U.S. troop withdrawals—will be made public as soon as possible.

Mr. President, over 100 years ago, King Mongkut—the fourth Rama of the present Chakri Dynasty in Thailand—wrote in his personal memoirs that—

> It is for us to decide what we are going to do; whether to swim upriver to make friends with the crocodile, or to swim out to sea and hang onto the whale.

Those words, which referred to the situation in Southeast Asia a century ago, are relevant today. Under King Mongkut, Thailand chose to follow a basically independent course and rely on its own resources to protect its sovereignty—and it did so successfully.

It is noteworthy, Mr. President, that the first signs of friendship between the United States and what was then Siam were established during the reign of King Mongkut. It was he who offered war elephants to President Lincoln to fight the Civil War. And it is just as noteworthy, Mr. President, that the Thai will to de-

fend its freedom today is as strong as it was in the era of King Mongkut.

On more than one occasion, Thai officials have criticized American military presence in their country; and, on more than one occasion, they have asserted their belief that the Thai forces were capable of turning back any attack launched by the Communists.

Mr. President, in view of the increased Thai troop withdrawals from Vietnam, in view of the success of the Vietnamization program, and in view of the history of Thailand itself, I believe the time has come to announce and proceed with an escalation of American troop withdrawals from Thailand.

King Mongkut said:

It is for us to decide what we are going to do.

I believe that the United States also has that option, and that we should decide to take advantage of the Vietnamization program's apparent success to further disengage ourselves from military activities in Thailand.

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

A STEP TOWARD PEACE IN THE MIDDLE EAST

Mr. HATFIELD. Mr. President, within the past year many crises have beset the world ranging from natural calamities such as the tragic results of the cyclone recently in Pakistan to manmade adversity in Southeast Asia. There is little as yet that science had found that we can do to prevent natural disasters and the heavy toll in human death and misery that follows in their wake. We are, however, quite familiar with the roots of violence, be it domestic or international, and there are definite preventive measures that can be taken to decrease the probability of war.

The most volatile threat to world peace today, in my judgment, is the plight in the Middle East. The peoples of that land have known war for almost three decades, and while there is some hope for bringing the various protagonists together at a conference table, sometime in the future, there are significant steps that can be taken on a nondiplomatic front. Events subsequent to the recent peace initiative by the United States, are indicative of inadequacies in our policy in the Middle East. We, as well as virtually every party to the conflict, have failed to recognize the reality of the Palestinians and the claim they have to participate in any settlement. The core of the present dilemma facing the world in the Middle East is the Palestinian refugee. And irrespective of one's perspective on their claim to lands within Israel and Israeli occupied territory, it should be recognized by all that the solution to their problems will be the primary factor in bringing a lasting peace to the area.

An essential determinant in the hostility felt by the Palestinians is the refugee camps. Responsibility for meeting the health, educational, and medical needs in these camps is with the United Nations Relief and World Agency—UNRWA—but it depends on its funding from the member countries of the United Nations. As a result of the violent conflict between Palestinian guerrillas and Jordanian troops, the state of the refugee camps has deteriorated and UNRWA faces a $6 million deficit. If UNRWA's budgetary needs are not meet, the basic needs of the refugees will not be filled, the frustration in the area will be compounded, and the chances for peace will be diminished.

Mr. President, it is with a profound sense of urgency that I commend to my colleagues a statement by Laurence Michelmore, the Commissioner-General of UNRWA, and urge that the United States help alleviate the budgetary pressure UNRWA is facing. For it is in the interest of all of the parties involved—Arab, Israeli, American, and Soviet—that UNRWA's programs be not only continued, but their expansion stimulated as well. We have an opportunity to make a significant contribution to world peace and the alleviation of human suffering and I am hopeful that we can meet the challenge.

I ask unanimous consent that the statement by Commissioner-General Laurence Michelmore be printed in the RECORD.

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

STATEMENT OF THE COMMISSIONER-GENERAL OF UNRWA AT THE SPECIAL POLITICAL COMMITTEE OF THE 25TH GENERAL ASSEMBLY

Mr. Chairman, thank you for giving me this opportunity to present the Report of the Commissioner-General of the United Nations Relief and Works Agency for Palestine Refugees in the Near East for the period ending 30 June 1970 (A/8013). This is the seventh annual report that I have had the honour to submit to the General Assembly.

The year just ended has in many respects been the most difficult of the last seven years, and, I believe, of all of UNRWA's history.

In the introduction to the report I singled out as significant features of the year the financial crisis and the Agency's operating environment. I do not propose to dwell now on the latter but, again, as I said in the introduction, the two are to some extent inter-related.

Certainly the financial problem has become so serious that it is not an exaggeration to say that the very continuance of the Agency is threatened. This problem is so important and so urgent that I hope that members of the Committee will concentrate their attention in the first days of the debate on the financial crisis and how it can be resolved. The annual pledging conference, for the annoncement of voluntary contributions to UNRWA will take place in a few days, on Friday, 20 November. I must warn the Committee that unless there is a substantial increase in the amount pledged, a major crisis will be inescapable.

In recent years, attention has been called on many occasions to the growing financial crisis of UNRWA. The Secretary-General came in person to the Special Political Committee at the twenty-third session to express in the most forceful terms his conviction that UNRWA services to the Palestine refugees in the fields of relief, health and sanitation and education were essential and that adequate funds to maintain them should be found. Before the twenty-fourth session, the Secretary-General circulated a special report (A/7577) to stress the importance of securing sufficient income to carry on this essential work. At the beginning of this year the Secretary-General took up with a number of Governments the question of increased financial support to UNRWA. Again, before the present session the Secretary-General wrote in August to all members of the United Nations and of the specialized agencies to emphasize the need for effective action (A/8040). Meanwhile the Commissioner-General and the staff of UNRWA have used every occasion to appeal for the funds needed to maintain UNRWA's vital work. Some governments have responded generously to these appeals, and we are deeply grateful to them. The total response, unfortunately falls far short of what is needed to meet the steadily increasing costs.

UNRWA's costs would have increased to some extent because of the natural increase of the refugee population, with more persons eligible for UNRWA services every year, and because of the long-term upward trend in the cost of supplies and in wages and salaries. The level of UNRWA costs moved up much more sharply after 1967, however, because the hostilities of that year left many persons in greater need. At the same time, the inflationary trend in operating costs accelerated and bore heavily on the Agency's budget. Another factor of major importance in forcing UNRWA expenditures up is the increased cost of education, and in particular the increased enrollment in UNRWA/Unesco schools, as the population of school age rises each year. In the seven years from 1964 to 1971, UNRWA's total recurrent costs increased by $11 million. Of this increase $8.1 million is due to education. The explanation is simple. There are now 60 per cent more children in school than there were seven years ago and the costs of education have also increased by the same percentage. In 1971, about 46 per cent of the total Agency expenditures will go for education. This is more than the costs of food, shelter, clothing and all of the other relief services, on which most UNRWA funds were spent in earlier years.

As costs have increased, especially for education, income has also increased somewhat, but only at half the rate required. The resulting budget deficit has become more serious every year.

Naturally the Agency has examined very carefully, and many times, the possibility of reducing expenditures, especially for less important purposes. International staff have been replaced with local staff wherever possible, and savings from improved methods and procedures have been sought constantly. Beyond that, there have been actual reductions in the programme of relief services, and restrictions on health and sanitation activities, in order to conserve funds to try to meet the demand for education. Burial grants have been stopped, the distribution of blankets has been much restricted, funds for the maintenance of shelter have been almost eliminated, budgetary funds for women's and youth activities have been curtailed, and supplementary feeding (hot meals and milk) has been reduced in several respects. The monthly food ration which went to 870,000 persons several years ago is now being distributed to about 837,000 persons, although a strong case could be made for a much larger distribution. The

cake of soap which was formerly included in the monthly ration has been discontinued. The composition of the food ration has been changed; pulses which would have to be purchased with cash have been replaced by additional flour which is received as a contribution in kind. Rice would similarly have been replaced by flour this year, if contributions in rice had not been received. In the field of health and sanitation, restrictions have been placed on supplies, equipment and personnel in an effort to maintain essential services at the lowest possible cost. In education, larger classes and double shifting have been imposed by the financial stringency.

At the twenty-fourth session I informed the Committee that a number of drastic steps would have to be considered if income continued to be insufficient. Some of these measures were in fact put into effect. Apart from those relating to rations, the Agency, as had been indicated to the General Assembly, withheld subsidy payments which would earlier have been payable to certain governments in the area of education provided to Palestine refugees in government schools, for medical services provided to refugee patients in government hospitals, and for certain relief assistance provided by one government. Some reductions were made in supplementary feeding and some further minor economies were achieved in health and sanitation activities. University scholarships were also reduced. Altogether, measures taken in 1970 would amount to a reduction of $1.8 million or perhaps as much as $2.0 million on an annual basis.

Other possible reductions which had been mentioned to the General Assembly last year were withheld. In some cases it was hoped that Governments could be persuaded to take greater financial responsibility, and in other cases that other alternatives, less expensive than existing arrangements, could be found—but these efforts were not successful. In still other cases, such as in certain parts of the supplementary feeding programme, it so happened that special contributions became available to keep these activities going for this year at least, or—I have in mind for instance assistance to some categories of students in private schools—the possibility of a special contribution still exists. In any case, the opposition of the Governments concerned to further reductions was so strong, and the reaction that such measures might bring was potentially so explosive that the Commissioner-General, after consultation with the Secretary-General, decided to take the increased financial risk of holding further reductions until the General Assembly could consider the question once again.

I should like to be perfectly clear about reductions in programme. I have been convinced, and have testified to the General Assembly on several occasions that the activities which have been performed by UNRWA for the Palestine refugees are fully justified, and in almost every respect vital to the lives, health and welfare of the refugees. I hope profoundly that no further reductions need be considered, and that some reductions which have been made can be restored.

To do this, however, will require an increase in the Agency's estimated level of income of the order of more than $5 million. In fact, the most recent figures that I have seen indicate the likelihood that the shortfall may be more like $6.5 to $7.0 million in 1971. The only solution to the UNRWA deficit problem that can be considered satisfactory is an increase in the funds to carry on these activities by such an amount.

Is it realistic to think of such an increase? Is it within the realms of possibility? That is a question for Governments rather than for me, but perhaps I will be permitted to point out that the additional amount required would easily be obtained if there were a truly meaningful response to the General Assembly's plea last year, for instance, if countries that have felt obliged in the past to reduce their contributions to UNRWA contributed again at the level of their highest previous contribution, and other countries, whether current contributors or not, made contributions on a comparable level.

I would also like to call the attention of members to a paper distributed in the Committee last year (under symbol A/SPC/134) entitled Financing UNRWA Operations. In that paper, we set down for the consideration of the General Assembly several possible ways in which the UNRWA financial situation might be relieved. These include assistance under several possible formulae from the United Nations assessed budget, as well as possible assistance from other United Nations' programmes to meet some of the needs of the Palestine refugees.

Mr. Chairman:

The annual report, document A/8013, covers the period to 30 June 1970. Since then there have been several developments which should be noted. The tragic events in Jordan during the last half of September, and their consequences in increased hardships for the Palestine refugees and increased financial difficulties for UNRWA have been reported in document A/8084 and A/8084/Add.1. UNRWA joined with other organizations in providing emergency assistance, and regular Agency services were restored as soon as circumstances permitted. The Agency regretted only that its financial situation did not permit it to give greater help to those in need.

Another development which gave rise to grave concern was the outbreak of cholera in the region during the latter part of the summer, beginning about mid-August. Among the families of refugees registered with UNRWA, there were 67 cases of cholera; 6 in Lebanon, 13 in Syria, 3 in Jordan east of the Jordan River, and 45 in the West Bank. I regret to inform the Committee that of the 67 cases reported there were 6 deaths. The last case was reported on 9 November.

In the field of education, there is somewhat better news. Members may recall that in 1969, the Director-General of Unesco succeeded in arranging for secondary school certificate examinations to be held in Gaza. As noted in the annual report, paragraph 107, this required negotiations with the Governments of the United Arab Republic and of Israel and some rather complicated logistics in which Unesco and UNRWA staff were involved. The Director-General of Unesco was successful in making similar arrangements again this year and in late September about 8000 Gaza students were again able to take the examination.

Also, there has been some progress on the question of textbooks in the UNRWA/Unesco schools. An account of the situation up to 30 June is given in the annual report, paragraphs 100 to 105, and the resolutions adopted by the Unesco Executive Board in October 1969 and June 1970 are included as annexes to the report.

During the meeting of the Unesco Executive Board in October 1970, the Director-General was able to report that Israel had agreed to the importation of 55 textbooks which had been approved by him into the West Bank and 48 such books into Gaza. However, Israel felt unable, pending further consultations with the Director-General, to approve the importation and use of 8 Jordanian and 7 UAR textbooks which the Director-General had approved but which in the Israeli view contained objectionable passages.

Thus the problem is not completely solved, but very considerable progress has been made—perhaps 85% success as the Director-General of Unesco expressed it. The resolution adopted by the Executive Board at the conclusion of its debate asked that the matter still be pursued.

While I am speaking of education, I might mention also that the UNRWA/Unesco schools have now started another academic year. Some of the classes in Jordan are being organized temporarily in tents because of the damage which school buildings suffered during September. Enrollment figures are incomplete, particularly in Jordan, but information so far available indicates that once again there will be a large increase in enrollment, with total attendance of about 245,000 students in UNRWA/Unesco schools. Mr. Chairman,

Each of these developments bears on what we have been talking about, and on the importance of finding the funds needed to maintain UNRWA's services for the Palestine refugees.

The events in Jordan, which put UNRWA out of action for 12 days in September, demonstrated how vital the UNRWA services are to a very large part of the people of Jordan, and how quickly the needs of that part of the population were relieved when UNRWA services were resumed.

The cholera outbreak underlined for all of us the dangers which can still threaten health—and life itself—and the vital importance not only for the refugees, but for the whole community in which they live, that adequate health services and proper sanitation be maintained. These services must be kept up by someone—they cannot be abandoned. Unless and until someone else is prepared to take responsibility for these services, UNRWA must continue them.

The developments in education—especially the demand for the examination in Gaza and the further increase in enrollment in UNRWA/Unesco schools remind us once again of the importance that the refugees themselves place on education.

They realize that their future depends on it.

But UNRWA's ability to keep the school doors open for them depends on its income. Unless UNRWA income is increased to the extent indicated, there will have to be reductions. Such savings cannot be found in the relief, health and sanitation services. If further reductions are required, they will have to be made in education, and many school doors would have to close. This would be a great tragedy but it is precisely that tragedy which threatens the Palestine refugees.

JOINT COMMITTEE ON THE ENVIRONMENT

Mr. KENNEDY. Mr. President, I ask unanimous consent that the action taken on November 19, 1970, on House Joint Resolution 1117 be vacated, that the joint resolution in the form as amended and passed at that time be laid before the Senate for immediate consideration, and that it be in order to offer an amendment thereto.

The PRESIDING OFFICER (Mr. STEVENSON). Without objection, it is so ordered. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 1117) to establish a Joint Committee on the Environment.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, as amended and passed on that date.

Mr. KENNEDY. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

At the end of section (a), add a new sentence to read as follows:

"The appointment of members of the Senate during the 91st and 92d Congress to the committee shall be made without regard to the provisions of section 132 of Public Law 91-510, Act of October 26, 1970."

Mr. KENNEDY. The purpose of the amendment to section (a) of House Joint Resolution 1117 is to permit all Members of the Senate an opportunity to serve on the Joint Committee on the Environment. In its present form approximately 70 Members of the Senate would be excluded from serving on this joint committee by the provisions of the recently adopted Legislative Reorganization Act. This was not known when the Senate initially acted upon Senate Joint Resolution 207.

Subsequent to the filing of the Senate report on July 22, 1970, the Legislative Reorganization Act of 1970 was enacted on October 26, 1970. This measure provides in part that no Member of the Senate may serve at the same time on more than two standing committees and one special, select or joint committee.

This provision of the Legislative Reorganization Act has the effect of defeating the primary purpose of the joint committee. It was the clear intent of the cosponsors of Senate Joint Resolution 207 that the joint committee should serve as a forum in which environmental problems under the jurisdiction of more than one standing committee could be comprehensively reviewed and studied. A major purpose was to insure that ranking members of the standing committees having important environmental responsibilities would have an opportunity to serve on the joint committee and to coordinate a meaningful legislative environmental program.

The provisions of section 132 of the Legislative Reorganization Act would, however, prevent any Member already serving on a special, select or joint committee from serving on the Joint Committee on the Environment. The effect of this would be that no member of the Joint Committee on Atomic Energy or the Joint Economic Committee, for example, could bring their experience and expertise to bear on environmental problems involving atomic energy or the economy. This was not the intent of the sponsors or the committees which considered the bill.

Adoption of this amendment will resolve the problem.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the joint resolution.

The amendment was ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution (H.J. Res. 1117) was read the third time, and passed.

MESSAGE FROM HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the resolution (H. Con. Res. 786) providing for an adjournment of the House from November 25 to November 30, 1970.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 110. An act to amend section 427 (b) of title 37, United States Code, to provide that a family separation allowance shall be paid to a member of a uniformed service even though the member does not maintain a residence or household for his dependents, subject to his management and control;

H.R. 386. An act to amend title 37 of the United States Code to provide that a family separation allowance shall be paid to any member of a uniformed service assigned to Government quarters providing he is otherwise entitled to such separation allowance;

H.R. 9486. An act to amend title 37 of the United States Code to provide that a family separation allowance shall be paid to any member of a uniformed service who is a prisoner of war, missing in action, or in a detained status during the Vietnam conflict; and

H.R. 14252. An act to authorize the Secretary of Health, Education, and Welfare to make grants to conduct special educational programs and activities concerning the use of drugs and for other related educational purposes.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A resolution adopted by the Legislature of Rockland County, New City, N.Y., concerning proposed reductions in the allocation of Federal funds for the operation of the Head-start Program; to the Committee on Appropriations.

A resolution adopted by the Shasta Baptist Association, Redding, California, supporting the anticrime bill; to the Committee on the Judiciary.

PRINTING OF REPORT ON EASTERN RAPIDES AND SOUTH-CENTRAL AVOYELLES PARISHES, LA., (S. DOC. NO. 91-113)

Mr. BYRD of West Virginia. Mr. President, on behalf of my colleague, the senior Senator from West Virginia (Mr. RANDOLPH), I present a letter from the Secretary of the Army, transmitting a favorable report dated March 24, 1970, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on Eastern Rapides and South-Central Avoyelles Parishes, La., requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document with illustrations, and referred to the Committee on Public Works.

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

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TYDINGS, from the Committee on the Judiciary, without amendment:

H.R. 4302. An act to amend title 28 of the United States Code, section 753, to authorize payment by the United States of fees charged by court reporters for furnishing certain transcripts in proceedings under the Criminal Justice Act (Rept. No. 91-1368); and

H.R. 9677. An act to amend section 1866 of title 28, United States Code, prescribing the manner in which summonses for jury duty may be served (Rept. No. 91-1369).

By Mr. TYDINGS, from the Committee on the Judiciary, with amendments:

H.R. 12979. An act to amend title 5, United States Code, to revise, clarify, and extend the provisions relating to court leave for employees of the United States and the District of Columbia (Rept. No. 91-1371).

By Mr. McGEE, from the Committee on Appropriations, with amendments:

H.R. 17867. An act making appropriations for Foreign Assistance and related programs for the fiscal year ending June 30, 1971, and for other purposes (Rept. No. 91-1370).

BILLS INTRODUCED

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

By Mr. MANSFIELD:

S. 4537. A bill to amend the Federal Coal Mine Health and Safety Act of 1969; to the Committee on Labor and Public Welfare.

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

By Mr. HATFIELD:

S. 4538. A bill to promote public health and welfare by expanding, improving and better coordinating the noise abatement and control services of the Federal Government; to the Committee on Government Operations.

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

By Mr. DOLE:

S. 4539. A bill to amend the act of August 24, 1966, relating to the care of certain animals used for purposes of research, experimentation, exhibition, or held for sale as pets; to the Committee on Commerce.

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

S. 4537—INTRODUCTION OF A BILL TO AMEND THE FEDERAL COAL MINE HEALTH AND SAFETY ACT OF 1969

Mr. MANSFIELD. Mr. President, in the past, congressional concern prompted by several tragic mine disasters resulted in the passage of the Federal Coal Mine Health and Safety Act of 1969. At the time of the passage of this legislation, its full implications for all facets of the mining industry were not known, nor could it be expected that they be known. We have now reached that point in the administration of this act where I believe a review is in order.

For a great many years, a number of small coal mines have been operating in central and south-central Montana, providing coal, not for the national defense nor for industry, but simply for the heating of private homes. In the past months, my correspondence has been ex-

ceptionally heavy on the part of constituents, asking that some assistance be rendered in allowing these small mines to continue operating.

At my request, Mr. Henry Wheeler of the Bureau of Mines has visited Montana on several occasions. His most recent visit took place on November 12, 1970, at which time he visited with coal mine operators at Roundup, Mont., and met firsthand with the Janskovitch brothers, who operate a small mine near Red Lodge, Mont. The Janskovitch mine has, by provisions of the Federal Coal Mine Health and Safety Act of 1969, been closed to further operation. What we are faced with in this instance is the depriving of a family of their sole source of income, as well as those numerous households in the area dependent upon coal for heat. At this time, I would ask unanimous consent for the insertion of portions of Henry Wheeler's report to the Director of the Bureau of Mines.

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

MEMORANDUM

NOVEMBER 18, 1970.

To: Director.
From: Deputy Director—Health and Safety.
Subject: Meeting with coal mine operators in vicinity of Roundup, Montana, November 12, 1970.

In response to a request made by Senator Mansfield to Secretary Hickel, I went to Montana on November 12 and met first with the Janskovitch brothers who have a small mine near Red Lodge, Montana, and then with the operators of several small mines in the vicinity of Roundup. Jim Westfield, Assistant Director—Coal Mine Health and Safety, and Tony Moschetti, District Manager, Coal Mine Health and Safety District E, accompanied me. Mr. Floyd Brower, a lawyer who represents the operators at Roundup, attended our meeting with them.

The Janskovitch brothers have operated their small mine for many years (they said about 35 years) to produce coal for sale at the mine to people who come there to buy it in trucks and other small conveyances. Most, if not all, of the coal is burned for space-heating in local homes and stores. Some of it may find its way across the State line into Wyoming. The output of the mine has been about 400 tons a year. At $10.00 a ton, this would provide a gross income from sales amounting to about $4,000 a year. Except for a garden and an occasional deer and other game hunted by the brothers, they say, the mine is their only source of income and subsistence.

The brothers Janskovitch cannot understand why they cannot work in their own mine on their own property where *only they* are exposed to the hazards of operating the mine. They do not believe that the 400 tons of coal a year that they produce should be of concern, one way or the other, to the Federal Government. They do not believe that the mine is unsafe, but even if it is, they believe that they should be free to choose between operating the mine or, as they say, going on the welfare roles. In their view, the Federal Government has taken their only source of income without providing any off-setting compensation—and although they want to fight the Government, they cannot afford it.

I am sympathetic with the plight of the brothers Janskovitch. I believe there is a difference between a mine that is really important to the national defense and economy and one that is clearly of only local significance. Further, there is a difference between a mine in which the operator is also a miner and one in which the operator employs others to work in the mine.

There would appear to be at least two possible legislative alternatives: (1) provide Federal compensation to small operators who are unable to continue to operate under the new law, or (2) allow small operators to elect to continue operating outside the law or some portions of it. The first alternative would provide relief to the small operator, but it would not help homeowners and small businessmen who need the coal from the small local mines. Consequently, the second alternative would appear to be preferable.

Consequently, if anything is to be done, I would suggest something like the following. Amend the law to provide that, at least until the matter can be studied more thoroughly (possibly until December 30, 1971), certain small operators be afforded an opportunity to elect to operate without complying with the provisions of the law but only under conditions that do not constitute an imminent danger. Under such an amendment, the Bureau would continue to inspect the mines and point out conditions that would otherwise be violations of the law, but the Bureau could only order the workers to be withdrawn from the mines when conditions of imminent danger were found to exist. In effect, we would allow the workers to take calculated risks but not to take suicidal risks.

Although the criteria for small mines that might be afforded such an option should be given more thought, they might be about as follows:

1. The mine must have been in operation prior to December 30, 1969, the date of enactment of the Federal Coal Mine Health and Safety Act of 1969.

2. The mine shall have no more than five men working underground at any time.

3. The operator of the mine must work in the mine, and if there are other workers, they all must voluntarily and without intimidation elect along with the operator to operate under the exception.

4. The mine must be "above the water table" and have no history of methane accumulations in excess of 0.25 percent by volume anywhere in the mine.

5. All of the coal (or some high percentage of it) must be used locally for space-heating.

If it should be determined that the amendment should also provide a measure of protection against pneumoconiosis in the excepted mines, the amendment might exempt the mines from taking dust samples but require the mines to comply with the applicable dust standard as measured in surveys made by the Bureau of Mines.

I realize that any proposal for amending the law is subject to criticism, but I believe it is something that should be considered.

The operators at Roundup are doing quite well. They are buying equipment to get into compliance (how much I do not know, for they have not sent me a promised estimate of expenditures to date). They say, however, that they cannot afford to spend much more, and if this is true, they will likely have difficulty in continuing operations compliance with the law through the winter. In this regard, the aforementioned exception would also help them.

Mr. MANSFIELD. Mr. President, based on the recommendations provided in this report, I introduce a bill which would amend the Federal Coal Mine Health and Safety Act of 1969.

I think it important that all concerned understand that it is in no way my intention to weaken or undermine the intent of the Federal Coal Mine Health and Safety Act of 1969, but rather to provide an equitable adjustment for those mines which, for one reason or another, find compliance with the present act impossible. As a further demonstration of the needs of this situation, I ask unanimous consent that two letters bearing on this subject be inserted in the RECORD.

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

NOVEMBER 4, 1970. *Laurel, Mont.*

Honorable MIKE MANSFIELD,
United States Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: This letter is written in concern over the closing of the Roadside Coal Mine in Bearcreek, Montana by the Federal Mine Officals. I contacted Mr. Jim Murry, Executive Secretary of the Montana State AFL–CIO, about this matter and he said this letter to you would be the most effective way to handle it. Mr. Murry and I are both members of OCAW Local 2–443 here in Laurel, Montana.

The Roadside Mine is owned and operated by Frank and Leopold Janskovitch and Louis Yerman. This is a partnership and they employ no one. Leopold Janskovitch is my stepfather. I am not against the Mine Safety Act. My Father, Grandfather and Uncle were killed in the Smith mine disaster in Bearcreek in 1943. We need the Mine Safety Act. But I think it was meant to make safe, large mines with large numbers of employees and not to close down small operators. This is infringment on individual rights of people already operating at the poverty level. With all the unemployment we have, I can't see taking the livelihood away from these rugged individuals who are trying to stand on their own two feet.

The distinction between gaseous and nongaseous mines was eliminated in the recent Mine Safety Act and this is probably the source of most of this trouble. It is economically impossible for these small nongaseous mine operators to meet the elaborate safety regulations being forced upon them. Other mines in Montana besides Roadside Coal face this same situation and need help very soon to avoid their economic disaster. Any help Mr. Mansfield, that you can give to get these miners back to work will be very much appreciated. Would it be possible to correct the Mine Safety Act to exclude these small operators?

Congratulations on your resounding victory over Mr. Wallace in yesterday's election. You have my continued support and thank you in advance for help given Roadside Coal.

Sincerely,

SAMUEL J. MOURICH.

ROUNDUP, MONT., *June 10, 1970.*

MIKE MANSFIELD,
United States Senate,
Office of the Majority Leader,
Washington, D.C.

DEAR CONGRESSMAN: We have been told many times, "If we have a subject we are especially concerned about, write our Congressmen".

We here in Roundup, Montana have a serious thing confronting our people, town, county, and state. It is the Mine Safety Act of 1969, that has been enforced against our mines in this area, causing them to close. If it just concerned a few, it might be able to be overlooked, but this is a far reaching problem.

People from all parts of the state, as well as we in this area, depend upon the Roundup Mines for our source of energy. If the mines are not able to operate in this County, I'm sure our town will vanish. Many retired people who make their home here, cannot afford to convert to other means of heat and

will be forced to leave. Most all the business places in Roundup are also dependent upon our coal industries, for business as well as means of energy.

I have worked twenty six years in the local mines, and for the last few years have been employed at the Nies Coal Company. Therefore, I realize some of the regulations are impossible for small mines, with such low veins of coal, to follow. The safety equipment is not made for machines as small as those used in this type of mine. This mine closing will leave me, as well as many others, without employment next fall.

Since you are familiar with the area in Central Montana, I'm sure you must know how much we need our small mines to operate. Please do all you can to have this Safety Act revised in making it possible for the mining industry to continue.

Thank you for your effort in helping to keep Roundup on the map.

Yours truly,

ALBERT BRAIN.

NOVEMBER 9, 1970.

Hon. MIKE MANSFIELD,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MANSFIELD: I cut this article from the Bearcreek Banner, edited and published by their up-and-coming Mayor Fay Kuhlman.

This item expresses just what I want to say about the very fine folks—the Janskovitch of Bearcreek and their Roadside Mine.

Hope you give this matter your personal attention and do all you can for us.

Respectfully,

Mrs. MARIE HUNTER.

"ROADSIDE" IS CLOSED

Action prompted by new mine-safety laws brought orders to close down all mining at Bearcreek's last remaining active source of coal.

The telephoned order came from Washington, D.C. on threat of $10,000. fine for failing to comply.

The law, designed to force mine owners to install safety equipment for protection of their hired workers, was invoked to close the small, privately-owned mines also. Men working on their own property, where they, themselves, had properly handled all safety precautions, were forced to leave their only source of income. This law was used to say, in effect, "You might get hurt if you work, so quit right now—or pay the government $10,000." So today, they cannot go into their own mine and bring out coal for the many who depended on their product to warm their homes. The law is as senseless and unfair in the case of the Roadside Mine as if a housewife were told, "You might get burned if you cook in your kitchen, so quit right now—or pay the government a fine!"

Frank and Poly Janskovitch have personally mined their tunnels for 38 years, making their living from their own property, bothering no one, remaining independent and proud of being so—in the fine, true, old-American tradition. It was this spirit of pride in one's work, of dependence on self, and belief in the integrity of the individual's right to live as he chose, that caused America to be born in the first place, remember? It was this spirit also that made it thrive.

Frank and Poly are no longer young, nor is their mine a large one. Their vein of coal has required them to work on their knees, a fact that would, in itself, have put them out of business many years ago, had the mine's air supply and other factors been less than safe.

Returns from the small mine are not sufficient to pay for the expensive equipment required under the new law, nor do the Janskovitches feel it is necessary since they have worked their mine safely for nearly four decades. They have been alert always to the possibility of danger and provided safeguards promptly where the need appeared. Any tunnel appearing unsafe was promptly abandoned and closed off. Their ventilating shaft kept the air in the mine fresh and clean, fully adequate for two working men.

A law that may well fit the big mines, has indeed been nothing but a cruel crushing blow to the small, and if America is to exhibit any measure of justice in this case, small, privately owned and operated mines *must* be given exemption from this law!

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the text of the bill I am introducing today be printed in the RECORD.

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

The bill (S. 4537) to amend the Federal Coal Mine Health and Safety Act of 1969, introduced by Mr. MANSFIELD, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 4537

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That in the administration of the provisions of the Federal Coal Mine Health and Safety Act of 1969, such provisions, other than the provisions relating to imminent danger (as defined in such Act), shall not be applicable to any coal mine with respect to which a waiver is granted in accordance with the provisions of section 2 of this Act.

SEC. 2. Upon receipt by him, within one year following the date of the enactment of this Act, of any application made by an operator (as defined in the Federal Coal Mine Health and Safety Act of 1969) for a waiver pursuant to the first section of this Act, the Secretary of the Interior shall approve such application and grant such waiver if he determines that—

(1) the coal mine with respect to which such application is made shall have no more than five miners, one of whom shall be the applicant, working underground at any one time;

(2) the coal mine with respect to which such application is made was in operation prior to December 30, 1969;

(3) the applicant, together with all other miners working underground in such mine, have elected, pursuant to such means as the Director of the Bureau of Mines has prescribed, to work in such mine with respect to which such application is made with full knowledge of such waiver;

(4) the coal mine with respect to which such application is made is above the water table and has no history of methane accumulations in excess of 0.25 per centum by volume anywhere in such mine; and

(5) a substantial portion of the coal mined from the coal mine with respect to which such application is made is consumed locally for space heating.

SEC. 3. If at any time the Secretary of the Interior determines that any individual or individuals receiving a waiver pursuant to this Act is not in compliance with the provisions of section 2 of this Act, the Secretary shall so notify such individual or individuals to that effect and that he or they have thirty days within which to comply. Such notice shall set forth full details with respect to such noncompliance. If, after the expiration of such thirty day period, the Secretary determines that such individual or individuals have not satisfactorily complied in accordance with such notice, the Secretary is authorized to revoke such waiver. Immediately upon the revocation of such waiver or the expiration of the five-year period following the date such waiver was granted, whichever first occurrs, the provisions of the Federal Coal Mine Health and Safety Act of 1969 shall be applicable to such coal mine with respect to which such waiver was granted.

S. 4538—INTRODUCTION OF THE NOISE ABATEMENT ACT OF 1970

Mr. HATFIELD. Mr. President, as the country has become increasingly aware of the growing threat to our environment, attention has been primarily focused on air and water pollution. But there is another form of pollution which has been shown to be very harmful yet has received little public attention: noise.

Recently the Environmental Protection Agency was formed in which the various problems of our environment could be focused and possible solutions recommended. However, there was no provision made to deal with noise abatement with this agency. Today, consequently, I am introducing legislation which would create an Office of Noise Abatement within the Environmental Protection Agency. This office would help coordinate research on Federal, State, and local levels, provide grants for such research, help provide information regarding noise abatement to interested parties, and make recommendations regarding the promulgation of standards.

Mr. President, I am confident that the legislation I am introducing today will receive close scrutiny by the various Federal agencies which are already directing their attention to the problems of noise as well as the Environmental Protection Agency. And I am assured that we will be able to make an Office of Noise Abatement a reality through our mutual effort.

There is a bumper sticker now circulating which says:

Eliminate Pollution Before Pollution Eliminates You.

Immediately we will think of studies which threaten a lack of water by 1980 and conjure up the words of California scientists stating that within 50 years their State will be uninhabitable for any form of life. Or we hold our breath for a moment remembering that 142 million tons of smoke and noxious fumes are dumped into the atmosphere each year. Momentarily we feel brief panic and then for one reason or another, we forget the threatening words of the bumper sticker and go about our daily duties in a comfortable shield of self-deception and false security. Unfortunately such an attitude has now brought us to a situation in which the rapidly deteriorating quality of our environment is the most hazardous challenge to not only our health and well-being but to our very lives and those of our children and grandchildren.

Environmental pollution may not pose the immediate destruction that nuclear war does, but I might remind you that the effects are the same and just as lasting. And I might remind you that destruction at the hands of our environment is as immediate as your and my lifetime. And finally, I might remind

you that lack of inhabitable land, lack of food, lack of good water to drink and good air to breathe are the very conditions under which men become desperate and resort to any and all means to preserve their survival. It is with these thoughts in mind that I state my firm conviction that pollution—all forms of pollution: air, water, and noise pollution, overpopulation, land and soil pollution—is the most challenging and the most crucial problem facing the man of the 20th century. And it is with these thoughts in mind that I firmly believe that if we do not meet this problem with all the creativity and ingenuity of our age, then within a very short time nothing else will matter, for there will be nothing else to worry about.

Your concern with environmental pollution has brought you here today in order to form an effective citizen's group to combat this onslaught on our planet before it is indeed too late. Your special concern is with the assault of noise pollution on our society and in your recognition of noise as a pollutant you have established yourselves as somewhat pioneers in combating the effects of noise on our society. It was, therefore, an honor to be invited to speak at this organizational meeting of the Noise Abatement Council of America. Had such groups been instrumental in educating the public to appreciate the inevitable results of unconcontrolled air and water pollution and in affecting remedial action to combat these problems even 10 years ago then we would not be faced with the present national crisis in these areas. Today let us pledge ourselves to the task of preventing noise becoming another uncontrolled threat to our existence.

The effects of noise, although long a problem, have only begun to receive the well-founded concerns of government, health, industrial, and community organizations. We are already far behind the rest of the world in appreciating the scope of the problem. For our backwardness in the field of noise abatement the United States is now the noisiest country on this planet, and frankly, I hate to think that we are now carrying this lack of respect for civilized standards to other planetary bodies. Basically, noise pollution is reaching crisis proportions in the United States and I think that it is time that all of us wake up to this fact.

We should be concerned with noise as a problem because for over a century noise exposure of sufficient intensity and duration has been recognized to produce sensorineural hearing loss. But in spite of this knowledge, an overexposure to excessive noise is the major cause of hearing loss in the United States today. In fact it is estimated that 10 to 20 million people in the United States have some degree of hearing impairment.

Everyone realizes that if he is exposed to a very loud noise such as an explosion he may very likely wind up deaf—at least temporarily. What is not so apparent is that the effect of noise is cumulative; it produces as Dr. Leo Beranek, whose work is acoustics is international in scope, an "acoustic fatigue." Repeated moderate noise builds up to produce the same effect as would a single loud noise. And even more important is the fact that repeated noise is the only type, short of a shattering explosion, that produces permanent hearing loss. The importance of this is readily seen when one is considering the harmful effects of exposure to daily occupational noise.

Another matter of some concern is that the noise level of the United States is increasing at an astonishing rate. Over the past 25 years the average increase in noise level has been at one decibel per year. When one considers that damage to the ears can occur at sustained exposure to the ranges around 85 decibels and over, and given our present noise levels, it will not be too many years before noise levels in the United States became lethal. To quote Dr. Vern O. Knudsen, physicist and former chancellor of the University of California:

> If the noise we make keeps increasing at the present rate, it will be as deadly in thirty years in some of our downtown cities as were the ancient Chinese tortures for executing condemned prisoners.

We know, of course, that the most pronounced physical effect of noise is damage to the ear. Exposure to intense noise over varying durations causes partial and in some cases permanent hearing loss due to actual cell damage in the organ of the Corti located within the cochlea of the inner ear.

But noise has much farther reaching effects than just hearing damage. As Paul E. Sabine stated even back as far as the March 1944 issue of the American Journal of Public Health:

> There is a wealth of reliable data from medical sources in support of the Statement that sustained exposure to noise is a contributing factor in impaired hearing, chronic fatigue that lowers bodily resistance, neurasthemia, increased blood pressure, and decreased working and mental efficiency and that noise should rightfully be classified as an occupational hazard along with gases, fumes, dust, toxic liquids, and bacteria.

To put this into, if nothing else, economic perspective, the total cost to industry in compensation payments, lost production and decreased efficiency due to noise is estimated at well over $4 billion per year. In relation to business a World Health Organization report states that before 1939 office noise was costing U.S. business $2 million per day through inefficient work. Today that figure is $4 million. The psychological and physiological effects of noise are difficult to assess but the correlation between noise and such things as sleep disturbances, hypertension due to the constant response of hormonal and neurological mechanisms to noise stress, interference with basic communication, the loss in efficient performance and even damage to property must be counted as a very real and a very enormous threat to our wellbeing, not to mention the economic repercussions.

The effects of noise cannot be fully appreciated until we have more thorough studies in the field. One effect which needs to be especially explored by sociologists and criminologists is referred to in a recent Fortune magazine article. As related by Fortune:

> In the Bronx borough of New York City one evening last spring, four boys were at play, shouting and racing in and out of an apartment building. Suddenly from a second-floor window came the crack of a pistol. One of boys sprawled dead on the pavement. The victim happened to be Roy Innis, Jr., 13, son of a prominent Negro leader, but there was no political implication in the tragedy. The killer, also a Negro, confessed to police that he was a nightworker who had lost control of himself because the noise from the boys prevented him from sleeping.

This incident is extreme but worthy of our careful attention due to the implications it has on the worsening human problems which we are now experiencing in our cities.

Until recently the most authoritative voices about noise have come from within the industrial occupations due to the mere fact that noise has been a problem much longer in this area than in any other. Industrial management has become increasingly concerned with the adverse effects of noise on those persons who work under constant exposure to intense levels of noise—and, I might add, with due reason.

According to Dr. Glorig, director of the Callier Hearing & Speech Center in Dallas, Tex.:

> Industrial noise is now the most important single cause of hearing loss.

Despite numerous research, training, and regulatory programs now underway in some industries and in various Federal agencies, and despite the great strides accomplished in responsible noise abatement efforts in the occupational fields, there is still need for a vast amount of education in the field of occupational noise. For instance, B. F. Goodrich estimated that the total market for acoustical goods and products would reach $875 million by 1970, which if one takes into account all that this comprises is a very paltry sum.

Another example of the need for increased emphasis placed on occupational noise is the fact that permanent hearing loss caused by excessive exposure to noise is now a recognized occupation hazard and is compensable in only 35 States. I am always reminded of the basic lack of awareness in this field by an unfortunately true story which occurred when one of my aides was touring a textile factory in the South. When he commented on the high level of noise to which the workers were subjected, the manager hastened to assure him that immediate efforts were being made to correct the unpleasant conditions.

"Next week the factory is playing country-western music over the loudspeakers at a level which will block out the noise of the factory."

The noise of our industries is put into further perspective when one considers them in light of "safe" noise levels. There are differences of opinion about permissible occupational noise levels. The American Academy of Ophthalmology and Otolarynaology states that our present knowledge of the relation of noise exposure and hearing loss is much too limited to propose safe amounts of exposure. However, the academy recommends noise-exposure control and tests of hearing if there is habitual exposure to continuous noise at 85 decibels at a frequency of 300–1,200 cycles per second.

Noise is measured in a dimensionless unit called the decibel which is used to describe the levels of acoustical pressure, power, and intensity.

The decibel expresses a logarithmic ratio between two sounds. In other words, the difference between a noise with a decibel rating of 60 and that with a rating of 70 is a relative increase of 10 times the lower level. The frequency of noise expressed in cycles per second is useful for rating noise hazards since some frequencies are more likely to cause hearing damage than others, with high pitched sounds more annoying than low pitched sounds. The British Medical Society recommends hearing conservation measures when noise exceeds 85 decibels in the 250–4,000-cycles-per-second range.

The U.S. Air Force recommends ear defenders when personnel are exposed to 85 decibles in the 300–4,800 frequency range. The American Standards Association has suggested permissible daily quotas of exposure to noise which they suggest should protect the worker from hearing loss. Over an 8 hour working day they suggest a limit of 85 decibels at any frequency range above 700 cycles per second. In the Walsh-Healey Public Contracts Act the Federal Government has adopted 90 decibels at any frequency range as a permissible safe occupational noise level.

Only recently has there been concern about the entire realm of urban and community noise although millions of Americans are affected each day by the repercussions of this type of noise. As Dougherty and Welsh commented in "Community Noise and Hearing Loss":

> The savings quality heretofore has been that community noise has been a short-term exposure as compared to an 8 hour day period in industry. As the power use of both home and street increase, steps must be taken to limit the noise output. Otherwise, total timed exposure will exceed industrial standards that actually rely on regular audiograms to precent severe hearing loss.

Indeed the din in the cities at times far exceeds the noise levels considered safe for an occupational situation. A noise level of 100 decibels was once recorded on the Avenue of the Americas in New York City where the transit authority was building the extension of the Sixth Avenue subway. Construction is perhaps the most irritating source of noise to the urbanite and the problem is intensified when once we realize that there are virtually no legal controls on the amount of noise that can emanate from a construction site. In the absence of any forms of control the consequences are logical—existing knowledge for noise control is not even applied.

Noise control costs money, and it is not reasonable to ask sympathetic construction firms to invest in noise control only to let unsympathetic firms underbid them of jobs by avoiding the noise control costs. Air compressors, pneumatic drills, power saws, concrete mixers and other machines involved in the construction or demolition of buildings are permitted in some urban areas between 7 a.m. and 6 p.m., 6 days a week and at night with special permit. Combined with the poor soundproofing in modern apartments, the sounds of congested traffic which can reach upwards of 90 decibels, and the multitudinous other sounds of civilized living, the city dweller is caught in the midst of a cacophonic catastrophe.

Europe and such countries as Russia and Japan have for some time had strictly enforced noise abatement laws, including zoning and construction measures and national councils like the Swiss Anti-Noise Commission which deals with the basic medical, acoustic, and technical questions of road, rail, and water traffic; aircraft noise, noise in industry, building construction, homes, et cetera; and legal questions.

The United States by contrast has few laws regarding noise abatement and even those that it has are barely enforced. For example, New York City is one of the cities that has strict noise laws against horn blowing and even has a legal noise limit for the city of 88 decibels at 150 feet. If you have ever been to New York, I am sure that these laws will come as surprising news.

The final assault on the Nation's well-being due to noise and the one which brings you here today is that of aircraft noise. Of all the fields of noise abatement that of air transportation has received the most attention by industry and Government due to the obvious severity of the problem. The possible adverse effects of aircraft noise have been recognized for several years. In 1952 the Doolittle report pointed out that:

> Positive efforts should be continued by both government and industry to reduce or control aircraft noise nuisance to people on the ground and that substantial reduction of such noise is practicable.

Such firms as Pratt & Whitney, General Electric, and Boeing have been involved for some years in the research and development of a quiet engine. According to sources within the field, we are 5 years away from a prototype which when operational will only reduce the perceived noise level at takeoff and landing by 10 percent. The problem in this area is not so much a matter of money as lack of available technology. The sound of a jet taking off is approximately 130 decibels which is also the estimated maximum noise bearable to human ears. A reduction of 10 percent will barely scratch the surface of the noise problem in this area unless there is a major technological breakthrough.

Therefore, in combating aircraft noise we also need to pursue abatement efforts in the aspects of aircraft operations and apply methods of compatible landuse around the airports. In the realm of flight patterns, airport design and placement, guaranteed buffer zones, adequate soundproofing of buildings in and around airports, extension of runways, legal controls, and so on, joint action will have to be taken by the Federal Government, the airlines, and the community. With over 98 percent of our airports owned by some level of State government, it will be primarily up to the local governments and the airport operators of the same to effect noise abatement controls. In addition airport operators should share the responsibility of enforcing the new Federal Aviation Agency noise standards to be announced this month and closely coordinating local efforts with such programs as the aircraft noise alleviation program established under the FAA in 1961.

For examples of innovative noise control efforts I recommend such programs as that taken in the Los Angeles area in which community efforts and pilot programs have been established to abate noise at the Los Angeles International Airport. The Port of New York Authority has also carried out extensions costing several million dollars to the three runways at New York's Kennedy International Airport solely out of noise abatement considerations. Dulles International Airport near Washington is a good example of how zoning laws and design can be effectively employed to control noise levels emanating from aircraft.

But despite these examples, the fact remains that there is much left to do before we can successfully cope with aircraft noise. Your recognition of this fact has brought you here today. There are many questions which must be answered before actual work can even begin. The most important of these is funding of noise abatement efforts. Who is responsible? Should we ever obtain an operational "quiet" engine, the estimated cost of retrofitting our four engine commercial jets has been upwards of $300 million. This is perhaps the most touchy issue which will face you in your efforts to combat jet noise for the costs are formidable and the responsibility ill defined.

Another problem of considerable concern is that of the sonic boom. Until recently the shock waves from the sonic boom was confined to occasional military flights scheduled to fly over unpopulated areas of the United States. However, since President Nixon's request for $96 million for the current fiscal year ending June 30, 1970, in order to finance the start of construction of two SST prototype aircraft it now appears that within the next 10 years we will be subjected to the sound of commercial sonic booms. I am opposed to the development of this aircraft. Aside from the obvious criticism of low cost-benefit considerations, I find it difficult to justify the vast noise disturbance of this aircraft in light of the small domestic value derived. The plane has no defense value, will cost the Government a total of $1.29 billion, out of a total development cost of $1.51 billion, and its flights have been estimated to disturb 20 million groundlings every time the SST flies from coast to coast.

The repercussions of the noise problem have just begun to be understood and much has been done to alleviate the noise onslaught on our environment. For instance, New York City has a law requiring walls soundproof enough to reduce any airborne noise passing through by 45 decibels. Some construction companies have proved that buildings can be constructed quietly, by muffling blasting by special mesh blankets, welding instead of using the horrendous racket of riveting or bolting. New machines have been offered on the market which have a vast reduction in decibel rating over their old predecessors such as a new compressor

which reduces the decibel level from 110 to 85 decibels and a new paving breaker that has had its sound reduced by two-thirds.

New York, California, New Jersey, Minnesota, and other States have voted or have pending various legislation on noise abatement particularly in the realm of vehicular noise. Numerous local ordinances deal with specific noise problems of their area offering such things as prevention of transistor playing in public areas, zoning laws, et cetera. Some States have legislation which prohibits vehicles on its public highways that exceed certain established noise levels for that particular vehicle.

All of these are good beginnings but they cannot be assessed as anything more than just beginnings. What is needed are guaranteed standards for the man on the street, on his job, or in his home. In this category I would like to mention the Walsh-Healey Public Contracts Act which was signed into effect by Secretary of Labor Shultz on May 17, 1969. This act provides for a limit of on-the-job noise levels at 90 decibels at any frequency. This regulation only applies to firms that have a $10,000 or better contract with the Federal Government during the course of 1 year. The Walsh-Healey Act is a step in the right direction but again it is only a beginning. It only affects certain segments of workers and sets as a standard a noise level which is of debatable safety for an occupational level.

The real question at hand in the consideration of the noise level of our society is whether we are going to preserve the basic amenities of civilized life in the onslaught of technological advance.

As one noted figure in the noise abatement field, William H. Ferry, once said:

> We have been neither interested nor successful in controlling noise because we have been neither interested nor successful in coping with technology.

Some 60 years ago Robert Koch, a bacteriologist and Nobel Laureate predicted:

> The day will come when man will have to fight merciless noise as the worst enemy to his health.

That day is not so far away. The problem must be faced now before it is beyond our control. So I offer a few suggestions from my meager knowledge of the problem of what may prevent a continuation of the insult of noise on the future sensibilities of our Nation. The problem of our "cacophonic republic" requires education, public awareness, increased research and greater application of economical acoustical materials, and a great deal of cooperation and coalition of effort between industry, business, government, health officials and community groups in order to find and carry out solutions to local, regional, and national noise problems.

We need a uniform noise control standard for all industrial and office workers—a Walsh-Healey Public Contracts Act of more encompassing and more rigorous standards.

We need to educate consumer demand that will call for quieter jobs and products in order to make it desirable for industry to compete to produce both at less cost.

We need the city code level to handle such noise sources as garbage collection, construction, loud speakers, and motor vehicles. We need a regional approach to the research and development of programs directed toward the alleviation of the noises that plague particular areas of the United States. Lastly we need the full cooperation of the Federal Government in assisting, coordinating and financing these efforts to provide a quieter environment.

As Dr. William H. Steward of the Public Health Service once stated:

> Those things within man's power to control which impact upon an individual in a negative way, which infringe upon his integrity, and interrupt his pursuit of fulfillment, are the hazards to the public health.

Noise can and must be controlled as a danger to the public health and economy, but above all else we must commit ourselves to the control of the noise in our society on the basis of civilized standards.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD following my introductory remarks.

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

The bill (S. 4538) to promote public health and welfare by expanding, improving and better coordinating the noise abatement and control services of the Federal Government, introduced by Mr. HATFIELD, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

S. 4538

Whereas excessive noise jeopardizes the health and welfare of all Americans and unnecessarily detracts from the quality of American life;

Whereas millions of Americans are now exposed to noise levels that have been shown conclusively to produce hearing damage as well, in specific instances, physical damage to structures, interference with normal communication, performance degradation and disturbance and annoyance to daily living;

Whereas noise levels in the United States have been rising steadily especially in urban concentrations creating a sufficiently serious problem to warrant preventive action;

Whereas local groups seeking to improve their acoustical environment through meaningful political or legislative action are often impeded by the absence of authoritative, comprehensive, and well-balanced information from a readily accessible source;

Whereas the Federal Government should provide leadership in the attainment of a suitable acoustical environment;

Whereas, federal noise abatement and control efforts are currently spread throughout a number of Departments and agencies lacking the mechanisms to coordinate the total Federal noise abatement program, to handle administrative matters and to disseminate information;

Whereas it is the policy of the Congress to assist the Federal Government in fostering the quality of life in the United States: Now, therefore,

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

DECLARATION OF PURPOSE

SECTION 1. It is the purpose of this Act—

(a) to make available authoritative information relating to noise pollution, its effects and available means for its control upon request;

(b) to undertake an intensive campaign to inform the public, the consumer, state and local governments, educational institutions and industry of the risks and damaging effects incumbent in excessive noise.

(c) to provide a structure through which concerned citizens and adminstrators in the states, counties, and municipalities can become aware of the noise problems their constituencies have in common, leading to the development of more uniform noise abatement programs.

(d) to provide technical assistance and advice to states, counties, municipalities, and regional governmental bodies, commissions and councils for establishing and implementing noise abatement procedures and programs.

(e) to make small vs. technical assistance on a matching basis to States, counties, municipalities and regional government bodies, commissions and councils in order to assist in establishing noise control and abatement programs (that are not specifically handled through present grant programs in other Federal agencies and Departments charged with noise abatement responsibilities).

(f) to develop in cooperation with other Federal agencies, Departments and instrumentalities quantitative model local noise standards, codes and regulations,

(g) to establish a coordinating mechanism to assure the smooth and consistent operation of all Federal activities in the field of noise abatement and research.

(h) to establish an Office of Noise Abatement in the Environmental Protection Agency to carry out the above mentioned functions and to serve as the primary administrative focus within the Federal government on matters pertaining to the control and prevention and abatement of noise; to act as a liaison with the activities carried on by other agencies, Departments and instrumentalities of the Federal Government relating to noise abatement, prevention and control; to assist in defining the Federal role in noise abatement and to make recommendations with respect to any administrative or legislative action desirable in carrying out the goal of attaining a suitable acoustical environmental for all Americans; and to coordinate its concern and activities in the realm of noise abatement in the larger overall environmental program of the Environmental Protection Agency.

The Office of Noise Abatement would not be given authority for implementing noise abatement actions except at the State, regional and local levels in assisting in the establishment of noise abatement programs, but would carry out staff studies, answer public inquiries; serve as a focal point for disseminating information and educating the public; provide coordinating and reporting functions; and for other purposes.

ESTABLISHMENT OF AN OFFICE OF NOISE ABATEMENT IN THE ENVIRONMENTAL PROTECTION AGENCY

SEC. 2. (a) There is hereby established within the Environmental Protection Agency an Office of Noise Abatement (hereinafter in this Act referred to as the "Office").

(b) The Office for administrative purposes shall be headed by a Director and Deputy Director appointed in accordance with civil service laws.

(c) The Director is authorized to provide the Office with such fulltime professional and clerical staff and with the services of such consultants as may be determined as necessary for the Office to carry out its duties and functions as delineated in this act.

FUNCTIONS OF THE OFFICE OF NOISE ABATEMENT

SEC. 3. (a) The Office shall establish identifiable units to carry out at the minimum the four following functions—

(1) PUBLIC INFORMATION.—There should be established in the Office a National Clearinghouse on Noise Abatement to serve as a repository for all information relating to noise pollution its effects and control. The Clearinghouse is charged with collecting and maintaining a library of noise and vibration information, abatement measures, detailed data on noise sources, and standards and regulatory actions throughout the world. The Clearinghouse would be charged with the responsibility of handling all public inquiries made to the Federal Government of a routine nature, directing those inquiries outside of their jurisdiction or expertise to the appropriate Federal agency, Department or instrumentality or to another section of the Office of Noise Abatement. In addition to the responsibility of disseminating authoritative and well-balanced information relating to noise pollution, its effects and available means for control upon request, the Clearinghouse would be charged with initiating as a public service information to concerned segments of the public on the risks and damages incumbent in excessive noise levels and methods available to meet the problem of noise pollution.

(2) COORDINATION OF FEDERAL PROGRAM PLANNING AND DEVELOPMENT IN NOISE ABATEMENT.—There should be established in the Office of Noise Abatement an Interagency Committee on Noise Abatement headed by the Director of the Office and composed of a representative from the following Federal agencies, Departments and instrumentalities who have the authority to act as a spokesman for the agencies' noise abatement policies and programs—

Council on Environmental Quality
Department of Agriculture
Department of Commerce
Department of HEW
Department of HUD
Department of the Interior
Department of Labor
Department of Transportation
Civil Service Commission
General Services Administration
NASA
Veterans Administration
National Science Foundation
(Department of Defense, Post Office Department)

Functions and Duties of the Interagency Committee on Noise Abatement

(1) Serve as a mechanism for coordinating the noise abatement activities of these Federal instrumentalities.

(2) Meet as often as deemed necessary by the Director.

(3) Report not less than once each fiscal year to the President on the work of the Office, the work of the Interagency Committee, the work of Federal agencies and departments in the field of noise abatement as well as on the work and activities relating to noise control, prevention and abatement in the States, counties, and municipalities and regional government bodies and the role the assistance provided for under this act has played in such work and activity and make recommendations with respect to any additional legislative or administrative action necessary or desirable in carrying out the goal of attaining a suitable acoustical environment for all Americans.

(4) The Interagency Committee can be broken into groups for the purposes of carrying out their functions.

(5) The Interagency Committee shall meet as deemed necessary to—

assist the Office of Noise Abatement in formulating model noise codes, regulations, and standards;

to discuss the merits and implementations of such recommendations in the realm of the federal role in noise abatement as come to its attention (thinking here of Panel on Noise Abatement recommendations);

review the progress of federal noise programs, how Federal programs in the realm of noise abatement can be assisted and coordinated and what the needs are for the Federal role to be fulfilled in attaining a suitable acoustical environment for all Americans.

to air ways in which the Office can best assist other Federal agencies, Departments and instrumentalities in the discharge of its noise abatement responsibilities;

to review and make recommendations on Federal noise activities for its fiscal year report to the President.

PLANS AND REPORTS

SEC. 4. Not later than six months after the passage of this bill the Director shall make a report to Congress setting forth the estimate of the costs and personnel requirements of the Office of Noise Abatement to meet the objectives of the Office as set forth in this Act and the steps to be taken to achieve a systematic accomplishment of said objectives.

Report of the Interagency Committee

On January 1 following submission of the Director's report and on each January 1 thereafter the Director in conjunction with the Interagency Committee on Noise Abatement shall submit a report to Congress based on the findings of the Interagency Committee which compares the results achieved during the preceding fiscal year for provision of services with the objectives stated under this Act; state the accomplishments of the Office, Interagency Committee, other Federal agencies and instrumentalities in the realm of noise and the interaction of these programs with state and local governments; and make recommendations with respect to any additional legislative or administrative action necessary or desirable in carrying out the goals of attaining a suitable acoustical environment for all Americans.

GRANTS

SEC. 5. The Director is authorized to make through the Office grants on a matching basis to States, counties, municipalities and regional governmental bodies, commissions, or councils for the purpose of establishing effective noise control programs.

Grants made under this section will be made according to regulations promulgated by the Director. Funds shall be allocated after taking into account the number of people to be served by such a proposed program, the extend to which the program is needed, the relative need of the applicant and its capacity to make rapid and effective use of such assistance.

Any grant made under this section shall be payable in such installments and subject to such conditions as the Director may determine to be appropriate to assure that such grants will be effectively utilized for the purpose for which it is made.

Under the direct supervision of the Director with the assistance of Interagency Committee there is to be a unit which reviews project proposals submitted to the Office of Noise Abatement for grant application in order to assist States, counties, municipalities and regional governmental bodies in the development of noise control programs. These grants are to be made on a matching basis and should only be made in those instances which are not covered by programs under other Federal instrumentalities.

For the purpose of making grants under this section there is authorized to be appropriated such funds as are necessary for the fiscal year ending June 30, 1971.

U.S. PARTICIPATION IN CERTAIN INTERNATIONAL FINANCIAL INSTITUTIONS—AMENDMENT

AMENDMENT NO. 1081

Mr. MILLER proposed an amendment to the bill (H.R. 18306) 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, which was ordered to be printed.

(The remarks of Mr. MILLER when he proposed the amendment appear later in the RECORD under the appropriate heading.)

ADDITIONAL STATEMENTS OF SENATORS

THE DISASTER IN EAST PAKISTAN

Mr. KENNEDY. After 11 agonizing days of delay, reports from East Pakistan indicate that relief aid is finally making its way to the people who so desperately need it. How many survivors of the cyclone and tidal wave that struck East Pakistan last November 13 have needlessly died during the past 11 days of mismanaged aid remains a terrible, unanswered question.

What is certain, Mr. President, is that reports from East Pakistan continue to tell a horrifying story of massive human suffering made all the more horrifying by the mounting evidence of confusion and inexcusable delay.

The evidence of this mismanagement and lack of coordination is clear. The League of Red Cross Societies was forced to announce in Geneva over the weekend that they have delayed further relief flights to East Pakistan "pending the clearing of the bottleneck in Dacca." The lack of transportation—specifically, helicopters, landing craft, and seaplanes—meant that food and medical supplies piled up in Dacca warehouses while thousands starved in the disaster area.

Mr. President, the response of the U.S. Government is particularly suspect with regard to this lack of transportation. As of yesterday, only six U.S. helicopters were available to fly relief missions in East Pakistan. Four other U.S. helicopters still were being assembled in Dacca. Other than two light helicopters sent from Nepal, the remaining eight U.S. helicopters in East Pakistan were flown in from North Carolina.

I repeat, Mr. President, that these are the sum total of helicopters that the United States of America has thus far made available to East Pakistan. The Defense Department states that we have 4,000 helicopters currently available in Southeast Asia. Although I find it difficult to accept this figure as the true number of helicopters we have in Thailand, Laos, South Vietnam, and aboard our aircraft carriers, the question remains: Why were none of these 4,000 helicopters sent to Dacca? I cannot believe, Mr. President, that it is not possible for helicopters to be transported from our forces in Southeast Asia faster or more expeditiously than from North Carolina.

It should be noted that Great Britain managed to provide 11 helicopters, France three, and Pakiston four. Thus, there are only 28 helicopters, not all of them in working order, available in East Pakistan.

Mr. President, the lives of at least 2 million men, women, and children are at stake. The failure of this Government and other governments for the past 11 days to recognize the magnitude of this disaster is unconscionable. We are not talking about hundreds or thousands who might die. If adequate relief is not brought to the islands in the Ganges Delta the loss of human life could reach 2 million. In the face of this possibility, Mr. President, the United States has managed to bring exactly 10 helicopters to East Pakistan—and until today, only six of them were fully capable of being flown.

Mr. President, in 1948–49, approximately 2 million persons lived in the city of Berlin. Their lives were threatened by a Communist blockade. The United States responded with a massive supply of aircraft—upward of 225 aircraft—flying round-the-clock relief missions to that beleaguered city. Now, with another 2 million lives imperiled and after 11 days of delay, we have managed to provide only 10 helicopters. Our limited efforts demonstrate a gross distortion of consideration and concern when matched against the overwhelming need that exists in East Pakistan. Why is it, Mr. President, that we demonstrated such a tremendous concern for Berlin citizens in need during the Berlin airlift but when the lives of innocent Asian citizens are involved we appear hesitant and inadequate. Although Berlin may have been considered a question of national security, it seems to me today that the fate of 2 million persons anywhere in the world should evoke the same sense of priority.

It has also become clear that other aspects of the relief effort have been mismanaged. Why have we not yet dispatched teams of medical personnel specialized in communicable diseases to help stop the spread of cholera and smallpox? Why, in fact, do we not have such teams identified and available on call to respond immediately to disaster relief?

Why, after years of experience, is it impossible to achieve simple, basic coordination of international relief efforts? Why do unnecessary materials pile up in place of vital food supplies?

The net effect of all this has been that the survivors in East Pakistan may not survive at all. How such mismanagement could have been allowed to happen—how it continues even as of today—is difficult to imagine. Officials tell us there are many reasons for this failure. But these excuses are less and less tolerable when they are hauled out after each mismanaged relief program—whether in Nigeria, Peru, or, now, East Pakistan.

This is said not as an effort to "blame." Rather, it is said in an urgent effort to learn from this tragic event in Pakistan, so that in the future we can develop international mechanisms which can respond quickly and effectively to the needs of people ravaged by natural disaster. In fact, a U.S. aid relief administrator admitted on Friday that there is very little in the way of international coordination evident on the scene in East Pakistan.

It is in this context that I have spoken repeatedly of the need for a United Nations emergency relief service. Although the Secretariat of the United Nations has established a relief office along the guidelines I first proposed in 1969, this office is woefully underfunded.

Similarly there must be a new mechanism within our own Government to focus U.S. relief programs. A year ago, the Judiciary Subcommittee on Refugees, for which I serve as chairman, recommended the creation of a Bureau of Social and Humantarian Services within the Department of State. In a letter to President Nixon, on September 17, 1970, I reemphasized the inadequate relief apparatus that now exists, saying:

> There is no single office to give guidance and impulse, no regularized decision making process, no ready mechanism to quickly evaluate and respond to frequent emergencies, no central office controlling and weighing overall allocations of resources, and little high-level interest and concern in the effective operation of the various humanitarian programs.

The tragic news still coming out of East Pakistan only serves to reinforce my view that these proposals are long overdue.

Today, many governmental and nongovernmental agencies are striving to meet the massive human needs caused by the disaster in East Pakistan. Like other nations, our Government has responded with money and supplies and offers of help. Yet it remains a fact that today, 10 days later, men, women, and children are needlessly dying of hunger and disease.

We are a great nation. We have unequaled resources and technology which we have harnessed for the bitter ends of the Vietnam War. Surely the United States can match that effort when the lives of innocent victims of natural disaster are at stake. If we are found wanting when the goal is relief, if we display a hesitancy that borders on neglect, then we truly must face the reproach of all mankind.

Hopefully, the nations of the world will recognize what has happened in East Pakistan and will move speedily to provide an adequate international relief apparatus to reduce the effects of the natural disasters that undoubtedly will strike in the years ahead.

So that the record may be clear as to where we stand in the current East Pakistan relief effort, I ask unanimous consent to have printed in the RECORD certain official and journalistic reports and the full text of my letter to President Nixon on the need for a Bureau of Social and Humanitarian Services.

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

[From the New York Times, Nov. 22, 1970]

EAST PAKISTAN: CYCLONE MAY BE THE WORST CATASTROPHE OF CENTURY

Two of the world's greatest rivers, the Ganges and Brahmaputra, converge on the Bay of Bengal from east and west, carrying to it pulverized rock from the Himalayan glaciers and silt from the plains of India. The total flow into the combined delta region of these and tributary rivers is equal to seven Mississippis.

The result is an area of low-lying islands and peninsulas in East Pakistan, rich in soil, temptingly fertile for the growers of rice, the staple of the Indian subcontinent. Yet the region is one of the most impoverished in the world. The wet monsoon each year soaks the land and produces a rich rice crop; the rest of the time the land is dry and unproductive. And with the central government of Pakistan far away, on the other side of India, East Pakistan has traditionally been a stepchild in budget allocations and Government attention.

DEATH TRAP

Moreover, the rivers that give the region its bountiful harvests also periodically make it a death trap for those who live there. Annual flooding is a way of life for the several million inhabitants, and surges of the sea, during hurricanes, sometimes take a heavy toll in lives.

The hurricanes, known there as cyclones, march up the Bay of Bengal, blowing the sea into the narrowing head of the bay. So shallow is the bay that the heaped-up water cannot flow back in a deep countercurrent, and high tides 10 feet or more above normal may occur.

Nine days ago, this vulnerable region was struck as never before in recent history. The tide rose an estimated 25 feet above normal, whipped by winds of 100 or 150 miles an hour to produce savage waves that swept across the densely inhabited delta region. It appears to have been the greatest disaster of the 20th century, with a loss of life exceeding 500,000.

The storm struck in the dead of night. A large part of the population was apparently taken completely unawares. On Bohla Island, with some 900,000 inhabitants, one native told a reporter from this newspaper that, aroused from slumber, he managed to climb a palm tree and cling to it in the raging wind.

BREAKDOWN IN RELIEF

The waters, in a surge sometimes called a tidal wave, swept the land clear, leveling homes and destroying crops. When dawn came and the waters receded, the man climbed down to find that, of the 25 children in his family and those of his relatives, not one had survived. None had had the strength to climb above the water and hold on. As the tide receded, it carried thousands of bodies out to sea and countless more lay scattered across the sodden landscape.

Reports tell of a nightmare situation, with bodies hanging in trees and entire villages wiped out. Those who survived drowning lack food and potable water. The Ganges is the world's chief breeding ground of cholera and plague, and those scourges now threaten to erupt in the stricken area.

There also seems to have been an almost total breakdown in organization and transportation needed to bring in relief. Not only are modern communications largely absent, but the shallow waters make it impossible to distribute supplies with ordinary ships. Helicopters are the most efficient vehicles for the task, but in recent days only a handful have been available. Press reports from Pakistan say that, apparently for political reasons, the Government delayed requesting outside help. The United States has numerous helicopters in South Vietnam, 1,000 miles away, but the six that have just been sent were from the United States proper and from an aid mission in Nepal.

Why had not more been done to protect the populace againt such disaster? The vulnerability of this region was well known. In October, 1960, two hurricanes killed 15,000 to 50,000 of its residents. As with the present

disaster, the political structure was too loose to produce accurate statistics. American specialists were asked to study the situation, and Gordon Dunn, former head of the National Hurricane Center in Miami, spent four months there.

Among the resulting recommendations was one for an effective warning system. For example, Mr. Dunn recalled last week that on one island, with 250,000 inhabitants, there was no electricity and only one battery-powered radio. The entire area is so low that, when the sea rises, there is no place to go. He proposed that earth platforms be built on the islands, suggesting that they could also be sites for schools and other public buildings.

Another recommendation was for radar stations to watch for storms coming up the bay. Last January, one such station was dedicated at Cox's Bazar on the coast near Burma. However, the breakdown seems to have been in bringing the alarm to the populace; nor does much appear to have been done to provide sanctuary platforms.

POLITICAL RAMIFICATIONS

The disaster is bound to have political ramifications in Pakistan's general election, two weeks hence. It has also generated some bitter comment on Capitol Hill in Washington.

Why, Senator Edward M. Kennedy asked on Friday, is the United States so well prepared to dispatch military support anywhere "in a matter of hours," yet cannot effectively aid those struck by a natural disaster? "Why is it that when our real or alleged security is threatened, we can consult governments and send our representatives all over the world to gain support, but when a people in need cries out for help we are suddenly incapacitated?"

The only comparable disasters of this century were a 1920 earthquake in China's Kansu province, taking an estimated 180,000 lives, and one that leveled Tokyo in 1923, with a death toll of 143,000. In 1911, a flood of the Yangtze River killed 100,000, but one must go back to the Yellow River flood of 1887 for a comparable catastrophe. Its estimated toll was 900,000.

U.S. ACTIONS IN EAST PAKISTAN DISASTER RELIEF AS OF NOVEMBER 23, 1970

[Official list supplied by Department of State]

The disaster occurred in East Pakistan the night of November 12–13. Indications of the enormity of the damage done and lives lost began to emerge on November 14.

Immediately thereafter, our Consul General in Dacca authorized U.S. voluntary agencies on the spot to utilize U.S. Government Food for Peace commodities and USAID resources which automatically are made available by American missions in foreign countries when disasters strike.

President Nixon on November 15 cabled President Yahya Khan a message of sympathy and an offer of help.

Ambassador Farland made an emergency donation of Rs. 250,000 ($52,000) from contingency funds on November 17.

A special joint AID/State East Pakistan Disaster Action Group, organized within the AID Disaster Relief Division, dispatched an initial emergency air shipment of 10,080 blankets and 1,000 tents to Dacca on a chartered commercial aircraft November 17. The shipment arrived in Dacca November 19.

The White House on November 17 announced the establishment of a high-level Inter-Departmental Working Group on East Pakistan Disaster Relief, chaired by Maurice J. Williams, Deputy Administrator of the Agency for International Development. The Working Group went into operation that afternoon.

At the same time the President directed that the Working Group prepare initially to provide assistance up to $10 million through local currency and dollar funding, PL–480 and other programs for immediate relief in the disaster area and for later reconstruction.

On November 17, 50,000 metric tons of wheat under PL–480 Title II (Emergency Relief) were authorized for early shipment to East Pakistan to replenish stocks being drawn down for emergency distribution.

Four large U.S. Army UH–1h (Huey) helicopters and support crews were sent from Pope Air Force Base in North Carolina to Dacca on November 18 aboard three C–141 transport aircraft. The first arrived in Dacca and began to operate in the disaster area on November 20. The rest followed soon thereafter.

Two smaller Bell helicopters were sent from the AID Mission in Nepal to East Pakistan on November 20 to assist in relief operations.

Two additional flights of relief supplies—mostly packaged foods—provided by the Office of Civil Defense and CARE departed the U.S. for Dacca on November 19 and 20. The shipments arrived on November 21 and 22 respectively.

Four more UH–1h helicopters, which had been standing by for possible dispatch to East Pakistan since November 19, left Pope Air Force Base the morning of November 21 aboard three military transport aircraft. The Government of Pakistan's request for these additional aircraft was received in Washington earlier that same morning. With these four additions, which arrived in Dacca this morning, the total of US helicopters provided to the relief operations now stands at 10.

Fifty motorized inland watercraft departed the US on a chartered commercial aircraft on November 21. The boats arrived in Dacca this morning.

Four more chartered planes departed New York this weekend, each carrying 90,000 pounds of specialized packaged foods or plastic water bottles to carry drinking water to survivors. Two more flights will follow this week.

The U.S. Government stands ready to release, in Pakistan currency, a substantial part of the $4.7 million worth of foreign currencies it has left from a legislatively limited $5 million fund for emergency uses overseas.

To date, AID has allocated $2 million to the world-wide Disaster Relief Account from the contingency funds for dollar expenditure in the U.S. and for reimbursement to the Department of Defense for East Pakistan relief operations. Approximately $1.3 million of this allotment has been spent so far.

AID is also prepared to draw on U.S.-owned rupees in Pakistan for immediate reconstruction works, such as coastal embankment repair, particularly those with high-employment impact.

[From the Washington Post, Nov. 23, 1970]

EAST PAKISTAN POOR IN BEST OF TIMES

(By Lee Lescaze)

DACCA, Nov. 22.—In the best of times, East Pakistan is a nightmare of underdevelopment.

It is the most densely populated area in the world with about 77 million people living in an area the size of Maryland, and some 2.5 million of them lived last week on the mud flats of the Ganges Delta.

Now perhaps 500,000 of those people are dead, and the country is only slowly getting relief supplies to the survivors.

From a low-flying plane, only small groups of people can be seen in southeastern Patuakhall, southeastern Bhola and Haitya, the districts worst hit by the wind and waves. Cleared yards bordered by palm trees mark where buildings used to stand. But the houses have been blown away.

There appears to be little activity in the devastated areas most of which are still almost completely isolated nine days after the storm. Small boats, the major form of transportation in the delta, disappeared in the storm. Roads were cut when waves swept over them, and there are no landing strips for even small aircraft.

Relief supplies and soldiers to help distribute them are arriving in Dacca from foreign countries, but Dacca's mood is not one of crisis. The capital of East Pakistan is carrying on business as usual, according to resident here, and only in a few cities are Pakistanis and foreigners trying to arrange for an adequate and sufficiently rapid relief program to prevent further great loss of life in the delta.

On the government-declared national day of mourning Friday, perhaps 10 per cent of Dacca's more than 1.5 million people pinned black crepe to their clothes because it is not a personal tragedy here. Few of Dacca's people have immigrated from the southern delta, so there are few family ties to the region.

Indifference and lack of organizational experience and manpower threaten to prolong the delta's suffering and have already become a political issue. East Pakistan is a Bengal state. Its people have no common heritage with the Punjabi people of West Pakistan more than 1,000 miles away, but are the same people as those of India's West Bengal which borders East Pakistan on the west.

With only 15 per cent of Pakistan's land area and an estimated 56 per cent of the national population, the East has been the poor partner since Pakistan came into being with the partition of India in 1947. Pakistan is generally considered to have a good record on development, one well-informed observer remarked, except that none of the development has been in the East. Exports from the East, mostly jute and jute products, have earned more than half of Pakistan's total foreign exchange, but East Pakistan does not get back its own input, officials here say.

PAKISTAN POLITICS

Pakistan's politics dictated by the West have added to East Pakistan's economic problems. There is no coal here, but coal is bought in Vladivostok rather than 40 miles away in West Bengal. As part of rival India, the neighboring province is not an approved trading partner.

Two East Pakistani resources, fish and natural gas, could only be sold to a nearby market. Without being able to sell fish or gas to India, it is impossible to exploit these resources.

Traditional grievances against the West have been brought to the surface by the cyclone disaster. Politicians seeking to stir up anti-government emotions are making speeches and seeking to postpone the legislative elections scheduled for Dec. 7. President Yahya Khan's military government has said there will be no postponement except possibly in the nine electoral districts directly affected by the storm. It is certain that relief efforts will be continuing on election day, and most officials here believe it will take at least until then to know the full extent of the survivors' needs and to be able to estimate with some precision how many people were killed.

DISAPPEARING ISLANDS

Some islands have not been visited at all since the storm, and it is reported that a few of the smaller inhabited islands vanished completely the night of Nov. 12–13.

U.S. Ambassador Joseph Farland told a brief press conference after flying over the devastated delta with reporters, "We are doing all we can."

There is enough food in East Pakistan already, but officials have not yet been able to arrange adequate distribution systems.

Whether or not the relief efforts succeed quickly, East Pakistan will face grim mathematics of suffering in the years ahead. Agricultural production is increasing by an esti-

mated 2 to 3 per cent annually. The population grows more than 3 per cent each year. Industry is stagnant, except for jute-processing, and there is a declining world demand for jute.

There are high hopes that a new rice strain, IR–20, will prove suitable in the delta and other rice-growing areas, enabling East Pakistan to stop importing 2 million tons of grain a year, most of it from the United States.

There is no sign, however, that the population-control program is having meaningful results. One official predicts that in 15 to 20 years, even with the complete success of the new rice strain, people will once again be encroaching on arable land and the downward spiral of living conditions will resume.

Despite the devastation, millions will continue to live in the Ganges Delta, knowing that there will be another cyclone. There is simply no room for them to live elsewhere.

PAKISTAN DEATH TOLL RISES; LACK OF COPTERS STALLS AID

DACCA, PAKISTAN, NOV. 19.—The official death toll in East Pakistan's cyclone disaster rose sharply today as offers of assistance poured in from countries all over the world.

However, authorities were finding it almost impossible to deliver supplies to the survivors of last week's disaster.

The official government estimate of the number of persons who died in the cyclone and storm waves rose to 150,000.

The first American relief plane was scheduled to arrive here today, and two small U.S. helicopters in Nepal were prepared to fly in.

In addition four crated American helicopters were expected here Friday and it was understood that Pakistan had asked for 30 more.

But the big question remained whether aid would arrive in time to save more than one million homeless survivors.

Local newspapers predicted astronomical total death tolls. An English language daily predicted that 1.5 million would die, and the Bengali daily Songgram had a figure of 2 million.

Pakistan told the League of Red Cross Societies in Geneva that it needed $12 million for local purchases of blankets and clothing. A total of 27 countries have so far pledged aid worth $2.6 million in response to an appeal by the League.

In London, Foreign Secretary Sir Alex Douglas-Home announced to a hushed House of Commons that the government was boosting immediately aid to $1.2 million.

The first means of transportation capable of reaching some of the worst hit islands of the devasted Ganges delta region arrived here in the form of 13 British army assault craft, flown in from Singapore.

But after they were unloaded at high speed at Dacca Airport and Pakistanis were told how to operate them, the boats were moved to a nearby warehouse. There was no immediate indication when they would be sent to the distressed areas.

Emergency shuttle flights between Teheran, Iran and Dacca were interrupted yesterday by India's refusal to offer landing and refueling facilities.

Later, however, India, which has been at loggerheads for years with Pakistan, agreed to liberalize regulations for overflights of foreign military planes crossing India to East Pakistan.

The Pakistani air force has some helicopters, but most are in West Pakistan and would have to fly across hostile India. Three times during a news conference today, Relief Commissioner A. M. Ainsuzzaman refused to answer questions about the failure of the military to provide more aircraft.

Anisuzzaman's relief air force consists of a military C–130 Hercules freighter which was to start drops today, one military helicopter which had to be grounded for maintenance after 14 hours aloft, one short take-off-and-landing plane, and the only seaplane in East Pakistan.

The air is the only feasible avenue for delivery of supplies to many of the stricken areas of the Bay of Bengal coast and the islands at the mouth of the Ganges River because all normal transport facilities were swept away by the winds and waves. Helicopters are particularly needed because many sections are still flooded, and drops from fixed-wing planes probably would miss the dry spots and be lost in the water.

Official sources in New Delhi said orders had been issued to clear "immediately" all requests for Pakistani military aircraft carrying relief supplies to fly over the 1,000 miles of Indian territory separating East and West Pakistan.

A Defense Ministry spokesman said all transit facilities, including refueling, were being offered at Indian airports for the Pakistani planes.

He added that the requests have so far concerned only Pakistani air force C–150 cargo planes, not helicopters, which are based in West Pakistan and badly needed in the East. But the spokesman pointed out these helicopters could be carried in the cargo planes, which have been given clearance.

Among the countries that have offered assistance to Pakistan are: The Soviet Union, Saudi Arabia, Jordan, Syria, Israel, Australia, Holland, Yugoslavia, Communist China, the United States, Belgium, Italy, Norway and Denmark.

[From the Washington Daily News, Nov. 20, 1970]

SCANDAL OF PAKISTAN RELIEF

(By Ian Brodie)

DACCA.—East Pakistan Army lorries which could be taking food to the starving stand idle in barracks.

Aircraft vitally needed for emergency work continue to shuttle commercial cargo and passengers or remain on the ground.

A helicopter which could be saving lives is grounded for want of spare parts from West Pakistan

Soldiers who could be burying bodies and animal carcasses before they cause disease are weeding garrison flower beds. Other troops do their early morning physical training.

The failure of Pakistan to mobilize in a war against death is becoming a scandal of international proportions.

Yesterday Pakistan turned down a West German offer to start immediate rice drops. Another German plan to fly in a 100-bed field hospital was shelved indefinitely by Pakistani authorities.

The two refusals have shocked and angered diplomats and foreign aid workers in Dacca who are trying to prod Pakistan into getting relief work started speedily.

The turndown comes at a time when more and more officials are beginning to accept unofficial figures of a high death toll ranging from 200,000 upwards.

I was given assurances that relief machinery was being cranked up on a massive scale to cope with the cyclone disaster. I was told everything was being put on a "war footing" and would soon swing into action.

But I am now convinced these assurances were false. Their fiction was exposed by East Pakistans' hard-pressed relief commissioner who admitted that only one cargo plane and one helicopter were dropping supplies.

COOL HILLS

Pakistani Officials excused this by saying India would not allow more military aircraft to fly over India from West Pakistan. But there is no evidence that Pakistan even asked India—certainly it did not do so publicly.

And even if India had refused, the aircraft could have come round via Ceylon.

On Monday President Yahya Khan flew over the disaster area in an aircraft. On his return to Dacca he said no effort must be spared to help the thousands of cyclone victims. Next day he took off for the cool hills of Rawalpindi, 1,400 miles away, where his cabinet is reported to be reviewing the situation.

STRICKEN AREAS

Part of the reason for this indifference lies in the fact that West Pakistan has all the wealth and power and treats overcrowded East Pakistan as something of a colony.

East Pakistan has 73 million people in an area slightly larger than England. It has endemic malnutrition, a stagnant economy, 84 percent illiteracy, 28 percent unemployment and not enough land.

Yesterday I went out again on the lone helicopter which is dropping rice and blankets to stricken areas. We had two runs, a total of five tons, a mere drop.

Every time we hovered over a devastated village survivors came racing thru the ruined paddy fields to grab the bags being pushed thru the door and the rear bay.

But there were many other villages we had to fly over empty. There we could see people pathetically waving sheets to try to attract our attention.

FILCHING RICE

At one place where we landed, local leaders had to beat back the starving villagers with sticks to stop them filching the rice before it could be fairly distributed.

Dacca's campaigning newspapers have taken up the cry for more action. Headlines today said: "Deploy the Army" and "Where is the relief" The Pakistan Observer warned that survivors would not survive for long without water, food and medicine.

LETTER TO PRESIDENT RECOMMENDING BUREAU OF SOCIAL AND HUMANITARIAN SERVICES IN DEPARTMENT OF STATE

Senator Edward M. Kennedy, Chairman of the Judiciary Subcommittee on Refugees, today called for "a new, creative effort to encourage stronger national leadership in international humanitarian and refugee affairs," recommending the establishment of a Bureau of Social and Humanitarian Services with the Department of State.

In a letter to President Nixon, following his foreign assistance message to Congress on Tuesday, Senator Kennedy said: I want to express my personal support for the effort being made to raise the priority of humanitarian assistance overseas and to find more viable administrative arrangements for channeling this assistance into areas of need. In the total context of our Nation's foreign policy, humanitarian questions are only one of many problems. But in today's world, on both humanitarian and political grounds, I feel they are questions which increasingly demand continuing high-level attention, leadership, and action by our own country and the international community at large.

In an accompanying memorandum to the President, Senator Kennedy said: "Responsibility for refugees and other humanitarian affairs is hydraheaded and diffuse, which fosters neglect and indecision where action is needed."

"Nothing illustrates more the shortcomings of our national policy on humanitarian assistance, than our uncoordinated response to the human need produced by the recent earthquake in Peru, our ambivalent and tardy response to the massive human tragedy produced by the Nigerian civil war, and our early failure to anticipate and identify the very serious problems of displaced persons and civilian casualties in South Vietnam and

Laos, which even today are not being accorded the priority they so rightly deserve."

In addition to recommending a presidential appointee and a new bureau to handle governmentwide international humanitarian services, Senator Kennedy also recommended strong U.S. support for current efforts in the United Nations to establish a United Nations Emergency Relief Service, which Senator Kennedy first recommended in February 1969.

(The full text of Senator Kennedy's memorandum to the President follows:)

I. Over the past few years, intensive study by the Senate Judiciary Subcommittee on Refugees, as well as a number of experts in government and the private sector, has resulted in several conclusions on the status of humanitarian concerns and programs in United States foreign policy. These conclusions can be summarized as follows:

A. In recent years our national humanitarian concern for refugees and others in distress has not measured up to the needs of our time. For example, the shift in focus of major refugee problems from Europe to the underdeveloped areas of the world—from a "cold war" to a universal framework—has not carried with it the perspective, creative concern, and dynamic spirit which gave impulse and direction to American activities in earlier years.

B. Our current approach to these problems, especially in the underdeveloped areas of the world, is governed more by insular, *ad hoc*, temporary reactions to individual situations—too often gauged by the degree of congressional and public pressure—than an overall unified policy fully integrated into the mainstream of United States foreign relations. There is, to use Department of State phraseology, "no ultimate repository of policy formulation," and, as a result, no visible humanitarian policy and goals for world refugee problems and similar concerns.

C. There is no administrative unity among the various departments and bureaus of the executive branch which are presently concerned with refugee and humanitarian affairs. There is no single office to give guidance and impulse, no regularized decision making process, no ready mechanism to quickly evaluate and respond to frequent emergencies, no central office controlling and weighing overall allocations of resources, and little high-level interest and concern in the effective operation of the various humanitarian programs.

D. As a result, responsibility for refugees and other humanitarian affairs is hydra-headed and diffuse, which fosters neglect and indecision where action is needed. While this judgment is applicable to the total apparatus of humanitarian assistance, in some instances it is equally applicable among the various departments and bureaus involved in any one problem.

E. Nothing illustrates more the shortcomings in this significant area of public policy, than our uncoordinated response to the human need produced by the recent earthquake in Peru, our ambivalent and tardy response to the massive human tragedy produced by the Nigerian civil war, and our early failure to anticipate and identify the very serious problems of displaced persons and civilian casualties in South Vietnam and Laos, which even today are not being accorded the priority they so rightly deserve.

II. To help unify policy and operations in refugee and other humanitarian affairs, those most concerned with this issue generally support at least the following suggestions on remedial action:

A. The proclamation of a revitalized policy of national humanitarian concern for refugees and others in distress—a comprehensive and continuing policy which is clearly visible to our own citizens and the international community, a compassionate policy which more fully and faithfully reflects our traditional humanitarian concern for our suffering fellowman, a flexible policy which forcefully declares to the world our readiness to act in concert with others promptly and effectively at all times, and an active policy which is fully integrated into the overall conduct of our foreign relations.

B. A new, creative effort to raise the level of responsibility and encourage stronger national leadership in international humanitarian and refugee affairs—by bringing administrative unity into the apparatus of assistance, and by establishing workable procedures and appropriate channels for cooordinating policy, fiscal, and operational matters among the many scattered segments of the bureaucracy concerned with this significant area of public policy and concern—

1. The highest official in the executive branch directly responsible for world refugee and humanitarian concerns should be appointed by the President, subject to confirmation by the Senate. To insure a degree of continuity and permanency for these concerns within the administrative structure of the Department of State, his office and responsibilities should be prescribed by law.

2. To accomplish this objective, serious consideration should be given to abolishing the Office of Special Assistant to the Secretary of State for Refugee and Migration Affairs, and to reorganizing the Bureau of Security and Consular Affairs—by renaming the Bureau, the Bureau of Social and Humanitarian Services; by redesignating its head an Assistant Secretary of State; by transferring the current powers, duties, and responsibilities in the Office of Special Assistant to the new Bureau; by broadening the new Bureau's mandate in humanitarian affairs; and by excluding from the new Bureau and moving elsewhere in the Department of State, the Passport Office and the Office of Special Consular Services, which are currently a part of the Bureau of Security and Consular Affairs.

C. The very active American support of current efforts within the United Nations to establish a United Nations Emergency Relief Service, which I first proposed in February 1969, and which was subsequently included as a recommendation in a report of the Judiciary Subcommittee on Refugees issued on November 3, 1969.

1. In cooperation with other offices and agencies of the United Nations, regional organizations, individual governments and voluntary agencies, such an emergency service would provide a readily available mechanism, under international auspices, to render massive emergency assistance to populations ravaged by armed conflict or natural disaster.

2. No broadly based, impartial, and continuing international organization—devoted solely to humanitarian purposes—currently exists. Yet the frequency and experience of vast human suffering—of the kind produced by armed conflict in Nigeria and Indochina and elsewhere, and by natural disaster in Tunisia and Iran and Peru—underscore the need for a greater international commitment and more effective machinery to salvage broken lives in time of crisis.

3. To invoke the prestige and resources of the United Nations for a new international humanitarian alliance, is a task which deserves high priority in our own government and the counsels of government throughout the world.

THE DANGER TO MOTHER EARTH

Mr. GRAVEL. Mr. President, a great deal has been written and said in the past few years about the terrible problems of pollution we face in our Nation and the world. But seldom have I read a statement as eloquent and inspiring as that by the distinguished senior Senator from West Virginia (Mr. RANDOLPH), entitled "What's Happening to Mother Earth—A Warning," published in the U.S. News & World Report of November 23.

As I invite the attention of the Senate to this extremely timely and valuable contribution by Senator RANDOLPH, I also would like to pay tribute to his leadership on the Senate Committee on Public Works, on which I have been privileged to serve the past 2 years.

There are those who merely talk a great deal about fighting pollution, Mr. President, and there are those who continue to work to fight pollution—quietly, conscientiously, day in and day out, through the committee structure of the Senate. Such a man is the Senator from West Virginia, who began working in this cause long before it gained popular acclaim.

He has achieved unsung successes through his mastery of the political art of compromise and accommodation of conflicting points of view. Compromise is a word often despised by the special leaders for or against any cause. But compromise is the essence of our political system and I believe with the chairman of the Committee on Public Works that our long-term national interests are served best by the kind of painstaking, time-consuming, balancing, and negotiation among contending factions—with legitimate desires, aspirations, and grievances—that produce a course of action which will not wholly satisfy any party, but which, through its basic fairness, will be acceptable to all.

That kind of a solution to national problems has been the hallmark of the work of the senior Senator from West Virginia in this body since his arrival. His comments in U.S. News & World Report are a good measure of his considered views, and I commend them to Senators and the Nation.

In my mind, Senator RANDOLPH is one of the great unsung national leaders in our efforts to protect our environment.

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

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

WHAT'S HAPPENING TO "MOTHER EARTH"—A WARNING

(By Senator JENNINGS RANDOLPH)

Throughout the Bible and religion, emphasis is given to the wonders of nature.

In the 36th chapter of Ezekiel it says: "Then will I sprinkle clean water upon you, and ye shall be clean from all your filthiness. . . ."

And I can almost hear John Wesley imploring a congregation that "It is a responsibility that cleanliness is next to godliness."

Right in the beginning, in the second verse of the Bible, we read of perhaps our most basic of natural resources: "And the Spirit of God moved upon the face of the waters."

Without water the earth would be barren, lifeless, yet perhaps because of its basic nature and abundance, water is too often taken for granted.

The use of water, though, is being limited today, not just because of a growing population but because the industry that sustains our standard of living is draining the sources of water dry.

We are harvesting the bitter fruit of haphazard development and neglect, the misuse of our oceans, lakes and rivers, Streams that once were clear and pure are now rainbow-colored, not from the reflected glow of the sky but from wastes dumped into them.

All too many of our supplies of water are devoid of plants and animals that are vital for man's life as well as the sport of fishermen. The contamination we have produced is tragic in its devastation. In our State of West Virginia, the Kanawha River—one of America's most industrialized waterways—has become severely polluted. Serious questions of public policy have been raised by a proposal to build a major impoundment on the New River which flows into the Kanawha from other States. Such a project would periodically release large quantities of water that would flush the pollutants from the Kanawha River, but at the same time possibly diminish the recreational potential of the New River between the impoundment and the Kanawha.

So the correction of our mistakes often forces agonizing decisions to be made. In the doing, we may make other unintended errors.

There are many other instances in which our precious sources of water are befouled:

The major watercourses of the State of Wisconsin, we are told, are so badly polluted that their use for anything other than sewers is practically impossible.

There are predictions that Nebraska's underground water supply will be completely dry in 50 to 100 years.

I have seen bulldozers shoving foul-smelling garbage into the lovely San Francisco Bay.

Of the 33 rivers in the United States that once had salmon runs, there are now six. And Europe's Rhine River, which once teemed with salmon, is devoid of this fish.

Only recently I read in the newspaper that a British health authority believes his nation's antipollution program has been "sabotaged" by a strike of public-service workers that has resulted in millions of tons of partially treated sewage pouring into rivers.

Man is becoming more and more aware of the unique and precious nature of his earth.

When the astronauts of the Apollo 8 mission returned to earth, Earl Ubell asked them on CBS for their impressions of their journey through space. These three daring and valiant men answered that, in essence, they had been awed by the beauty of the earth as comparted with the bleakness of space and the grayness of the moon.

They spoke of the uniqueness of the earth among the other planets in the sky.

As seen from space by these men, the earth was a place of unparalleled, almost incredible, beauty. The surface of the earth was to them alive with color.

There is no other place in God's seemingly limitless universe where life pulsates as it does on earth.

But when the Apollo 13 astronauts returned home, one of them gave a different answer to essentially the same question. From the vastness of space he saw the earth as scarred and marred, mutilated by the thoughtless excesses of its human inhabitants.

We have for too long taken a careless, unthinking approach to our use of nature.

It was not always so. In the ancient cultures, people revered nature. They worshipped natural objects in a religion that prohibited the desecration of the surrounding world.

Even today, in some of what we call primitive areas, there are tribes that have a feeling of holiness for the earth, the land in which they live.

But this respect, this religion of nature, has largely disappeared from Western civilization.

We have become a great and powerful industrialized society, but we have lost contact with the world around us, the world that has provided our wealth. We huddle together in caverns of steel and stone; we walk pavements of concrete; we motor on asphalt.

We seldom look into God's heavens, and when we do our vision is obscured by smog. It is no wonder that the authors of "Movement of the Sun" have written, "As the skies darken with smog, we have 10 years before we lose 50 per cent of the sun's rays."

The time is late, but some people are beginning to heed Thoreau's words:

"I went to the woods because I wished to live deliberately, to front only the essential facts of life, and see if I could not learn what it had to teach, and not, when I came to die, discover that I had not lived."

Even were we inclined to follow Thoreau's example, it is increasingly difficult to find the wilderness.

The Congress has a responsibility to correct this situation, and I think it is willing and eager to come to grips with the problems of our natural environment. We have acted to create and preserve scenic areas where man can go to merge his soul with the open world about him.

This magnificent country of ours all but pleads with us to adopt such an attitude with temptations like the coasts of New England and California, the grandeur of the Rockies, the enhancement of the Great Smokies, the majesty of the West Virginia mountains.

Even now, there exists threats to the beauty and tranquility of our forests and wooded lands.

I am concerned by current timber-management practices—particularly a system known as even-aged management or, more commonly, clearcutting. This type of timber harvesting levels entire areas of forest land.

On a visit to West Virginia's Monongahela National Forest I viewed an area of 160 acres which had been almost completely leveled by clearcutting. In many national forests, such timbering areas are much larger. I viewed a hillside on which slopes are not compatible with such operations. I am positive it will cause substantial erosion and other assocated problems.

The area was covered with usable pulpwood, slash and dying timber—a shocking display. It is questionable whether this type of management—which appears to be designed in large part to increase timber supply and revenues for a smaller investment of money and equipment—gives equal consideration to the total forest environment and to other forest values, wildlife, recreation, aesthetics, and preservation and stabilization, and water conservation.

Our nation has demonstrated and possesses an unparalleled capacity to build and develop economic resources and to continue to increase our standard of living. Yet this capacity has been accompanied, it seems—albeit unintentionally—by the tendency to destroy the earth and our natural resources and our environment. This course has resulted in the crisis of the quality of life confronting us today.

Some persons have written that the Judeo-Christian tradition has at least in part been responsible for the desecration of the earth. And, indeed, our tradition teaches that God gave man dominion over the land to use for his purposes.

Our culture alone, though, does not stand alone in its guilt. Earlier civilizations also contributed to the destruction of nature.

It is stated in the second chapter of Genesis that man, after being placed in the Garden of Eden, was instructed by God to dress the garden and to keep it. Man was directly charged with protecting and preserving the earth.

But we have faltered in carrying out this instruction. There is no Garden of Eden on earth, and those who have visited the Holy Land know that the venerable cedars of Lebanon have nearly vanished.

We love and cherish our personal mothers. The earth is our mother, too, and has nurtured us, but why do we cast her aside?

What does all of this mean? Shall we despair? Is the job too big?

I do not believe so. We must not confine ourselves to trips to the wailing wall, nor must we press the panic button as we see the environmental destruction around us.

We can find the way. Dr. René J. Dubois, a noted scientist and writer, whose thoughts in part are embraced in my comments, pointed the way for us when he said: "We always find political solutions when goals are sufficiently well-defined to permit creative and intelligent use of science and technology."

We are aware of the goals that must be reached through a reawakening of the special relationship between man and nature. We know that we really have no choice but to atone for our destruction of God's good earth.

THE POW RESCUE MISSION IN VIETNAM—A POSITIVE MOVE

Mr. GOLDWATER. Mr. President, the men who cry doom every time the President and the administration make a positive move in Vietnam are at it again—crying doom, because of all things, the U.S. Army has tried to rescue some Americans held as prisoners by a cruel and vicious enemy.

These are the same people who went around crying that the sky was falling in when the President sent troops into Cambodia—an action that, as the President predicted, saved thousands of American lives and has made possible the large-scale withdrawal of Americans from South Vietnam.

These are the same people who have fought bitterly—and vainly, thank goodness—for the privilege of leading the first surrender in American history.

These are the same people leading a fight for unilateral disarmament, a fight that, if they win, will prevent the United States from ever trying to rescue anyone again—or even defend itself.

These are the same knee-jerk reactionaries who confuse cowardice with peace and surrender with victory.

Mr. President, there was a time in our history when the Nation would have risen up as a man to praise the daring soldiers who risked both life and liberty in an effort to help their fellows. One wonders what has happened to us. Are we too effete, too cynical, too sophisticated today to appreciate heroism? I hope not.

We have come a long way since our Nation was founded 200 years ago. We have gained a lot in material wealth and well-being. But if in the process we have bred a Nation of men who do not find either their country or their countrymen worth defending, we will, in the end, have gained nothing.

Mr. President, the President of the United States fortunately comes from a tougher stock than the congressional doomcryers and surrender-mongers.

He knows that no nation can long survive as a great nation if it has no respect among nations and if its people do not have faith and pride in themselves.

Faith and pride are not instilled when one runs from the fight or refuses to stand for the right, regardless of the public clamor.

The President knows this, the majority of the Members of Congress know it, most Americans know it.

And so long as this is the case, we can ignore the cries of doom and defeat.

Mr. President, I for one, intend to support the President in his efforts to lead us as a people and a nation.

He is not beset by confusion or by doubt or by fear. He is willing and able to take the action that will hasten an honorable peace or save an American life.

It is unfortunate that we cannot say the same for some of those who would take his place.

COMMITTEE FOR ECONOMIC DEVELOPMENT CALLS FOR WAGE-PRICE GUIDELINES

Mr. PROXMIRE. Mr. President, for many, many months a large number of economists in the United States, the Joint Economic Committee of the Congress, and the most responsible trade unions and individual businessmen have been calling for the President to institute an incomes policy. Stated simply, it is a call for the President to use the power and prestige of his office, as well as his own persuasive influence, to keep wages and prices within certain specified limits in those industries and unions where market power is the dominant factor in making wage-price decisions.

Those who advocate an income policy and the use of wage-price guidelines are under no illusions about the effectiveness of such a policy and such guidelines. They are not perfect. But under some circumstances they can be effective.

Those circumstances exist now. We no longer have a demand inflation where too much money is chasing too few goods. The kind of wage and price increases now prevalent are largely the results of big businesses and big unions trying to cover some of the increased costs and loss of purchasing power they have experienced since wage contracts were previously signed. It is in such circumstances that the willingness of the President to set guidelines can be most effective.

Now the Committee for Economic Development—the CED—an organization of progressive-minded businessmen which includes many of the most important executives in the United States, has called upon the administration to adopt an incomes policy. The CED adopted the proposal by a lopsided 51-to-6 vote of their wage-price subcommittee.

I hope the President and his advisers will heed the advice of the CED. An incomes policy is long overdue. The time to act has arrived.

I ask unanimous consent that an article written by Frank C. Porter, published in today's Washington Post, and an article written by Edwin L. Dale, Jr., published in today's New York Times, on the action of the CED, be printed in the RECORD.

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

ADMINISTRATION PRESSED ON WAGE-PRICE GUIDES

(By Frank C. Porter)

New pressures were placed on the Nixon administration yesterday to adopt an "incomes policy" and get the stagnant economy moving again.

The Committee of Economic Development (CED), a prestigious and largely business oriented research group, urged the government to adopt voluntary wake and price guideposts to contain inflation.

At the same time, 58 members of the Democratic Study Group of the House of Representatives, which on several occasions has made its political clout felt on the Republican administration, also called for the guideposts introduced under President Kennedy and abandoned during the Johnson administration.

The appeals for some sort of policy to moderate wage and price decisions among business and organized labor have intensified in recent months.

Although the corporate community is generally cool to any interference with the pricing mechanism, officials of the venerable Business Council, many of whose members also belong to CED, took the government by surprise last month by asking adoption of some kind of voluntary guideposts, particularly in the wage area.

Top economists of the Kennedy and Johnson regimes have been urging such a course for months.

Less vocal have been some second-echelon economists within the Nixon administration who espouse the same policy. Arthur F. Burns, chairman of the quasi-independent Federal Reserve Board, is known to favor it.

While rejecting the guidepost concept for the present, Paul M. McCracken, chairman of the Council of Economic Advisers, has not entirely closed the door on it.

Indeed some see Mr. Nixon already moving in this direction. The second "inflation alert" due this week from the Council of Economic Advisers, while short of an "incomes policy" that would set specific standards for wages and prices, is expected to be harder hitting than the first, according to government officials. They say that the alert has been delayed to take particular note of the recent big General Motors wage settlement and the even higher boosts recommended for railway workers by a presidential emergency board.

CED's call for restoration of price-wage guideposts was part of a package of recommendations to supplement fiscal and monetary policy in bringing inflation under control. While continuance of the latter is essential, CED found, reliance on economic stagnation to halt inflation is unacceptable. The object, it said, is to restore economic growth with stable prices.

Other recomemndations include restructuring of labor laws to insure that unions don't have excessive power, increasing the size of bargaining units in construction to slow the rise in building costs, repeal of the Davis-Bacon Act, various measures to remove labor bottlenecks, a new look at the investment tax credit abandoned last year and other means to increase productivity and creation of a "public defender" agency in the federal establishment to achieve price stability within government.

The 90-page statement was drafted under the direction of Frank W. Schiff, vice president and chief economist, and a wage-price policy subcommittee headed by Philip Sporn. It was approved, 51 to 6, by CED's Research and Policy Committee.

WAGE-AND-PRICE GUIDANCE URGED BY BUSINESS GROUP

(By Edwin L. Dale, Jr.)

WASHINGTON, November 23.—A sizable majority of a study group composed mainly of prominent present and former businessmen concluded today that the time has come for the Government to try to influence private price and wage decisions, though not by mandatory controls.

A policy statement by the Committee for Economic Development proposed a mechanism for such influence, but it ruled out "arm twisting" of individual firms and unions."

The suggested mechanism would include development by a new Government body of "broad norms of appropriate noninflationary wage and price behavior that would give some guidance to business and labor groups" and public reports on those cases where behavior "deviates substantially from such broad norms."

The various comments of reservation or outright dissent demonstrated clearly that there is no such thing as a monolithic "business" opinion on this delicate and controversial subject. Yet, out of 57 men who voted, only six voted to reject the statement entirely. Fifteen more entered reservations of various kinds—including a few who thought an even stronger policy of Government intervention is needed.

The Nixon Administration has consistently resisted any formal "guideposts" or other system of influencing private wage and price behavior.

The Committee for Economic Development, formed by a group of businessmen shortly after World War II, issues policy statements from time to time by the group's research and policy committee.

The C.E.D. has a generally "moderate" or even slightly "liberal" image among business organizations.

Of the group participating in the study released today, many are company presidents or chairman. Some are retired. A few members of the committee are from universities, but the great majority of them are bankers or businessmen.

Today's statement by the C.E.D. was not limited to the issue of Government wage-price policy, though that was the major and most controversial recommendation. The statement outlined a series of steps to supplement basic Government monetary and fiscal policy to make possible less inflation in the future even as the Government acts to expand total demand and reduce unemployment.

"NOT A PANACEA"

The statement said that wage-price policies by the Government "are not a panacea," but it added:

"We do not believe that failing to develop and employ such policies would be warranted simply because their effectiveness cannot be predicted with certainty. If they should not prove to be very effective, any adverse effects are also likely to be small.

"But if they do help in reconciling high employment with reasonable price stability, the payoff from adopting them could be significant. On balance of considerations, therefore, we believe that the United States should include voluntary wage-price policies among its tools for reconciling price stability and high employment."

The basic principle of the proposed policy would be that it would "rely for its effectiveness on the fact that the public would be kept fully informed about significant instances of excessively inflationary behavior and the factors involved."

THREE-MAN BOARD

The group's statement said, "The formulation as well as implementation of wage-price policies should be entrusted to an independent body within the Government rather than, as in the past, be considered a function of the President himself or of his Council of Economic Advisers." It suggested a new three-man board on prices and incomes, named by the President and confirmed by the Senate.

While the group rejected any formal system of advance notification of price changes by business, it did suggest that the Government's present "inflation alert" system—

periodic analyses of major wage and price developments—"be utilized to highlight important prospective developments rather than being solely directed at decisions that have already been taken."

The study said that "the basic aim of fiscal and monetary policies should now be to restore an orderly resumption of real economic growth."

Apart from the controversial new wage-price policy, the recommendations also included these steps, among others:

A comprehensive review of existing statutes, regulations and policies . . . to eliminate features that have an inherent inflationary bias."

A change in labor law "to bring about a better balance in the relative powers of unions and management" and to reduce union power to restrict labor supply or place "undue restrictions on productivity improvements."

Repeal of the Davis-Bacon Act, which requires the Government to pay prevailing wages in construction work, and other changes in labor-management relations in the construction industry.

A requirement that the Tariff Commission consider "general price stability" as one test before recommending limitations on imports.

The Government should establish a new agency to watch over its own operations as they affect the price level and be a sort of "public defender of the price stability objective within the Government."

SING OHIO'S PRAISES

Mr. SAXBE. Mr. President, I take this opportunity to speak briefly about fish and football. I also want to happily thank the distinguished minority whip (Mr. GRIFFIN) for so foolishly agreeing to place a friendly wager with me on the outcome of last Saturday's football game between Ohio State's vaunted Buckeyes and the Michigan what's their names. The minority whip's unquestioned wisdom came up short this day, as we all now know.

Naturally, the Buckeyes of Ohio State—my alma mater, I might modestly add—resoundingly thrashed the Michigans and convincingly nailed down their claim as the best in the land.

Unfortunately, the minority whip—a much more skilled legislator than judge of football flesh—chose to wager one of the Great Lakes' finest, a coho salmon, that the opposite would happen, that by some unexplainable quirk of fate or fish, the Michigans somehow would prevail. Praise be that our Republic is not built on such folly.

The 24-pounder that Senator GRIFFIN speedily delivered—a specimen I graciously donated as the menu for the Senate Republican policy luncheon this very day—tells well of the minority whip's misplaced faith. As I gazed on that fish, incidentally, I found it difficult to believe that such a magnificent fellow could indeed have been spawned in the Great Lakes. But that is another story.

Ohio State crushed Michigan. Ohio State completely dominated Michigan. Ohio State virtually destroyed Michigan. Ohio State came close to dealing total humiliation to Michigan.

And now, because the Buckeyes are truly No. 1, they are soon off to Pasadena and the Rose Bowl on January 1. There, the legions of Woody Hayes again will prove to a breathlessly watching world that they deserve to wear the mantle accorded the best.

For those watching Ohio State on television or in person, I think it only fitting—so that all can sing Ohio's praises—that, without objection from the distinguished minority whip or other Senators, I ask unanimous consent that the stirring words, the great lyrics, to the Buckeye fight song be printed in the RECORD.

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

Fight the team across the field,
Show them Ohio's here.
Set the earth reverberating
With a mighty cheer—rah, rah, rah.
Hit them hard and see how they fall.
Never, let their team get the ball.
Hail, hail, the gang's all here.
And we'll win that old Rose Bowl now . . .

Mr. SAXBE. Mr. President, in the interest of economy and brevity, I shall not at this point ask that the words to the Ohio State alma mater be printed in the RECORD. But in a closing tribute to greatness, I should like to inform all and sundry that those lyrics may be obtained by a simple telephone call or a visit to my office in the New Senate Office Building.

NECESSITY OF SUPPORTIVE ROLE IN ASIA

Mr. McGEE. Mr. President, it has long been my belief, and the belief of many other observers, that the United States, as a major Pacific power, must continue to play a large supportive role in Asia in order to insure stability and freedom in that part of the world.

A good summation of the rationale behind this belief was presented a few days ago by Crosby S. Noyes in his column in the Evening Star. Summing up after a long trip through the Far East, Mr. Noyes pointed out that for many of the free nations of Asia the nature of the threat posed for them by China has changed, and changed toward the hopeful side. Nevertheless, he wrote:

> Survival, in the case of some countries, still is precarious. In virtually all of them, a sudden withdrawal of support would result in a collapse—if not of the will to survive—certainly of confidence in the possibility of survival. In many cases, the result would be panic and a scramble for accommodation with the dominant power of China.

So, for the foreseeable future, American power will be needed as an ingredient to the stability of Asia. Mr. President, I ask unanimous consent that the column entitled, "Future of Free Asia Is Dependent on United States," written by Crosby S. Noyes, be printed in the RECORD.

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

[From the Washington Star, Nov. 20, 1970]

FUTURE OF FREE ASIA IS DEPENDENT ON UNITED STATES

(By Crosby S. Noyes)

By way of summary after a long trip through the Far East, three factors must be taken into account in any assessment of the future of Asia for the next decade or so.

The first is the nature of the threat to the emerging nations bordering on the Chinese mainland.

The second is the ability and the will of the countries to cope with the threat individually or collectively.

The third is the role that the advanced nations—notably Japan and the United States—may be willing to play on a more or less permanent basis in Asia.

The first of these factors is a matter of some dispute among American experts and among the Asians themselves. Quite clearly, however, the major threat to all of these countries is either one of external aggression or internal weakness and instability, or, in some cases, a combination of the two.

The nature of the threat varies from country to country. In Indochina, for example, external aggression is a reality. The danger that it represents to the survival of Laos, Cambodia and South Vietnam is increased by the internal weakness of these countries.

But the major problem from the beginning has been the seemingly relentless determination of North Vietnam to take over all of Indochina by force. And for the foreseeable future, military considerations will continue to be predominant.

For most of the other countries of Southeast Asia, the nature of the threat is changing. The danger of direct, overt aggression from Communist China, once feared by all of the governments in the area, seems to have receded significantly. Though direct attacks still are possible against South Korea, Taiwan and possibly India, the danger in the other countries at this point is largely internal.

Thailand and Burma are trying to cope with insurrectionary movements, supported and encouraged from Peking. Malaysia still faces a serious communal problem after bloody fighting between Malays and indigenous Chinese. In Indonesia and the Philippines, the control of the government in some areas of the country remains uncertain.

Yet, with the exception of Burma, the trend in all of these countries can be rated as at least moderately hopeful.

The governments involved have made considerable progress over the last decade in strengthening themselves and removing the causes of popular unrest. The beginnings of a system of regional economic and cultural cooperation are emerging. And throughout the region, the appeal of communism as a system promising rapid growth for underdeveloped countries is on the decline.

The conclusion must be, therefore, that if the present trend continues, the countries of non-Communist Asia have a good chance of surviving the pressures brought to bear against them. The inevitability that they would be over-whelmed by the ideological and military weight of China no longer exists. Given reasonable luck and outside support, the chances are that the dominoes will stand.

Yet this hopeful trend could easily be reversed. Survival, in the case of some countries, still is precarious. In virtually all of them, a sudden withdrawal of support would result in a collapse—if not of the will to survive—certainly of confidence in the possibility of survival. In many cases, the result would be panic and a scramble for accommodation with the dominant power of China.

Which brings us to the role that this country and Japan must play if non-Communist Asia is to have any future at all. And, one must add, if the whole effort that has been made over the last decade is to have any meaning at all.

Japan is able and willing to play an important, but strictly limited role in the area of economic aid. Its assistance programs, devoted very largely to the free nations of Asia, are growing rapidly and soon will reach the goal of 1 percent of an impressive gross national product.

Yet in the military area, Japan will not for the foreseeable future, and with excellent reason, play any role whatever. Japan, after all, in the face of a nuclear-armed China,

is wholly dependent on the United States for its own security. It will do nothing in the international field that might increase the danger of an attack against Japan—which means, in short, anything that might be construed as unfriendly to China's ambitions in Asia.

And so the responsibility for supporting the dominoes will depend for a long time, in large part, on the United States. By whatever doctrine and with whatever reservations it may be defined, the presence and availability of American power in Asia will be an essential ingredient to the stability of the area for many years to come. And given the present mood in the United States, this is why the future of Asia is still a very large and ominous question-mark.

THE STATE OF THE AMERICAN ECONOMY

Mr. HARRIS. Mr. President, it is the view of those economists and business, labor, and financial leaders with whom I regularly talk that the state of the American economy continues to be unnecessarily bad. I share their opinion. The general feeling is that unemployment, now risen to an intolerably high rate of 5.6 percent, will probably go higher—somewhere between 6 and 7 percent by the end of 1971.

We should be warned, also, against any falsely optimistic statements which may come from the administration soon, based upon the settlement of the General Motors strike or on the possible stockpiling of steel between now and next spring in anticipation of a steel strike.

Both of these indicators would be purely temporary changes in the economic outlook. They would not justify any conclusion concerning long-range recovery of the economy.

Because of the deliberate slowdown in the economy, Federal, State, and local governments face enormous reductions in revenue. For the third quarter of this year actual gross national product is $47 billion less than potential gross national product. This means that, had we had a near full-employment economy, as we could have, the Federal Government would have realized an additional $16 billion in revenue during this year—a sum which could have gone a long way toward meeting many of our urgent domestic problems.

The worsening plight of the Nation's cities as a result of the economic slowdown is even more alarming. New York City, for example, has already announced personnel layoffs and freezes. The city of Newark projects a deficit this year of approximately 40 percent of its operating budget. I expect that the major cities of America will soon be coming to the Congress with large and urgent demands for special Federal assistance.

Over the years, most students of urban problems have urged that cities should more nearly gear their revenue to personal and corporate income. As this has increasingly been done—rightly—the cities have become even more dependent upon a healthy economy for financing their local needs. Thus, they have suffered greatly from the economic slowdown this administration has brought about.

One economist has recently said that Republican administrations only seem interested in even numbered years in whether people have jobs. While this may be too harsh, it is instructive to note that administration spokesmen are not now projecting recovery of the economy before July of 1972.

The administration also seems to ask to be excused for the sad state of the economy by saying that present conditions are an inevitable result of switching from a war-military-space economy to a more peacetime economy. That is like saying, as one well-known economist has put it, "We are so uncoordinated that we are unable to walk and chew gum at the same time."

The administration has wrongly refused to join in suggestions by Senator GEORGE MCGOVERN of South Dakota and others for the establishment of a commission to recommend an orderly transition to a peacetime economy. With all the jobs which need to be filled—such as health aids, teacher aids, and the need to build houses and rebuild our cities—and with all of the hardware that needs to be produced—such as antipollution devices and mass transit equipment—there is absolutely no justification in seeming to argue that an SST or an ABM must be built or a war fought or an unnecessarily large military budget maintained as a kind of modern WPA program. Nor is it accurate or fair to say that we can do nothing. We should be expanding adjustment assistance and other programs for the conversion of plants and jobs.

Neither is it correct to ascribe, as some would do, present economic ills and expanded unemployment to the General Motors strike. I was in Cleveland, Ohio, in the last days of October and found there what is typical of a lot of the country. The Chrysler and Ford assembly plants in that city were working only 4-day weeks. This despite the fact that one would normally expect these automobile companies to be doing well when their principal competitor, General Motors was shut down. The truth is that there is a large backlog of automobiles, a reflection of the general slowdown in the economy and inordinately high interest rates and tight money.

I am glad to see that the Federal Reserve Board seems increasingly aware of the need to increase the supply of money and to lower interest rates. This action comes far too late. As of now, it seems much too little. It is, however, a recognition at long last that our principal problem in the economy, presently, is the need for greater growth and expansion to take up the slack in idle plant capacity and to expand job opportunities.

The indications are, however, that the Federal Reserve Board is not going to move strongly enough and rapidly enough toward expansion of the money supply and lower interest rates unless it can get assurances that the administration will change its policy and at long last come down on the side of a firm incomes policy.

The administration has indicated through spokesmen that they are willing to accept a large deficit in the Federal budget in order to move the economy toward expansion. There is some thought, however, that they may try to make this position politically by recommending a value-added tax to the Congress, knowing that the Congress will reject it. They would then, it is said, blame the large deficit on the Congress.

If the administration does recommend such a value-added tax, the Congress should call their hand immediately. It should forceably be made clear that the large deficit actually results from an enormous shortfall in revenue because of conscious administration policy deliberately to slow down the economy. More than that, the public should be reminded, if the administration recommends a value-added tax—a kind of sales tax which is passed along to the consumer—the same administration which recommended taking off the more progressive income tax surcharge would be recommending a regressive tax to replace it. The people should not stand for this.

It is high time for the administration to take a real leadership role in the economic field and put into effect a firm incomes policy. The President can do this himself within his present powers. Or he could support legislation similar to that which I have introduced to establish a National Economic Equity Board to set up voluntary wage and price guidelines. I would go further, myself, and allow this board to institute short-term wage and price freezes, if found necessary.

What is required is strong Presidential leadership. The President must represent the people's interest. If he does move in the direction of incomes policy, it should be particularly in regard to prices right now. Steel and automobile prices have actually gone up at a time when demand has been decreasing. Labor cannot be expected to forego settlements based upon the fear of continued inflation without strong assurances of Presidential and other efforts to hold down prices.

It will be particularly unfortunate, for example, if a strike in the steel industry comes about because of lack of agreement to a labor demand for cost-of-living clauses in the new contracts. After all, the President has asked for such cost-of-living provisions in regard to social security benefits. Such clauses in labor contracts would be a pressure on everyone concerned, including the President, to act with more vigor against continued inflation. And the clauses would be inoperative if the inflationary spiral did not continue.

Moreover, the administration should act at once to institute credit rationing and control under powers already granted to the President by the Congress. There must be more credit available where it is most needed to meet the social goals of this country and at reasonable rates.

Lastly, it is important that there be stimulation of consumer demand immediately. This can be done through coming off further on interest rates and

money supply, through increased social security benefits of at least 10 percent and the postponement of social security tax increases presently scheduled under existing law to go into effect January 1—0.8 percent increase, divided equally between the employer and employee.

This stimulation of consumer demand would not be inflationary under present circumstances. Rather, it would tend to be deflationary by serving to cause expanded production volume, allowing some reduction in unit costs.

Mr. President, I wish the President would call together a group of business, financial labor, and other leaders to discuss the unnecessarily sad state of the economy, to explain the leadership steps he intends to take, and to call upon the country for its support for needed action. I have set forth some of the things which I think must be done at once. I intend to propose an amendment to the pending social security bill to carry out the postponement of tax rate increases scheduled to go into effect in January. I have introduced legislation to establish an incomes policy. I made the motion in the Senate Finance Committee for a 10-percent increase in social security benefits. I have supported credit rationing legislation.

Individual Members of the Congress, however, can only do so much. The man elected leader of the whole Nation, the President, is the only one who can really take charge. Theodore Roosevelt called the Presidency a "bully pulpit." It is that. But it is not enough to preach, right now. The President must act.

BRAZIL SHOULD ALLOW INVESTIGATION BY HUMAN RIGHTS COMMISSION OF THE ORGANIZATON OF AMERICAN STATES

Mr. PROXMIRE. Mr. President, I invite attention to an article, published in Sunday's Washington Post, concerning a request by the Human Rights Commission of the Organization of American States for permission to investigate the denial of basic human rights of citizens in Brazil.

Article 11 of the Charter of the Human Rights Commission of the OAS gives it the right to investigate allegations of this type with the permission of the country involved. On October 24 of this year, the Human Rights Commission of the OAS sent a cable to Brazil requesting their permission for such an investigation. According to the officials at the OAS, Brazil has not yet officially denied this request.

I hope Brazil will permit such an investigation.

As members of the Organization of American States and its Human Rights Commission, Brazil would only be fulfilling its obligations to the organization by allowing the reported repression of human rights to be investigated.

This courageous action by the Human Rights Commission should spur us to consider ratification of the United Nations Human Rights Conventions on Genocide, Political Rights for Women and Forced Labor. It is very embarrassing for us, as members of the Human Rights Commission of the OAS, to call for an investigation of the denial of human rights by one country, when we have not ratified three major human rights documents of the United Nations. At best, this situation is ambiguous and confusing.

By ratifing the Genocide Convention, we could make our position on human rights clear.

Mr. President, I ask unanimous consent that the article, entitled "Brazil Refuses Investigation of Torture Charge," published in Sunday's Washington Post, be printed in the RECORD.

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

BRAZIL REFUSES INVESTIGATION OF TORTURE CHARGE

BRASILIA, November 21.—Brazil will not allow the Human Rights Commission of the Organization of American States to enter the country to investigate allegations of torture, it was reported today.

The government has decided that such an investigation would constitute interference in Brazil's internal affairs, the leading newspaper Jornal do Brasil's local news agency said.

Charges that police and military investigators have tortured alleged subversives have been voiced frequently in recent months. The Franciscan mother superior of a children's home said she had been a victim of such torture.

SEARCH AND RESCUE MISSION INTO NORTH VIETNAM

Mr. ALLOTT. Mr. President, last Friday's bold and heroic search and rescue mission into North Vietnam helped demonstrate three useful things.

First. To American prisoners of war in North Vietnam who will all hear of this raid, it demonstrated our unwavering national dedication to their ultimate safety and rescue. They can take heart from the knowledge that their military colleagues could put together such a brave and imaginative effort on their behalf.

We know that high morale among prisoners is a matter of life and death. Men are more apt to survive the rigors of POW confinement if they have a burning hope for the future. Friday's decisive demonstration of American resolve has given life to that hope and thereby has contributed measurably to the life chances of many hundreds of Americans who need never feel abandoned.

Second. Mr. President, the second thing this raid demonstrated was the fact that the enemy must come to terms with American determination to rescue its captured fighting men. Let us not mince words. We are dealing with a barbarous enemy. His culture and his politics combine to prevent him from taking seriously the passionate Western belief in the sacredness of the individual. The slavemasters in Hanoi, who have been slaughtering Vietnamese with reckless abandon for a quarter of a century, cannot understand that Americans mean business about rescuing the prisoners of war. They will never understand until we speak the only language a barbarous government can comprehend—the language of force.

Hanoi will never be moved by moral reasoning; Hanoi will never yield for any reason other than self-interest. Now is the time, after all these wasted years in Asia, to give Hanoi a glimpse of the one sight that will galvanize their sense of self-preservation. That sight is an enraged, determined, forceful America. When Hanoi realizes that the POW issue is a serious issue to Americans, and when Hanoi realizes that we will be forceful about what we think is serious, then and only then will the dawn of reason break in Hanoi.

Third. Mr. President, the third thing the raid demonstrated is the reflexiveness and recklessness of some American critics of anything and everything America does in Southeast Asia. These men have honed to a fine edge their ability to will the end without willing the means.

They want a negotiated settlement, but they cannot suggest what—short of total capitulation—we can "negotiate" about with this enemy.

They want to help the prisoners of war, but they do not want to do anything toward that end that will make Hanoi more intransigent—as though Hanoi could be any more intransigent.

Clearly the reflexive, and in some cases hysterical, reaction to this raid has done the domestic service of giving these critics yet another opportunity for squandering what little remains of their credibility.

One critic went so far as to refer to the attempted rescue of the trapped and tormented prisoners of war as the "excuse" for this raid, thereby implying that he thinks the rescue attempt was a ruse designed to cover up an escalation of the war. One wishes that such critics, with all their mewing about what they consider other people's lack of candor, would practice what they so constantly preach.

Let us have some candor from them. Let them actually speak their thoughts rather than just dance coyly around them. Let them just say they think they are being lied to. Let them just say they would just as soon we forgot about the prisoner-of-war problem, and all that it tells us about the nastiness and intransigence of the enemy with whom they urge us to endlessly negotiate.

Another critic has rushed to tell a—doubtless ecstatic—college audience that the raid was a "John Wayne approach" to the prisoner-of-war problem. I must say that this comment, while it doubtless flattered to the prejudices of the audience, represented a W. C. Fields approach to a grave problem. It warrants three short observations.

If by the phase "John Wayne approach" the critic meant that it was imaginative, heroic, and in the American tradition, then he was correct.

If the critic meant to dismiss with contempt this heroic attempt to rescue trapped, sick, and dying Americans, then

his comment is cute without being acute or admirable.

If the critic finds the last Friday's approach inadequate, what precisely does he suggest by way of an alternative?

Frankly, Mr. President, this coyness is cloying. These critics would make more convincing moralists if they would spend less time getting off Johnny Carson-style one-liners about serious dilemmas.

Finally, Mr. President, let us bear in mind one indisputable fact. Yesterday, the predictable critics were their usual ungenerous selves in evaluating this rescue attempt. But let us not lose sight of the fact that if this raid had been successful, wild horses could not have dragged a dove to the Senate TV gallery to make sonorous geopolitical pronouncements about the sacredness of North Vietnam's territorial integrity.

DEDICATION OF L. MENDEL RIVERS LIBRARY—ADDRESS BY VICE ADM. H. G. RICKOVER

Mr. HOLLINGS. Mr. President, I had the honor recently of participating in the dedication of the L. Mendel Rivers Library at the Baptist College of Charleston, S.C. Included in the ceremony, besides the distinguished chairman of the House Armed Services Committee, were Dr. Billy Graham, entertainer Al Hirt, and many luminaries from the worlds of politics and business. One of the most moving testimonials delivered that day was presented by Vice Adm. Hyman G. Rickover, of the U.S. Navy. Admiral Rickover's address was not only an admirable statement of the impressive contributions made by Representative RIVERS over the years. It was also a noteworthy analysis of some of the problems which plague our Nation. For that reason, I call it to the attention of the Senate today.

Admiral Rickover points out that the United States in recent years has departed from many of the traditions which led us to greatness. One of these is the realization that politics is the art of the possible, that there can be no progress unless we work with the materials at hand. We will not construct a better America by comparing our country with a theoretical utopia and demanding instant conformity to some ivory tower abstraction. The road to progress cannot be found by comparing our society with a mythical, trouble-free world where everything is milk and honey. Rather, we must build upon our history, our heritage, and upon the diversity of our people. This requires discipline, not anarchy; realism, not endless theoretical wandering. A sense of history, Admiral Rickover reminds us, brings the realization that each of us "is heir to the accomplishments of every human being who has ever lived; and for this reason each of us is likewise responsible to all other men and women, present and future." These are words we all need to hear.

I ask unanimous consent that Admiral Rickover's remarks be printed in the RECORD.

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

REMARKS BY VICE ADM. H. G. RICKOVER

Mendel Rivers is one of the great men of our Congress. He is dedicated to peace, but aware of the awesome responsibility our Nation bears in defense of our freedom.

He is one of the most un-intimidable men in the U.S., and there is no use trying to explain him by reducing a versatile man to one or two main talents. He cannot be judged in the way some people judge an eagle by noting how he walks on the ground. An eagle must be judged by its majestic flight at high altitude.

He has an old-fashioned and unqualified love for the U.S. This has given him a sense of dedication, responsibility, and purpose. He has the fortitude to stand up to the illegitimate and illegal activity of a tiny minority bent on tearing down every one of our institutions.

In the business of government any movement from hideous to bad is progress, from hideous to fair is spectacular. And Mendel Rivers has done more than his share to achieve the spectacular for us and for our posterity.

He believes in fulfilling something you are able to fulfill, rather than running after what you will never achieve; that we can strive to fulfill ourselves and to be as complete human beings as possible, and that will give us trouble enough.

He believes in the God-given genius of certain individuals and he values a society that makes their existence possible. He understands the chasm between men with knowledge who lack power and men with power who lack knowledge; men who are instructed but not educated; assimilative, but incapable of real thought; men who do not want to confuse the ideal with the real; that intelligent idlers always set their sights high in order to justify their idleness and their intelligence.

He does not agree with many of our pseudo-intellectuals who are drowning in their own words and suffocating in their own documents. Many of them are as ignorant as swans.

He knows that some students of society and politics among our intellectuals all too often have little contact with real life; that they are more lucid as critics of existing society than as visionaries of a better one; that some of them seem to experience a chastened pleasure in discrediting everything American; that in their seclusion there is a constant temptation to devise political constructions firmly rooted in mid-air, in which everything seems possible, in which governments and political authority are replaced by communes of free and equal individuals, in which society exists without repression, and domestic policies require no sanctions; a society in which diplomats always tell the truth and nothing but the truth, and a foreign policy is pursued in which the wolf lies down with the lamb, and the leopard with the kid.

Future generations will, I am sure, remember him above all for what he has done to preserve our heritage than for anything else.

He knows that without the materials of historical comparison, we are left with nothing but baseless abstractions to compare ourselves with; that we then compare our present world with a mythical trouble-free world where all mankind is at peace. He knows that we must abandon the prevalent belief in the superior wisdom of the ignorant.

He knows that a person who is often praised must set stricter standards on himself. He holds a number of beliefs that have been repudiated by the liveliest intellects of our time. He believes that order is better than chaos, creation better than destruction. He prefers gentleness to violence, forgiveness to vendetta. He thinks that knowledge is preferable to ignorance; human sympathy more valuable than ideology. He believes that in spite of the recent triumphs of science, men haven't changed much, and in consequence we must still try to learn from history.

He believes in courtesy, the ritual by which we avoid hurting other people's feelings by satisfying our own egos; that all living beings are our brothers and sisters. Above all, without the materials of historical comparison, we are left with nothing but baseless abstractions to compare ourselves with. We compare our present world with a mythical trouble-free world where all mankind is at peace.

He knows that no country has departed so much, in so short a time and without realizing it, as has the United States from its basic principles; that what we need is simplicity and its absence of romanticism.

He understands that if what is needful is to be done, we cannot depend on illusions, especially of an impossible good. A calamity can be brought about by persons of great good will. Too many such persons have been set up in the "grievance business." Their job is to find things that are wrong; then attempt to right them. If their efforts only make matters worse, they find something else wrong.

He is also a realist. He knows that the last war has been forgotten, erased from the collective American memory, and that is the most devastating commentary history can render—to be forgotten because no one wants to remember.

In conclusion I would like to quote what William Cowper said in 1785, in his poem "The Task":

Knowledge and wisdom, far from being one,
Have ofttimes no connexion. Knowledge dwells
In heads replete with thoughts of other men;
Wisdom in minds attentive to their own.
Knowledge, a rude unprofitable mass,
The mere materials with which wisdom builds,
Till smooth'd, and squared, and fitted to its place
Does but encumber whom it seems to enrich.
Knowledge is proud that he has learned so much;
Wisdom is humble that he knows no more.

I believe this is as expressive of Mendel Rivers as anything I could say.

What makes a man akin to God is his ability to aquire what has been painfully learned by all previous generations—by all of our ancestors. This is possible only through books and libraries, because they are the repository of all human knowledge and wisdom. They make us realize that each of us is heir to the accomplishments of every human being who has ever lived; and for this reason each of us is likewise responsible to all other men and women, present and future.

Many honors have been given to your Congressman and my dear friend. Nothing you could have done pleases him more than your gracious act of naming this building the L. Mendel Rivers Library.

TRADE BILL SHOULD BE DEFEATED

Mr. HARRIS. Mr. President, I wish to address myself to the pending Trade Act of 1970 (H.R. 18970), which is now being considered by the Finance Committee. In recent weeks this bill has provoked an increasing amount of comment in the press and elsewhere—both favorable and unfavorable. For it is without doubt an important piece of legislation—the first

such bill dealing broadly with international trade since the Trade Expansion Act of 1962.

In reviewing this bill, I am struck by two fundamental and related considerations. The first is how greatly circumstances have changed since the bill was first considered by the House Ways and Means Committee and the Senate Finance Committee. The second is how little justification there seems to be for some of its basic provisions. I think it may be worthwhile to expand on these two considerations.

What are some of the changed circumstances? First and foremost, it now appears that in 1970 we will have a healthy surplus of over $3 billion in our trade balance. Last year the surplus was under $1 billion. In other words, this year our exports have been growing considerably more rapidly than imports. The argument that U.S. industry is becoming increasingly noncompetitive in world markets is not borne out by these figures. This would, therefore, seem to be an especially poor time to risk loss of export markets by curtailing imports.

Just several days ago, Federal Reserve Board Governor, Mr. Andrew Brimmer, said that the textile and shoe quotas would cost the American consumer an extra $3.7 billion. These costs would be borne disportionately by poor and middle-income people because they must spend a larger share of their income on shoes and clothing than our more affluent citizens. Mr. Brimmer, of course, recognized that it is difficult to make such an estimate, but even allowing a considerable margin of error, the cost would still be very large. Whatever the merits of the industries' case—and I want to return to this—it would seem that the consumer would have to pay a very heavy price indeed for these quotas.

I have also noted in the press recently an increasing number of statements made by officials of foreign governments, including some of our best customers—Canada, Germany, Latin America, Britain, and Mexico, to name a few—concerning the possible adverse consequences of the enactment of the trade bill. One can, of course, dismiss these statements as bluffing, on the assumption that other countries either could not or would not dare to curtail our exports.

But is this assumption necessarily correct? In many instances, other countries would be able to obtain the same goods of comparable quality from alternative sources. Moreover, other countries watch their trade balance with the United States very carefully and would be very prone to reduce their purchases from us if we were to restrict their exports to this country.

Finally, I think the element of national pride would be at work here. If they feel—as they seem to—that the textile and shoe quotas, for example, are unjustified, then they may naturally want to strike back. The risk of an old fashioned trade war is, in my judgment, severe. If that happens, no State will be immune from its effects. The wheat farmers of western Oklahoma export about 25 percent of their wheat, and a generation of eastern Oklahomans have pinned high hopes on the Arkansas River Basin project which the late Senator Kerr spent so many years helping to develop into a navigable access to world commerce.

The trade bill was approved by the House Ways and Means Committee after the Secretary of Commerce announced that the United States-Japanese textile negotiations had broken down and that the administration therefore reluctantly supported legislative quotas. In the past week or so, however, these negotiations have been resumed. There is admittedly no assurance that these negotiations will be successful either in the short or long run. But the fact of their resumption is surely significant and affords further reason for pause in considering the trade bill. According to news reports Friday, the Japanese Government feels an early voluntary agreement is desirable because if there is no agreement and no legislation is passed this year, Congress may pass even more restrictive legislation next year.

Of even greater significance is the statement attributed to the President during his now famous "background" conversation with several columnists on the results of the 1970 elections. The President is quoted by Mr. Kirkpatrick of the Washington Star as saying that he intends to hold up the trade bill pending the United States-Japanese textile negotiations. If this report is accurate, it indicates a frank recognition on the part of the President that the textile issue is the critical issue. If it can be resolved by agreement, there may be no overriding need for the trade bill at all. I, therefore, call upon the President to repeat his position publicly—not just in private—and make unequivocally clear that action on the trade bill should be deferred in the hope of a successful textile negotiation. Other problems could then be worked out within present law or with changes in the law which do not violate our agreements or the principles of free trade.

At the outset, I noted a second fundamental consideration pertaining to the trade bill and that is the lack of justification for some of its basic provisions. What do I mean by this?

Consider the quotas on textiles and shoes. To the best of my knowledge, there has been no objective determination that imports are causing or threatening serious injury to the domestic textile industry. Of course, the industry itself makes vehement allegations of jobs eliminated and production lost because of imports. But has any independent body such as the U.S. Tariff Commission ever come to that conclusion? I would emphasize that I am not asserting that there are no parts of the textile industry that may be injured by imports. I am rather asking for evidence that there is a serious import-related problem affecting the entire industry. My information is that from 1961 through 1968 profits and employment of the textile and apparel industries have risen more than the average for all manufacturing industries. In 1969 they were down, but there has been no showing that this resulted from an increase in imports. In the absence of evidence, I must question the need for, and the wisdom of, the textile quotas, especially in view of their cost to the consumer and the possibility that the United States-Japanese negotiations may be successful.

As for shoes, a task force of the administration itself concluded just several months ago that there is no justification for quotas. Nevertheless, the President has asked the Tariff Commission to determine whether imports are causing or threatening serious injury to the domestic industry. This is the proper way in my judgment to develop a sound basis for informed and intelligent action concerning imports.

Another provision of the trade bill that is very troublesome is the amended escape clause, which has traditionally authorized the President to impose higher tariffs or quotas on imports found to be injuring a domestic industry. At least three aspects of the new escape clause are open to serious question.

First, under the trade bill the Tariff Commission would have to determine whether imports are a "substantial" cause of serious injury. Instead of "substantial," present law reads "major" and the administration's bill would have substituted "primary." These may sound like semantic quibbles, but the difference between "primary" and "substantial" could spell the difference between a reasonable and a promiscuous use of the escape clause.

Second, the bill resurrects the concept of geographic segmentation, which permits the Tariff Commission to carve up an industry and artifically select just that portion that will maximize the chance of an affirmative finding of injury. The Tariff Commission would be given the license to do so even though it made no economic sense and even though the companies and workers concerned were in fact able to make a successful adjustment to whatever import problem may have existed. One of the important features of the Trade Expansion Act of 1962 was its repeal of the geographic segmentation provision. Its resurrection is a major threat to an enlightened foreign trade policy.

Third, the new second part of the escape clause, which is highly intricate and is best known for the 15 percent triggering mechanism, is replete with slippery and ambiguous terms. This new part is especially dangerous since it permits a minority of the Tariff Commission to force the President either to proclaim the relief the Tariff Commission thinks needed, without any change or modification, or to do nothing. By placing the President in such an extreme dilemma, it must necessarily increase the likelihood that the President will impose import restrictions in a greater number of escape clause cases. In short, the amendments to the escape clause contained in the trade bill are clearly designed to appease

protectionist sentiment with little or no regard for the national interest.

There are many other provisions in the trade bill that reflect either an unsound approach to trade problems or a distinct failure to seize opportunities to deal with such problems intelligently. In either case, the bill is in my judgment both highly questionable and antagonistic to constructive ways of dealing with the current problems in international trade. It assumes that the United States can take unilateral actions and somehow get away with them, without provoking retaliation or undermining the world trading system. This seems to me to be a hopelessly naive and dubious assumption.

For these reasons, I propose to move, in the Finance Committee, to reconsider the addition of the trade bill to the social security bill. If my motion should fail there, the Senate, at such time as it may appear appropriate during floor debate, should strike the trade bill from the social security bill. Serious consideration should be given to the possibility of offering a substitute trade bill, which would attempt to grapple with the trading problems of the 1970's in a responsible manner in the tradition of the Trade Expansion Act of 1962. It is my opinion that if Senators will seriously consider how potentially harmful the present trade bill is and how mistaken the approach is, we may still have the time to avert the appalling consequences of a return to protectionism both in this country and throughout the world.

PUTTING THE NIXON DOCTRINE INTO EFFECT

Mr. PROXMIRE. Mr. President, the time has come to put the Nixon doctrine into effect. The doctrine, first enunciated by President Nixon at Guam and later elaborated on by the President, was stated best of all by the President in these words:

> In Korea and again in Vietnam, the United States furnished most of the money, most of the arms, and most of the men.

The President stated that in the future:

> We shall look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defense.

The problem with the Nixon doctrine is that it has not been put into effect. We should set a date certain in Vietnam and then get out. That would be one means of putting the Nixon doctrine into effect.

We should also cut the Armed Forces back to the pre-Vietnam level of 2.5 million men.

Europe should take a much bigger share in the defense of Europe through NATO.

We have a Nixon doctrine which should mean a smaller burden for Uncle Sam, but so far it has had no tangible results in reducing America's arms burden. In fact, Secretary Laird tells us that the military budget next year will go up, not down.

Col. James A. Donovan addresses these and related issues in an article published in last Sunday's New York Times. He states that it is time to apply the Nixon doctrine to the employment, size, and costs of our military establishment.

To that we can all agree. Where are the tangible results to the American taxpayer of the Nixon doctrine?

Where, in fact, are the reduction in military costs which should come from the shift from a two and one-half war to a one plus war strategy?

Where, indeed, are the reductions in the burdens on the American taxpayer from a reduction in the incremental costs of the Vietnam war from $23 billion a year to $11 to $12 billion a year?

Colonel Donovan and many others are asking these questions. There has been a great deal of talk, reams of publicity handouts, but little action.

It is time for the Nixon administration to put the Nixon doctrine into effect.

I ask unanimous consent that the article by Colonel Donovan be printed in the RECORD.

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

MILITARISM VERSUS STRANGELOVE

(By James A. Donovan)

In June of 1969 at Guam President Nixon announced the plan for reductions in military strength and a phased withdrawal of American armed forces from South Vietnam. America, twenty-five years after the glories and victories of World War II, is now undertaking a limited withdrawal from its aggressive policies of involvement and intervention in the affairs of nations undergoing social and political change which are not of direct concern to the security and welfare of the United States.

The new foreign policy was eventually spelled out by President Nixon in his unprecedented "Strategy for Peace" message presented to Congress on Feb. 18, 1970. Despite its long and platitudinous content this historic document now provides the defense planners with a comprehensive national policy which synthesizes the political-economic-sociological and security points of view. The central thesis of this so-called "Nixon Doctrine" is that the United States will participate in the defense and development of allies and friends but that America cannot and will not conceive all the plans, design all the programs, execute all the decisions and undertake all the defense of the free nations of the world.

The significance of the Nixon foreign policy statement is that it now provides all echelons of government with a unified national guidance on which to base future planning. For the defense establishment it provides for the first time a national strategy—or in effect a national Strategic Objectives Plan.

The limitations of American power, the true interests of the United States and the national priorities of defense and domestic problems have been distorted and the defense establishment has been permitted to dominate the national efforts by consuming over half of the Federal budget, creating vast and expensive weapons programs, and fostering fear of enemy threats from every direction.

What now remains to be done in order to get the powerful forces of militarism under control in the 1970's is to assure a wise and proper application of the new Nixon doctrinal guidance to the employment, size and costs of our military establishment—and to keep it "under firm political control."

It will not be easy for the simple reason that the defense bureaucracy and its teammates in defense industry, politicians with vested interests in military activities, as well as millions of Americans who make a living from defense careers, businesses and military installations, represent a powerful force in American life which tends to promote, foster and thrive on the products of militarism. Such vast organizations, industries, and groups seek things to do that will justify and pay for their existence.

Administration leaders seek "honorable" solutions to the problems of alien peoples—but in American terms. Peace with "justice" is sought in Vietnam not by ceasing the fire and bloodshed but by increasing the armaments and enlarging the armed forces of South Vietnam. Vietnamization is designed to prolong a civil war the support of which is now widely questioned as a commitment not truly in the interests of the United States.

The most effective manner in which to control American militarism and to put the defense establishment into proper balance with other national institutions, needs and interests is to limit our commitments and then reduce the size of the armed forces and cut defense appropriations. We can expect active forces to be reduced from a recent high of 3.4 million to about 2.5 or 2.6 million in coming years. This should result in annual savings of some $9–10 billions.

Who will determine the armed forces, the weapons, the commitments and the military operations that are *truly in the best interests of security* of the United States? The American people and their Congress, the bellicose Pentagon planners, the Strangeloves of defense weaponry or the proud and sentimental White House executives who make commitments of our armed power independent of Congressional advice and consent?

The excessive concentration of such powers, whether they be in Congress, the Executive branch or in the Pentagon is the real threat to the democracy of our future as is the despotism that can result from excessive and aggressive militarism.

SMITHSONIAN ASTRONOMER DISCLOSES STRIKING WEALTH OF UNTAPPED ENVIRONMENTAL DATA

Mr. GOLDWATER. Mr. President, last week, the Smithsonian Institution held a far out symposium on protest and change which delighted the local news media. Revolutionary spokesmen of all shadings were heralded by the local press as if they were members of visiting royalty. On one occasion three pages of the Washigton Post served as the sounding board for the bizarre notions held by self-proclaimed thinkers such as Saul Alinsky, who reportedly demonstrates his individuality by indulging in a unique way of defiling the floor at cocktail parties.

Contrast this, if you will, with the appalling lack of interest shown by the press in the basic research activities of the Smithsonian and in the documented complaints from myself and others concerning the failure of the Smithsonian to provide adequate support to these functions. My comments about the decline of science support at the Smith-

sonian have been expressed previously on the Senate floor and will be repeated with fresh evidence in the near future.

For today, I wish to give credit where it is due by informing the Senate of another meeting which was conducted recently by the Smithsonian without any fanfare. A few weeks ago, the Smithsonian's Astrophysical Observatory held a briefing at which the work and future goals of this excellent unit were discussed. I asked a member of my staff to attend this session and, in particular, I was impressed with his report of the disclosure by one of the panelists, Prof. Paul W. Hodge, that astronomers possess one of the most extensive and highly accurate collections of information on air pollution which is available anywhere in the world.

This dramatic revelation holds important meaning to man's efforts to curb and conquer air pollution, and it is remarkable some newsman did not realize the significance this development holds. Professor Hodge revealed that astronomers have traditionally analyzed particles in the atmosphere in order to remove the effects of pollution from their stellar sightings. As a result, there exists today a completely untapped wealth of files on pollution measurements which date back for nearly 50 years. This data is scattered around the globe and is begging to be retrieved.

In other words, we are presented with a unique opportunity for studying the distribution of air pollution throughout the world and discovering the extent to which it has increased.

Since this information was meant to be used only to aid in the routine function of each observatory, it has never been published. However, as Professor Hodge points out, the world observatories should now be alerted to the potential of this data and a staff of astronomers and physicists should be organized promptly to visit observatories in order to assemble this information into one master collection.

Professor Hodge further suggests the previously overlooked possibility for building a telescope right in the midst of an urban center for purposes of measuring local pollution effects and trends in a highly accurate manner.

Now, any meeting that reveals mankind suddenly has before it a new means for acquiring information on air pollution, on a worldwide basis and over a 50-year period, seems to me to be worthy of wide news coverage. The fact that these measurements often surpass in accuracy the results obtained from conventional air pollution studies certainly adds to the urgency for publicizing their existence.

These reports actually form a body of knowledge previously unavailable anywhere in the world. If it could be gathered together and analyzed, it might serve as the basis for many far-reaching projects of State and Federal air pollution agencies. Working from this information, experts can establish the natural conditions of the environment before pollution began to threaten the world. The findings derived from the data might well enable professionals to predict the likely effects of future manipulations of the environment. It would also aid them in knowing what standards must be set in order to restore air purity where it has been degraded. It would unquestionably help in the development of methods to prevent further deterioration of air quality.

Mr. President, it is this kind of sensible activity which stands as the hallmark of the Smithsonian's reputation. These important findings deserve recognition in the news media and should be made known to Members of Congress who must act each year on the budget for scientific programs at the Smithsonian.

It is true there is nothing shocking in the report by Professor Hodge. His paper does not attack the establishment or threaten to tear down the pillars of society. No; all he holds out to the public is some small hope that this previously unused body of information might, once assembled, assist in saving our world. Constructive and happy news of this kind does not seem to appeal to the types who are writing Washington's news these days; and so that the Hodge report can be seen by a wide audience, I ask unanimous consent that his statement be printed in the RECORD.

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

SUMMARY OF A TALK DEALING WITH THE USE OF ASTRONOMICAL AND SPACE TECHNIQUES FOR RESEARCH ON THE ATMOSPHERE

(Remarks by Prof. Paul W. Hodge)

INTRODUCTION

As a result of interaction between astronomers and air pollution research scientists, we came to realize some time ago that some of the astronomical techniques for studying extraterrestrial sources can be applied to the earth's atmosphere and can complement and in many cases far surpass in accuracy the existing equipment used in air pollution studies.

HIGH-DISPERSION SPECTROSCOPY

Astronomers have traditionally treated the telluric lines that appear on their stellar and solar spectrograms as annoyances. We suggest instead that they form a powerful and potentially highly accurate source of information on important molecular species in the atmosphere. On calibrated high-dispersion spectra actual quantitative data can be extracted for trace constituents by curve-of-growth analysis. Appropriate spectra for this kind of analysis are being obtained by astronomers all the time at observatories all over the world, and they exist in observatory plate files back in history for almost 50 years. Thus we already have the possibility of studying the world-wide distribution of certain species and the trend of concentration with time over a significant portion of the critical period of human history. It looks possible, for example, that we will be able to check the controversial report of a secular increase in the CO_2 concentration in the atmosphere from existing data taken in recent decades in the infra-red (1.4-1.6μ).

Although the sun's spectrum has provided most of our information on the telluric lines, the sun is not at all an ideal light source, because of the abundance of absorption lines of its own throughout the optical wavelength region. We have pointed out that very hot stars, the spectra of which consist only of hydrogen and helium lines, would be much better background sources, especially if they are rapidly rotating (as many are) so that their lines are broad and obviously distinguishable from sharp terrestrial lines. Dr. Tomley, in his thesis research at the University of Washington, for instance, used high dispersion spectra of B stars that clearly show telluric ozone lines that are normally difficult to identify in the solar spectrum because of the preponderance of solar lines in the near ultraviolet. In order to make use of such stars, large telescopes are, of course, necessary.

Molecules of interest identified so far from solar spectrograms include CO_2, $C^{13}O^{16}_2$, CH_4, N_2O, O_3, CO, SO_2, and possibly NO_2. Furthermore, other of the 5000 or so recognized atmospheric pollutants will probably be recognizable and measurable when an urban telescope and spectrograph become available and when high temperature stars are used as background sources.

We find that the most effective instrumentation package for this work would be telescopes with a split coudé, such that the light can be sent either to a traditional high-disperson coudé spectrograph for studies in the visual, near-ultraviolet and near-infrared or to an infrared interferometer for high-dispersion infrared spectroscopy. Because astronomical telescopes are normally built at remote sites, we have no information on the kinds of molecules that a reasonably large telescope with a powerful coudé spectrograph might detect in an urban center. For the purposes of pollution measurements, we recommend that a telescope with spectrographs be built in the center of a large city. It could double as a teaching tool for instruction of air resource students in these newly-diverted techniques.

For establishing clean-air background standards and for detecting global long-term trends, we suggest that a large telescope be built at a remote site, which should be at a significant distance from continents so as to give information on trans-oceanic dispersion of pollutants, at considerable altitude to avoid most local effects and trends, and at a site that is clear a high percentage of the time.

We also recommend the possibility of using aircraft, such as the new NASA research craft, balloons, and satellites as platforms for spectrographic study, possibly eventually to give differential height data. Further, there is the possibility of using mm radio telescopes.

ATMOSPHERIC EXTINCTION MEASURES

One of the important currently used measurements of atmospheric pollution involves the determination of the atmospheric turbidity by measurement of the sun's intensity. Astronomers have been making analogous measurements at nighttime since the 1930's, using comparatively highly accurate techniques, but in their case, since they measured the atmospheric extinction only in order to remove its effects from their data, the information has virtually never been published. We have examined data of this sort that we have obtained over the last 10 years with various telescopes at various sites throughout the world, and find that it is of great value as atmospheric data and that such routine measurements could beautifully complement those obtained by the E.S.S.A.-sponsored Volz sunphotometer program, for example.

As most of the turbidity of the atmosphere is caused by particulates, this kind of information complements that obtained on molecules by spectroscopy.

Most astronomical extinction data is available for at least three and sometimes as many as 50 different wavelength regions, and so considerably more information on the atmospheric aerosols can be extracted than from the traditional daytime one-wavelength turbidity measures.

We suggest that the world's observatories be alerted to the potential of this data, which they regularly acquire and file away unexamined. A staff of astronomers and atmos-

pheric physicists should visit observatories where photoelectric observations are made regularly and thereby in a relatively short time assemble a tremendous wealth of data on atmospheric turbidity that would cover a world-wide scope and several decades of history.

Of great importance is the continued utilization of photoelectric telescopes, such as at the University of Washington's new Manastash Ridge Observatory which can be put to work immediately on collecting regular multi-wavelength extinction data. It would be important to mount a similar small telescope at an urban site for simultaneous high-pollution-level data. Perhaps other laboratories with the interest and potential could install telescopes in urban locales for this kind of analysis.

PARTICULATES SAMPLING AND ANALYSIS

A third field that can contribute to the project involves the study of particular matter in and near the terrestrial atmosphere. This research has had as its astronomical goal the identification and study of extraterrestrial particles captured by the earth. Because the extraterrestrial component is so small, extremely sensitive collection and detection devices have been developed by them and by the many other scientists in this field. These techniques, which include ancient ice sampling, surface sampling, aircraft collection, balloon sampling and detection, and satellite experiments, are all useful means of exploring the concentration, the nature, and the dispersal of particulates in the atmosphere of terrestrial, and especially, of man-made origin.

We suggest, as part of the project activities, that we should carry out a complete reanalysis of the hundreds of samples of atmospheric dust that we have accumulated during the past 18 years, with the intent of establishing the properties of the terrestrial dust, which dominates the samples, but which we previously ignored. Further sampling by our various techniques will continue, especially by those means that sample the relatively clean and little-studied air of the trans-oceanic regions, the arctic areas, and the stratosphere. These will provide a baseline and complement the many studies of particulates now being carried out by others in critical urban areas. These sampling programs supplement the optical integrated methods of studying atmospheric particulates because of the possibility of establishing the true size distribution, the shapes of the particles, their optical and physical properties, and, by means of microprobe techniques for the larger ones at least, their chemistry.

THANKSGIVING AND THE LEGACY OF RURAL AMERICA

Mr. TALMADGE. Mr. President, Thanksgiving Day is just around the corner, and I join with Senators in happy anticipation of the holiday and all its traditions. It would seem appropriate for the Members of the Senate, indeed all Americans, to pause and reflect on the meaning of Thanksgiving.

Literally, we are giving thanks, American families will give thanks for both the food on their table and the perpetuation of the values that Thanksgiving symbolizes. Yet many rural Americans are so poverty stricken that they have little cause to celebrate. It seems a moral and historical tragedy that the very womb of the Thanksgiving tradition—rural America—must face a barren table and a bleak tomorrow.

Congress has made a sincere commitment, through title IX of the Agriculture Act of 1970, to revitalize this heartland of America. Part of this commitment will be our efforts to slow rural outmigration by enhancing the desirability of nonmetropolitan life. Hundreds of bypassed communities—true 20th-century ghost towns—dot the American countryside. The attractions of urban services have emptied the once crowded "Main Streets" of many rural towns. Although this trend has experienced a decline since its peak in the 1950's, a substantial flow continues.

Some have survived the transition, but many others have not. Adjustment to city life has been extremely difficult for some because of a lack of urban-related skills. Yet the door behind them is also closed. The technological revolution on the farm has deprived them of agricultural employment. They remain, trapped by this dilemma, to swell the ranks of urban poor.

We have come to recognize the necessity for reshuffling America's national priorities. Excessive population concentration in urban areas has surfaced as a top item in the debate. It is indeed unfortunate that we have frequently misdirected our efforts in correcting this frightful imbalance. A more realistic emphasis—and one closer to the root of the problem—is found in title IX. Hopefully, by making the rural community more economically viable, more humanly attractive, the present tide of population resettlement can be reversed.

Many perceptive and openminded community leaders have sensed the connection between rural outmigration and economic decline. In response, they have taken a fresh look at the employment base and service needs of the residents. In my own State, WSB television of Atlanta has highlighted three communities which are in transition—Toccoa, Waynesboro, and Thomasville—three of many towns where the citizens have maturely confronted the realities of today's rural America. I commend these individuals. It is a difficult task to set aside a past which is no longer productive, and pick up the uncertain and untried tools of tomorrow.

It is hoped that the news media of the country will in the coming decade take more interest in the problems of our rural communities. For too long the people of rural areas have been forgotten. It seems that the problems of urban areas are forever in the headlines and on the TV screens. Certainly the urban problems are more explosive and more sensational. However, these urban problems have been created by rural problems—by our failure to provide employment opportunities and adequate services to our rural residents. Our failure has resulted in a mass migration from the farm to the cities.

I want to commend the management of Cox Broadcasting Co., and the company's Washington correspondent, Jim Giltmier, for their interest in rural America and their willingness to devote their resources to such a public service production as this.

Mr. President, I ask unanimous consent that WSB–TV news release regarding the rural development documentary entitled "How 'Ya Gonna Keep 'Em Down on the Farm?" be printed at this point in the RECORD.

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

PROBLEMS FACING RURAL GEORGIA EXPLORED ON WSB TELEVISION

WSB Television will present a five-part special on the problems facing rural Georgia on 12 and 6 O'Clock Newsrooms beginning Monday, November 23. Entitled "How 'Ya Gonna Keep 'Em Down on the Farm," the series was produced by WSB–TV's Washington correspondent, Jim Giltmier.

Giltmier traveled with Senator Herman Talmadge throughout the state gathering information for the documentary. WSB Television photographers filmed Talmadge talking with both civic leaders and working men in rural Georgia communities. The documentary points out that rural Georgia no longer has the large agricultural industry which was once a major source of income. According to Giltmier, people have moved from the small communities to the larger cities in the state looking for jobs and conveniences not available otherwise. Some experts feel that this is one of the causes of many of our present-day urban problems.

Senator Talmadge states, "Rural development and revitalization is a national imperative of the highest priority. The tremendous social and economic problems that presently plague our cities, urban poverty and congestion make it clear that we cannot go on repeating our mistakes of the past that have caused the mass migration of millions of people from rural to urban areas."

"How 'Ya Gonna Keep 'Em Down On the Farm" offers no solution, but presents an in-depth look at the problem, and at some of the small towns of Georgia which have made a successful transition from agriculture to industry.

Mr. TALMADGE. Mr. President, such a transition will not be driven by simple rhetorical commitment. It demands comprehensive planning and technical assistance to develop an attractive growth center from a stagnant community. Highways must be rationally planned. Medical and educational facilities must be expanded. Inducements to industrial location; water, sewage treatment, and powerplants must be adequately developed. If we adhere to our commitment in title IX, the first and most difficult steps in this direction will be taken.

Specifically, in the immediate future, we need to take a hard look at the inability of rural communities to attract capital investments and Federal grants and loans because of their shrunken economic base. But even at the other extreme—where funding levels are sufficient—the problem is far from solution. Many of these communities are faced with a potpourri of uncoordinated, often contradictory, programs which can result in catastrophes of economic mismanagement.

In Georgia we have been fortunate in having highly effective area planning and development commissions. The entire State is organized in these multicounty units which coordinate the economic development of their member counties. These organizations have brought a large measure of coordination and cooperation to rural development activities and have provided technical assistance and leadership which rural counties do not have.

This Thanksgiving holiday reminds

us that rural development is revitalized in spirit as well as in economic strength. Rural America is the origin of both the bounty of our table and the atmosphere that pervades the holiday. Rural America—its families, homes and land—is, in a sense, our birthplace and cradle. We should revere and honor it as such.

Yet it also offers a challenge and an opportunity. It offers an opportunity for us to provide an acceptable quality life for rural residents and raise the quality of life for all our citizens.

AIR ATTACKS AND PRISONER-OF-WAR RAID IN NORTH VIETNAM

Mr. HARRIS. Mr. President, the news of widespread U.S. air attacks in North Vietnam and of a raid on a suspected prisoner-of-war camp near Hanoi was indeed upsetting. The reasons for these military operations deep into North Vietnam have not been fully explained.

Has the administration changed its policy on the conduct of th : war?

If so, what are the implications of these decisions to escalate the war?

Will the action taken lead to an acceptable settlement of the war?

Has the raid in the north improved the chances of gaining the release of the prisoners of war and have the lives of those in the prisons been made easier or safer as a result of the military operations which have been undertaken?

These and other questions are surely foremost in the minds of most Americans today. The war in Vietnam is clearly the No. 1 issue and problem facing this country. The events of the past few days have made it clear that our focus and attention must be more forcefully directed toward bringing this war to an end.

In 1968 we were told by President Nixon that he had a plan for ending the war in Vietnam. Two years later the war continues. American men and others continue to be killed and wounded, and we see a seeming resumption of tactics that were abandoned in 1968 as unworkable.

Bombings and daring military operations did not bring the North Vietnamese to the bargaining table and result in an end of the war in 1968.

The solution to the Vietnam war lies not in escalation, but in deescalation. We must bring our troops home, at least within the timetable of the McGovern-Hatfield proposal. The sooner this can be accomplished the better.

We should not and cannot continue the erratic course that is presently being pursued.

CONSUMERS AND THE IMPORT QUOTA BILL

Mr. HATFIELD. Mr. President, before the Senate begins debate on the Trade Act of 1970, I think that all Senators should consider the effect of this bill on the consumers of our country.

To me, the equation is simple. If the trade bill is passed as it now is written, consumers will have to pay more for equivalent goods than they do today. Our dollars will buy less, and halting inflation will be more difficult, for fewer goods will be available.

In my Senate remarks on November 17, I mentioned briefly the effect of this bill on consumers. I ask unanimous consent that that portion of my remarks be printed in the RECORD.

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

Mr. President, while I intend the prime thrust of these remarks to center on agriculture. I think we in Congress should remember the effect of this bill on the consumers of this country.

One fact is inescapable: consumers will pay more for goods than they do today if this bill is enacted. I do not know how anyone can disagree with that statement, for in many instances, imported goods are lower priced than competing domestic goods.

I ask the question: If I am a senior citizen on a fixed income, or I am a low-income resident of any inner city, or I am a worker caught in today's inflationary spiral, what will happen to me if import quota restrictions remove lower cost items from store shelves?

To answer my own question, my dollar would buy less than it does today. I will have to pay more for similar goods.

I think it highly speculative for domestic producers to eye any dollar spent on imported goods as a potential dollar that would be spent on domestic goods in the absence of those competing foreign goods. I do not think that a person can project that amount as one that would be used to purchase higher cost domestic goods.

Mr. HATFIELD. Mr. President, it has been stated that often the consumers' point of view has not been presented adequately to this body. I believe that Mrs. Virginia Knauer, special assistant to the President for consumer affairs, did a real service to the consumers of the country when she spoke on this bill on July 28, 1970. Her remarks offer a good summation of the consumer impact of the bill, and I ask unanimous consent that Mrs. Knauer's statement be printed in the RECORD.

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

PRESIDENT NIXON'S COMMITTEE ON CONSUMER INTERESTS

Mrs. Virginia H. Knauer, Special Assistant to the President for Consumer Affairs, issued the following statement today:

"I am alarmed over the disregard of the American consumer evidenced by the restrictive trade bill presently before the House Ways & Means Committee. The President has registered strong objections to the measure, and I would hope his reservations will be taken into consideration by the Committee.

In many ways, this bill is the most significant "anti-consumer" legislation now in the Congress. The imposition of import quotas will hurt virtually every consumer in the United States, particularly lower income consumers.

Higher prices, fewer product choices, reduced competition, and a limited supply of imported products are the probable result of the proposed import quota legislation. Quotas of the type provided for by the bill will also raise the prices of imported commodities.

It is possible under the bill that some inexpensive foreign imported goods might not be available at all, and our lower income consumers may well find themselves unable to afford certain products.

The interests of consumers can best be protected by moving toward freer trade. The bill in the House of Representatives does the reverse: it reduces the flexibility of the President to lessen trade barriers, it preserves by law oil quotas which prevents the President from shifting to a tariff system, it mandates new quotas in certain industries, and it encourages other special interest groups to obtain quotas on their products—all of this at the expense of the American consumer.

I do appreciate that certain industries now face serious competition from imported goods, and I suggest that the appropriate relief for these manufacturers is through liberalization of adjustment assistance procedures.

If, as many economic experts believe, a trade war results and other nations do retaliate, there will be an even greater reduction in the supply of goods and price competition, and the effect on the consumer will be devastating.

Congress should put the welfare of the nation's consumers before the welfare of a few individual industries.

THE GOOD LORD AND THE GOVERNMENT

Mr. ALLEN. Mr. President, the issue of Liberty, a magazine of religious freedom, for November-December 1970, contains an interview of Senator SAM J. ERVIN, JR., by William Hoffer, a freelance writer, on the subject of religious freedom. It is entitled "The Good Lord and the Government."

Mr. Hoffer makes this statement concerning Senator ERVIN by way of preamble to the interview:

A graduate of Harvard Law School and a decorated veteran of World War I, Senator Sam J. Ervin, Jr., has served in the Senate for fifteen years. He is the second-ranking Democrat on the Senate Judiciary Committee and is chairman of its Subcommittee on Constitutional Rights.

In 1968 Senator Ervin appeared before the Supreme Court to argue that any U.S. taxpayer has the legal right to file suit in a Federal court when he feels that his tax money is being used illegally to support a religious institution. In a landmark decision the Court reversed a 1923 judgment. No more crucial blow has been struck for separation of church and state in this century.

Among the many awards Senator Ervin has received are the George Washington Award by the American Good Government Society, the George Washington Medal by the Freedoms Foundation, and the Religious Liberty Citation by Americans United for Separation of Church and State.

He is an elder in the First Presbyterian church of Morganton, North Carolina.

Mr. President, Mr. Hoffer's preamble reveals that the Senator from North Carolina has received the Religious Liberty Citation from Americans United for Separation of Church and State and the George Washington Medal from Freedoms Foundation.

The award of the Religious Liberty Citation to Senator ERVIN by Americans United for Separation of Church and State was evidenced by a plaque reading as follows:

Americans United for Separation of Church and State Presents Its Religious Liberty Citation to Sam J. Ervin, Jr., distinguished statesman, jurist, constitutional attorney,

patriot, and churchman, who has displayed in the United States Senate unparalleled devotion to this country's hallowed tradition of church-state separation. 18th National Conference, Nashville, Tennessee, February 22, 1966. Louie D. Newton, President. Glen L. Archer, Executive Director.

The award of the George Washington Medal to Senator ERVIN by the Freedoms Foundation in 1966 and again in 1967 was "for outstanding achievement in bringing about a better understanding of the American Way of Life."

Mr. President, I ask unanimous consent that the interview of Senator ERVIN appearing in Liberty for November–December 1970, be printed in the body of the RECORD.

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

THE GOOD LORD AND THE GOVERNMENT

(By William Hoffer, an Interview with Senator SAM J. ERVIN, JR.)

Senator Sam J. Ervin, Jr. (D-N.C.) is the recognized Congressional authority on matters dealing with basic human rights as guaranteed in the United States Constitution.

Recently he discussed his philosophy of separation of church and state, particularly as it applies to attempts by religious groups to finance their activities with tax money.

Q. What is the basic conviction that undergirds your philosophy of religious freedom? On what sine qua non does religious freedom rest?

A. I have a conviction that there can be no political freedom where religion dominates the state and no religious freedom where the state dominates religious organizations.

So I think it's essential to the preservation of any kind of liberty to maintain the doctrine of separation of church and state.

Q. What is the most elemental threat to religious freedom in America today?

A. We are confronted with increasingly insistent demands from some religious groups that their activities be financed out of tax money. Their success would strike a mortal blow at religious freedom. State support of a church is bad not only because it violates the First Amendment but because it's bad for a church. The church that depends upon tax money for the support of its activities—rather than upon the voluntary gifts of its adherents—loses spiritual strength.

Q. Some people might call your stand irreligious.

A. Support of separation of church and state tends to promote, rather than disparage, religion. Our forefathers who wrote the principle into the Constitution did so because they were religious men.

Q. In March, President Nixon advocated Federal assistance to nonpublic school children. How will Congress react to such legislation?

A. I would hope that Congress would not embark upon the support of religious institutions with tax money. As a matter of fact, I introduced a proposal four times in the Senate—twice in the form of amendments to the education bills and twice in the form of separate bills—making it certain that Federal courts should have jurisdiction to determine the constitutionality of grants and loans of Federal tax money to religious institutions. And the Senate adopted the measure on all four occasions.

I could not get the bill through the House because the Judiciary Committee of the House would not act upon it.

Q. Are you still attempting to get the bill passed?

A. No. The 1968 Flast decision by the Supreme Court made it unnecessary.

Q. What happened in the Flast case?

A. The Flast case originated in the District Court of the United States in New York. The court held that a Federal court does not have jurisdiction to entertain a suit by a single taxpayer who claims that there has been a misapplication of Government money. In other words, there was no way to enforce the First Amendment by challenging Federal tax funds going to religious groups.

The case was appealed to the Supreme Court, and I was asked to file a brief and argue the case. The Supreme Court laid down the principle that as far as the First Amendment is concerned, a private taxpayer can bring suit in a Federal court to challenge the validity of grants and loans of Federal tax money to religious denominations.

Q. Did the ruling accomplish all that you hoped to accomplish through legislation?

A. Yes. As a matter of fact, my proposed bill had a lot of limitations and restrictions that I had to put in to get it passed, which would have tied the jurisdiction of the Federal court far beyond where the Supreme Court left it.

Q. What is the attitude of Congress toward providing any type of aid to religious institutions?

A. I am unable to say what the consensus would be. The fact that my bill passed the Senate four times would indicate that the majority of the Senate, at least, was opposed to the use of tax money for religious purposes.

When my bill was first offered as an amendment to the education bill, it met strong opposition. When I offered it the second time, only two Senators voiced opposition. And the other two times it was adopted by the Senate virtually unopposed. But I never could get a bill around the roadblock in the House Judiciary Committee.

Q. Will the attitude of the Supreme Court toward separation of church and state be affected by the addition of Chief Justice Warren Burger and Associate Justice Harry Blackmun?

A. I wouldn't think so. The Flast case was an 8 to 1 decision. It was written by Chief Justice Warren and the only dissenter was Justice Harlan. I would guess that Burger and Blackmun would go along with that decision. Both are pretty fundamental on constitutional questions.

Q. Several recent polls have indicated that most Americans oppose Government aid to church institutions. Do you believe this to be an accurate representation?

A. Most of our early settlers came to the United States to escape being required to support religious institutions whose doctrines they disbelieved. And I think that most Americans would agree with Thomas Jefferson: "To compel a man to furnish contributions for the propagation of opinions he disbelieves . . . is both sinful and tyrannical."

Q. Is not the financial crisis in many parochial schools itself an argument for Government aid?

A. Not a valid one. The Government takes tax money, and it supports public schools. If a parochial school is not willing and able to finance its activities, it ought to go out of business and let the children receive public education.

One of the bad things about giving parochial schools access to the United States Treasury and State treasuries is that you injure the public school system. I have no doubt that many public school systems don't get adequate financing—either from the Federal Government or the State governments.

Q. But what would happen if the parochial school system broke down? Or if large numbers of parochial school youth were "dumped" into the public system, as has been threatened by church educators in several areas? Would the public school system be able to handle the load?

A. The public school system would necessarily have to expand, and to do so would require a substantial outlay of money. But the reason parochial school systems exist is because parents want their children to receive religious instruction, which is unconstitutional to offer in a public school system. And if they want to have this extra thing—and I think religious instruction is a wonderful thing for children—they ought to be willing to pay for it.

You can't tell me that in a country like this, where there's so much money available for luxuries, people can't finance parochial schools. If they've got enough devotion to want to instruct their children in religious matters, they can finance it.

Q. Several States have recently adopted plans channeling tax money into the secular area of parochial school curricula. That is, into salaries of teachers of mathematics, English, language, and so forth. Sometimes the money goes to supply teaching aids and equipment. Since no money goes for teaching religion, is such aid constitutional?

A. No. The Supreme Court has declared in several cases that when a religious institution is financed in any one of its activities by tax money, the state is financing that religious institution as a whole. You cannot put secular education in one package and religious instruction in another in the hands of the same people and say there's separation of church and state.

If you furnish tax money to finance the nonreligious activities of a religious organization, you are financing that religious organization, because you enable it to take other funds and use them to teach religion.

Q. In May the Supreme Court upheld tax exemption of churches. Do you believe this decision to be consistent with separation of church and state?

A. I think the decision of the Supreme Court on this point is in entire harmony with separation of church and state. The decision rests fundamentally upon the proposition that if the state taxes church property, the state is compelling the church to support the state. To do this would be just as unconstitutional as to require the state to support the church.

Q. Some who have studied that decision believe that the court modified the language of the Everson case, which prohibited the state not only from passing laws which aid one religion or prefer one religion over another but also from aiding all religions equally. Catholic spokesmen, for example, have conjectured that the court has opened the way to aiding church-supported schools in the secular areas of their curriculum. Do you have any comment?

A. I disagree with this view. The decision supports the doctrine of separation of church and state because it holds that church property must be exempt from taxation in order that the church might not be compelled to support the state. Hence it is consistent with the principle that the state must not support the church and the church must not support the state.

Q. The Supreme Court recently approved of free textbooks being supplied to children enrolled in a parochial school. Do you agree that this is constitutional?

A. If you furnish the textbooks strictly to the child, and they're the same books as are furnished to the public schools, a very good case can be made for nonviolation of the Constitution.

But you've got to recognize this: if you begin to give money to parochial schools for one purpose, you'll wind up giving it for all purposes, and you'll be paying people to teach religion.

Q. If a religious school is in financial trouble, wouldn't it be better from the school's viewpoint to accept governmental aid, rather than to close down?

A. No. it's not good for a religious denom-

ination under any circumstances to consent—even for its seeming benefit—to violate separation of church and state.

Q. Do you anticipate any bills being introduced into the next session of Congress that will threaten church-state separation?

A. Education bills, which originate in the House, will have to be scrutinized carefully to see that they do not maintain a sleeper authorizing use of Federal tax money for religious purposes.

Q. What would happen if, in the future, religious organizations did persuade the Federal Government to finance their activities?

A. If you start giving tax money to religious denominations, you are going to stir up dissension throughout the country, because the amount of money that a religious group would get would be contingent upon its political power. You would embroil the nation in quarrels among different denominations.

Q. What has caused you to become so involved in the question of religious freedom?

A. My conviction that the greatest gift the good Lord and the Government can give to a person is freedom.

That's the most precious value of civilization.

EXPANSION AND PERFECTION OF HEALTH CARE

Mr. MURPHY. Mr. President, for the past several days, I have been most interested in listening to some Senators worry aloud about the matter of health care, health research, and the need for expanded manpower training services and delivery in the health field. Yesterday, on a television interview, I heard the distinguished chairman of the Labor and Public Welfare Committee speak at length on the need for a commitment in this area—particularly in the matter of cancer research and treatment.

I commend the distinguished chairman not only for his extensive knowledge and experience in this field but also for the eloquent way in which he presented his case.

I was disturbed, however, when several times during the interview I received the impression that the entire matter of expansion and perfection of health care depended solely upon the allocation of tax dollars and that the main reason that we could not get on successfully with the business of caring for the needs of our people was the great cost of the war in Vietnam.

Having done some study in this particular field myself, I am not certain that I can accept this as the total cause. I would point out that from my research it seems that we have really not expanded or improved our health care delivery service since the year 1955 to any great degree and that all that has happened since the advent of medicaid and medicare is that we have taken health services that were once delivered to one element of our society, and transferred the same services to another element of our society at a much greater cost. It may be quite possible that the cost of the war in Vietnam has been a stumbling block in our progress, but there were many years before the war when little or no progress was made.

And I get the feeling sometimes that the war is not only a very popular but also a convenient and handy scapegoat on which to blame everthing we do not like, from fallen arches to the high density of air pollution in New York City.

It may be we are to blame, and its not exactly due to Vietnam—and I am not certain that the entire matter turns on the number of dollars provided. We must also have commitment and a plan.

The fact of priorities may have been one of the main reasons why President Eisenhower and Vice President Nixon objected to and refused our original involvement in the Vietnam war back in 1955 when the idea was first presented. However, I am certain that President John F. Kennedy was just as sensitive to the needs of our people as any other man and certainly must have considered all the conditions, possibilities, and priorities before he made the first commitment of troops to Vietnam.

I am pleased, however, that at long last, due to the Nixon policies, that unfortunate war is now grinding to a halt and, so, if it be true that the war has been holding us up—that the war cost has been holding up immediate health field progress, then thank the Lord, in the foreseeable future we can get on with the long-needed improvements that our people have waited for so many years.

I would also point out that there are many other areas where public funds are spent and wasted, in my opinion, in unnecessary, excessive amounts which might also be included in the blame for the shortage of funds so badly needed for the health care of our citizens. I speak of the high cost of crime, violence, and arson, thievery, the destruction of our cities and of our college campuses, and the direct increase in the overall cost of law enforcement caused by our present-day permissiveness and the resultant conditions.

I read over the weekend where 7 percent of the cost of the retail industry has become directly accountable to the amount of stealing and thievery which takes place in our stores, and I am told by experts that this is not a true reflection because there is so much involved which is covered by insurance that the true record of the conditions are never truly exposed.

There are many other areas where the tax dollars of our people are unsuccessfully directed to overcome other wasteful and destructive habits, in alcoholism and narcotics and I would enthusiastically join with Senators on a frontal attack on all of these areas of wasteful destruction and squandering of our funds to do what we can to force a total concentration of our efforts on the positive productive needs of our people, such as in the fields of health, education, job planning, and training.

With this in mind, a few months ago, I gathered together a few research experts who are interested in these matters and made a proposal which I hope in the near future can be accepted and acted upon. I think it is a practical proposal in the matter of health care because it envisions immediate action with the tools, knowledge, and expertise, as well as the funds presently available and would not force us to wait until the slow processes of democracy and bureaucracy could eventually provide the funds and the necessary plans to do what we all know needs doing so badly.

The distinguished senior Senator from Texas (Mr. YARBOROUGH) yesterday deplored the amount of time that our limited number of physicians must spend doing paperwork. I submit that we have the force almost immediately available to take over this expanding burden and which would permit our doctors to care for, I am told, another seven and a half million patients every week. I went into the matter of nurses, where there is indeed a great shortage, and discovered that with very little extra training, practical nurses could be doing a great share of the work that now consumes the time of the registered nurses and, here again, I find that the registered nurses spend 30 percent of their working time filling our forms and filing papers. I also know that in the field of heart disease as well as cancer by merely making available some of the practices and expertise currently perfected we could save a great percentage—maybe over half—of the lives of the people who die every year from these diseases.

In other words, Mr. President, we not only need funds but we also need a plan and I would like to ask unanimous consent that a copy of my projected plan may be made a part of the RECORD at this point.

I would also like to suggest, Mr. President, that in my opinion the entire approach for the delivery of the badly needed new health services can be discovered and perfected by exactly the same teams of scientists, researchers, and men of industry who put the men on the moon and brought them back safely.

And so, Mr. President, I would like to congratulate my colleagues for attracting attention to the needs of our people in the health field, and I would hope that Senators will take the time to read the brief copy of my remarks in the desire that it might inspire them all to join enthusiastically with the remarks of the distinguished Senators from Texas and from Maine in getting on with this badly needed and belated determination of commitment in the matter of the general health care of our people.

I realize that my plan was placed in the RECORD on October 12, 1970, but I ask unanimous consent that it be reprinted, so that all Senators may read it. I think it might help to solve our problems.

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

HEALTH CARE IN THE UNITED STATES—A CRISIS FOR THE NATION—A CHALLENGE AND AN OPPORTUNITY FOR CALIFORNIA

I. INTRODUCTION

We are all aware, I believe, as the Nixon Administration warned in 1969, that our nation's health care system is on the verge of a massive crisis. The rapidly mounting cost, the difficulty of obtaining medical care, the lack of progress against the major causes of death and suffering, gravely affect the lives of all Americans.

I have brought you together this morning—this notable gathering of the top leadership in almost every phase of California activity—to ask that you join me in an effort to solve this national problem, and in so

doing that we work toward making our State of California the Health Center for the United States.

Over the years we in California have shown tremendous initiative and ingenuity in supplying the needs of a growing nation and an ever more complicated society. By harnessing a water supply we have converted arid lands into the bread basket of the nation; our businessmen and workers have combined to lead the way in providing Americans with the products of a modern industrial society and, when necessary, in producing the military schools necessary to keep us the strongest nation on earth; our financial institutions have been in the forefront of developing modern means of financing private homebuilding.

And so what I now propose seems only a logical extension of our state's past accomplishments—that we should recognize that this national crisis presents both a challenge and an opportunity for Californians. I hope you will agree that this can be fascinating and gratifying adventure for us all.

We are all hopeful that world affairs some time soon will allow us to convert our defense industry into nonmilitary applications. I can think of no more exciting or appropriate role for California's aerospace and defense-oriented industries than to participate in the development of an advanced health care system and so to provide jobs for tens of thousands of California workers in this worthwhile new endeavor. It will be healthy for California to provide good health to the nation.

Let me say at the outset that I claim no expertise in the technical aspects of medical care. But I do claim that in this room there are experts, men such as those who have solved the great problems of our nation's past. The problem we discuss today is one whose solution, like so many, requires not just dollars: organization, coordination and a systematic approach to the problem can do what dollars alone will never do. As a United States Senator from California, I hope that I can provide some leadership in undertaking such an approach with you and with others like you throughout California who hopefully will join our crusade.

I want this morning to outline some avenues which I think our efforts might take in seeking to make California the Health Center of the Nation.

Before describing what's wrong with our present health care systems, I want to make very clear my admiration for all who are presently engaged in the health professions and for the tremendous advances they have brought to our country. The diversity and complexity of the elements involved in this problem require the application of our entire community for their solution. The health professions alone cannot and should not be saddled with this responsibility as I am sure they would be the first to agree.

In our undertaking we must, of course, turn first for counsel and advice to those who have made the miraculous advances in medical care in recent years.

The list of these advances is long. Our surgeons have learned how to transplant vital organs such as the heart and the kidneys. Our engineers have developed a wide variety of artificial organs and prosthetic devices. Vaccines have been developed for polio, measles, mumps, and chicken pox. Methods have been found to reduce the mortality from heart attacks by 20 percent. New drugs have dramatically reduced the number of patients in mental hospitals. Antibiotics have been extremely effective in treatment of bacterial infections, once the leading cause of death in the United States.

The efforts of the men and women in our health care system have shown remarkable results in many respects. Since 1900, death rates in the United States have declined remarkably. The mean death rate in 1950 was approximately one-third of the corresponding value in 1900.

II. THE PROBLEM

Although we can be justly proud of many aspects of our health care system, it is becoming increasingly clear that the system is failing in many ways. Probably the most obvious symptom is the recent increase in health care costs.

Most middle-class families in America can no longer afford adequate health care, and a prolonged illness can mean financial disaster. During the last five years, the cost of health care has been rising at double the rate of the cost-of-living increase. Our national expenditures for health care have risen from 37 billion dollars in 1965, to 63 billion in 1969, an increase of more than 70 percent. The cost of hospital care has been rising 16 percent each year. In many urban areas the average expense of one day's stay in a hospital has reached $100 a day. The average yearly per capita expenditure for health care in the United States is $300.00; thus a family of four might expect to pay $1,200 each year for health care.

Another symptom of the problems in the health care system is that access to care is becoming increasingly difficult. Few physicians are able to make house calls, and in many areas it is becoming a problem to obtain an office appointment. The number of physicians seeing patients has declined from 103 per 100,000 Americans in 1950 to 94 in 1969.

Those health workers we do have are distributed unevenly throughout the country, and not necessarily according to need. Urban areas have twelve times as many doctors as all communities with a population of 10,000 or less—but have only 5 times as many persons as the small communities. And certain disadvantaged areas in our country have difficulty in attracting the doctors needed even for minimal care. That is why I have introduced in the Senate a Bill which will provide government assistance for medical training to students who will agree to practice in medically disadvantaged areas. This program will help both to train needy students of medicine and to provide doctors to needy areas.

Some of the failings in our health care system are reflected in the nation's mortality and morbidity statistics. The United States ranks 13th (behind several West European countries and New Zealand) in infant mortality and behind most of these countries in maternal mortality and death rates from heart diseases and cirrhosis of the liver. Our life expectancy has remained essentially unchanged since 1955.

Our health care system cannot be held entirely responsible for our bad showing in these statistics. Many of us eat too much, drink too much and smoke too much. We don't get enough exercise and we drive our cars unsafely. All of these factors increase our rate of death and suffering.

The fact remains, however, that the list of leading causes of death and disease in this country has changed little during the past 20 years. Heart disease, respiratory disease, cancer and stroke still strike down hundreds of thousands of us each year. Arthritis, ulcers and mental illness afflict additional millions of citizens.

It is true that we have come a long way in improving our health care, but we have a long way yet to go. The cost of health care has become intolerable for many; progress in alleviating our major health problems has been disappointingly slow.

In the past public and political discussion of health care has tended to revolve around how we should help individuals to pay for medical care. I believe we should concentrate our attention on a more basic question: how can we improve the quality and quantity of medical care, the efficiency of its delivery to the individual, and bring health care within the means of our citizens? It is time to tackle our health care problems in new and revolutionary ways. I am asking you today to join me in this adventure.

III. THE SOLUTION

A. The goal

I propose that we develop a new health care system by which California will provide 21st Century medicine within the next decade. The objectives of this system will be:

To provide all citizens with comprehensive health care at a price they can afford.

To reduce death, suffering and disability from our major health problems, including heart and lung disease, stroke and cancer.

To develop and implement new methods of preventing sickness before it occurs, by such measures as screening clinics and vaccination programs, and by mobile units which take a diagnosis capability to areas where it is needed.

To provide health care that is satisfying in human terms, both to those who receive care, and to those who give it.

California has the intellectual and industrial resources necessary to make such a system a reality. The leadership of these resources is represented in this room this morning. I believe that the time has come to ask our scientists, engineers, architects, our workers and our business executives, and our finance leaders, and others to join with the men and women in the health care system, and to begin development of a new health care system, one that will make California the world leader in health care delivery. Californians have given the nation the most advanced military capability in the world; they have engineered that "giant leap" by which Neil Armstrong placed the stars and stripes on the moon. I know that the same teamwork and application of basic science, properly directed and cordinated, can provide a practical and effective means of delivering modern medical care to the people of the United States.

B. General approach

Before presenting my specific proposals on how to proceed in developing our health care system, let me comment briefly on the principles I believe should be followed.

First, most such problems must be solved at a local level. Solutions developed by the people who must live with them are much more likely to work than those devised by bureaucrats dealing in theory and wishful thinking. Thus, I believe that our new health care system should be developed here in California. (Although federal support will be necessary, we mustn't expect our health problems to be solved simply by passage of legislative programs in Washington.)

The second principle is that we should try to build on the progress we have already made, rather than to destroy what exists and begin all over again. This means that we must preserve the good in the present system and apply our capabilities to its improvement. It also means that we must expect that a multidisciplinary effort involving the talents and insight of many fields—engineers, economists, computer specialists, social scientists, as well as physicians and nurses—will be necessary to build our new health care system.

The third principle is that it is clearly better to build complicated systems one step at a time, testing and evaluating each part before proceeding to the next. The experience of our space program has confirmed the wisdom of such an approach. The components of the moon rocket and its satellite were developed and tested a step at a time, first singly and later as a unit. We began with suborbital flights and proceeded to earth orbital flights, then to trips around the moon and, finally, to a landing on the moon itself.

I believe that our new health care system should be developed in such a step-wise

fashion. I cannot now propose the exact form that the new system should take, but I can, and I intend now to try, with your help, to get that step-by-step development process into motion, starting with improving our method of delivering our present capabilities.

A final principle is that, although money will be required to solve our health care problems, unless it is used carefully, it is almost as likely to make the problem worse as it is to cure it. The experience of our Medicaid program provides an excellent example of the terrible consequences that can result from trying to solve a complex problem simply by expending massive amounts of money.

The objective of the Medicaid program was to provide more health services for the poor, unquestionably a laudable goal. This year the government will spend more than 5 billion dollars per year in pursuit of this objective. The program has now been in operation for nearly 5 years and its disturbing consequences have begun to emerge.

The statistics show that the Medicaid program has indeed accomplished its objectives: the poor *are* receiving more health care. The difficulty is that the capacity of our health care system has been relatively fixed and it has been running at full utilization. Thus the added health care given to the poor has had to be taken from someone else. The results show, therefore, that although the poor are now receiving *more* services, others in our society are receiving less. We have simply shifted the problem from one group to another. And with the supply fixed and demand increased, the cost of medical care has naturally skyrocketed. We are not delivering any more medical service—we are just spending more for the same amount of service.

As we develop our new system it will, of course, be important to ask continually whether our money is being spent productively, to insure that we are getting a satisfactory return on our investment, and not simply changing our problems from one form into another.

C. Specific proposals

Now for a moment let me be more specific about how we might begin to build our new health system.

First, we must build the capacity to train adequate numbers of physicians and other health manpower. Although automation has much to offer, providing health care must continue to be essentially a human process. We must first train those who will work in our new health care system. California has far to go in meeting this objective. Our state is one of the largest importers of health manpower in the nation. Over half of our physicians are trained by other states, and more than 10% of them come from outside the United States entirely. More California doctors retire or die each year than are replaced by graduates of our State's medical schools.

If, as I visualize, California is to become the Health Center of the Nation, we must develop the capacity to train the medical personnel required to meet the needs not just of California but of those from outside the state who will come here to take advantage of our system—and I believe it will be to the economic benefit of our state and its people to have the capacity so to serve the entire nation. I will therefore work to obtain the funds necessary to develop and expand our state's eight medical schools, and to support new programs of training for allied health manpower.

Second, our state's basic biological and medical research program must be adequately supported. Solution of many of our health problems will require a better understanding of the basic mechanisms of health and disease. We will expect our basic researchers in biology and medicine to provide us with the fundamental breakthroughs which allow us to provide better health care. Thus a basic research program is vital; and yet we see that, considering the effects of inflation, during the past two years the nation's yearly investment in basic medical research has declined by 10%. The implications of this decline are horrendous. Skilled clinical research teams, requiring years to train and organize, have been dissolved for lack of funds. Young biological scientists on the threshold of their careers are experiencing difficulty finding employment. Progress in man's fight against death and disease has unquestionably been delayed by reduction in our support of health research.

I will therefore work in close association with our Governor to maintain an adequate and stable level of support at the federal level for basic biological and medical research and to ensure that California's health researchers receive their full share of these funds.

Third, I propose that a series of health systems development laboratories be established throughout California and the Southwest. Collectively, these laboratories will comprise the *Southwest Institutes of Health*. The objective of these laboratories will be to bridge the gap between theory and practice; their role will be to bring progress in basic research to the bedside.

Although our nation has invested more than $20 billion in basic research during the past two decades, it is striking that comparatively little of this money has been spent in applying progress in basic research to actual health care problems. We have all witnessed our society's phenomenal achievements in technologies such as communications, transportation, and data processing. Our health care system has so far employed for general use comparatively little of this progress. Much of the health care system uses the same manual procedures developed 50 years ago, largely unabetted by recent technological progress. What is needed is the kind of think-tanks, imagination, application, and the development labs that have helped bridge the gap between theory and practice in our aerospace industry.

The prototypes are already in existence. A model for such labs has been developed by organizations such as the Rand Corporation, the Aerospace Corporation, TRW, Litton and many others. These organizations have played a crucial role in improving the effectiveness of our known scientific knowledge. Similar organizations can help design and develop a better health care system.

I believe these organizations should be given a charter to examine our existing health care delivery system and to design and test components of a new system. These institutes will be staffed by multidisciplinary teams drawn from medicine, the aerospace industry, the management sciences and architecture. The institutes will provide a stable environment within which these teams can concentrate upon developing our new health care system.

Their charter should be broad—they should examine not only the techniques of diagnosing and treating disease but also the organization, management and financing of the entire health care delivery process, including the building and design of hospitals, dietetic and laundry services, improvements in medical instruments and in the efficient use of personnel. They should overlook no potentially promising means of improving the quality and efficiency of our health care and its delivery to the general public.

Let me give you some examples of ideas that might be developed and tested in these institutes.

Experts tell us that perhaps as much as 30% of the cost of providing medical care is spent on handling paper work. With the advent of Medicaid and Medicare, and as the number of private insurance plans grows, doctors and hospitals have been buried under an avalanche of forms and reports that must be completed for their patients. In addition to the bookkeeping tasks, much additional time is spent maintaining medical records. It has been estimated that nurses spend up to 25% of their time on such tasks.

During the past decade, automated methods for data processing have become standard practice throughout our society. Yet surprisingly little of this technology has been applied in the health field. Automated data processing systems capable of handling both bookkeeping and medical data could be developed and tested.

Let's consider another area, that of financing health care. Could it be that much of the recent inflation in health care costs has been produced by health insurance programs that do not encourage either those who receive care, or those who give it, to keep costs down? If so, this seriously affects many persons who are unable to afford adequate insurance coverage. And it would follow that we need to develop new methods of financing and controlling the cost of health care.

Health economists tell us, however, that designing such programs is still more of an art than a science. We have much to learn before we can design a program that encourages efficiency without compromising quality of care, that distributes our limited supply of health care fairly and is satisfying both to those who receive health care and to those who deliver it. Another area for study and innovation in the institutes I propose would therefore be health economics.

Let's turn now from discussion of financing and management to a more exciting area—using technology to improve the diagnosis and treatment of disease. This country's $20 billion investment in medical research has provided many promising ideas that have not yet been developed and implemented. I will name but a few.

Heart attacks are the leading cause of death in the United States, killing about 500,000 persons every year. During the past decade it has become clear that at least one-third of these deaths are theoretically preventable if appropriate medical treatment can be given in time. After heart attack patients reach the hospital, if they live that long, they receive such care in Coronary Care Units. Most heart attack deaths occur soon after the onset of symptoms, before the patient can reach a hospital. If we can find ways of getting appropriate medical treatment to heart attack patients more rapidly, it may be possible to save tens of thousands of people each year. The technology is available: it remains for us to find ways of getting it to those who need it in time.

Another major cause of death and disability is stroke, a problem that strikes 500,000 each year. More than half of those who survive a stroke are crippled by irreversible paralysis. Because of recent advances in medicine and engineering it now appears possible to identify more than 45% of those persons who are likely to have a stroke before the event occurs. Once identified, surgery can often be used to reduce markedly the risk of stroke. Once again, the technology is within our grasp; we must find ways of applying it.

Cancer is another area in which application of our technology can produce great gains. It is now theoretically possible to develop semi-automated systems quickly and extensively to screen large groups of people for the early warning signs of cancer. Radiation therapy and a variety of powerful new drugs have been used with increasing effect during recent years to reduce the mortality from cancer, but much can still be done in this area. For example, computers can be used to tailor more effective treatment programs for each individual patient, rather

than using a more crude "rule of thumb" approach for everyone. In addition, it appears that our basic researchers are rapidly approaching a breakthrough for many kinds of cancer, and it is likely that many radical new approaches to the diagnosis and treatment of cancer will become feasible within the next decade. We must be prepared rapidly to bring the information concerning an application of this progress to those who need it.

Almost any imaginative physician or biomedical engineer can construct a long list of potentially feasible ways for improving the diagnosis and treatment of disease. In part, the reason these have not been developed is that we have lacked the necessary testing and developing facilities. My proposal for a Southwest Institutes of Health is intended to fill this void.

In a slightly different area, I have for years in the Senate, and particularly in the Health Subcommittee, advocated the need of a federally-financed computerized center of research data on the major diseases. This would serve a number of purposes, including the elimination of unnecessary duplication of research efforts, the ability of a scientist to find at one place the data on which he can then build, and an obviously increased facility for the application of the results of medical research. If, as I now envision, California becomes the Health Center for the Nation, I would think it logical and appropriate to locate this Center of Medical Research Data in our development here.

Another problem which must be faced is that the health industry is short of the money needed to acquire technological improvements even when they become available. *I therefore propose creation of a Health Development Bank to provide long-term, low-interest financing for implementation of new health care delivery programs.* The problems of our Nation's health care system have often been compared with the general problem of an under-developed nation. The health system needs financing with which to acquire and implement more efficient methods of producing services. Congress recognized the need for such financial support in the Hill-Burton program which has provided for construction of hospital facilities.

A large gap remains, however, because our new health care system will require investments in many items besides buildings. The Health Development Bank will be able to finance such acquisitions. Since the loans will have to be repaid, those who accept them will have to give careful attention to the economic justification for their proposed investments. By providing the health industry the money it needs to improve its operation, it will be possible to obtain help from profit-making firms who presently are unable to obtain a satisfactory financial return from supplying goods and services to the health care system. During the past decade, many profit-making firms have tried to develop products and services for the health care system. Although some progress has been made, it has been slow because the health industry has not had the capital it needed to make large investments in new technology. The Health Development Bank should provide an economic incentive for our state's imaginative and productive business community to help develop tools for our new health care system.

And so I have proposed two new organizations—the Southwest Institutes of Health and the Health Development Bank—which will recognize, coordinate, and compliment other federal and state health development programs already in progress. The Institutes will provide technical expertise and support for the comprehensive health planning and Regional Medical Programs. Their services will also be available to state, county and local governments, as well as to other organizations concerned with health care.

The Health Development Bank can provide a local source of financial support for innovation in health care delivery, and serve as a mechanism for acquiring and disbursing federal funds from a variety of programs. I believe, however, that organizations such as I have proposed will be necessary in addition to existing programs in order to catalyze development of our new health care delivery system in California.

We have the scientific capability now to add at least ten years to the average life expectancy of all Americans and to cut dramatically the time lost and suffering caused our people due to sickness. I believe that by bringing together multi-disciplinary teams from the enormous scientific, technological. and industrial resources in California, we can construct a health care system which will be an even bigger step forward for America than was that first step by man on the moon.

I am sure that each of you can see where you and the institutions you represent can play a role in our realizing this dream.

By 1975 annual medical care expenditures in the United States will exceed 100 billion dollars, making health care the largest single segment of our economy. I believe that Californians have the talents and resources to show how these vast funds can be utilized as productively and efficiently as possible, and I urge you to join me in seeing that we take the lead in this ever-growing enterprise.

General Ben Schriever, who organized our nation's space program so remarkably well once told me that the most important single step in that complex undertaking was the original decision of commitment.

I hope very much that from our meeting this morning might come that vital initial step toward solving the nation's health care crisis—the commitment that California shall show the way toward providing adequate, effective, and reasonable health care for our citizens.

It will be good for the American people, it will be good for California, and it will be a most rewarding, gratifying and satisfying experience for all of us who have been part of the effort.

WELFARE REFORM NEEDED

Mr. HARRIS. Mr. President, welfare reform is urgently needed. It is needed by present recipients as well as taxpayers. We will all be better served if real reform can be accomplished. I have worked hard toward real reform and have introduced a bill which would accomplish it.

In the Finance Committee, I have worked to amend the Nixon family assistance plan so that it will be real reform. I am eager to work with representatives of the administration, Senators, and others to help accomplish real welfare reform this session.

I have set forth some of my views in regard to this matter in a statement which was published in the Washington Post today, Tuesday, November 24.

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

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

SENATOR HARRIS ON THE NIXON FAMILY ASSISTANCE PLAN

The editors of *Newsweek* are said to reject dull copy with the notation, "EGO," which stands for "Eyes Glaze Over." The principal difficulty with any discussion of welfare legislation is that it is so tedious and detailed that the listener's eyes often glaze over after the first introductory phrases.

That has been one of the great barriers many of us have faced in trying to get people to understand what wretchedly wrong provisions are contained in President Nixon's Family Assistance Plan.

We have faced other barriers. Administration spokesmen have tried from the first to make it appear that any opposition from the progressive side of the political spectrum would be motivated purely by jealousy of Mr. Nixon's getting the credit for long overdue reform. And as the editor of one newspaper put it, "We've opposed him on everything else, and we just have to support him on something."

In the closing days of the 1967 session of Congress, the late Senator Robert F. Kennedy and I opposed our party leadership in the Senate and our President—and risked killing pending Social Security benefit increases—to try to stop punitive and regressive welfare legislation from being enacted.

"True," some said then, "this bill will hurt present welfare recipients, but we just have to pass it if we're going to give an increase to social security beneficiaries, since both are tied together in one bill."

Senator Kennedy and I thought that was a cruel trade-off, which should not in good conscience be agreed to.

A similar argument made in support of President Nixon's Family Assistance Plan—that we should aid some new recipients at the cost of reducing the benefits and repealing the rights of present recipients—is equally indefensible.

The Nixon Family Assistance Plan, which was inadequate to start with, got worse, not better, as it was considered and modified by the Senate Finance Committee. What the Finance Committee rejected last Friday was not the original Nixon proposal, nor even second or third version of that proposal. What we voted against Friday was the fifth administration version of the Family Assistance Plan.

Day by day over the past weeks of debate in the Finance Committee, the Department of Health, Education and Welfare gave ground on the more progressive parts of their welfare bill in order to secure conservative votes. Day by day, nearly every change in this legislation made it less consistent with the principles which were said to have motivated its introduction.

For example, the bill we rejected would have ended federal support for the present limited unemployed-parent program, which permits men to register for work or work-training, remain with their families, and still qualify for welfare benefits. Repeal of this program would have had an intolerable impact on poor families because it would have given greater encouragement than does the present system for fathers to desert their wives and children in order to let them qualify for welfare benefits.

Further, during the hearings in the Senate Finance Committee, I asked then-Secretary Finch whether it would be possible under the Family Assistance Plan for welfare officials in the State of Mississippi to force the mother of a school-age child to put her children in a questionable day-care program after school hours, against her will, and to force her to pick cotton at the going local wage. Secretary Finch agreed that this could result. It could still result under the present version of the plan, and I find it horrifying that anyone today would advocate such a system.

The bill we rejected would have reduced welfare payments for hundreds of thousands of present welfare recipients across the nation. Few of those people, even under the present system, receive an income they can live on.

The bill we rejected would have created a

bureaucratic monstrosity. Each state would have had sixty-four different options of how to structure its relationship with the Federal Government under various combinations of the Family Assistance Plan, Medicaid, food stamps and other related programs.

The National Welfare Rights Organization gave strong and highly impressive testimony against these and other provisions of the Nixon plan in special hearings sponsored by Senator McCarthy just prior to the Finance Committee action last week.

It is not too late for real reform. The administration has not lost anything—since they say they will offer the Family Assistance Plan as an amendment on the Senate floor—except the momentum they would have gained if I and others had voted to report the bill out for consideration on the Senate floor. This remains true even though I and other senators had made it very clear to the administration from the first that we would try to amend or kill the Family Assistance Plan on the floor.

When I told Secretary Richardson I had decided not even to vote to bring the bill out of Committee, I told him also I would be glad to work with him to produce an acceptable bill if he would be willing to negotiate with those who agree with the basic principles involved, rather than those who do not.

There must be a recognition of the right of people to a decent minimum income, with a cash payment of $2464 provided right now. No present recipient can be hurt or present rights under the law lost. No mother of school-age children must be forced to work. No person should be forced to work in a substandard job at substandard pay; any system that requires either depressed wages and makes it less likely that poor people can escape poverty by working full time. There should also be greatly expanded job opportunities for the millions of people who are now looking for work in this country.

One member of the Senate Finance Committee said to me last week, "What President Nixon is trying to do with this bill is to get both the Wallace voters and the Humphrey voters on his side, and it cannot be done."

It cannot be done. And between now and the time the measure comes up in the Senate, the President had better decide which he wants.

FRED R. HARRIS,
U.S. Senator.

WASHINGTON.

PROPOSED TAX CONVENTIONS WITH BELGIUM, FINLAND, AND TRINIDAD AND TOBAGO, AND ESTATE TAX CONVENTION WITH THE NETHERLANDS

Mr. FULBRIGHT. Mr. President, for the information of the Senate, I ask unanimous consent that there be printed at this point in the RECORD the statement which Mr. Laurence N. Woodworth, Chief of Staff, Joint Committee on Internal Revenue Taxation, submitted to the Committee on Foreign Relations. It contains a fine explanation of the tax conventions with Belgium, Finland, and Trinidad and Tobago, and the estate tax convention with the Netherlands.

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

STATEMENT OF LAURENCE N. WOODWORTH

As requested by the Foreign Relations Committee, the staff of the Joint Committee on Internal Revenue Taxation has prepared an analysis of the four tax treaties being considered by the committee which I will submit for the record. This morning I would like to limit my comments to what I believe to be the highlights of these treaties.

The three income tax treaties before the committee, with the exceptions which I will point out in just a few moments, follow the general format of tax treaties in the past.

The existing tax convention with Belgium was signed in 1948 and modified by supplementary conventions in 1952 and 1957 and by a protocol in 1965. The proposed convention replaces these conventions and protocol.

The present income tax convention with Finland was signed in 1952 and would be replaced by the proposed convention.

The existing tax convention with Trinidad and Tobago was signed in 1966 but ceased to be effective at the end of 1969. It was a treaty of limited scope and had been entered into pending development of a more comprehensive income tax convention.

The treaties with Belgium and Finland are both in large part an effort toward modernization and standardization of international tax treaties. They also reflect the changes which have been made in the U.S. tax laws in recent years, particularly by the Foreign Investors Tax Act of 1966. Probably the principal change made in this respect is the adoption of the "effectively connected" concept in place of the so-called "force of attraction" doctrine. Under the effectively connected concept, a resident of one country who has an investment in the other country will be entitled to the reduced rates of or exemptions from tax provided by the treaty for investment income even though he has a permanent establishment in the source country, so long as the income is not effectively connected with the permanent establishment. This concept may be found in all three of these treaties.

In the case of the Belgian and Trinidad and Tobago treaties, the terms United States and Belgium or Trinidad and Tobago are defined as including their continental shelves insofar as income arising from exploration and exploitation of natural resources on the continental shelf is concerned. This is consistent with a similar provision added to the tax laws by the Tax Reform Act of 1969.

The Trinidad and Tobago treaty differs from the usual conventions in two significant respects. These arise from the fact that most of our treaties are with developed countries, while Trinidad and Tobago falls into the category of a developing country. First, the Trinidad and Tobago treaty provides for the deferral of both countries' taxes which would otherwise be imposed on the transfer of technical assistance (such as patents, designs, know-how, and related services) by a U.S. corporation to a Trinidad and Tobago corporation in return for stock of the latter. This is designed to induce the flow of know-how and related services to Trinidad and Tobago.

There was a similar provision in the proposed treaties with Thailand and Israel, treaties on which this committee has not acted. The treatment provided under this provision differs in three respects from the treatment otherwise applicable under present law. First, it provides for the tax-free transfer of this technical assistance whether or not it is classified as property under existing law. Second, under present law, property may not be contributed on a tax-free basis under section 351 to a corporation except where the transferor has at least 80 percent control of the transferee. Under this treaty, transfers by U.S. corporations to Trinidad and Tobago corporations would not have to meet this 80 percent test in order to be tax free. Third, advance rulings under section 367 would not have to be obtained on transfers from U.S. corporations to Trinidad and Tobago corporations in order to assure the tax-free status of the transfer (although some sort of ruling or notification procedure might be required under the treaty.)

In the absence of this treaty provision, the transfer of technical assistance which was not considered property would be taxable, regardless of the transferor's percentage of ownership of the transferee, and would result in ordinary income. If the technical assistance transferred were classified as property and the transfer was taxable because the transferor had less than 80 percent control of the transferee, the transaction generally would result in the realization of a capital gain except where the property transferred was a patent, invention, model, design, secret formula or process, or similar property and the transferor had more than 50 percent control of the transferee. In this case, the transaction would result in ordinary income. Since the treaty provision in question is a tax deferral provision, it does not affect the character of income arising on a transfer of technical assistance, but rather defers taxation of the income until the stock received in the transfer is disposed of.

The second principal difference in the Trinidad and Tobago treaty lies in the fact that while Trinidad and Tobago makes a reduction in its withholding taxes on dividends and interest which flow from that country to the United States, the United States withholding taxes on this type of income are not reduced. The intent of this is to encourage the outflow of capital to Trinidad and Tobago but not from that country to the United States. The Trinidad and Tobago withholding tax on intercorporate dividends (where the recipient has a 10 percent ownership interest) is reduced from 25 percent to 10 percent and the Trinidad and Tobago withholding tax on interest is reduced from 30 percent to 15 percent where the recipient is a financial institution not having a permanent establishment in Trinidad and Tobago.

Still one more point of difference between these three income tax treaties and prior treaties is that all three of the treaties provide that the countries involved may, under a mutual agreement procedure, establish common meanings for undefined terms used in the proposed conventions. This should enable the countries involved to work out their differences arising from variations in the way terms are used.

Let me turn now to the treatment of dividends, interest and royalties under the three treaties. Under the Belgian treaty, the rate of source country tax on dividends will continue as in the past to be limited to 15 percent. In addition, dividends paid by a U.S. corporation to a U.S. citizen or resident are to be exempt from Belgian tax even though received in Belgium. Presently they are subject to a 20 percent tax.

In the treaty with Finland, the withholding tax on intercorporate dividends has been limited to 5 percent in the past where there was a 95 percent ownership interest. Under the proposed convention, this is to be applicable where there is a 10 percent or larger interest (in the absence of a treaty, dividends would be taxed by the United States at a 30 percent rate and by Finland at a 15 percent rate). As I have already indicated, in the case of Trinidad and Tobago, the Trinidad and Tobago withholding tax on dividends is to be reduced from 25 percent to 10 percent where there is a 10 percent ownership interest. The same is also true for the branch profits tax imposed by Trinidad and Tobago.

Let me turn now to interest. Under the Belgian treaty, the present generally applicable 15 percent withholding rate on interest is continued, but an exemption is to be available under the proposed convention where the interest is received by the government of one of the countries, is interest on commercial credit arising from sales between residents of the two countries or is interest on bank deposits or interbank loans.

In the case of the Finnish treaty, the present exemption for interest is continued.

Under the treaty with Trinidad and Toba-

go, the withholding tax on interest is reduced from 30 percent to 15 percent where the recipient is a financial institution not having a permanent establishment in Trinidad and Tobago.

In the case of royalties, the Belgian treaty continues the present exemption from source country withholding tax in the case of nonmineral royalties and in addition provides that these royalties are to be considered as derived from sources within the country of residence of the payor. The normal rule under our tax laws is that this type of income has its source in the country in which the property right is used.

The present exemption from source country tax for artistic royalties under the Finnish treaty is extended to cover industrial and commercial royalties. In the absence of the convention these royalties would be taxed at 30 percent by the United States and at the regular rates by Finland.

Under the treaty with Trinidad and Tobago, artistic royalties will be exempt from source country taxation and industrial and scientific royalties will be subject to a 15 percent rate of tax. In the absence of a treaty, these royalties would be taxed by both the United States and Trinidad and Tobago at a 30 percent rate.

Let me turn now to the tax treatment of capital gains. In the Belgian treaty, the reciprocal exemption already applying to income from shipping and air transportation is extended to gains arising from the sale of the ships or aircraft. In addition, an exemption from source country tax is also provided for capital gains (other than on real property) which are not effectively connected with a source country permanent establishment (or fixed base). Nonbusiness capital gains of an individual are not taxed unless the individual is present in the source country for 183 days or more during the year.

Substantially the same rules apply under the Finnish treaty.

Finally, I should probably also call your attention to some of the rules relating to foreign tax credits under the proposed income tax treaties. First, in the case of the Belgian treaty, the foreign tax credit limitation is not formulated in terms of a specific type of limitation. Our other income tax treaties normally have imposed a per country limitation on the foreign tax credit. The limitation under the convention will be whatever limitation is generally applicable under the Internal Revenue Code. Also under the Belgian treaty, business profits and other income which Belgium may tax under the convention are treated as from sources within Belgium even though the United States tax laws may treat them as from sources outside Belgium. This, of course, is significant in determining the amount of foreign taxes eligible for the credit. A similar rule may also be found in the treaties with Finland and Trinidad and Tobago.

The estate tax treaty with the Netherlands differs in significance from the income tax treaties in that it establishes an entirely new pattern for estate tax conventions. The United States has 12 estate tax treaties, the most recent of which is the 1962 Canadian treaty.

The proposed convention has as its objective the same goal as the other estate tax treaties—lessening double taxation at death and the prevention of tax evasion.

This treaty, however, sets a new pattern in effecting these results. This is primarily because it is felt that the past treaties have not successfully dealt with the situations where employees of private businesses die while on a foreign assignment that is basically of a temporary nature.

Our existing estate tax conventions give primary jurisdiction to the country where the property involved has a situs. This is accomplished by both the country of domicile and the country of situs imposing an estate tax with respect to the same property, but by the country of domicile allowing a tax credit for the tax paid with respect to this property in the country of situs. The principal difficulty with this approach has been that where an employee of a corporation is abroad for a period of time both the country of citizenship and the country where he is employed considers they are the country of domicile, and thus both would tax his property on a worldwide basis. Tax conventions the United States has entered into in the past have dealt with this problem by a rule which in these cases splits the tax between the two countries. However, under this approach, the total tax could turn out to be more than the tax that would have been imposed by the United States alone.

The Dutch treaty, which may very well be a precedent for other treaties, generally approaches this problem in an entirely different manner. First, it gives primary jurisdiction to the country where the property is located, only in the case of real property and business assets which are effectively connected with a permanent establishment.

Second, where both countries would tax on a worldwide basis, it distinguishes between the country of citizenship and the country of domicile by providing generally that where a citizen was in the other country for not more than 7 out of the 10 years before death and did not have a clear intent to remain there indefinitely, the country in which he was located will not impose an estate tax in his case except to the extent of the real property and business property I have already mentioned, and even that generally will be imposed at the lower rates applicable to nonresident aliens and in the case of U.S. citizens in the Netherlands, subject to a 50 percent marital deduction and an exemption from tax of small estates ($30,000 or less). In this case, only the country of citizenship would impose tax on the worldwide estate of the individual involved and allow a credit only for the taxes imposed on this real or business property.

Third, on the other hand, where the individual involved is domiciled in the other country for more than 7 years, then both the country of citizenship and country of domicile would impose their taxes on a worldwide basis. However, in this case, the country of citizenship would relinquish its primary jurisdiction by allowing a foreign tax credit for the tax imposed by the country of domicile.

It is contemplated that the basic pattern of taxation I have described above will cover the large majority of cases. The proposed treaty, however, also contains a series of rules to deal with other situations, such as where a citizen of one country is domiciled in the other country for less than 7 years, but intends to remain there permanently.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FEDERAL DRUG ABUSE AND DRUG DEPENDENCE PREVENTION, TREATMENT, AND REHABILITATION ACT OF 1970

The PRESIDING OFFICER (Mr. STEVENSON). Under the previous order, the Chair lays before the Senate the unfinished business, which will be stated.

The legislative clerk read as follows:

A bill (S. 3562) to provide a comprehensive Federal program for the prevention and treatment of drug abuse and drug dependence.

The Senate proceeded to consider the bill.

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

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

THE ABORTIVE POW RESCUE MISSION TO NORTH VIETNAM

Mr. MUSKIE. Mr. President, no one with a shred of compassion can remain unconcerned over the uncertain fate of American prisoners of war in North Vietnam.

No one, who believes in the humane treatment of prisoners of war, can be uncritical of the North Vietnamese Government for its failure to abide by the Geneva Convention.

But compassion for our men, and opposition to the policies and practices of the North Vietnamese, should not blind us to the follies of the administration's latest military adventure. One need not question the motives of the President and the Secretary of Defense to question their judgment. One need not turn a deaf ear to the anguish of the families of American prisoners and of those missing in action to question the wisdom of the abortive raid.

I am troubled, Mr. President, that even a sucess in this instance would still have been a failure for hundreds of other prisoners. It would have been a failure, because it would have further disrupted any chance of a negotiated settlement with the North Vietnamese—the best way we can end the war, reduce the time Americans will have to fight and die in Indochina, and obtain the release of the brave Americans now held captive.

We do not need to have the President in the White House, or the Secretary of Defense in the Pentagon, trying to prove how tough they are and how ready they are to run risks, by sending courageous men on a valiant exercise in futility.

The world looks to the United States, not for sporadic demonstrations of military might and individual bravery, but for steady, firm, and resolute demonstrations of the capacity to lead, to act with sound judgment, and to make a contribution to an early settlement of the war in Indochina.

That, Mr. President, is our real challenge, and should be our prime objective. In my judgment, the incident which was described to us yesterday was inconsistent with that objective.

Mr. DOLE. Mr. President, this morning some of us were privileged to be present with the Secretary of Defense and others in a meeting of the Armed Services Committee, and to have an opportunity to explore in some detail the expedition just referred to by the Senator from Maine.

Since that briefing, I have had an opportunity to visit with three wives of prisoners, one of whom made the state-

ment that she would rather have her husband die attempting to escape than rot to death in a prison camp.

To me, this is the basic question. This is the basic issue. I understand that later this afternoon there will be a press conference, called by the wives and mothers of American prisoners of war and Americans missing in action, at which time they will commend the Secretary of Defense and the courageous men, General Manor, Colonel Simons, and the others who participated in this most courageous act.

As I stated yesterday, it is not difficult for us, in the luxury of our homes or our offices, to suggest that we wait, to suggest that we negotiate, to suggest that the action taken was incorrect. But it occurs to me that were we in the position of prisoners of war or Americans missing in action, and had we been imprisoned under almost intolerable conditions for 1 year, 2 years, 3 years, 4 years, or 5 years, we might have a different view.

One wife also commented to me this morning that she could sustain herself now for another 6 months, knowing our Government cares and that there are Americans who will risk their lives to save their fellow men.

I recognize the difference of opinion Senators have with reference to policy in Vietnam. I do not, of course, question their right to differ. But the underlying question with reference to the courageous act in an effort to rescue American prisoners has nothing to do with American policy in Vietnam. It was a bold effort. It was a courageous effort, carried on by volunteers who would do it again; and I hope they do if an opportunity presents itself.

Yes, we encourage the writing of letters to Hanoi. Almost every Member of this body has made speeches about prisoners of war and Americans missing in action. We suggest that more letters be written. We suggest activities within our States. We suggest more and more be done.

Maybe these are futile gestures. Maybe we should not do it. Maybe we should just wait, and wait, and wait.

Americans died last week in North Vietnamese prison camps. Americans died the week before in North Vietnamese prison camps. Should we take the floor of the Senate and criticize the efforts of those who attempt to rescue American prisoners? It seems to the junior Senator from Kansas the height of folly. We should be grateful that we have in positions of responsibility men such as President Nixon, Secretary Laird, General Manor, Colonel Simons, and the others who volunteered, who risked their lives in the best American tradition to demonstrate to the mothers, to the wives, to the children, to the world, yes to the enemy that we shall never forget our men.

As said yesterday, I commend the effort. It would have been better, of course, had one man or 10 men or 40 been rescued. Then it would have been a glaring success in the eyes of most everyone. But no prisoners were there. But this does not diminish the effort, this does not diminish the concern, and this does not diminish the boldness of this venture.

I trust the junior Senator from Maine, and others in this Chamber, applaud the efforts of the volunteers. But to use this effort to save American lives and attempt to blow it up into a change in administration policy in the Vietnam war exceeds anything that I can comprehend.

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

Mr. DOLE. I yield.

Mr. MUSKIE. I trust the Senator is not describing the statement I made this morning. If he is, I suggest that he read my statement in the RECORD.

I do not find it easy to come to the floor of the Senate, I may say to the Senator from Kansas, to criticize this action. I am as concerned as he is with the fate of American prisoners of war. What we are disagreeing about is not the objective of bringing these men home but the means that are used at any given time to advance that objective.

I have not heard it suggested by the Senator from Kansas or by the administration that the way to get all our prisoners of war back is to launch a military effort calculated to achieve that result. If one were to take the Senator's argument literally, it would appear to support a military plan to bring back, not one or 10 or 40 prisoners of war, but a military plan of sufficient magnitude to bring them all back. This clearly would involve a major invasion of North Vietnam. I have not heard it proposed. I have not heard it suggested that the administration intends that or has it under consideration, and I hope it does not. If I am right in that assessment, we are not really talking about an effective way of bringing all our American prisoners of war back when we disagree about the wisdom of this incident.

The Senator's argument is not that this is an effective way of bringing all American prisoners of war back, but that it was a symbolic gesture to indicate our concern about American prisoners of war for the benefit of the mothers and the wives and children of these prisoners. If this is what was involved—a symbolic gesture to reassure the dear ones of these American prisoners of war that we care about them—did we, in the process, incur risks which run counter to the objective of bringing them home?

That is the heart of the disagreement, may I say to the Senator from Kansas: whether or not this incident, this effort on our part advanced in any way the ultimate objective of bringing all American prisoners of war back. The wisdom of this step ought to be measured against that, not against the importance of indicating to the dear ones of these American prisoners of war that we care about them, much as we all desire to reassure them on that score.

Mr. DOLE. Let me say to the Senator from Maine that I made it very clear and am certain the Senator from Maine shares the view those who volunteered should be commended. It was a courageous act, whether we agree or not.

But how many must die in prison camps, how many wives must be told they are widows, how many children must be told they are fatherless, and how many parents must be told their sons have died in a prison camp before we take some initiative?

The Senator from Kansas is not suggesting an all-out invasion of North Vietnam or raids wherever prisoners may be kept. The Senator from Kansas is suggesting a flexible policy, that if an opportunity presents itself to rescue American prisoners of war, we should take advantage of that opportunity. That does not mean any enlargement of the war. That is the point I make. If we condemn the act of courage, that is one thing. If the Senator suggests that this act enlarged the war in North Vietnam or anywhere in Indochina, then the Senator from Kansas disagrees.

I do not fault the Senator from Maine. I know his concern for American prisoners of war. Who can, however, speak with more authority, with more feeling, and with more knowledge than the wives themselves? Not 10 or 20 minutes ago, in the rotunda of the Capitol, the Senator from Kansas visited with three wives. I accept their feelings and their thoughts. I accept their statement that "it is better to have my husband die in a rescue attempt than rot to death in a prison cell."

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

Mr. DOLE. I yield.

Mr. MUSKIE. If I were the mother or the wife or the daughter of an American prisoner of war, I would respond positively to any suggestion designed to bring those prisoners back. Does that mean that their emotional reaction to the desirability of bringing their boys home necessarily documents the wisdom of any step that might be taken? Does it justify any and all steps that might be taken in the name of that objective?

I suspect that if many of them were asked, "Should we then launch a major invasion of North Vietnam in order to bring them all back, not just a handful?" they might say "yes" to that proposition. To these people, who are concerned about their loved ones, that is their objective. That does not mean that any action taken in the name of that objective is necessarily a wise one.

The question I am raising—and I am not doing it to belabor the administration—is this: Does this kind of effort truly advance us, and the loved ones of these men, toward the objective of bringing them all home?

The Senator emphasizes that no one is proposing a military means to bring them all home. What the Senator is saying is that from time to time, if there is a chance to bring a handful home by this means, it is a wise thing to do. What I am suggesting is that if we embark on that kind of policy, of reaching in from time to time to get a handful of prisoners back, we may exacerbate the situation, we may be risking an escalation of the war, we may minimize the prospects of a negotiated settlement, and we may further delay the day when we may bring them all back.

I raise this question and I make this point this morning in order to generate whatever inhibiting effect I may have

upon the consideration of a repetition of such efforts and incidents in the future. Unless we raise such question, then there will be no such inhibitions or restraints and we may find ourselves making this kind of effort as a matter of practice. I think that if we were to do that, we would really risk an escalation of the war. I am not anticipating that that is in the minds of the President or the Secretary of Defense. I am anticipating nothing. I am just saying that I am disturbed about this effort because I think it can lead to some undesirable results, and I consider it my responsibility to suggest what those undesirable results can be.

Mr. DOLE. Let me suggest an undesirable result if we do nothing, it will mean more deaths in prison camps.

Let me suggest that I do not question the Senator's right to question the action taken. Perhaps out of disagreement we may find some solution. But to say that it is an incorrect step without offering any alternative, or to say that we should continue negotiations offers little hope to the prisoners, or their families.

The Senator from Kansas made it clear that the most effective way to release the prisoners would be through negotiation. President Nixon has initiated, through Ambassador Bruce, a cease-fire proposal. One of the specific points is release of prisoners.

This Government has made an offer which has never before been made in history; namely, that we will release 33,000 prisoners in exchange for 3,000 of ours.

Still no response from the enemy.

How many steps backward must our Government take? How long must we wait for a response from the other side?

Now, perhaps——

Mr. MUSKIE. Will the Senator from Kansas yield at that point?

Mr. DOLE. Just a second—I believe we may be violating a rule of the Senate here, but in any event——

Mr. KENNEDY. A couple of minutes anyway.

Mr. DOLE. The Senator from Kansas would hope, that the Senator from Maine would share his view, that whenever there is an opportunity to save an American life, or to rescue a downed pilot, or to rescue an American prisoner, our Government should take advantage of that opportunity. I see nothing improper in that kind of policy.

Let me remind the Senator from Maine that nearly every American prisoner in a prison camp today, in North Vietnam, Laos, or wherever it may be, is there because of the bombings in the late 1960's—1965, 1966, 1967, and 1968—and the bombing was stopped in November 1968, as the Senator from Maine well knows.

However, there is a continuing obligation on the part of this Government, and on the part of any administration, whether it be Republican or Democratic, to help free all American prisoners.

Again I commend those who took an active part in the recent incident and if they see another opportunity then I, for one, would hope that they would take that risk—not an empty risk, not a symbolic gesture, but a risk that would be taken to save American lives.

The Senator from Kansas sees nothing inconsistent with the American tradition in the venture undertaken.

Mr. MUSKIE. Mr. President, if the Senator from Kansas will yield at that point, I just have a word or two.

I doubt very much that the distinguished Senator from Kansas really intends the full implication of what he is saying in the remarks he has just made.

The suggestion that because we are frustrated about our inability to bring the war to a final conclusion, any step is justified if its objective is to reach even a handful of our prisoners of war to return them to freedom——

Mr. DOLE. I said opportunity, not step. There is a vast difference.

Mr. MUSKIE. I prefaced my statement by saying that I am sure the Senator from Kansas did not intend the full implications of what he had just said.

Mr. DOLE. It is like trying a case before a jury, if we are going to stick to the facts then let us stick to the facts.

Mr. MUSKIE. The Senator has been a little free with the implications he draws from what I have said this morning. I think neither of us intends to misstate what the other has said.

Let me conclude by saying that if we are going to respond to all our frustrations about the war and our inability to bring it to a final conclusion by encouraging such military efforts as this one, whenever we can devise a military effort which would have some potential to reach into North Vietnam to rescue a handful of prisoners, then all we are doing is embarking upon a military course that could escalate the whole war.

If one incident can be justified, then two can be justified, or three can be justified. If our objective is 20, 30, or 40 prisoners, our objective could just as easily be all of the hundreds of American prisoners that are there. The principle is the same.

I am sure that our military people could devise a military effort aimed at recovering all of our prisoners of war, if we gave them that mission.

The question is, How far down that road are we willing to go?

The next question is, What risks are there to even the first step down that road?

The final question is, By taking even that first step and raising questions as to how many further steps down that road we are willing to go, are we risking, then, an escalation of the military side of the war?

That is the question.

The President and the Secretary of Defense are in a better position to answer that in terms of their own intentions than I am. I certainly am not going to attribute motives that I cannot document.

All I am saying is that this first step down that road, by itself, raises serious questions that should inhibit us from repeating the experience in the future.

The Senator from Kansas looks with some favor on the possibility of repeating that experience. I do not. I think that if we do, we risk setting a pattern which will have serious consequences in terms of a military escalation of the war.

Mr. DOLE. Mr. President, I thank the Senator. I would only say that there might be one more dimension to this travel down the road. One other question should be asked, and that is, What are the alternatives?

Yes, we should not go that first step. Yes, we should not do this. But should there be some course pursued by our Government—not a Republican administration or a Democratic administration—but our Government, should this step be to sit and wait for negotiations? Should this step be a unilateral withdrawal from South Vietnam? Is there any assurance that even then the enemy would turn over our prisoners?

I have seen not one scintilla of evidence that would indicate the enemy has any regard for American lives, any regard for our prisoners, or any intent to release them.

Had there been releases of our prisoners—only nine have been released since the war began—nine, let me emphasize—and they escaped, for the most part, then perhaps the Senator's suggestion would be meritorious.

I do not quarrel with the right of the Senator from Maine to his views, but would say there is more at stake than just going down one road. There is another road, and perhaps even another we must also view, before we step in either direction. In other words, we must consider all possibilities—not just criticize.

Mr. President, I yield the floor.

ORDER OF BUSINESS

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

The PRESIDING OFFICER (Mr. HOLLINGS). The clerk will call the roll.

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

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. EAGLETON) 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.)

FEDERAL DRUG ABUSE AND DRUG DEPENDENCE PREVENTION, TREATMENT, AND REHABILITATION ACT OF 1970

The Senate continued with the consideration of the bill (S. 3562) to provide a comprehensive Federal program for

the prevention and treatment of drug abuse and drug dependence.

Mr. HUGHES. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HUGHES. Mr. President, it is my understanding that the bill has been laid before the Senate.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUGHES. Mr. President, I ask unanimous consent—and the Senator from Nebraska and I have discussed this matter—that the committee amendment be agreed to and, as agreed to, be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HUGHES. Mr. President, at this point I would like to make a few brief comments about the history of this bill and about what the Committee on Labor and Public Welfare, which reported the bill unanimously, hopes to accomplish with it.

This bill is in many ways substantially the same as the substitute amendment which I offered to title I of H.R. 18583, the Comprehensive Drug Abuse Prevention and Control Act, which was passed by this body and which has now been signed into law by the President. Where it is not the same, that is due to the fact that it has been modified so as to delete those provisions of my earlier amendment which were enacted into law when H.R. 18583 was signed. While the substitute amendment which I offered—and which, incidentally, was cosponsored by the entire membership of the Labor and Public Welfare Committee—while that amendment was agreed to by a vote of 44 to 23 here in the Senate, the House for the most part did not accept the substitute amendment provisions in the conference. It was the feeling of the House conferees that they had not had the opportunity to evaluate the basic concepts behind the proposal. I can fully understand their feelings on this. I do not criticize the House Members for taking that position. The House conferees did, however, agree to consider the provisions of the amendment early next session.

My hope today is that the Senate will reaffirm its commitment to its position, in order to expedite consideration of this matter at the earliest possible time next year. I, for one, feel that we have an obligation to the American public to make such a commitment. In many ways they have been far ahead of the Congress in terms of their concern about the problems of drug abuse and drug dependence.

This bill was originally placed before this body after 18 months of careful study. We have held 23 days of hearings on the subject matter contained in it, and we have held many more days of hearings on the subject of alcoholism, an area closely related to this one. The bill is modeled after S. 3835, the alcoholism bill which the Labor and Public Welfare Committee unanimously reported out and which was unanimously approved by this body. When it was offered as an amendment to H.R. 18583 it had the unanimous support of the membership of the Labor and Public Welfare Committee. As an amendment it passed the Senate, in spite of administration opposition, by a vote of 44 to 23. Now, as a separate bill, it continues to have the full support of the Labor and Public Welfare Committee. In short, there has been a good deal of bipartisan effort which has gone into this legislation, and I am hopeful that the Members of the Senate will see fit to give the legislation its continued support here today.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks excerpts from the report (No. 91–1341) on the bill.

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

(See exhibit 1.)

Mr. HUGHES. Mr. President, briefly, here are the highlights of what the bill would accomplish. It would establish a national health institute for dealing specifically with drug problems—The National Institute for the Prevention and Control of Drug Abuse and Drug Dependence. This will provide a structure which is substantially broader in scope than that under present legislation.

It is the opinion of the Labor and Public Welfare Committee that only an agency of Institute status will have the prestige and status to carry out and coordinate effectively the vast and diverse range of responsibilities called for by the legislation.

The bill would also:

Require the U.S. Civil Service Commission to guarantee to Federal employees with a drug dependence the same employment conditions and benefits as persons who are ill from other causes;

Require Federal agencies to establish programs for dealing with drug dependence among Federal employees;

Authorize formula grants totaling $55 million over the next 3 years to help State governments develop and administer programs for dealing with drug dependence;

Authorize grants totaling $135 million over the next 3 years to State and local agencies, both public and private, to help finance specific projects; and

Establish an independent National Advisory Council on Drug Abuse and Drug Dependence and an Intergovernmental Coordinating Council on Drug Abuse and Drug Dependence to insure coordination of Federal efforts.

At the present time, the authority for dealing with drug abuse at the Federal level is scattered through the statutes in the Community Mental Health Centers Act, the Public Health Services Act, and the general powers of the Department of Education and the Office of Economic Opportunity.

It would be unrealistic to believe that such fragmented authority, however well administered, could mount the massive, coordinated Federal attack that the drug problem, in the United States, so obviously requires.

Mr. President, I know that every Senator in this Chamber regards effective action against the drug plague as one of his most solemn responsibilities in this session.

We may disagree on minor details, but on the central objectives we are as one.

The bill now under consideration represents the first Federal effort on a massive, realistic scale to get at the drug problem from the health and preventive-education angles.

President Nixon, on March 11, 1970, stated:

> One of the great tragedies of the past decade has been that our schools, where our children should learn about the wonder of life, have often been the places where they learn the living—and sometimes actual death—of drug abuse. There is no priority higher in this Administration than to see that children—and the public—learn the facts about drugs in the right way and for the right purpose through education.

The Director of the Bureau of Narcotics and Dangerous Drugs recently stated, in a widely publicized speech, that an effective program to control drug abuse and drug dependence in this country must rely strongly on methods of prevention and rehabilitation.

We know that we must have strong laws and strong enforcement of those laws.

But enforcement, by itself, is inadequate to do the entire job.

This bill—for the first time on an appropriate scale—gets at the source of the drug problem, the addiction.

Those who have witnessed addiction at first hand know what a terrible, deadly sickness it is.

As long as addicts are punished and released uncured, the drug problem will grow in our society.

As long as children in our schoolyards are inadequately informed as to the deadly consequences of drug abuse and narcotic addiction, they will continue to experiment.

We need a national mobilization of all our resources that can be focused on this problem.

Not next week or next year—but now.

We need to pull together all of the resources for prevention and rehabilitation our society possesses to focus on this urgent need.

We need to shake the yoke and prejudice of the past and use the modern techniques available for prevention and rehabilitation, combining the knowledge of the professional disciplines—medical, social, educational, psychological, and all the rest.

And we need a deep civic commitment in every community of the land.

In order to bring this about, the Federal Government must lead the way—bespeaking our national determination that the drug problem must, can, and will be stemmed in this powerful and affluent society.

The statistics on drug abuse and drug dependence in this country today are appalling.

No State, no region, no city is untouched.

Despite the diligent efforts of our Federal enforcement people, the Nation's top narcotics officer tells us that the Government has not yet been able to reduce the amount of heroin available in this country.

The head of the Food and Drug Administration alerts us to the dangers in

the growing illegal and unhealthy use of amphetamines—or pep pills.

A detective in a midwestern city states that drug addicts need an average of $50 to $60 a day to support the habit—some from $100 to $125—and to get this kind of money illegally he must steal as much as $200 daily.

We know that this is the source of a big percentage of crime in the country today.

A State toxicologist in a southeastern State reports:

In years past, a death caused by heroin overdose was an oddity in this State. In the first six months of 1970, at least nine young persons died in this fashion.

A recent headline in one of our large-city newspapers reads: "Hard Drug Use in City Out of Control, Rising." The headline would apply with equal truth to other cities across the country.

In a hearing of our Subcommittee on Alcoholism and Narcotics in a western city, we heard testimony from a 15-year-old boy who had been hooked on drugs of various kinds since age 10.

This is not, I regret to say, unique in America today.

Throughout the United States, there are stirrings of people in concerned communities, eager to do something about education programs, treatment centers, and rehabilitation houses to counter the drug problem.

The long-needed determination to get at the drug problem at its source—the addiction—through health programs and preventive education is developing in various ways throughout the communities of our land.

But national leadership and coordination is needed.

The bill we are offering today is not a cure-all by any stretch of the imagination.

But it is a big step in the right direction.

Its enactment will allow us to keep faith with millions of Americans who are now looking at the future with deep anxiety.

EXHIBIT 1

SUMMARY

S. 3562 establishes a National Institute for the Prevention and Control of Drug Abuse and Drug Dependence within the Public Health Service, through which the Secretary of Health, Education, and Welfare shall coordinate all Federal health, rehabilitation, and other social programs related to the prevention and treatment of drug abuse and drug dependence and administer the programs established by the bill. It provides for extensive Federal assistance to State and local programs in order to promote effective treatment and rehabilitation programs for drug abusers and drug dependent persons throughout the country. It requires the utilization of all existing Federal legislation providing for Federal or federally assisted research, prevention, treatment, or rehabilitation programs in such fields as health, education, welfare, and highway safety in order to effectively reduce the incidence of drug abuse and drug dependence throughout the Nation.

BACKGROUND

The need for comprehensive Federal legislation

No one can any longer question the deep and pervasive seriousness of the drug abuse problem in this country. It has progressed from a small matter of law enforcement to a massive problem that requires a concerted and coordinated national effort combining all of our resources for prevention, education, research, treatment, and rehabilitation.

The statistics on drug abuse and drug dependence in this country today are appalling. And virtually everyone agrees that they understate the nature and extent of the problem.

There are at least 150,000 to 250,000 heroin addicts in the United States. Some authorities have estimated that the true number of addicts in this country is closer to 600,000. In addition, a large number of persons use heroin periodically, either by itself or in combination with other illegal drugs, but have not yet become addicted. There is no reliable estimate of the total number of people who have tried heroin at least once, but it has been suggested that up to 7 percent of the schoolchildren in the New York public schools have experimented with it. Whereas formerly it was only a ghetto drug, it has been increasingly used in suburban areas and in our colleges and universities.

It is impossible to estimate the social damage resulting from heroin. The full extent of its contribution to deterioration of individuals, families, our inner cities, and the very fabric of society, are not yet completely known. In some of our major cities, it is estimated that heroin users are responsible for well over 50 percent of all crime against property, which represents a staggering load for our economic and social institutions to bear.

The abuse of depressant and stimulant drugs is more widespread than the abuse of heroin. On the basis of present information, however, estimates on the amount of these drugs used illegally, or on the amount of persons who have become dependent upon them, are impossible. A recent survey of 200 college campuses showed, however, that 18 percent of the college student bodies have tried amphetamines, and 15 percent have tried barbiturates. Information on the rest of the population is yet to be obtained.

The hallucinogens are undoubtedly the most widely used of the illegal drugs. The National Institute of Mental Health estimates that at least 15 million people have smoked marihuana at least once. The recent survey of college campuses showed that 47 percent of the college student body had used marihuana at least once, and another survey of a medical school showed that 44 percent of the student body presently smoke marihuana.

Another hallucinogen, LSD, is used far less widely. Whereas its use appeared to be disappearing a few years ago because of widespread reports of its dangers, there is now some evidence that its use is again increasing. The recent college survey showed that 11 percent of the students had tried LSD.

There is no evidence that the enormous amount of drug abuse in this country is decreasing, or even leveling off. Authorities in the field indicate that it continues to increase. It has been pointed out that surveys show an even greater prevalence of drug abuse in many high schools than in our colleges. The problem, in short, is not only self-perpetuating, but because of peer-group pressure within our youth appears to be growing in geometrical proportion.

Increasing public concern

Until quite recently, both Federal and State efforts at controlling drug abuse and drug dependence concentrated on law enforcement techniques. Indeed, the law enforcement efforts aimed at drug abuse during the past 2 years have been the most concerted in our history. More man-hours, and more trained personnel have been devoted to enforcing our laws against illegal drugs than ever before. Yet, as the statistics quoted above show, these efforts have not begun to contain the problem. In spite of the best law enforcement we can muster, illegal drugs are available in every city, in greater quantities than ever before, and at the same or even decreased prices. The Director of the Bureau of Narcotics and Dangerous Drugs has recently stated, in a widely publicized speech, that an effective program to control drug abuse and drug dependence in this county must rely strongly on methods of prevention and rehabilitation. Law enforcement, by itself, is inadequate to do the entire job.

Prevention and rehabilitation techniques, utilizing medical, social welfare, and other community resources, must therefore be mobilized to deal with these problems. In many communities, this job has not yet been started, or is in a most rudimentary stage.

Use of the same type of medical and rehabilitation techniques for drug abuse and drug dependence as are used for other public health problems has long been recognized as necessary to any effective control of drug abuse. Because drug abuse has represented a relatively insignificant problem in this country until the past few years, however, we have delayed in developing a public commitment to mount an effective program.

Throughout its history, the American Medical Association has characterized drug dependence as a disease that properly is handled through medical treatment. As early as 1925, in *Linder* v. *United States*, 268 U.S. 5 (1925), the Supreme Court recognized that narcotic addicts "are diseased and proper subjects for such treatment." In a 1950 report, the World Health Organization described the characteristics of this disease as "an overpowering desire or need (compulsion), to continue taking the drug and to obtain it by any means." In 1957 the American Medical Association issued a report describing dependence as "the development of an altered physiological state which is brought about by the repeated administration of the drug and which necessitates continued administration of the drug to prevent the appearance of the characteristic illness which is termed an abstinence syndrome," as well as a "psychological dependence" which is "related to the effects opiates create within the central nervous system," which "forces the addict to seek his drugs by any and all means. The first concern of many addicts becomes obtaining and maintaining an adequate supply of drugs."

In September 1962, the Supreme Court handed down its decision in *Robinson* v. *California*, 370 U.S. 660 (1962), which struck down as unconstitutional on its face a statute making narcotic addiction criminal. The Supreme Court again recognized narcotic addiction as a disease, which cannot constitutionally be punished under the criminal law.

During the same month, the White House Conference on Narcotics and Drug Abuse considered the future of this country's drug abuse policy. As a result of this Conference, the President established an Advisory Commission on Narcotic and Drug Abuse, which issued its report in November 1963. The final report of the advisory commission concluded that there had never been a sustained, organized attack on drug abuse in this country. It made some 25 general recommendations, including the following: revision of the Federal narcotic laws, recognition that the legitimate medical use of narcotic drugs and medical treatment of drug dependents is primarily to be determined by the medical profession, Federal assistance to State and local governments for the establishment, maintenance, and expansion of broad treatment and rehabilitation programs, and enactment of Federal treatment legislation.

Some 3 years later, the District of Columbia and U.S. Crime Commissions also reviewed the problems of drug abuse and drug dependence, although not in as great detail as the Advisory Commission. Both Commis-

sions urged comprehensive treatment programs and facilities, on both a voluntary and involuntary basis, for drug dependent persons. The U.S. Crime Commission particularly recommended clarification of the status of medical treatment of addicts using narcotic drugs, and abolition of all obstacles in the way of medical and scientific research in this field.

More recently, the judiciary has again pressed for increased recognition that, as a disease, drug dependence is properly handled under medical and rehabilitation techniques. In *Powell* v. *Texas*, 392 U.S. 514 (1968), rehearing denied, 393 U.S. 898 (1968), five of the nine Justices indicated that the earlier case of *Robinson* v. *California* must properly be interpreted to mean that an addict cannot be punished under the criminal law for possession and use of narcotics, since this necessarily results from the addiction itself. And in *Watson* v. *United States*, 408 F. 2d 1290 (D.C. Cir. 1968), rehearing granted en banc,—F. 2d—(D.C. Cir. 1970) (en blanc), eight of nine judges indicated that, in future cases, narcotic addicts could not properly be punished under the criminal law for possession of the drugs they must necessarily use to satisfy their addiction.

Yet Congress has only recently begun to recognize the urgency of the unique health and rehabilitation problems created by drug abuse and drug dependence, and to address itself to providing appropriate legislative remedies for it.

Congressional dissatisfaction with the results of reliance primarily upon law enforcement in controlling drug abuse and drug dependence led to enactment of the Narcotic Addict Rehabilitation Act of 1966. Because that act relies primarily upon outmoded inpatient treatment, because only a limited number of persons can obtain treatment under the act, and because it has not been properly funded, the potential of this statute remains largely unrealized to date. In the recent past the rate of rehabilitation has been among the lowest of any drug dependence treatment program in the country. It is hoped that recent program modifications will change that fact.

Congress made an important initial response to this problem by enacting the Narcotic Addict Rehabilitation Amendments of 1968, which were subsequently expanded by the Community Mental Health Centers Amendments of 1970. That legislation recognized the necessity of treatment and rehabilitation for drug dependence. Although the legislation was a significant step forward, it was recognized at the time to represent only the beginning of a truly adequate legislative program which would insure comprehensive and effective community-based treatment programs at both State and local levels.

In 1968, when criminal penalties were first added to the Drug Abuse Control Amendments of 1965 for possession of barbiturates, depressants, amphetamines, and hallucinogenic drugs, the Labor and Public Welfare Committee expressed strong concern about imposition of such penalties on casual distributors of youthful experimenters. In Senate Report No. 1609 (1968), for example, the committee emphasized the availability of alternatives to imprisonment, such as probation and juvenile handling, and pointed out that "indiscriminate enforcement of excessively severe drug laws increases disrespect for the law on the part of young people and tends to alienate them from society." The committee spells out its intention that the criminal laws be used sparingly, and be reserved particularly for the large wholesalers who profit from the trafficking of dangerous drugs.

The Committee feels that this bill represents the type of comprehensive program necessary to begin to bring the Nation's drug abuse and drug dependence problems under control. An adequate response to a problem of this magnitude requires a massive Federal approach. Drug abuse is a problem of our entire society. It will take a total effort of the entire Nation, at all levels of Government, to make significant progress in controlling it. The bill establishes a framework within which, for the first time, Federal, State, and local governments can effectively utilize their health and rehabilitation resources to bring the problem under control. Prevention and treatment facilities will be fostered throughout the Nation. The remedy mandated by the bill is long overdue and urgently needed.

Contemporary medical and scientific expertise has not provided the ultimate solution to all of the problems posed by drug abuse and drug dependence. But only through the energetic implementation of the kind of massive and all-encompassing Federal programs here envisaged will answers ever be found.

HEARINGS

General hearings on the extent and character of the drug abuse and drug dependence problem in the United States were held by the Alcoholism and Narcotic Subcommittee of the Labor and Public Welfare Committee on August 6, 7, and 8, 1969, in Washington, D.C.; on September 26, 1969, in Los Angeles, Calif.; on September 29, 1969, in Denver, Colo.; on October 2 and 4, 1969, in New York, N.Y.; and on February 14, 1970, in Des Moines, Iowa. Hearings on S. 1816 and S. 2608 were held in Washington, D.C., on September 18 and 19, 1969, and November 3, 1969; and in Cherry Hill, N.J., on January 26, 1970. Hearings on S. 3562 were held in Washington, D.C., on March 16, 17, 23, 24, 25, and 26, 1970, and on April 13, 14, and 15, 1970; in Winchester, Mass., on April 10, 1970; and in Lynn, Mass., on April 11, 1970. Hearings on S. 3015 and H.R. 14252 were held in Washington, D.C., on August 27, 1970.

There was unanimous support in the hearings for the objectives of the provisions contained in this bill. These provisions, which were incorporated in the various bills that were the subject of the hearings, were strongly endorsed by both national organizations and individual citizens interested in the prevention and treatment of drug abuse and drug dependence.

PROVISIONS OF THE BILL

Findings and declarations of purposes

Drug dependence is properly regarded as an illness or disease, which requires a broad range of health and rehabilitation services for treatment. Existing laws and their implementation have not effectively prevented drug abuse and drug dependence, or rehabilitated drug abusers and drug dependent persons. There is a lack of authoritative information and creative projects designed to educate students and others about drugs and their abuse. A major Federal commitment is required to attack this problem.

Different types of prevention and treatment programs are required. While community mental health programs are important, other programs are equally important. Many "street" programs arising from local initiative to deal with specific aspects of drug abuse and drug dependence problems now offer the best possibility of reaching youthful experimenters. The bill is intended to offer maximum flexibility in dealing with community problems at the local neighborhood level.

An effective program can be maintained only with the assistance of significant financial support from the Federal Government. Present Federal programs for the control and treatment of drug abuse and drug dependence have been assigned low priority and have consequently suffered from a significant lack of funding. For fiscal year 1970, drug abuse and drug dependence received far less Federal funding than other diseases that have a much smaller impact on the Nation:

Federal funding commitments by categorical area—fiscal year 1970 [1]

[In millions of dollars]

Category:	
Child health	1,443
Mental health (exclusive of alcoholism and drug abuse)	306
Cancer	195
Heart and lung disease	174
Neurological diseases and stroke	108
Arthritis and metabolic disease	147
Allergy and infectious diseases	104
Drug abuse	70

[1] It is not possible to include all Federal funds for the categories listed. For example, the regional medical programs include $78.5 million for heart disease, cancer, and stroke, but this amount is not susceptible to a breakdown for each of these diseases. Therefore this program is not included in the figures given. Health-care costs under medicare and medicaid cannot be identified on a categorical basis, and no estimates for these programs are included. Figures for narcotic addiction, drug abuses, and alcoholism include estimates for the Justice Department, Office of Education, Office of Economic Opportunity, and the National Institute of Mental Health.

The solution is not to neglect these other diseases, but to fund drug abuse and drug dependence programs at a level commensurate with the seriousness of the problems they cause.

Insufficient Federal leadership and funding has been a significant element in the inability of State and local agencies to meet their responsibilities in the prevention and treatment of drug abuse and drug dependence. Federal efforts have concentrated primarily on basic research without significant emphasis on badly needed service and training programs. The new Institute will be very active in developing and encouraging service and training programs, as well as in conducting and encouraging a broad range of basic research. It seems clear that the place to begin is within the Federal Government itself. Until the Government establishes strong personnel programs for its own employees who are drug abusers or drug dependent persons, it will be hard pressed to retain its credibility in encouraging programs on the State and local levels.

Federal departments and agencies have failed to use existing legislative authority to combat drug abuse and drug dependence. It is obvious that drug abuse and drug dependence are properly regarded as a health problem, disorder, sickness, illness, disease, disability, or other similar term, for purposes of all Federal legislation relating to health, welfare, rehabilitation, and highway safety programs providing for services, funds, and other benefits. All Federal legislation providing for services such as medical assistance, medical care, treatment, or rehabilitation should be regarded as including programs and services for the prevention and treatment of drug abuse and drug dependence. Some examples of existing Federal legislation under which these problems can be assisted include the Vocational Rehabilitation Act, Manpower Development and Training Act, Older Americans Act of 1965, Law Enforcement Assistance Act of 1965, Health Research Facilities Act of 1956, Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963, Heart Disease, Cancer, and Stroke Amendments of 1965, Health Professions Educational Assistance Act of 1963, Hospital and Medical Facilities Amendments of 1964, Social Security Act, Community Health Services Extension Amendments of 1965, Economic Opportunity Act of 1964, Comprehen-

sive Health Planning and Public Health Services Amendments of 1966, civil service laws, and laws providing for the treatment and discharge of members of the Armed Forces and the support and treatment of veterans of the Armed Forces.

After consideration of whether some of these statutes should be amended to make specific reference to drug abuse and drug dependence, it has been concluded that such a drastic step is not yet necessary. One of the functions of the new Institute will be to specify how all existing laws should be effectively utilized to combat drug abuse and drug dependence. For the moment, therefore, it is sufficient that Congress again spell out its mandate that existing statutory law must and shall be used to control drug abuse and drug dependence in this country.

DEFINITIONS

The bill adopts several important definitions.

"Drug abuser" is defined to mean any person who uses any controlled substance under circumstances that constitute a violation of law. "Drug dependent person" is defined, as suggested by the World Health Organization, the AMA, and the BNDD Advisory Committee, to mean a person using a controlled substance who is in a state of psychic or physical dependence, or both, arising from administration of that controlled substance on a continuing basis.

"Emergency care services" include all immediate medical and psychological care attendant to the detoxification process. The facilities which provide these services must be in a position to accept patients at all hours. They should utilize the services of physicians, nurses, and other professional and paraprofessional personnel in order that they not become merely another form of "junkie tank." Such facilities need not, of course, be physically attached to a hospital. It may, in fact, be preferable that a detoxification center be separate from a hospital. Accessibility to patients is of particular importance if these centers are to perform their function successfully.

"Inpatient services" may be necessary during the early stages of a treatment program, but should be given a very low priority since it is generally recognized that they are the least effective means of combating the long-range effects of drug abuse and drug dependence. Isolation from the community only increases dependence upon institutional care, thus destroying self-reliance and further reducing the possibility of recovery. The drug abuser or drug dependent person cannot be expected to adapt successfully to a normal existence as a result of spending full time in a treatment institution. It is felt that community-based treatment, through intermediate care or outpatient services, represents the best possibility of returning to a productive life.

"Intermediate care services," such as therapeutic communities or halfway houses are of prime importance to the ultimate success of the rehabilitation process. Since there is a great scarcity of such services throughout the country, it is anticipated that the Institute will place their development as a very high priority item in the near future. Such residential facilities are essential to provide the needed support during the transitional period back to a productive role in society. The repeated failure of full-time inpatient treatment to make any substantial impact readily demonstrates the need for this form of community-based intermediate care. Facilities, when possible, should provide the services of psychiatrists, psychologists, and social workers as well as job training, job referral, and, perhaps most importantly, transportation to and from work.

"Outpatient services" should be geared to the task of assisting the potential, recovered, or other drug abuser or drug dependent person out of the state of emotional, social, physical, or other deterioration which contributes to his illness.

"Prevention and treatment" is intended to encompass every form of educational technique which might be expected to assist in informing the public of the nature and consequences of drug abuse and drug dependence as well as every form of treatment and rehabilitation for the illness. It is intended that this phrase be given the widest possible interpretation and include all methods of effectively studying and handling drug dependence.

NATIONAL INSTITUTE FOR THE PREVENTION AND CONTROL OF DRUG ABUSE AND DRUG DEPENDENCE

Establishment of the institute

The legislation calls for the creation of an institute through which a broad range of prevention, training, rehabilitation, and research programs will be developed. It is absolutely essential that the entity established by this legislation be given institute status. An institute will have a stature commensurate with the magnitude of the health problem with which the new entity will deal. Consequently the likelihood of obtaining the funding necessary to effectively attack drug abuse and drug dependence problems will be immeasurably increased. An institute will also have the viability necessary to provide a strong program of public education and to develop public attention to and concern about this important health area. In addition, it will have a permanent status which will assist the development of the most qualified staff possible in the Federal Government in this area. It will provide the structure necessary to administer broad formula and project grant programs and to attract a broad cross section of individuals who are able to assist in solving problems of drug abuse and drug dependence.

An effective program must attempt to attract a broad cross section of individuals who are able to contribute to solving the problem. Such a cross section would include members of the medical professions, individuals interested in the sociological, organic, and chemical causes and ramifications, persons interested in practical programs of training and delivery of services, and persons skilled in research. Such a program must be directed and staffed by individuals who have the creativity and initiative to develop the widest range of activities possible; to foster and encourage Federal, State, and local initiative; and to dramatize the extraordinarily serious nature of the problems in this country. Such actions can do much to insure the delivery of prevention and rehabilitation services to those who most need them and can, in addition, greatly assist in relieving the serious funding problems which have plagued this health field. Such a program must concentrate on the delivery of prevention and rehabilitation services to the millions of Americans who are suffering or are likely to suffer from drug abuse or drug dependence.

Prior drug related criminal arrests or convictions may not be a bar to employment by the Institute or the programs and services which it operates or funds. It is necessary to single out drug-related offenses because of information that drug abusers and drug dependent persons have, in the past, been excluded from such employment because of their record offenses. This should not be interpreted to mean that a record of conviction for any other offense cannot properly be a bar to such employment.

The Institute will be responsible for coordinating all Federal efforts in the area of drug abuse and drug dependence. It will be expected to foster effective State and local programs through its review authority over State health, welfare, and rehabilitation plans submitted to the Federal Government and through the grants authorized by this bill.

Planning functions

One of the Institute's most important responsibilities is the development of a comprehensive and detailed drug abuse and drug dependence prevention and treatment plan, to serve as a blueprint for a national attack on these problems.

The plan must specify, among other things, how existing Federal health, rehabilitation, and welfare legislation can and should be utilized in fostering prevention and treatment programs. It will show how all components of the Federal Government can contribute to a coordinated national approach.

The motivating objective of the Institute's planning function will be the institution of modern public health, education, and rehabilitation procedures to handle drug abuse and drug dependence throughout the country.

Coordination functions

The Institute will serve in a coordinating and consulting capacity to assist other Federal departments and agencies in their efforts to prevent and treat drug abuse and drug dependence. This will, of necessity, include active consultation and work in a wide variety of areas, including vocational training, rehabilitation, manpower development and training, law enforcement assistance, highway safety, economic opportunity, health research facilities, mental retardation facilities, community mental health centers, juvenile delinquency, health professions educational assistance, hospital and medical facilities, community health services, education professions development, higher education, Federal employee health benefits, comprehensive health planning, elementary and secondary education, civil service laws, and laws providing for the treatment and discharge of the members of the Armed Forces and support and treatment of veterans of the Armed Forces. It would, indeed, not be possible to predict in advance all of the areas to which the Institute should properly devote its efforts.

Programs of non-Federal public and private organizations should be encouraged and assisted. Non-governmental organizations should not be discriminated against in any manner with respect to the availability of help.

STATISTICAL FUNCTIONS

Statistics must be accumulated in order accurately to ascertain the true scope of the problems associated with drug abuse and drug dependence. Such statistics will serve to highlight the urgency of the problem and facilitate the initiation of meaningful research.

Research functions

There is a lack of meaningful basic or applied reasearch on the problems of drug abuse and drug dependence. One reason this illness has reached epidemic proportions is because so little is known about it. The situation must be remedied immediately by the initiation of a comprehensive research program to investigate both the physical, psychological, and sociological aspects of the disease and the best possible prevention and treatment procedures for it.

The Institute will also maintain an adequate supply of all controlled substances, and shall make certain that adequate sources of these substances are available, for valid investigational and research purposes so that bona fide investigation and research with these drugs will not be inhibited or impeded with unnecessary red tape, restrictions, and delays.

It is especially important that a quick and reliable method for a more precise detection and determination of drug levels in urine, or in the blood, or by breath, or by other means,

be perfected as soon as possible. The Institute will publish significant results of this experimentation regularly.

It is, of course, essential that the confidentiality of a patient's records, whether obtained by the Institute or by individuals or organizations using funds contributed by the Institute, be honored at all times. It takes little imagination to realize that patients will be far more hesitant to consider treatment if they will be in danger of public ridicule by exposure of their illness. This factor is of particular significance because a treatment program's success is dependent upon the voluntary cooperation of the patient. Disclosure of an individual's name is of no value for research purposes and should be avoided in all situations.

Training functions

A most critical need for successful rehabilitation is the establishment of effective training programs for all those who come into contact with the patient during the course of the rehabilitation process. The Institute will meet this need by developing training programs and fellowships of its own and encouraging the establishment of similar programs at the State and local levels.

Educational functions

Develop, assist others to develop, and encourage the development of curricula on the use and abuse of drugs at the high school, college, and adult education levels as preventive measures. Instructional programs and guidelines will also be created for Federal law enforcement officials. Develop, assist others to develop, and encourage the development of informational and educational materials for use by the mass media. Educational materials must, above all else, be straightforward and factual, and not simply attempts to scare the public.

The Institute will ultimately become a clearinghouse for the maintenance and distribution of all relevant information dealing with the problems of drug abuse and drug dependence. Field workers as well as research investigators should be able to locate at the Institute whatever educational material is applicable to their particular interests.

Reporting functions

The Institute must submit an annual report to Congress detailing the progress of its programs. The report will candidly relate what has and has not been accomplished and indicate how improvements can be made in the future. It is likely that practical experience with the program will suggest significant legislative proposals which can thus be relayed to Congress.

PREVENTION AND TREATMENT OF DRUG ABUSE AND DRUG DEPENDENCE FOR FEDERAL EMPLOYEES

No Federal employee (not engaged in a position involving the national security) should be discriminated against with regard to any facet of his employment solely because he has a drug abuse problem. Government employees with drug abuse problems should be dismissed only if they have refused to accept adequate and appropriate treatment offered to them, and have subsequently failed to function properly in their positions.

CONFIDENTIALITY OF RECORDS

The importance of maintaining confidential records, mentioned earlier in this report in connection with the research undertaken or funded by the Institute, applies equally to all other patient records prepared or obtained pursuant to the prevention and treatment provisions of the bill.

FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

Formula grants and project grants

Formula grants

Drug abuse is a national problem which does not recognize regional boundaries. The formula grant program will make it possible for all States to stimulate programs and share in Federal financial assistance. Each State must develop a drug abuse and drug dependence prevention and treatment plan in order to be eligible for these Federal funds. A single agency in each State will be assigned responsibility for the administration of the State drug abuse and drug dependence program. This agency will work in conjunction with an advisory council which will serve as a consulting body for purposes of policy formulation. The money which is made available by formula grants will be used to supplement rather than replace funds which the States would otherwise have devoted to such programs.

Applications for financial assistance will be approved whenever the other requirements have been satisfactorily complied with and funds remain available in the allotment determined for the applying State. Any facilities which are established through the assistance of Federal funding will be available to all citizens of the State regardless of sex, race, color, creed, or national origin. Hearings for States whose applications have been denied will comply with the Administrative Procedure Act.

Project grants

This provision will make it possible for the Institute to make grants to public and private nonprofit agencies, organizations, and institutions and enter into contracts with public or private agencies to develop programs for the prevention and treatment of drug abuse and drug dependence. It is vitally important for these programs to be community based, and to utilize public health rather than criminal measures, in order to provide the most effective treatment possible. The development of curricula, informational, and other educational materials which can be used in preventive efforts should have the highest possible priority. All organizations within the community which are attempting to combat drug abuse and drug dependence should be coordinated whenever possible so as to provide readily accessible services to all persons at all hours of the day. It is also important that innovation with unstructured street programs, crisis intervention centers, therapeutic communities, peer group leadership programs, telephone counseling, workshops, seminars, informal discussion and information centers and sanctuaries, be encouraged. Such programs should, to the extent feasible, provide for the use of adequate personnel from similar social, cultural, age, ethnic, and racial backgrounds as those of the individuals served. Funds will also be made available to defray the total costs of community projects which are designed to assess deficiencies and prompt public interest in a local attack upon the drug abuse and drug dependence problem.

Emphasis on public health measures will result in no improvement unless there are sufficient funds, trained personnel, and facilities for an effective program, backed by a broad-based desire to implement such a program. All too often in the past, civil commitment has been used to mask inadequate and inappropriate treatment. Large numbers of patients have been committed to institutions without a specific treatment plan being formulated and adopted for the individual needs of the patient, and without sufficient medical or judicial inquiry into the adequacy and appropriateness of the treatment that is in fact available or provided. This bill is intended to require respect for the basic human dignity of drug abusers and drug-dependent persons, and not to contribute to the use of civil punishment as a replacement for criminal punishment. Federal funding and assistance should not be made available for the establishment or maintenance of overcrowded and understaffed institutions, indiscriminate civil commitment procedures, disregard of fundamental human rights, or other forms of inadequate or inappropriate treatment.

The bill provides a mechanism of processing applications for financial assistance made by units of local government and private organizations. Applications will be channeled through the agency designated to administer the program within the State. The State agency will have an opportunity to comment upon the propriety of the particular plan under consideration, but may not prevent it from being sent to the Institute for review. The Institute will take the evaluation of the State agency into consideration, but may not discriminate in favor of a State over a local, or a public over a private applicant. Local organizations of both a public and a private character are recognized as vital for a successful rehabilitation effort. As with formula grants, the money which is made available through project grants will be used to supplement rather than replace funds which the States or localities would otherwise have devoted to such programs.

The Secretary is authorized to make the project grants authorized by this legislation upon the recommendation of the National Advisory Council on Drug Abuse and Drug Dependence.

General

Any organization or agency which has had its payments under part E terminated may obtain judicial review of the administrative action of the Secretary by filing a petition in a U.S. court of appeals within 60 days after such action has been taken.

The bill provides that public and private general hospitals will forfeit all Federal financial assistance under this title or any Federal law administered by the Secretary of Health, Education, and Welfare, if they discriminate against drug abusers or drug-dependent persons by virtue of their admission procedures and practices.

THE NATIONAL ADVISORY COUNCIL ON DRUG ABUSE AND DRUG DEPENDENCE

Establishment of Council

The bill establishes a National Advisory Council on Drug Abuse and Drug Dependence within the Public Health Service.

The Advisory Council will be responsible for reviewing research projects, making suggestions for future improvements, and collecting and publishing relevant information.

Grant approval by Council

Grants made under the Community Mental Health Centers Act which are primarily intended for use in the prevention or treatment of drug abusers or drug dependence may be made upon the recommendation of the National Advisory Council.

INTERGOVERNMENT COORDINATING COUNCIL ON DRUG ABUSE AND DRUG DEPENDENCE

The bill establishes an Intergovernment Coordinating Council on Drug Abuse and Drug Dependence. The Coordinating Council will be composed of 13 members, including the Secretary of HEW who shall be the Chairman, the Attorney General, the Commissioner of Education, the Director of the National Institute for the Prevention and Treatment of Drug Abuse and Drug Dependence, the Director of the National Institute of Mental Health, four representatives of Federal Government, and four representatives of State government.

This body will be comprised exclusively of governmental personnel and will be responsible for assisting the Institute in coordinating Federal efforts, promoting cooperation between State and Federal agencies, instituting educational programs for Federal employees, and facilitating the rehabilitation of Federal employees who are drug abusers or drug-dependent persons. The Federal Government owes a special responsibility to all of its own employees and should, therefore, set an example of sensitivity to the prob-

lems of the drug abuser, which will hopefully be followed by the States, municipalities, and private enterprise.

General

All regulations issued pursuant to this bill are intended to be subject to the provisions of the Administrative Procedure Act. After considering whether it was necessary to explicitly include this in the bill itself it was concluded that under the APA this would be the result even if the bill was silent on the matter.

Conclusion

A new approach to the problems arising from drug abuse and drug dependence is urgently needed. The bill will enable the Nation to embark on a broad program of prevention and rehabilitation that will offer a productive life to those who have suffered so long without hope and will prevent the continued tragic waste of human lives in the future.

It is recommended that the Senate adopt the bill, as amended, at the earliest opportunity.

SECTION-BY-SECTION ANALYSIS

TITLE I

Part A—Findings and declarations of purpose

Section 101.—Finds that drug abuse and drug dependence are increasing throughout the country; that drug dependence is an illness or disease that requires treatment through health and rehabilitation services; that existing laws have not been effective to prevent drug abuse and drug dependence or to provide adequate education, treatment, and rehabilitation of drug abusers and drug dependent persons and that a major Federal commitment is needed in these areas; that there is a lack of authoritative information and creative projects designed to educate students and others about drugs and their abuse; that effective treatment services and successful rehabilitation offer the best possibility of avoiding a high rate of recidivism among those persons incarcerated in Government institutions; that Federal programs for drug abuse and drug dependence should have a high priority and be closely coordinated within the Government; that the Federal Government must effectively handle drug abuse and drug dependence among those for whom the Government has special responsibilities—civilian employees, military personnel, and veterans; and that drug abusers and drug dependent persons can be best treated and rehabilitated through effective community-based programs.

Section 102.—Declares that a National Institute for the Prevention and Treatment of Drug Abuse and Drug Dependence will be established and maintained within the Public Health Service to coordinate all Federal social programs related to the prevention of drug abuse and drug dependence; that an increased effort should be made to encourage the development of new and improved curriculums on the problems of drug abuse, to demonstrate the use of such curriculums in model educational programs and to evaluate the effectiveness thereof, to disseminate curricular materials and significant information for use in educational programs throughout the Nation; to provide training programs for teachers, counselors, law enforcement officials, and other public service and community leaders; and to offer community education programs, for parents and others, on drug abuse problems; that major Federal action and assistance shall be understaken to encourage a broad range of State and local programs in this area, and to assure equal access to humane care, treatment, and rehabilitation for all drug abusers and drug dependent persons; that research relating to drug abuse and drug dependence shall be fostered and assisted; and that all present Federal or federally assisted research, prevention, treatment, or rehabilitation programs in the fields of health, education, welfare, and rehabilitation shall be utilized to reduce drug abuse, drug dependence, and drug-related crime.

Part B—Definitions

Section 112.—Sets out definitions which apply throughout the bill.

"Prevention and treatment" is defined to include all appropriate forms of educational programs and services (including but not limited to radio, television, films, books, pamphlets, lectures, adult education, and school courses); planning, coordinating, statistical, research, training, evaluation, reporting, classification, and other administrative, scientific, or technical programs or services; and screening, diagnosis, treatment (emergency medical care, inpatient, intermediate care, and outpatient), vocational rehabilitation, job training and referral, and other rehabilitation programs or services.

Other definitions include those for the terms "drug abuser," "drug dependent person," "emergency medical care services," "inpatient services," "intermediate care services," and "outpatient services."

The remaining definitions are routine.

Part C—National Institute for the Prevention and Treatment of Drug Abuse and Drug Dependence

Section 121.—Establishes a National Institute for the Prevention and Control of Drug Abuse and Drug Dependence within the Public Health Service. Remaining sections of this part prescribe the responsibilities of the Institute and the qualifications of its personnel.

Section 122.—Sets out the administrative functions of the Institute, which include providing assistance to all Federal departments and agencies to establish and maintain programs for the prevention and treatment of drug abuse and drug dependence; evaluating the drug abuse and drug dependence prevention and treatment provisions of all State health, welfare, and rehabilitation plans submitted to the Federal Government; administering grants and contracts authorized by the bill; and taking other action consistent with the intent and objectives of the bill.

Section 123.—Sets out the planning functions of the Institute, which include development of a comprehensive Federal drug abuse and drug dependence prevention and treatment plan; development of model State and local drug abuse and drug dependence prevention and treatment plans; providing assistance and consultation to all interested agencies and persons with respect to the prevention and treatment of drug abuse and drug dependence; and carrying out a complete evaluation of existing and ongoing drug education materials and programs.

Section 124.—Sets out the coordination functions of the Institute, which include assisting all Federal departments and agencies in the development and maintenance of drug abuse and drug dependence prevention, treatment, and rehabilitation programs; serving as consultants to Federal courts, departments, and agencies; coordinating all Federal health and rehabilitation efforts to deal with drug abuse and drug dependence; encouraging State and local public and private programs and services and stimulating more effective and coordinated use of all existing resources and services; and cooperation with Federal departments and agencies to develop an appropriate policy with regard to Federal civilian employees who are drug addicts or drug dependents.

Section 125.—Sets out the statistical functions of the Institute, which include gathering and publishing statistics pertaining to drug abuse and drug dependence—statistics, records, and reports.

Section 126.—Sets out the research functions of the Institute, which include conducting research of all kinds relating to drug abuse and drug dependence; encouraging and assisting others in conducting such research; coordinating research conducted by the Institute with that done by other agencies and persons; establishing a research register and a research information center; making research facilities of the Institute available to other researchers; making research grants and contracts with other agencies and individuals; maintaining a research fellowship program; investigating methods for measuring drug consumption; and evaluating existing and proposed drug abuse and drug dependence prevention and treatment programs.

Section 127.—Sets out the training functions of the Institute, which include establishment of training programs for professionals and paraprofessionals; encouragement of such programs by State and local governments; and establishment of training fellowships.

Section 128.—Sets out the educational functions of the Institute, which include developing and assisting and encouraging the development of model curricula for use at all educational levels; developing and assisting and encouraging the development of a broad variety of educational material for use in all media; establishing and assisting and encouraging the establishment of educational courses for use by all Federal, State, and local agencies and private groups on the causes of, and treatment for, drug abuse and drug dependence; acting as a clearinghouse for all information relating to drug abuse and drug dependence; recruitment, training, organization, and employment of personnel for public education programs in relation to drug abuse and drug dependence; coordination of all Federal educational activities regarding drug abuse and drug dependence; and undertaking, assisting, and encouraging all activities relating to a national drug abuse and drug dependence education program.

Section 129.—Sets out the reporting functions of the Institute, which include making an annual report to Congress, specifying actions taken and services provided under each provision of this act as required; and making such additional reports as are requested by the President or Congress.

Part D—Prevention and treatment of drug abuse and drug dependence for Federal employees

Section 131.—Sets out procedures for prevention and treatment of drug abuse and drug dependence among all Federal Government employees. It provides that the Civil Service Commission, in cooperation with the administration and other Federal agencies, shall be responsible for developing and maintaining appropriate policies and services for the prevention and treatment of drug abuse and drug dependence among all Federal civilian employees. All Federal civilian employees will retain the same employment and benefits as those suffering from other illnesses and shall not lose pension, retirement, or medical rights. The Institute will be responsible for encouraging similar drug abuse and drug dependence prevention, treatment, and rehabilitation services in State and local governments and private industry. No person may be denied Federal civilian employment or a Federal license or right solely on the ground of prior drug abuse or drug dependence except in regard to extremely sensitive positions. This section will not prohibit the dismisal of a Federal civilian employee who refuses to accept appropriate treatment offered to him and subsequently does not function properly in his employment.

Section 132.—Provides that all patient records prepared or obtained pursuant to this act and their contents shall remain confidential, and may be disclosed with the patient's consent only to proper persons for

purposes of medical treatment, research, or the obtaining of benefits relating to the patient's drug dependence. Any other disclosure must be by court order based on a showing of good cause. No such records or information may be used to initiate charges against a patient under any circumstances. Similar provisions apply to private medical records.

Part E—Federal assistance for State and local programs

Subpart I—Formula Grants

Section 142.—Provides that $10 million will be authorized to be appropriated for the fiscal year ending June 30, 1971, for the purpose of providing formula grants to States to aid in the development and maintenance of their treatment and rehabilitation programs. An additional $20 million will be added to this base amount in fiscal 1972, and $25 million will be added to this base amount for fiscal 1973.

Section 143.—Provides for the allotment of grants to all States regardless of their size, such allotment to be made on the basis of relative population, financial needs, and need for more effective prevention, treatment, and rehabilitation programs. The allotment procedure is that generally followed for formula grants.

Section 144.—Requires States wishing to participate in the formula grant program to develop State plans meeting certain basic requirements. The plans must designate a single State agency to administer the plan; provide for a State advisory council to oversee the plan; specify the needs of the State and its existing health facilities; meet certain standards of administration; provide required reports and information; and assure that Federal funds will be used to supplement rather than supplant non-Federal funds. The Secretary shall approve any State plan meeting the statutory requirements.

Section 145.—Provides an application procedure for submission of grant applications to the Secretary through the designated single State agency and requires the Secretary to approve any plan for which an allotment remains available and which meets the requirements of section 144.

Subpart II—Project Grants

Section 146.—Authorizes appropriations of $20 million for fiscal 1971, $45 million for fiscal 1972, and $70 million for fiscal 1973, for the project grants authorized by the act.

Section 147.—Authorizes the Secretary to make grants to and contracts with public and private agencies to assist State and local public and private organizations, agencies, institutions, and individuals to carry out the following activities for the prevention and treatment of drug abuse and drug dependence; to construct and operate treatment and rehabilitation facilities; to develop curriculums, informational and other educational materials for use in preventive efforts; to conduct research and demonstration projects; to educate and train professional and paraprofessional personnel; and to provide drug abuse and drug dependence prevention and treatment services in correctional and penal institutions and among juveniles and young adults. All of the grants and contracts under this title will be community based whenever possible.

Section 148.—Requires the Secretary to assure coordination of all grant applications for programs in a State, and not to give precedence to public agencies over private agencies or to State agencies over local agencies. It provides that all applications from within a State shall first be submitted by the applicant for review and comment to the State agency responsible for administering the State comprehensive plan for treatment and prevention of drug abuse and drug dependence if such an agency exists. Applications are then to be forwarded to the Secretary for approval. It also establishes the administrative and budgetary criteria which must be met by those seeking funds under this title. A State may waive its rights to review applications under this section if it so desires.

Section 149.—Provides that the Secretary of Health, Education, and Welfare is authorized to make grants under this part upon the recommendation of the National Advisory Council on Drug Abuse and Drug Dependence.

Subpart III—General

Section 150.—Provides that the Secretary may terminate payment to any program not in compliance with the terms of its grant or contract until the program complies. Anyone adversely affected by such an action of the Secretary may appeal to the U.S. court of appeals for the circuit in which he is located by filing a petition with such court within 60 days after such final action. The procedures and conditions of filing such a petition are set out in the remainder of this section.

Section 150A.—Provides that no private or public general hospital which discriminates against drug abuse and drug dependence because of their drug abuse or drug dependence will receive Federal financial assistance under the provisions of this title or any other Federal law administered by the Secretary. Termination of aid will occur only after the Secretary gives notice of the failure to comply with this section and provides an opportunity for correction or hearing. All action taken by the Secretary pursuant to this section is subject to judicial review pursuant to section 150(b) of this title.

Part F—The National Advisory Council on Drug Abuse and Drug Dependence

Section 151.—Establishes a National Advisory Council on Drug Abuse and Drug Dependence within the Public Health Service. The Advisory Council will be composed of 15 members, including the Secretary of HEW, who shall serve as chairman, the chief medical officer of the Veterans' Administration or his representative, a medical officer designated by the Secretary of Defense, and 12 appointed members. The Advisory Council will be responsible for reviewing research projects and making suggestions for future improvements, collecting and publishing relevant information, and recommending grants in accordance with section 149 of part E of this title.

Section 152 amends section 266 of part E of the Community Mental Health Centers Act to provide that grants under that act which are primarily intended for use in the prevention and treatment of drug abuse or drug dependence may be made only upon the recommendation of the National Advisory Council on Drug Abuse and Drug Dependence.

Part G—Intergovernment coordinating council on drug abuse and drug dependence

Section 161.—Establishes an Intergovernment Coordinating Council on Drug Abuse and Drug Dependence consisting of the Secretary who shall serve as chairman, the Attorney General of the United States, the U.S. Commissioner of Education, the chairman of the National Advisory Council on Drug Abuse and Drug Dependence, the Director of the National Institute of Mental Health, four representatives of Federal departments or agencies, and four representatives of State and local government departments or agencies. The Council will be responsible for coordinating all Federal drug abuse and drug dependence prevention and treatment activities with each other and with similar State and local activities and for developing an enlightened approach to the problem with respect to Federal civilian employees.

Section 162.—Directs the Coordinating Council to assist the Secretary in his coordinating functions; to engage in educational and rehabilitation programs directed at Federal civilian employees; and to carry on other appropriate activities.

TITLE II

Part I—General

Section 201.—Is a severability provision.

Section 202.—Requires recipients of grants to make whatever reports are required by the Secretary.

Section 203.—Provides that payments under this title may be made in advance or by way of reimbursements, and in such manner as the Secretary may determine.

Mr. HRUSKA. Mr. President, on October 14 we passed H.R. 18583, the Comprehensive Drug Abuse Prevention and Control Act of 1970, which was signed into law by the President as Public Law 91–513 on October 27.

During the consideration of that act in this body, the Senator from Iowa and others displayed a very strong desire to greatly expand the act in the area of drug abuse prevention and treatment. At that time, opposition was indicated to such an expansion of what was basically a law enforcement measure. At that time this Senator stated he would support a separate bill along the lines of the proposal suggested by the Senator from Iowa.

Now we have before us S. 3562, the "Federal Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1970." The Senator from Iowa is to be commended for his persistence in bringing this worthwhile measure before this body for a vote during the short time left to us in the 91st Congress. As I had earlier indicated, I support this measure. The Senator from Iowa agrees that S. 3562 is in no way intended to override, obstruct, or in any way conflict with the provisions of Public Law 91–513. There is a series of minor amendments, which will be discussed shortly, designed to eliminate any possible conflict between this pending bill and the Comprehensive Drug Abuse Prevention and Control Act. With these amendments, S. 3562 will be complementary and supplementary to Public Law 91–513. It will round it out and make progress toward the goals of dealing with the problem. Hence I am able to support this bill in the form of a separate measure, as I indicated last month that I would do.

I might add that the Department of Health, Education, and Welfare feels they really have no need for this measure, and that existing law could accommodate the programs established under S. 3562. However, with all due respect to that Department, I must accede to the very strong desire of the Senator from Iowa and his supporters to see his proposal enacted, to sharpen the picture, to make it more definitive, and to facilitate the efforts of the Department of Health, Education, and Welfare in the field we are discussing.

We cannot overlook any possibility of legislation which will aid the fight against drug abuse on all fronts, so long as there is no interference with the immediate and pressing requirements of law enforcement in this area. With the amendments as proposed, S. 3562 will offer no such conflict. Hence I support the enact-

ment of this measure and recommend its approval by this body as amended.

Mr. HUGHES. I thank the distinguished Senator from Nebraska who has been entirely cooperative in this matter. The statement the Senator has just made is entirely accurate as far as both of us are concerned.

Mr. President, when this bill was originally scheduled to come up for debate last Tuesday, November 17, the Senator from Nebraska (Mr. HRUSKA) indicated that he had a number of changes which he would like to propose to the bill. Action on the bill was then postponed until today, so that we could attempt to reach some compromise on the differences which existed. I am pleased to be able to report that we have been able to reach such a compromise.

A number of the compromise amendments here proposed are merely technical in nature; others modify the originally proposed legislation in such a way as to make it clear that overlapping with Public Law 91-513, the drug legislation recently signed into law by the President, was not intended; still others involve changes made at the request of the administration or in order to allow for additional study by the subcommittee.

It is my feeling that if these compromise amendments are accepted and the bill receives strong support by this body, that the Senate will have met its obligation to the American people to make a strong commitment for action in the area of drug abuse and drug dependence prevention and treatment and will, in addition, have committed itself to strongly supporting and expediting the basic provisions of this minimal piece of legislation at the earliest possible time next year.

Mr. President, the Senator from Nebraska and I have agreed to go through these amendments one by one rather rapidly.

I ask unanimous consent that the amendments be considered en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

The amendments are as follows:

On page 79, line 10, strike out "an illness or disease," and insert in lieu thereof "a public health problem".

On page 83, between lines 16 and 17, insert the following:

"(b) 'Controlled substance' shall have the same meaning as that term is defined in section 102(6) of the Comprehensive Drug Abuse and Prevention and Control Act of 1970."

On page 83, line 17, strike out "(b)" and insert "(c)".

On page 83, line 19, strike out "(c)" and insert "(d)".

On page 83, line 22, strike out "(d)" and insert "(e)".

On page 83, line 25, strike out "(e)" and insert "(f)".

On page 84, line 8, strike out "(f)" and insert "(g)".

On page 84, line 17, strike out "(g)" and insert "(h)".

On page 84, line 21, strike out "(h)" and insert "(i)".

On page 84, line 24, strike out "(i)" and insert "(j)".

On page 85, line 6, strike out "(j)" and insert "(k)".

On page 85, line 13, strike out "(k)" and insert "(l)".

On page 85, line 24, strike out "(l)" and insert "(m)".

On page 86, line 11, strike out "(m)" and insert "(n)".

On page 83,, line 25, beginning with the word "means", strike out all through line 7 on page 84 and insert in lieu thereof the following: "shall have the same meaning as that term is defined in section 2(b) of title I of the Comprehensive Drug Abuse Prevention and Control Act of 1970.".

On page 86, line 4, strike out "classification,".

On page 87, line 8, immediately after the word "not", insert "in themselves".

On page 90, line 12, immediately after the word "serve", insert a comma and the following: "upon request,".

On page 90, line 20, beginning with the word "all", strike out all through the word "to" on line 21 and insert in lieu thereof the following: "Federal prevention and treatment programs that".

On page 92, line 7, immediately before the period, insert a comma and the following: "except as specifically authorized by Federal law".

On page 93, line 1, beginning with the word "shall", strike out all through line 5 and insert in lieu thereof the following: "Shall maintain a complete and current register of all research which requires his approval or for which Federal funds are expended;".

On page 93, line 12, beginning with the comma, strike out all through the word "needs" on line 16.

On page 94, strike out lines 6 and 7 and insert in lieu thereof the following: "such data and information shall be available to all interested parties, except that this section shall not apply to data gathered pursuant to section 201 of the Comprehensive Drug Abuse Prevention and Control Act of 1970;".

On page 94, beginning with line 22, strike out all through line 10 on page 95.

On page 92, line 9, strike out "(a)".

On page 98, line 16, immediately after the word "shall", insert a comma and the following: "where appropriate,".

On page 101, strike out line 1 and insert in lieu thereof the following: "vention of drug abuse and drug dependence, and for the treatment of drug dependence".

On page 101, line 5, strike out "who are drug abusers" and insert in lieu thereof a comma and the following: "except for personnel employed by Federal law enforcement agencies,".

On page 101, line 6, strike out "or".

On page 101, line 24, immediately before the period, insert a comma and the following: "or except with regard to registration provisions in part C of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970".

On page 102, beginning with line 6, strike out all through line 10 on page 103 and insert in lieu thereof the following:

"SEC. 132. The Secretary may authorize persons engaged in treatment of drug abuse or drug dependence to protect the privacy of individuals who are the subject of such treatment by withholding from all persons not connected with the conduct of such treatment the names or other identifying characteristics of such individuals. Persons so authorized to protect the privacy of such individuals may not be compelled in any Federal, State, or local civil, criminal, administrative, legislative, or other proceeding to identify such individuals. Such authorization by the Secretary shall not limit the rights of inspection and maintenance of records required under the Comprehensive Drug Abuse Prevention and Control Act of 1970."

On page 111, beginning with line 1, strike out all through line 5 on page 113.

On page 113, line 6, strike out "(3)" and insert "(2)".

On page 113, line 11, strike out "(4)" and insert "(3)."

On page 113, line 20, strike out "(5)" and insert "(4)".

On page 114, line 5, strike out "(6)" and insert "(5)".

On page 114, line 8, strike out "(7)" and insert "(6)".

On page 114, line 16, strike out "(8)" and insert "(7)".

On page 115, line 5, strike out "(9)" and insert "(8)".

Mr. HUGHES. Mr. President, the Senator from Nebraska has agreed with me that we could run through this series of amendments briefly to clearly outline our position on what they do for the benefit of making a record which might be clearly understood.

The first amendment consists of lines 1 and 2 on page 1 of the printed amendment before us. It deletes the findings in the bill that "Drug dependence is an illness or disease . . ." and replaces it with a more general finding that drug abuse is "a public-health problem." It is important to explain what has been done here, because it is not immediately clear on the surface.

The question is not one of whether drug dependence is an illness or disease from a medical point of view—it is clear that it is. Certainly our hearings have indicated that. I would like to place into the record some examples of authoritative and expert opinions that also indicate that this is so. The examples are not exhaustive, but they are illustrative of various comments which have been made upon this point.

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

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

EXAMPLES OF AUTHORITATIVE AND EXPERT OPINIONS THAT DRUG DEPENDENCE IS AN ILLNESS OR DISEASE

1. STATE LEGISLATURES

In 1966, the New York State Legislature enacted a comprehensive new law on drug addiction. Section 200(1) contains the following "declaration of purpose":

"1. The human suffering and social and economic loss caused by the disease of drug addiction are matters of grave concern to the people of the State. The magnitude of the cost to the people of the State for police, judicial, penal and medical care purposes, directly and indirectly caused by the disease of drug addiction, makes it imperative that a comprehensive program to combat the effects of the disease of drug addiction be developed and implemented through the combined and correlated efforts of Federal, State, local communities and private individuals and organizations."

This has been the law of New York since 1966, without any detrimental effect whatever on local law enforcement efforts.

2. UNITED STATES SUPREME COURT

In *Linder* v. *United States*, 268 U.S. 5, 18 (1925), the Supreme Court stated that, with respect to narcotic addicts, the Harrison Act:

". . . does not undertake to prescribe methods for their medical treatment. They are diseased, and proper subjects for such treatment. . . ."

In *Robinson* v. *California*, 370 U.S. 660, 667 (1962), the Supreme Court noted that the State of California recognized that narcotic addiction is "an illness," and also that the Supreme Court had recognized in 1925 in the *Linder* case that addiction is a disease.

The Court, relying upon the disease concept of drug dependence, declared unconstitutional a statute that purported to make such dependence a criminal offense.

3. THE AMERICAN MEDICAL ASSOCIATION

Dr. Henry Brill, Chairman of the American Medical Association Committee on Alcoholism and Drug Dependence, testified before the Senate Subcommittee on Juvenile Delinquency, of the Committee on the Judiciary, with respect to hearings on the bills that were later to become H.R. 18583, that:

"In regard to handling of offenders, drug dependence, as distinguished from drug abuse, should be regarded as an illness."

Dr. Brill, in addition to his position as Chairman of the AMA Committee, was also Chairman of the National Academy of Sciences/National Research Council Committee on Drug Abuse, the Medical Advisory Committee to the Bureau of Narcotics and Dangerous Drugs, and Vice-Chairman of the New York State Narcotic Commission. Thus, his views reflect both law enforcement and medical treatment positions.

It should be noted that no witness who appeared before any Committee considering all of the legislation relating to law enforcement and treatment with respect to drug abuse, has suggested that drug dependence is not properly regarded from a medical standpoint as an illness or disease. (The Department of Justice has stated only that the bill should not reflect this fact.)

In the AMA book on "Drug Dependence—A Guide For Physicians" (1969), it is stated that:

"The physicians should remember that the person who is drug dependent (psychologically, physically, or both) is sick and deserves understanding and treatment. . . ." (Page 63).

4. WORLD HEALTH ORGANIZATION

The Fourteenth Report of the WHO Expert Committee on Mental Health (1967) states that:

"In legislation drawn up concerning persons dependent on alcohol and other drugs, it should be recognized and stated that these are sick persons. . . ."

The opinion of WHO is particularly important. The Single Convention on Narcotic Drugs, 1961, to which the United States is a signatory, was established under the auspices of the United Nations. Under this Treaty, the WHO has the responsibility for determining the abuse potential of dangerous drugs. By international treaty, therefore, the opinion of WHO carries special weight in this country.

5. THE NATIONAL COUNCIL ON CRIME AND DELINQUENCY

A policy statement on narcotics law violations by the Advisory Council of Judges of the National Council on Crime and Delinquency (1964) stated that:

"The narcotic drug addict is a sick person, physically and psychologically, and as such is entitled to qualified medical attention just as our other sick people."

6. THE U.S. CRIME COMMISSION REPORT ("THE CHALLENGE OF CRIME IN A FREE SOCIETY")

The U.S. Crime Commission noted that compulsory treatment for narcotic addiction arose out of:

". . . growing awareness that drug addiction was a medical illness and that a clearer distinction, which would make some allowance for the quality of compulsion in addiction, should be made between addicts and other offenders." (Page 228).

Mr. HUGHES. The question today, rather, is whether we want to take a position which could provide an affirmative defense in criminal cases in which drug-dependent persons are involved—which would say in effect, that there should be no burden of criminal responsibility placed on those drug-dependent persons who engage in criminal acts. That is a policy question which may go beyond the medical question, and it is one which I feel deserves some further consideration before we act.

I should say this, in addition, however. I would hope that our action in this instance would not deter the courts across the country, after careful study on this question, from reaching their own decisions on it. I know there have been several recent cases in this area. In some respects, because the question which involves an interpretation of basic constitutional and human rights, this is a matter which is best left to the courts.

Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

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

Mr. HUGHES. I yield.

Mr. HRUSKA. Mr. President, the main concern of officials of the Department of Justice, and others, with the language as originally determined by the committee was simply that unless the language was changed there would be a possibility that drug dependence could be asserted as an affirmative defense in any criminal prosecution.

This amendment serves to modify the language of the bill in such a way that it makes it clear that drug dependence is a health problem, but does not go so far as to make a congressional finding of fact that drug dependence is an illness or disease. Otherwise, there would always be the possibility that drug dependence could be asserted as an affirmative defense in any criminal prosecution.

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

Mr. HUGHES. I yield.

Mr. GOLDWATER. Not being a lawyer I have to ask this question. If a person is being held at the present time for the transportation, sale or use of marihuana, would he be tried under the old law or this law when it is passed?

Mr. HUGHES. No. This law would have no effect, especially now that changes have been made in this amendment. If the person were a heroin addict and transporting, for example, illegal marihuana or any other substance which is illegal to bring into this country, he would come under the provisions in Public Law 91–513, signed into law earlier this year, not under this legislation.

Mr. GOLDWATER. I am interested specifically in marihuana.

Mr. HRUSKA. That action would be covered in the act which was passed and signed by the President on October 27.

That is the law enforcement act, and any violation of its provisions for the transportation or possession of marihuana would come under the terms of that previous bill, not this one.

Mr. GOLDWATER. I thank the Senator.

Mr. HUGHES. Mr. President, I would like to explain amendments 2 and 3.

Amendment No. 2 includes lines 3 through 9 on page 1 of the amendment and also includes lines 1 through 10 on page 2.

Amendment No. 3 includes lines 11 through 15, inclusive on page 2.

Those amendments simply insure that the definitions of "controlled substance" and "drug dependent person" in this legislation correspond with the definitions of those terms in Public Law 91–513, which was recently signed into law by the President. The fact that these terms are defined identically in both pieces of legislation will simplify questions of interpretation and intent which may arise in the future.

Mr. HRUSKA. With reference to amendment 2, the term "controlled substance" is defined in Public Law 91–513, which was signed into law earlier this year. This amendment insures that the term as used in this act has the same meaning as in the earlier passed bill.

Adverting to amendment No. 3, that amendment merely conforms the definition of "drug dependent person" in the bill to the definition of that term which is used in Public Law 91–513, which was signed into law earlier this year.

Both amendments Nos. 2 and 3 are necessary so as to avoid misunderstandings and outright conflicts between this bill and the Comprehensive Drug Abuse Prevention and Control Act of 1970.

Mr. HUGHES. Mr. President, amendment No. 4 consists of line 16 on page 2.

The amendment deletes the word "classification" from the definition of the term "prevention and treatment" in the bill. Originally the legislation set out a series of classification functions which the Secretary would have been required to perform. That section of the bill has since been deleted. The term "classification" as used here would have been a reference to those functions and responsibilities.

So this is simply a technical amendment. I think that it is clear that the Secretary of Health, Education, and Welfare could conceivably group various types of drugs for the purposes of treatment and rehabilitation research plans, treatment purposes, and so forth, under his responsibilities under the bill—or under present general statutory provisions, for that matter. But there is no longer an intent to require the Secretary to set up a separate classification of drugs under this bill.

Mr. HRUSKA. With reference to amendment No. 4, the amendment deletes the word "classification" from the definition of the term "prevention and treatment." This eliminates any implied authority on the part of the Secretary to reclassify controlled substances for rehabilitation purposes.

With the adoption of this amendment the classifications and scheduling of these various drugs and substances as contained in Public Law 91–513 would be controlling.

Mr. HUGHES. For these purposes, yes.

Amendment No. 5 consists of lines 17 and 18 on page 2 of the amendment.

The amendment simply clarifies the fact that prior drug-related criminal arrests or convictions will not in themselves be a bar to employment of persons

by the Institute created by the bill. Other factors may be taken into consideration by the persons doing the employing.

The reason for this provision is that in rehabilitation programs it is many times both essential and important for persons who have been drug abusers or drug dependents to be employed.

Mr. HRUSKA. Mr. President, this amendment clarifies the fact that prior drug-related criminal arrests or convictions shall not in themselves be a bar to employment of persons by the Institute created by the bill. It gives the Institute a degree of discretion in that it may refuse to hire a person with a previous drug-related criminal arrest or conviction if the offense was of such a serious nature that it raises the possibility that the offender, as an employee, might compromise or jeopardize the Institute and its programs. It would in no wise interfere with the concept and basis of the provision itself as envisioned by the Senator from Iowa, and of the bill as approved by the committee.

Mr. HUGHES. The Senator from Iowa completely agrees with that interpretation.

Amendment No. 6 consists of lines 19 and 20, inclusive, on page 2 of the amendment. The amendment allows the Secretary to, upon request, serve in a consulting capacity to all Federal courts, departments, agencies, and so forth. I emphasize the words "upon request." The added language, which requires a request for such aid, is simply meant to protect the independence of the various courts, departments, agencies, et cetera, covered by the amended provision.

Mr. HRUSKA. Mr. President, that explanation is fully concurred in by the Senator from Nebraska and is self-explanatory.

Mr. HUGHES. Mr. President, amendment No. 7 consists of lines 21 through 24 on page 2 of the amendment. It simply restricts the coordinating authority of the Secretary to those areas which relate to the prevention and treatment of drug abuse and drug dependence—that is, to areas within the jurisdiction which he has within the Government.

Mr. HRUSKA. Mr. President, this amendment restricts the coordinating authority of the Secretary to prevention and treatment programs in areas under his jurisdiction. Otherwise, the coordination functions of the Secretary could extend into areas beyond his existing statutory scope of authority, such as the Department of Defense.

That was considered extremely undesirable, and hence the amendment.

Mr. HUGHES. Mr. President, amendment No. 8 includes line 25 on page 2 and lines 1 and 2 on page 3 of the amendment.

The amendment clarifies the fact that certain provisions which deal with the confidentiality of statistical information which must be gathered by the Secretary are not meant to change exceptions to confidentiality which exist elsewhere in existing law.

This amendment, as do several others which follow, simply makes an acknowledgement that other law may exist in this area and that this legislation was not meant to void that other law, be it the drug bill enacted earlier this session, the Food and Drug Act, or any other legislation. I should say that it has been suggested that we put an amendment on this bill that would have said, in effect, that this legislation would not derogate from any other law that exists—or derogate from the bill passed earlier this year. I refused to agree to that. I think that every piece of legislation should stand on its own. If there are known conflicts, they ought to be worked out—as we have done here. If problems of interpretation arise in the future with one or more bills, each bill should have equal weight—a presumption should not be given to one bill over the other automatically. We cannot anticipate everything in the future, and no one piece of legislation should have automatic priority. So I want to make my position on this point clear now, so it will not be necessary to keep repeating it as we go along.

Mr. HRUSKA. Mr. President, this amendment clarifies the fact that section 125 was not meant to override and change other sections of existing law, particularly the provisions of the recently enacted Comprehensive Drug Abuse Prevention and Control Act of 1970.

Mr. HUGHES. Mr. President, amendment No. 9 consists of line 3, page 3 to line 7, page 3 inclusive. In connection with his coordination functions under the legislation, the Secretary is required to maintain a register of current researchers, so that there might be a flow of research information among those persons interested in this area. In the past there has often been little exchange of information among researchers in the drug prevention and treatment area. The amendment limits the list of researchers which the Secretary is required to maintain under this part of the bill to those persons who are doing research which requires the Secretary's approval or for which Federal funds are expended, that is, those persons which the Secretary could know of without carrying out an unending and exhaustive search.

Mr. HRUSKA. Mr. President, this amendment limits the list of researchers which the Secretary is required to maintain under section 126 and thus avoids needless duplication in that lists of registered researchers are already maintained and are available to the Secretary through the Attorney General under Public Law 91–513.

Mr. HUGHES. Mr. President, amendment No. 10 consists of lines 8 and 9 inclusive on page 3 of the amendment.

Section 126 of the bill, which sets out the research functions of the Secretary or gives the Secretary the authority to establish "the criteria pursuant to which any registered investigator is to be authorized to manufacture or otherwise acquire sufficient controlled substances for his legitimate investigational and research needs." The amendment would delete this language because it could be construed as being in conflict with Public Law 91–513, the drug legislation which was signed into law earlier this year.

Mr. HRUSKA. Mr. President, this amendment removes language in section 126 which is unnecessary and which could be construed as being in conflict with registration and quota provisions of Public Law 91–513, which was signed into law earlier this year. It also eliminates certain unnecessary burdens which would otherwise be imposed on researchers.

Mr. HUGHES. Amendment No. 11, Mr. President, is on page 3, lines 10 through 15, inclusive, section 126(6) of the bill provides for the establishment of a research information center, which will gather all published and unpublished data and information, and allow that it be available to all interested parties. The amendment simply provides that information that is to be used in administrative proceedings relating to the classification of drugs under Public Law 91–513, the drug legislation which passed earlier this year, does not need to be made available in this manner until after any administrative proceeding has been completed.

Mr. HRUSKA. This amendment clarifies the fact that section 126(6) was not meant to undermine the drug control provisions of section 201 of Public Law 91–513. Such a conflict might come about by the Justice Department being required to furnish the Institute raw data relating to a drug being considered for control prior to the institution of administrative proceedings. The amendment also makes clear that unpublished data will be available only to interested parties and not the general public at large.

Mr. HUGHES. Mr. President, amendment No. 12 is to be found on page 3, lines 16 through 18. It strikes certain provisions which are similar to provisions which are now in Public Law 91–513, the drug legislation which was enacted into law earlier this year. The provisions in the enacted law were discussed earlier, and I feel it would be inappropriate to press for these provisions at the present time.

Mr. HRUSKA. This amendment strikes certain confidentiality provisions which are similar to provisions which are in Public Law 91–513, which was signed into law earlier this year. The confidentiality provisions of Public Law 91–513 would be applicable to the Secretary's research functions under section 126, and therefore additional confidentiality provisions are unnecessary.

Mr. HUGHES. Mr. President, amendment No. 13 is found on page 3, lines 19 and 20, inclusive.

Section 128 of the bill sets out the educational functions of the Secretary, and subsection (f) of that section requires that a broad range of community-oriented education programs be carried out by the Secretary. The amendment simply clarifies the original intent of this provision that, where appropriate, peer-group assistance programs and utilization of former drug abusers, drug-dependent persons, and persons with relevant backgrounds similar to those of the persons to be educated, should be utilized in such programs.

Mr. HRUSKA. The amendment makes clear that education programs are not

required, in all cases, to include peer-group assistance programs and utilization of former drug abusers.

This amendment really clarifies the original intent of section 128(f).

Mr. HUGHES. Amendment No. 14, Mr. President, is to be found on page 3, lines 21 through 25, inclusive, and on page 4, lines 1 through 3, inclusive.

The amendment excepts personnel employed by Federal law enforcement agencies from the provisions of the bill which require that Federal civilian employees who are drug dependent shall retain the same employment and other benefits as persons afflicted with serious health problems and illnesses, and shall not lose, solely because they are drug abusers or drug-dependent persons, pension, retirement, medical, or other rights. This exception was requested by the Justice Department. It is my personal opinion that the exception is too broad, that there are persons in such agencies who have nonsensitive positions, for example, who might be extended some of these benefits. I am willing to go along with the amendment at the present time, however, pending further study.

Mr. HRUSKA. Mr. President, there is much merit to the suggestion made by the Senator from Iowa on this point. The great difficulty is in drawing that line between what is a sensitive position and what is not.

We are very grateful to the Senator for acceding to this amendment at least for the time being; and it may be that as we gain experience in this matter, we can appropriately amend the act.

The amendment does make certain exceptions to the employment provisions of the act which have been suggested by the Department of Justice. It restricts the applicability of section 131 of the bill to Federal civilian, nonlaw-enforcement, agencies.

Mr. HUGHES. Mr. President, amendment No. 15 is to be found on page 4, lines 4 through 7, inclusive.

Section 131(c) of the act provides that no person may be denied or deprived of Federal employment or a Federal professional or other license or right solely on the ground of prior drug abuse or prior drug dependence, except with regard to positions involving national security as specified in regulations promulgated by the department or agency in which he is employed. The amendment would add an additional exception which acknowledges the existence of the provisions of part C of title II of Public Law 91–513, the drug legislation which was passed earlier this year. That part deals with registration of manufacturers, distributors, and dispensers of controlled substances.

Mr. HRUSKA. The amendment is intended to clarify the fact that section 131(c) was not meant to override the registration provisions of part C of title II of Public Law 91–513, which was signed into law earlier this year.

Mr. HUGHES. Mr. President, amendment No. 16 is found on page 4, lines 8 to 22, inclusive.

Section 132 of the bill sets out provisions relating to the confidentiality of treatment records. The amendment would revise and restrict the confidentiality of records provisions of that section. The language used in the revision parallels that used in relation to research confidentiality in title I, section 3 of Public Law 91–513, which was signed into law earlier this year.

Mr. HRUSKA. The amendment revises and restricts the confidentiality of records provisions of section 132. The language used in the revision now parallels that used in relation to research confidentiality in title I of the act of October 27 of this year.

Mr. HUGHES. Mr. President, amendment No. 17 is to be found on page 4, lines 23 to 24, inclusive, and on page 5, lines 1 through 10, inclusive.

The amendment would delete section 147(A)(2) of the act, which authorizes project grants for education. This has been done because education grants have already been authorized by the Senate this session for the public health area—in Public Law 91–513—and for the country's educational systems—in H.R. 14252.

Mr. HRUSKA. Mr. President, the intent of the introducer of the bill, the Senator from Iowa (Mr. HUGHES) to give a prominent place to educate in this field is certainly very commendable. The language is being stricken by this amendment, not by way of indicating any difference with that conclusion and that belief. In fact, I would like to subscribe to it. But the plain fact is that education grants have been authorized by the Senate this session for the public health area in H.R. 18586, and for the school system in H.R. 14252.

Mr. HUGHES. Mr. President, this concludes the 17 amendments which the distinguished Senator from Nebraska and I have been laboring over in order to work out the differences that existed between us in these matters. I wish to express my deep appreciation, not only to staff of the interested subcommittees and full committees, and the members of those committees but also especially to the distinguished Senator from Nebraska himself. I think we have worked out the differences that separated us on this particular piece of legislation to a point where the language of the legislation is certain—a major step in the direction that all of us have desired in the work we have been doing together in this particular field. It will place the Senate very clearly on record, at a time when it needs to be on record with the people of America, and it will meet our obligation to face this serious problem.

I express my deep appreciation to the Senator from Nebraska.

Mr. HRUSKA. Mr. President, the proceedings here these last 15 or 20 minutes serve to demonstrate the technical nature of virtually all of these amendments. The effort and the thrust of the amendments is to achieve a harmony and a cooperation between the provisions of this bill and the law earlier referred to, which became effective on October 27.

The staff of the Senator from Iowa has been marvelous in its cooperation and its understanding. They displayed a very fine knowledge in depth and in breadth of the thrust of the bill and its purposes. That made it easy for the staff on this side of the aisle to reach agreement with them at an early date, as soon as the differences and the conflicts or possible conflicts with the present law became explained.

So I express my appreciation for the fashion in which this has been handled, and I commend again the Senator from Iowa for his persistence in the matter.

Mr. HUGHES. Mr. President, has the request been made for the amendments to be considered en bloc?

The PRESIDING OFFICER. Yes.

The question is on agreeing to the amendments en bloc.

The amendments were agreed to.

Mr. HRUSKA. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. HUGHES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. YARBOROUGH. Mr. President, last year, when I became chairman of the Subcommittee on Health of the Committee on Labor and Public Welfare, I held hearings in Washington, San Antonio, Tex., and Fort Worth, Tex., on the question of narcotics use and drug abuse. As a result of those hearings, I saw this as one of the worst social evils of our time. I soon realized that the problem of narcotics and dangerous drug abuse was so broad that my duties as chairman of the full Labor and Public Welfare Committee and chairman of the Health Subcommittee would not allow me time to hold complete hearings on the questions of marihuana and dangerous drugs, so I created a new Subcommittee on Alcoholism, Narcotics, and Dangerous Drugs.

The distinguished Senator from Iowa (Mr. HUGHES), while serving as Governor of Iowa, sponsored one of the outstanding State programs in America in the field of alcoholism and dangerous drug abuse, and he is a member of the full committee; so I requested that he chair this new Subcommittee on Alcoholism, Narcotics, and Dangerous Drugs. He accepted the chairmanship, and has held hearings from coast to coast in this Nation on the problem of drug abuse with narcotics and dangerous drugs.

As chairman of the subcommittee, accompanied by many other Senators—I believe the Senator from Colorado (Mr. DOMINICK) was with him at a good many hearings—and as a result of his service there, this bill has come out of the work of that subcommittee.

I congratulate Senator HUGHES. As a result of his ability, diligence, and dedication, this landmark legislation on the dangerous drug question has resulted. In less than 2 years in the Senate, Senator HUGHES has made a notable contribution, one of the outstanding in the entire Nation, to the crucial and exploding problem of drug abuse, which has moved out of college age and has moved to high school age and junior high school age. We even have cases in this country of children 5 years of age dying from heroin, according to the newspapers in the last few days.

This is landmark legislation. Senator HUGHES has been the leader of it. He

has put his great ability, diligence, and dedication into this measure to help bring it this far, and he has won the help of many Senators on both sides of the aisle. I commend Senator HUGHES for one of the greatest legislative contributions ever made by a Senator in his first two years in the Senate. It is an honor to be a cosponsor of this drug measure with him. As I have stated, I learned in the hearings about how grave this problem was, and it took the full, dedicated time of a very able Senator to bring the measure to this point.

Mr. President, all of us are aware of the tragic increase in drug abuse which is now approaching near epidemic proportions in this country. In my own State of Texas where the problem is particularly acute, particularly in the southern parts, next to the Mexican border, where it is easy to have dangerous drugs smuggled into the country, there were over 12,000 arrests in the past 12 months for drug offenses, according to a recent estimate by the Texas Department of Public Safety. And these figures, ominous as they are, reflect only a small part of the drug abuse problem in that there are many thousands more whose use of these dangerous and debilitating drugs in dangerous ways goes undetected.

While drug abuse is a problem that does not lend itself to easy analysis or simple solution, several weaknesses in our present approach are most obvious and require our immediate attention. First, we have relied, upon unwieldy and poorly coordinated programs that have to date been marked by their ineffectiveness in solving this grave threat to the health and welfare of the American people.

In addition, we have placed too much emphasis upon the heavy punitive arm of the criminal law, often to the neglect of the rehabilitative-educational approach that has enjoyed such success in containing other social problems of similar dimensions.

Mr. President, the bill we are considering today, the Comprehensive Drug Abuse Act, will go a long way in eliminating these weaknesses. First, it will place all existing Federal drug abuse programs and those created by this act under the central direction of one coordinating body, the National Institute of Drug Abuse and Drug Dependence. In addition to coordinating the existing patchwork of Federal drug abuse programs, the Institute will be given other important responsibilities including: the formulation of a comprehensive and detailed drug abuse and prevention treatment plan that will serve as a blueprint for a national attack on this problem; the compilation of much needed statistical information concerning the true scope of drug abuse, particularly among the young. We have no definite figures. We know it is widespread. Students in colleges have told me that they believe that 80 percent of the other students have experimented with some type of dangerous drug or marihuana. Finally, the Institute will conduct basic and applied research on all aspects of drug abuse and prevention.

This legislation also recognizes the crucial importance of the educational-rehabilitative approach in solving this most serious problem.

Let me repeat, Mr. President: In the past, we have treated it as a punitive thing. Somebody is arrested and thrown into jail, and that has not cured the drug problem. It is still exploding. This bill has the educational aspect and the rehabilitative aspect. In that regard, it authorizes a total of $115 million over a 3-year period for educational and rehabilitative programs for drug-dependent persons. These funds may not only be utilized for traditional medical services, but also include intermediate care services, outpatient services, and prevention, treatment, and rehabilitative services for drug-dependent persons, primarily organized and operated by persons from similar social, cultural, and age background as the person served, in community-based and easily accessible facilities.

Mr. President, I am proud of the contribution made by the work of the Alcoholism and Narcotics Subcommittee under the able chairmanship of the Senator from Iowa (Mr. HUGHES). I hope that this will be the first step in using education and rehabilitation services as well as law-enforcement penalties in stopping the spread of narcotics in the United States.

Mr. HUGHES. Mr. President, I thank the distinguished Senator from Texas not only for the statement he has just made but also for the able leadership and vision he displayed 2 years ago when he first thought of creating this subcommittee, and for his support in the subcommittee and his leadership in supporting hearings. As chairman of the Committee on Labor and Public Welfare, Senator YARBOROUGH, because of his own heavy burdens, allowed me the privilege of conducting this work. I am deeply grateful to him personally. I appreciate his great contribution to the committee's work. I am grateful for the Senator's coming here this morning and making the statement he has just made.

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

Mr. HUGHES. I yield.

Mr. KENNEDY. The amendment to S. 3562 modifies the statement of congressional finding that drug dependence is an "illness or disease," as I understand it, for a very limited reason only. This was done in order to avoid confusion with the criminal laws, pending further study by Congress or possible action by the courts. Without the amendment, the courts might have felt obliged to make the "illness" of drug dependence an outright defense in criminal cases. We do not preclude this possibility; rather, by this amendment, we refrain from making it mandatory.

I know that the distinguished Senator from Iowa shares my very deep feeling that the use of drugs and drug dependency is basically a medical problem. I know that the Senator has talked about this in discussing the present amendments. I know the intent is to recognize that drug dependence is an illness, but to avoid court interpretation of this as an automatic defense. I think it would be valuable and helpful, perhaps, if the Senator, as the principal sponsor of the bill, could make additional comments to fully clarify this.

Mr. HUGHES. As the distinguished Senator from Massachusetts knows, the finding in the bill originally was that drug dependence was an illness or disease. We have now replaced that provision with a more general finding, that drug abuse is a public health problem. The reason for making this compromise, as we explained earlier—and I would be happy to go through it again for further clarification—was that the question is not one of whether drug dependence is an illness or disease from a medical point of view. It is. I have introduced into the RECORD supportive statements and examples from that point of view. Our hearings have indicated that same thing. While the examples I have introduced are not exhaustive, they are nevertheless illustrative of types of statements which have been made on this point. The question was whether we wanted to take the position of possibly providing an affirmative defense in drug related criminal cases. This was a question that was raised when this bill originally passed as an amendment earlier this year. The question dealt with whether—or the extent to which—there should be no burden of criminal responsibility placed on drug dependent persons. We felt that at this point this was a policy question which perhaps goes beyond the medical question, and that it is a question which deserves further consideration and investigation before we would do that.

I did say, however, and I want to repeat, that I hope our action in this instance would not be construed in such a way as to deter the courts across the country, after careful study on this question, from reaching their own decision on it.

I know there have been several recent cases in the area because the question involes interpretation of basic constitutional and human rights, and we also felt at this point it was perhaps a matter better left to the courts.

Mr. KENNEDY. The Senator shares my view that basically the whole question of drug dependence is fundamentally a medical problem; is that not right?

Mr. HUGHES. From the standpoint of medical history, it is a medical problem. It is a health problem. It is a problem to be dealt with, in the handling of the person involved, as a medical problem.

Mr. KENNEDY. In the area of responsibility for classification, as I understand it, in order to make the legislation consistent with other legislation, the floor amendment drops the express language listing classification as one of the HEW Secretary's functions. Again, this is meant to avoid confusion with Public Law 91–513, which still requires HEW input. I also interpret the feeling of the principal sponsor of the bill, that input and partial responsibility for classification by HEW is extremely important and

extremely valuable. I would be interested in whatever elaboration the principal sponsor of the bill might care to make on this point.

Mr. HUGHES. As the distinguished Senator from Massachusetts knows, this was a point we fought out in relation to the original bill which passed through Congress and was signed into law by the President. In that piece of legislation, the Secretary of Health, Education, and Welfare now does have a definite input. There is to be a cooperative working agreement between the Justice Department and HEW as to the classification of drugs, narcotics, and other controlled substances which are harmful.

In the amendment we have before us now, we propose to delete the word "classification" which was originally in the definition of "prevention and treatment."

Mr. KENNEDY. As I gather the thrust of the comments of the Senator from Iowa, he believes strongly that the kind of input the Secretary of Health, Education, and Welfare could have in terms of classification would be enormously valuable and extremely important. As I understand it, the Senator from Iowa welcomes this responsibility being placed with the Secretary and feels that this kind of responsibility is of great significance.

Mr. HUGHES. As the distinguished Senator from Massachusetts knows, I felt strongly about the classification functions in the original piece of legislation signed into law by the President. I felt that the classification, in fact, should be accomplished through the office of the Secretary of Health, Education, and Welfare, but I did not prevail on that matter. As a result of that bill becoming law, it was felt that we should drop the classification functions required by the Secretary in the first draft of this bill and make whatever technical changes were necessary to do that. So, as explained earlier in my remarks the dropping of the word "classification" here constitutes this type of a technical change.

Mr. HRUSKA. Mr. President, will the Senator from Iowa yield?

Mr. HUGHES. I yield.

Mr. HRUSKA. I do not think there is any question that the assistance the Secretary of Health, Education, and Welfare has, is very important. However, this assistance is recognized under the present law. The trouble was that the provision which was deleted from S. 3562 was in conflict with the provisions contained in Public Law 91–513.

There cannot be two sources, two agencies, two persons, or two officials that can classify the same material, because if they differ with each other, then confusion and chaos would result. Therefore a choice had to be made.

The assistance of HEW and the Public Health Service are definitely recognized. The procedure whereby the Attorney General does classify and schedules drugs and dangerous substances is based upon the safeguards that access is had to all the information available on the subject. Also the advice and counsel of HEW is provided for. The standard considered by Congress to be of greatest importance was oriented toward law enforcement purposes. It is for that reason it was felt it would be preferable and desirable to give the powers of classification and scheduling to the Department of Justice. This was the decision debated fully here, and in the other body, as well as in the conference committee.

It is out of deference to that decision that the amendment to the pending bill was made.

Mr. KENNEDY. I thank the Senator from Nebraska for his comments. I frankly wish the classification were otherwise, but I am accepting where we are in terms of the amendment, where it has been worked out. I was primarily interested, as we are developing the legislative history here, in the importance of the input by HEW in terms of classification decisions even under the earlier legislation.

And I want to make it clear that nothing in this amendment diminishes the importance we place on the Secretary's input into classification decisions or his authority to exercise responsibility. These matters were spelled out, in part, in section 201(b) of Public Law 91–503, which reads partially:

> The Attorney General shall, before initiating proceedings under subsection (a) to control a drug or other substance or to remove a drug or other substance entirely from the schedules, and after gathering the necessary data, request from the Secretary a scientific and medical evaluation, and his recommendations, as to whether such drug or other substance should be so controlled or removed as a controlled substance. . . .
>
> The recommendations of the Secretary shall include recommendations with respect to the appropriate schedule, if any, under which such drug or other substance should be listed. The evaluation and the recommendations of the Secretary shall be made in writing and submitted to the Attorney General within a reasonable time. The recommendations of the Secretary to the Attorney General shall be binding on the Attorney General as to such scientific and medical matters, and if the Secretary recommends that a drug or other substance not be controlled, the Attorney General shall not control the drug or other substance.

I know that the distinguished Senator from Iowa, as the chairman of the subcommittee, feels strongly on this matter, and I thought it would be useful and helpful to have his sense of perspective on this question. His comments have been very helpful. I wanted to raise these questions before passage of the bill.

Mr. HUGHES. Mr. President, I thank the Senator from Massachusetts. I deeply appreciate his considerable help over the past year and a half as we have pursued this piece of legislation. The Senator from Massachusetts has chaired some of the subcommittee hearings himself. He has had great interest in this subject and made a valuable contribution to input into the pending bill, as well as into the education bill which recently passed Congress.

I want to say to the Senator from Nebraska (Mr. HRUSKA) that the explanation of the legislative history which he has just made is absolutely correct, in my opinion. The Senator from Iowa accepts and agrees with it 100 percent. The two bills now coincide with the goals of the country.

The ACTING PRESIDENT pro tempore (Mr. METCALF). The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

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

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

The legislative clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. The pending business is the passage of S. 3562. We have had third reading of the bill.

Mr. MUSKIE. Mr. President, the increase in drug abuse and drug dependence in this country, especially among our young people, is disturbing to all of us.

It is disturbing because drug abuse is not only an important factor in a growing crime problem, but also a threat to the health and lives of its victims.

During this session of Congress, the Senate has enacted strong law enforcement legislation aimed at those who sell drugs—the "pushers." Last week, the Senate passed a bill aimed at educating the general public on the drug problem.

Such action is essential. But it is not enough.

We need to make an earnest commitment to deal with the victims themselves, and with the problems related to the illness of drug dependence.

We have a bill before us today which can insure that such a commitment is begun.

S. 3562, the Federal Drug Abuse and Drug Dependence Prevention, Treatment, and Rehabilitation Act of 1970, which I have cosponsored, is a forward-looking proposal. It comes at a time when we are increasingly aware that drug dependence is an illness about which we know very little.

To combat this illness, we need to research its causes and effects, and its prevalence. We need to train professionals who are sympathetic with its unique problems. And we need to provide extensive and well-coordinated educational and rehabilitative services for our citizens.

S. 3562 is an act designed to meet these needs.

I commend the Labor and Public Welfare Committee for its action on this bill and urge favorable consideration of S. 3562 by the Senate today.

Finally, I would like to congratulate the distinguished Senator from Iowa, Senator HUGHES, for his outstanding leadership in this field, and for his work in producing this legislation.

UNANIMOUS-CONSENT AGREEMENT

Mr. KENNEDY. Mr. President, I ask unanimous consent that the Senate recess until 2:30 this afternoon and that upon the reconvening of the Senate at the hour of 2:30, there be a short quorum call, after which the final vote would be taken on the pending business.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. HUGHES. Mr. President, reserving the right to object, and I shall not object, I want to have a clear understanding that with a short quorum call and the vote at that particular time, we will not open up the floor to further business prior to the rollcall.

Mr. ELLENDER. Mr. President, reserving the right to object would the Senator make that 2:15 this afternoon?

Mr. MANSFIELD. Mr. President, if we lay this bill aside, we will take up another bill. We will lay it aside until the time set in order to consider another bill.

Mr. KENNEDY. Mr. President, I amend my unanimous-consent request so as to have the vote on the bill at a time certain, 2:15 this afternoon.

The ACTING PRESIDENT pro tempore. Is the unanimous-consent request that the Senate recess?

Mr. KENNEDY. The unanimous-consent request is that we set a time certain for a vote on the bill and that that time certain be 2:15 this afternoon. Further, Mr. President, I ask unanimous consent that we waive rule XII.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, it is my understanding that at the hour of 2:15 this afternoon the rollcall will commence.

The ACTING PRESIDENT pro tempore. That is the understanding of the Chair.

U.S. PARTICIPATION IN CERTAIN INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business (S. 3562) be laid aside until 2:15 p.m. and that the Senate turn to the consideration of Calendar No. 1259 (H.R. 18306).

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

The LEGISLATIVE CLERK. A bill (H.R. 18306) 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.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Foreign Relations with an amendment to strike out all after the enacting clause and insert:

Chapter 1.—AMENDMENT OF ASIAN DEVELOPMENT BANK ACT

Sec.

1. Amendments of Asian Development Bank Act.

The Asian Development Bank Act (22 U.S.C. 285–285h) is amended by adding at the end thereof the following new sections:

"SEC. 12. (a) Subject to the provisions of this Act, the United States Governor of the Bank is authorized to enter into an agreement with the bank providing for a United States contribution of $100,000,000 to the Bank in three annual installments of $25,000,000, $35,000,000, and $40,000,000, beginning in fiscal year 1970. This contribution is referred to hereinafter in this Act as the 'United States Special Resources'.

"(b) The United States Special Resources shall be made available to the Bank pursuant to the provisions of this Act and article 19 of the Articles of Agreement of the Bank, and in a manner consistent with the Bank's Special Funds Rules and Regulations.

"SEC. 13. (a) The United States Special Resources shall be used to finance specific high priority development projects and programs in developing member countries of the Bank with emphasis on such projects and programs in the Southeast Asia region.

"(b) The United States Special Resources shall be used by the Bank only for—

"(1) making development loans on terms which may be more flexible and bear less heavily on the balance of payments than those established by the Bank for its ordinary operations; and

"(2) providing technical assistance credits on a reimbursable basis.

"(c)(1) The United States Special Resources may be expended by the Bank only for procurement in the United States of goods produced in, or services supplied from, the United States, except that the United States Governor, in consultation with the National Advisory Council on International Monetary and Financial Policies, may allow eligibility for procurement in other member countries from the United States Special Resources if he determines that such procurement eligibility would materially improve the ability of the Bank to carry out the objectives of its special funds resources and would be compatible with the international financial position of the United States.

"(2) The United States Special Resources may be used to pay for administrative expenses arising from the use of the United States Special Resources, but only to the extent such expenses are not covered from the Bank's service fee or income from use of United States Special Resources.

"(d) All financing of programs and projects by the Bank from the United States Special Resources shall be repayable to the Bank by the borrowers in United States dollars.

"SEC. 14. (a) The letters of credit provided for in section 15 shall be issued to the Bank only to the extent that at the time of issuance the cumulative amount of the United States Special Resources provided to the Bank (A) constitute a minority of all special funds contributions to the Bank, and (B) are no greater than the largest cumulative contribution of any other single country contributing to the special funds of the Bank.

"(b) The United States Governor of the Bank shall give due regard to the principles of (A) utilizing all special funds resources on an equitable basis, and (B) significantly shared participation by other contributors in each special fund to which United States Special Resources are provided.

"SEC. 15. The United States Special Resources shall be provided to the Bank in the form of a nonnegotiable, non-interest-bearing letter of credit which shall be payable to the Bank at par value on demand to meet the cost of eligible goods and services, and administrative costs authorized pursuant to section 13(c) of this Act.

"SEC. 16. The United States shall have the right to withdraw all or part of the United States Special Resources and any accrued resources derived therefrom under the procedures provided for in section 8.03 of the Special Funds Rules and Regulations of the Bank.

"SEC. 17. For the purpose of providing United States Special Resources to the Bank there is hereby authorized to be appropriated $25,000,000 for fiscal year 1970, $35,000,000 for fiscal year 1971, and $40,000,000 for fiscal year 1972, all of which shall remain available until expended."

Chapter 2.—INTERNATIONAL MONETARY FUND

Sec.

21. Amendment of Bretton Woods Agreements Act.

22. Amendment of Special Drawing Rights Act.

"§ 21. Amendment of Bretton Woods Agreements Act

The Bretton Woods Agreements Act (22 U.S.C. 286–286k–2) is amended by adding at the end thereof the following new sections:

"SEC. 22. (a) The United States Governor of the Fund is authorized to consent to an increase of $1,540,000,000 in the quota of the United States in the Fund.

"(b) In order to pay the increase in the United States quota in the Fund provided for in this section, there is hereby authorized to be appropriated $1,540,000,000, to remain available until expended.

"SEC. 23. (a) The United States Governor of the Bank is authorized (1) to vote for an increase of $3,000,000,000 in the authorized capital stock of the Bank, and (2) if such increase becomes effective, to subscribe on behalf of the United States to two thousand four hundred and sixty-one additional shares of the capital stock of the Bank.

"(b) In order to pay for the increase in the United States subscription to the Bank provided for in this section, there is hereby authorized to be appropriated $246,100,000 to remain available until expended."

§ 22. Amendments of Special Drawing Rights Act

Section 6 of the Special Drawing Rights Act (22 U.S.C. 286q) is amended to read as follows:

"SEC. 6. Unless Congress by law authorizes such action, neither the President nor any person or agency shall on behalf of the United States vote to allocate in each basic period Special Drawing Rights under article XXIV, sections 2 and 3, of the Articles of Agreement of the Fund so that allocations to the United States in that period exceed an amount equal to the United States quota in the Fund as authorized under the Bretton Woods Agreements Act."

Chapter 3.—INTER-AMERICAN DEVELOPMENT BANK

Sec.

31. Amendment of Inter-American Development Bank Act.

"§ 31. Amendment of Inter-American Development Bank Act

(a) The Inter-American Development Bank Act (22 U.S.C. 283–283n) is amended by adding at the end thereof the following new section:

"SEC. 18. (a) The United States Governor of the Bank is hereby authorized to vote in favor of the two resolutions proposed by the Governors at their annual meeting in April 1970 and now pending before the Board of Governors of the Bank, which provide for (1) an increase in the authorized capital stock to the Bank and additional subscriptions of members thereto and (2) an increase in the resources of the Fund for Special Operations and contributions thereto. Upon adoption of such resolutions the United States Governor is authorized to agree on behalf of the United States (1) to subscribe to eighty-two thousand three hundred and

fifty-two shares of $10,000 par value of the increase in the authorized capital stock of the Bank of which sixty-seven thousand three hundred and fifty-two shall be callable shares and fifteen thousand shall be paid in and (2) to pay to the Fund for Special Operations an initial annual installment of $100,000,000 and two subsequent annual installments of $450,000,000 each, in accordance with and subject to the terms and conditions of such resolutions.

"(b) There are hereby authorized to be appropriated, without fiscal year limitation, the amounts necessary for payment by the Secretary of the Treasury of (1) three annual installments of $50,000,000 each for the United States subscription to paid-in capital stock of the Bank; (2) two installments of $336,760,000 each for the United States subscription to the callable capital stock of the Bank; and (3) one annual installment of $100,000,000 and two annual installments of $450,000,000 each for the United States share of the increase in the resources of the Fund for Special Operations of the Bank."

(b) The first sentence of section 3(b) of the Inter-American Development Bank Act (22 U.S.C. 283a(b) is amended by inserting immediately before the period at the end thereof the following: "and an alternate Executive Director".

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

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

ORDER FOR RECOGNITION OF SENATOR BOGGS TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that tomorrow, following the disposition of the reading of the Journal and any unobjected-to items on the legislative calendar, the Senator from Delaware (Mr. BOGGS) be recognized for 20 minutes.

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

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. FULBRIGHT. 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.

U.S. PARTICIPATION IN CERTAIN INTERNATIONAL FINANCIAL INSTITUTIONS

The Senate continued with the consideration of the bill (H.R. 18306) 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.

Mr. FULBRIGHT. Mr. President, H.R. 18306 is a very important piece of legislation. Weighed down with the dictates of consistency, as well as a haunting skepticism about the efficacy of good intentions, I rise to support this bill to authorize increased resources for the Asian Development Bank, the International Monetary Fund, the World Bank, and the Inter-American Development Bank.

I might say by way of introduction that this form was adopted by the House of Representatives. In former days we used to deal with these institutions in separate bills but this omnibus form was followed by the House. The administration prefers it this way and they recommend it. This is an administration bill. So we are dealing with all of these institutions in one bill.

For quite a few years I and other members of the Foreign Relations Committee have been stressing the superiority of the multilateral over the bilateral approach to the awesome problem of foreign aid. We have also made special efforts recently to try to consolidate the various elements of the aid program so that Congress may make a more informed judgment about the whole assistance package. The pending bill goes some way—though not far enough—toward satisfying those objectives.

Now let me hasten to stress the fact that H.R. 18306, which incorporates three administration bills, is being emphatically urged upon the Congress by President Nixon himself. Even though we have been set no cooperative example by the executive branch, a clear majority of us on the Foreign Relations Committee responded rapidly and favorably to the President's request. Committee members have acted without a trace of political partisanship.

Here I would also stress my personal view—which many of my colleagues doubtless share—that three of the four international institutions supported in this bill provide the best instruments for aiding those countries of Southeast Asia wishing to preserve both their neutrality and their access to help from the developed world.

In the committee report on H.R. 18306 the majority of members regretted the circumstances that the much-heralded new version of the bilateral foreign aid program was not ready for simultaneous consideration. They went on to state:

> The Committee anticipates a substantial reduction in U.S. resources devoted to that program when it is before the Congress.

Indeed, the committee reported the bill favorably with that understanding.

Since that date the administration, far from adopting any new approach to bilateral assistance, has come to the Congress with a scarcely novel request for authorization of a supplemental foreign aid bill for the current fiscal year. In fact, the major portion of the bill is best described as a program to underwrite war in Cambodia during 1971–72. Just what this has to do with economic development—the purported aim of foreign aid bills—is a question we shall leave open for public hearings on the administration request.

At this juncture, I would suggest that, if we are really serious about helping Cambodia, we should promote the work of the international institutions there and should avoid at all costs the kinds of measures which slowly propelled us into a war in Vietnam—one which has devastated a large part of that unfortunate country.

Meanwhile, we have to get down to the complex business at hand of explaining H.R. 18306. Even a highly abbreviated and simplified explanation absorbs a fair amount of time, and I hope my colleagues will bear with me.

First, and perhaps most important, H.R. 18306 would allow the United States to participate in a 35-percent increase in the quotas of the International Monetary Fund. Our share of the overall increase would be $1,450 million, to be paid one-quarter in gold and the remainder in the form of a letter of credit. This quota increase would be a monetary transaction and would not involve any budgetary outlay whatsoever. In addition, since any nation has automatic access to its so-called gold tranche in the IMF, the gold payment of the Fund in effect means the United States is merely shifting gold from one pocket to another of its pockets.

The International Monetary Fund is the institution through which 116 countries conduct their monetary affairs, and it lies at the center of international economic relations. Each country's balance of payments encompasses the full range of its economic and political relations with other nations—trade, travel, investment, military spending, and foreign aid. The international monetary system links national payments positions, and hence the domestic economies of all countries. It must function smoothly if world trade, international investment and political relations among nations are to prosper—particularly since imbalances inevitably arise as some countries temporarily spend more abroad than they earn, while others correspondingly earn more than they spend.

The proposed quota increases are required to expand the fund's resources to match today's greatly increased levels of world trade and capital movement. The size of fund quotas determines a country's drawing rights, the ability to use the exchange resources of the fund, and also the amount of special drawing rights to which a member is entitled. It is clearly to our advantage to insure that the fund's supply of exchange resources is maintained at an adequate level.

Moreover, failure to accept our quota increase would mean that the United States would receive some $130 million less in SDR allocations than in 1970 on each of the next two agreed allocation dates, January 1, 1971, and January 1, 1972. Such a comparative loss could continue until the U.S. quota was adjusted.

H.R. 18306 would also authorize the United States to vote for a $3 billion increase in the authorized capital stock of the World Bank and to subscribe to $246.1 million of the increased stock. Only 10 percent of that latter sum would be paid in, and the remainder would be

callable in the unlikely event of a default by the Bank on its obligations. The U.S. subscription would represent 11 percent of the total $2,222 million to be subscribed by 75 members. The increases in subscriptions to the World Bank are designed to parallel the increases in quotas in the fund. Countries which have grown in economic strength beyond the average have been assigned quota increases in the fund beyond the general level of 25 percent by which all quotas are to be increased. This policy of parallel increases in the Bank to reflect changes in position in the fund is one of long standing, but this is the first time the United States has been asked to accept this kind of increase.

The World Bank is the sister institution of the fund and stands as the premier multilateral institution in the field of development finance. It has set the pattern and standards for other multilateral development finance activities. The World Bank finances its loan operations primarily through borrowing in the world's capital markets. This borrowing is backed by the Bank's callable capital which can be invoked in the highly unlikely event of a default by the Bank on its debt obligations. The Bank has an excellent credit standing and borrows at near Government rates. It relends these borrowed funds at rates and on terms which reflect its own borrowing costs and repayment obligations. The Bank has never had a defaulted loan; on the contrary, it is now operating at a profit level of over $200 million a year—most of which is devoted to further lending, on both hard and soft terms, through the Bank and its affiliated International Development Association.

The largest outlay which H.R. 18306 would authorize would be for the Inter-American Development Bank. This seems appropriate in light of the special importance Latin America has for this country, our relative failure in trying to develop there more resources than we take from the area, and our wish to continue traditional close relationships with our neighbors to the south. Our contributions to the IDB would be of three different types: paid-in capital, callable capital, and a contribution to the fund for special operations.

The IDB has an ordinary lending window, like the World Bank, which makes loans on conventional terms. Like the World Bank, the IDB has paid-in capital and callable capital, the latter to be used as backing for borrowing in the world's capital markets. The IDB has borrowed successfully in the United States, Europe, Canada, and Japan. In addition, short-term bonds have been placed with central banking agencies in Latin America—partly in order to encourage the creation of stable financial markets and advanced practices in the area.

H.R. 18306 would authorize a U.S. contribution of $150 million to the paid-in capital of the IDB payable in three equal, annual installments, and a subscription of $673.5 million to the callable capital of the IDB, to be subscribed half in fiscal year 1971 and half in fiscal year 1973, but payable only in the event of a default by the Bank on its obligations. These subscriptions to paid-in and callable capital will enable the IDB to accelerate its lending from ordinary capital resources to an annual rate of over $300 million during the next several years.

The IDB has a soft-loan facility known as the fund for special operations, or the FSO. Loans from the FSO are made on concessional terms for projects of an infrastructure nature which do not generate immediate cash flows. And they are extended to countries which cannot afford the foreign exchange burden of conventional repayment schedules and rates. The bill would authorize a total U.S. contribution of $1 billion to the FSO, payable $100 million in fiscal year 1971 and $450 million in each of the following 2 years. The immediate budgetary impact of these payments will be mitigated by the letter of credit payment procedure planned for the cash contributions authorized by this bill. In lieu of cash the United States will pay in non-negotiable, non-interest-bearing letters of credit. There is no budgetary impact at the time these letters of credit are issued. The Banks, once they have received these letters of credit, may make loan commitments against them. Actual cash is transferred by the United States as needed to pay presented bills of contractors and suppliers.

The Treasury estimates that through the use of this letter of credit procedure the overall budgetary impact of H.R. 18306 will be roughly $35 to $40 million in fiscal 1971, $68 million in fiscal 1972, and $155 million in fiscal 1973. The remaining impact will be spread into future years.

Finally, H.R. 18306 would authorize a contribution of $100 million over a 3-year period to the special funds, or soft-loan facilities, of the Asian Development Bank.

The Asian Development Bank serves for Asia the function which the IDB serves for Latin America. The ADB is unique, however, in several respects. It is dominated by regional members who have contributed a majority of the resources. The United States is not the largest contributor, being matched in ordinary capital contributions by Japan. The limited nature of U.S. participation is appropriate in view of the strength of Japan and other nations of Asia and their ability to contribute substantially to development efforts. At the same time, U.S. participation, while not dominant, serves to manifest our interest in the peaceful development of Asia.

The contribution to the Asian Development Bank which would be authorized by this bill has built-in features which will insure that others do their fair share. The bill provides that the U.S. contribution may not be the single largest contribution nor may it constitute more than half the funds provided by all countries to the special funds of the ADB. Payment would be made in the form of nonnegotiable, non-interest-bearing letters of credit so that, again, the budgetary impact will be deferred.

The Asian Development Bank, founded in 1966, is a relatively new institution, but it has already demonstrated its ability to handle resources effectively and channel them into the necessary development of Asia.

Mr. President, this description of H.R. 18306 only skims the surface of an extremely complicated legislative proposal, but there appears no useful middle course between such brevity, on the one hand, and reading the entire committee report aloud, on the other. In any event, the case for multilateral foreign assistance—especially as an alternative to bilateral aid—has been made at great length many times in the past. Most recently, President Nixon's September 15 message to the Congress, entitled "Foreign Assistance for the Seventies," has placed a welcome new emphasis on international cooperation as the best means of development aid. The President's exact words under the heading of "Reform No. 3" are worth quoting:

> 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.

While I shall not rehearse all the many benefits which I believe are derived from the multilateral approach, I do want to single out one particular aspect for attention: namely, the extension degree to which we, through our participation in the international institutions, secure the involvement and the contributions of virtually all the developed countries in the world. Especially to those who believe that our European allies should do more for their own defense in Western Europe, it will be of great interest to know that the U.S. share in the multilateral institutions has been slowly decreasing while the overall share of the other developed countries has been on the rise.

Back in 1945 the United States subscribed to almost 35 percent of the original authorized capital of the World Bank. The current subscription of the United States to the Bank is about 27.5 percent, and that figure will drop by another 1.5 percent if the pending increases in the Bank's capital become effective. This may be painfully slow progress, but it is progress.

In the Inter-American Bank, the U.S. share of the ordinary capital—which stands behind the Bank's hard loans—remains virtually unchanged during the decade since the IDB was established. On the other hand, if one takes as a measurement all the resources made available for soft lending by the Bank, the ratio of U.S. participation to Latin American participation has dropped from an original figure of 11 to 1 down to the proposed 2-to-1 ratio contained in the pending legislation.

In the Asian Development Bank the

U.S. original subscription to the capital of the Bank stood at roughly 20 percent of the total and was the same amount as that subscribed by Japan. There has been no major change in this situation, but it should be noted that France has recently completed its application procedures and has joined 13 other developed countries which are the nonregional contributors to the capital stock of the ADB. Insofar as the soft loan funds of the Asian Bank are concerned, the current proposal envisages the United States joining six other developed countries in making contributions for concessional lending. At the same time, a provision is written into the draft law that our contribution would always be a minority one and would not be greater than the largest cumulative contribution of any other single country contributing to the special funds of the Bank. All members of this Chamber who have been concerned about the overcommitment of U.S. interests and funds abroad will be gratified by this trend of events.

I do not want to respond to the minority views expressed on H.R. 18306 on any point-by-point, detailed basis. But I do wish to make some comment about a few of the issues raised by my distinguished and esteemed colleague, the senior Senator from Tennessee. Indeed, in one or two instances I have considerable sympathy for the arguments he makes.

First, I would like to dispel the notion that any one of the three bills which were brought together under the heading of H.R. 18306 is in some fashion being sneaked by the Foreign Relations Committee and the Senate. The executive branch request for the U.S. contribution to the "soft loan window" of the Asian Development Bank has been pressed unremittingly for well over 3 years. The last time the Foreign Relations Committee failed to give favorable attention to the Presidential request, I was among those who thought the proposal was premature and very badly drafted. Now, however, the proposal has been basically changed and a great many guidelines have been inserted into the bill itself as mandatory requirements. While I might prefer to see the war ended in Southeast Asia before committing any resources to economic projects in a potential disaster area, I do not believe such a reservation should prevent all forward movement in this field.

As for the Inter-American Bank bill, I would agree that the committee took relatively prompt action in considering this proposed legislation after its introduction in early June. On the other hand, the committee held its normal public hearing on the measure on July 9 with Secretary of the Treasury David Kennedy, and there was a period of more than 2 months before the committee actually voted on the legislation. This does not seem to represent unusual haste.

What does matter is that we have been considering legislative proposals relating to the Inter-American Bank for no less than 10 years and have developed considerable knowledge of the institution and its practices. While there has been a certain amount of agitation in the American press about the character and functions of the IDB—on which there is extensive material in the public hearing record—it seems to me that it is best to answer that overall charge by pointing to another newspaper article, by Mr. A. D. Horne in the Washington Post, entitled, "The Inter-American Bank: A Controversial Success." That title in itself sums up our feelings about the institution. No one pretends that any such institution is without fault—any more than a department of our Government or the U.S. Senate itself—but its value certainly greatly exceeds its shortcomings.

Next, I would like to refer to the complaint made about the bond issues floated by the international institutions. We all have good reason to resent a situation in which bond issues for local purposes are virtually impossible to float because of high interest rates and inflation in this country. Yet the relatively small amount of money which is raised for the purpose of the international financial institutions would not go to our schools and other municipal projects if such institutions did not issue bonds. Rather, much of the money would almost certainly go into American business ventures in the developed countries of the world—and specifically into the European Common Market area.

The fact that the United States spends on armaments some six or seven times as much as it spends on its non-military foreign pursuits does not, for example, argue in favor of abandoning these latter pursuits. On the contrary, it argues strenuously in favor of intensifying them—and the same may be true of our participation in the international financial institutions.

Finally, I would like to stress the point that the Committee on Foreign Relations in deleting those provisions of H.R. 18306 providing for audits of the U.S. Treasury's Exchange Stabilization Fund, and for additional information from the NAC on international loans, did so without prejudice to the possible merits of the provisions. Insofar as the Exchange Stabilization Fund audits are concerned, this issue should not be confused with the question of the auditing procedures of the international institutions. In this connection, special arrangements were made several years ago to improve the auditing processes of the Inter-American Bank, for example, and there is no reason to believe that these have not been satisfactory. The call for further information from the NAC may or may not be a really efficient means of acquiring the additional data many of us would like to have.

The crux of the matter, in my opinion, is not so much the auditing procedures as the actual progress made on the loan project and the relationship of the project to the overall economy of the country being assisted. This kind of assessment cannot really be reached by standard auditing procedures. I would hope that the Treasury will be able to develop ways in which the U.S. executive directors on these international institutions will be able themselves, along with adequate personal staffs, to take readings in the field on various projects and to report back to the Congress through the Treasury and the NAC mechanism. In any event, I would expect that, both in the conference with House Banking and Currency Committee members on this bill, and, later, we would have opportunities to work out mutually satisfactory means of completely assuring ourselves about the current validity and long-range worthiness of the lending operations of the institutions under discussion.

Mr. President, I would like to end these remarks by stressing my belief that H.R. 18306, while an imperfect legislative proposal, goes a long way toward assisting an overall foreign policy trend which I have long hoped would be accelerated and made more effective. The aim of this trend is nothing less than transforming economic aid from a national charity and an instrument of cold-war competition to an international responsibility undertaken by the world community.

I urge the Senate to give prompt and strong support to H.R. 18306.

Mr. President, I yield the floor.

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

CALL OF THE ROLL

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

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 395 Leg.]

Aiken	Griffin	Murphy
Allen	Gurney	Muskie
Allott	Hansen	Nelson
Anderson	Harris	Packwood
Baker	Hart	Pastore
Bennett	Hartke	Pearson
Bible	Hatfield	Percy
Boggs	Holland	Proxmire
Brooke	Hollings	Randolph
Burdick	Hruska	Ribicoff
Byrd, Va.	Hughes	Saxbe
Byrd, W. Va.	Inouye	Schweiker
Cannon	Jackson	Scott
Case	Javits	Smith
Church	Jordan, N.C.	Sparkman
Cooper	Jordan, Idaho	Spong
Cotton	Kennedy	Stennis
Cranston	Long	Stevens
Curtis	Magnuson	Stevenson
Dodd	Mansfield	Symington
Dole	Mathias	Talmadge
Eagleton	McGee	Thurmond
Ellender	McGovern	Tower
Ervin	McIntyre	Tydings
Fannin	Metcalf	Williams, N.J.
Fulbright	Miller	Yarborough
Goldwater	Mondale	Young, N. Dak.
Gore	Montoya	Young, Ohio
Gravel	Moss	

Mr. KENNEDY. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Rhode Island (Mr. PELL), and the Senator from Georgia (Mr. RUSSELL) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), the Senator from Hawaii (Mr. FONG), the Senator from New York (Mr. GOODELL), the Senator from Colorado (Mr. DOMINICK), the Senator from Vermont (Mr. PROUTY), and the Senator from Delaware (Mr. WILLIAMS) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Kentucky (Mr. COOK) is absent on official business.

The PRESIDING OFFICER (Mr. SAXBE). A quorum is present.

U.S. PARTICIPATION IN CERTAIN INTERNATIONAL FINANCIAL INSTITUTIONS

The Senate continued with the consideration of the bill (H.R. 18306) 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.

Mr. GORE. Mr. President, the pending bill proposes to appropriate almost $2 billion for grants. There are international organization programs or projects. No project or program is adopted by the bill.

Mr. BYRD of West Virginia. Mr. President, may we have order in the Senate so that the Senator may be heard?

The PRESIDING OFFICER. The Senate will be in order.

Mr. GORE. Mr. President, some Senators might object to the description of the bill as an appropriation bill. That, however, is what it amounts to.

Most of us think of loans, repayable loans, when we think in terms of a bank. None of this money is to be repaid to the U.S. Government. No repayment is ever contemplated. This is grant money in the amount of almost $2 billion—to be exact, $1,923,520,000 for so-called soft loans alone.

From whence do we obtain this money? It must be added to the deficit. This bill provides $1,923,520,000 for soft loans. For what purposes? It is for the Asian Bank, and the Inter-American Bank, to make loans, in turn, for projects of their own choosing, in countries of their own choosing, for the purposes of their own choosing. At what rates? In the case of the Asian Development Bank, the interest rates will be 1½ to 3 percent. Let me repeat that none of it is repayable to the United States ever. But if it is repaid at all, if the projects prove to be a success, the interest rate would be 1.5 to 3 percent even after a grace period.

What interest rates are our own communities having to pay?

I have a report here from Mr. George D. Fischer, president of the National Education Association. He says that it is very difficult for counties and cities now to borrow any money at all, at any rate of interest, to develop schools in communities in the United States.

The PRESIDING OFFICER. Will the Senator from Tennessee suspend?

Mr. GORE. Certainly.

THE FEDERAL DRUG ABUSE AND DRUG DEPENDENCE PREVENTION, TREATMENT, AND REHABILITATION ACT OF 1970

The PRESIDING OFFICER. The hour of 2:15 having arrived, the Senate, pursuant to the previous order, will proceed to vote on the final passage of S. 3562, the Federal Drug Abuse and Drug Dependence Prevention, Treatment, and Rehabilitation Act of 1970. 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. KENNEDY. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Mississippi (Mr. EASTLAND), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Rhode Island (Mr. PELL), and the Senator from Georgia (Mr. RUSSELL) are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL), would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Colorado (Mr. DOMINICK), the Senator from Hawaii (Mr. FONG), the Senator from New York (Mr. GOODELL), the Senator from Vermont (Mr. PROUTY), and the Senator from Delaware (Mr. WILLIAMS) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Kentucky (Mr. COOK) is absent on official business.

If present and voting, the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), the Senator from Hawaii (Mr. FONG), the Senator from New York (Mr. GOODELL) and the Senator from South Dakota (Mr. MUNDT) would each vote "yea."

The result was announced—yeas 86, nays 0, as follows:

[No. 396 Leg.]

YEAS—86

Aiken	Griffin	Murphy
Allen	Gurney	Muskie
Allott	Hansen	Nelson
Anderson	Harris	Packwood
Baker	Hart	Pastore
Bennett	Hartke	Pearson
Bible	Hatfield	Percy
Boggs	Holland	Proxmire
Brooke	Hollings	Randolph
Burdick	Hruska	Ribicoff
Byrd, Va.	Hughes	Saxbe
Byrd, W. Va.	Inouye	Schweiker
Cannon	Jackson	Scott
Case	Javits	Smith
Church	Jordan, N.C.	Sparkman
Cooper	Jordan, Idaho	Spong
Cotton	Kennedy	Stennis
Cranston	Long	Stevens
Curtis	Magnuson	Stevenson
Dodd	Mansfield	Symington
Dole	Mathias	Talmadge
Eagleton	McGee	Thurmond
Ellender	McGovern	Tower
Ervin	McIntyre	Tydings
Fannin	Metcalf	Williams, N.J.
Fulbright	Miller	Yarborough
Goldwater	Mondale	Young, N. Dak.
Gore	Montoya	Young, Ohio
Gravel	Moss	

NAYS—0

NOT VOTING—14

Bayh	Fong	Pell
Bellmon	Goodell	Prouty
Cook	McCarthy	Russell
Dominick	McClellan	Williams, Del.
Eastland	Mundt	

So the bill (S. 3562) was passed as follows:

S. 3562

An Act to provide a comprehensive Federal program for the prevention and treatment of drug abuse and drug dependence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Drug Abuse and Drug Dependence Prevention, Treatment, and Rehabilitation Act of 1970".

TITLE I—PREVENTION AND REHABILITATION PROGRAMS RELATING TO DRUG ABUSE AND DRUG DEPENDENCE

PART A—FINDINGS AND DECLARATION OF PURPOSES

Sec. 101A. Findings.
Sec. 102A. Declarations.

PART B—DEFINITIONS

Sec. 112. Definitions.

PART C—NATIONAL INSTITUTE FOR THE PREVENTION AND TREATMENT OF DRUG ABUSE AND DRUG DEPENDENCE

Sec. 121. Establishment of the Institute.
Sec. 122. Administrative functions of the Secretary.
Sec. 123. Planning functions of the Secretary.
Sec. 124. Coordination functions of the Secretary.
Sec. 125. Statistical functions of the Secretary.
Sec. 126. Research functions of the Secretary.
Sec. 127. Training functions of the Secretary.
Sec. 128. Educational functions of the Secretary.
Sec. 129. Reporting functions of the Secretary.

PART D—PREVENTION AND TREATMENT FOR FEDERAL EMPLOYEES

Sec. 131. Drug abuse and drug dependence among Federal Government employees.
Sec. 132. Confidentiality of records.

PART E—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

Subpart I—Formula Grants

Sec. 142. Authorization.
Sec. 143. State allotment.
Sec. 144. State plans.
Sec. 145. Applications and conditions.

Subpart II—Project Grants

Sec. 146. Authorizations.
Sec. 147. Grants and contracts for the prevention and treatment of drug abuse and drug dependence.
Sec. 148. Application for financial assistance from units of local government and private organizations.
Sec. 149. Approved by National Advisory Council on Drug Abuse and Drug Dependence.

Subpart III—General

Sec. 150. General.
Sec. 150A. Admission of drug abusers and drug dependent persons to private and public hospitals.

PART F—THE NATIONAL ADVISORY COUNCIL ON DRUG ABUSE AND DRUG DEPENDENCE

Sec. 151. Establishment of Council.
Sec. 152. Approval by Council of certain grants under Community Mental Health Centers Act.

PART G—INTERGOVERNMENT COORDINATING COUNCIL ON DRUG ABUSE AND DRUG DEPENDENCE

Sec. 161. Establishment of Council.
Sec. 162. Functions of Council.

TITLE II—GENERAL

Sec. 201. Saving provision.
Sec. 202. Records.
Sec. 203 Payments.

TITLE I—PREVENTION AND REHABILITATION PROGRAMS RELATING TO DRUG ABUSE AND DRUG DEPENDENCE

PART A—FINDINGS AND DECLARATION OF PURPOSES

FINDINGS

Sec. 101A. The Congress finds that—

(a) Drug abuse and drug dependence are

rapidly increasing throughout the country. Drug abuse can seriously impair health, and can lead to drug dependence. Drug dependence is a public health problem which requires a broad range of health and rehabilitation services for treatment.

(b) Existing laws and their implementation have not been effective to prevent drug abuse and drug dependence or to provide sufficient education, treatment, and rehabilitation of drug abusers and drug dependent persons. Increasing education, treatment, and rehabilitation services, and coordination of efforts, offer the best possibility of reducing drug abuse and drug dependence. A major commitment of health and social resources and Government funds is required to institute an adequate and effective Federal program for the prevention and treatment of drug abuse and drug dependence.

(c) There is a lack of authoritative information and creative projects designed to educate students and others about drugs and their abuse. High priority should be given to the development, evaluation, and dissemination of educational and informational materials.

(d) Drug dependent persons commit a high percentage of the serious crime in many cities in order to secure funds with which to satisfy their habit. Criminal incarceration without appropriate treatment has proved ineffective to deter drug related crime. Effective treatment services and successful rehabilitation offer the best possibility of avoiding a high rate of recidivism.

(e) Present Federal programs for drug abuse and drug dependence should have a high level of priority and should be closely coordinated within the Government. If Federal research, social, health, and rehabilitation laws are adequately used to attach drug abuse and drug dependence, this will contribute to the recognition of responsibility for meeting these problems by public and private State and local agencies.

(f) Federal officials must effectively handle drug abuse and drug dependence among those for whom the Government has special responsibilities—civilian employees, military personnel, veterans, Federal offenders, American Indians, and Alaskan Natives.

(g) Drug abusers and drug dependent persons can be best treated and rehabilitated through effective community-based programs; some of which provide a comprehensive range of services and which are integrated with and involve the active participation of a wide range of public and nongovernmental agencies, and some of which provide a more selective range of services arising from local initiative, educational, and peer group assistance programs. Existing treatment and rehabilitation programs are now inadequate to meet the growing demands for such services.

(h) There is a critical shortage of professional, scientific, educational, and other personnel trained to deal effectively with drug abuse and drug dependence.

DECLARATIONS

SEC. 102A. The Congress declares—

(a) There shall be established and maintained in the Public Health Service, a National Institute for the Prevention and Treatment of Drug Abuse and Drug Dependence through which the Secretary shall coordinate all Federal health, rehabilitation, and social programs related to the prevention and treatment of drug abuse and drug dependence and administer the programs and authorities established by this title.

(b) An increased effort should be made to encourage the development of new and improved curriculums on the problems of drug abuse; to demonstrate the use of such curriculums in model educational programs, and to evaluate the effectiveness thereof; to disseminate curricular materials and significant information for use in educational programs throughout the Nation; to provide training programs for teachers, counselors, law enforcement officials, and other public service and community leaders; and to offer community education programs for parents and other adults on drug use and abuse.

(c) Major Federal action and Federal assistance to State and local programs shall be undertaken to engage in and encourage planning, coordination, statistics, research, training, education, and reporting with respect to drug abuse and drug dependence, and to provide equal access to humane care, effective treatment, and rehabilitation for all drug abusers and drug dependent persons regardless of their circumstances.

(d) Research relating to drug abuse and drug dependence and to controlled substances shall be fostered and assisted, and medical practitioners and other qualified investigators shall be encouraged and proteced in their research efforts.

(e) In addition to the provisions of this Act, all other Federal legislation providing for Federal or federally assisted State research, prevention, treatment, or rehabilitation programs in the fields of health, education, welfare, and rehabilitation shall be utilized to reduce drug abuse, drug dependence, and drug-related crime.

PART B—DEFINITIONS

DEFINITIONS

SEC. 112. As used in this Act:

(a) "Court" includes all Federal courts, including any United States magistrate.

(b) "Controlled substance" shall have the same meaning as that term is defined in section 102(6) of the Comprehensive Drug Abuse Prevention and Control Act of 1970.

(c) "Department" means the Department of Health, Education, and Welfare.

(d) "Director" means the Director of the National Institute for the Prevention and Treatment of Drug Abuse and Drug Dependence.

(e) "Drug abuser" means any person who uses any controlled substance under circumstances that constitute a violation of law.

(f) "Drug dependent person" shall have the same meaning as that term is defined in section 2(b) of title I of the Comprehensive Drug Abuse Prevention and Control Act of 1970.

(g) "Emerging care service" includes all appropriate short-term services for the acute effects of drug abuse and drug dependence, which (1) are available twenty-four hours a day, (2) are community based and located so as to be quickly and easily accessible to patients, and (3) provide drug withdrawal and other appropriate medical care and treatment, professional examination, diagnosis, and counseling with respect to possible drug dependence, and referral for other treatment and rehabilitation.

(h) "Inpatient services" includes all treatment and rehabilitation services for drug abuse and drug dependence provided for a resident patient while he spends full time in a treatment institution.

(i) "Institute" means the National Institute for the Prevention and Treatment of Drug Abuse and Drug Dependence in the Public Health Service.

(j) "Intermediate care services" includes all treatment and rehabilitation services for drug abuse and drug dependence provided for a resident patient while he spends part time in a treatment facility (including but not limited to a therapeutic community or halfway house) which is community based aind located so as to be quickly and easily accessible to patients.

(k) "Outpatient services" includes all treatment and rehabilitation services (including but not limited to clinics, social centers, vocational rehabilitation services, welfare centers, and job referral services) for drug abuse and drug dependence provided while the patient is not a resident of a treatment facility which are community based and located so as to be quickly and easily accessible to patients.

(l) "Peer group assistance" includes all prevention, treatment, and rehabilitation services (including but not limited to telephone counseling and information services, informal, open-admission facilities for support, guidance, referral, and temporary residence and therapeutic, self-help, residential facilities) for drug abuse and drug dependence primarily organized and operated by persons from similar social, cultural, and age backgrounds as those of the persons served under any such program, in facilities which are community based and located so as to be quickly and easily accessible to the persons served.

(m) "Prevention and treatment" includes all appropriate forms of educational programs and services (including but not limited to radio, television, films, books, pamphlets, lectures, adult education, and school courses); planning, coordinating, statistical, research, training, evaluation, reporting, and other administrative, scientific, or technical programs or services; and screening, diagnosis, treatment (emergency care services, inpatient services, intermediate care services, and outpatient services), vocational rehabilitation, job training and referral, and other rehabilitation programs or services; but does not include law enforcement activities.

(n) "Secretary" means the Secretary of Health, Education, and Welfare.

PART C—NATIONAL INSTITUTE FOR THE PREVENTION AND TREATMENT OF DRUG ABUSE AND DRUG DEPENDENCE

ESTABLISHMENT OF THE INSTITUTE

SEC. 121. (a) There is hereby established within the Public Health Service a National Institute for the Prevention and Treatment of Drug Abuse and Drug Dependence to administer the programs and authorities assigned to the Secretary by this Act. The Secretary, acting through the Institute, shall develop and conduct a comprehensive health, education, research, and rehabilitation program for the prevention and treatment of drug abuse and drug dependence.

(b) The Institute shall be under the direction of a Director, who shall be appointed by the Secretary.

(c) The Institute and its programs and services shall be staffed with an adequate number of personnel, who shall possess appropriate qualifications and competence, and some of whom may formerly have been drug abusers or drug dependent persons. Prior drug related criminal arrests or convictions shall not in themselves be a bar to such employment.

ADMINISTRATIVE FUNCTIONS OF THE SECRETARY

SEC. 122. It shall be the duty of the Secretary, acting through the Institute, with respect to his administrative functions to—

(a) assist Federal departments and agencies in the development and maintenance of appropriate prevention, treatment, and rehabilitation programs and services in accordance with section 124(a) of this title;

(b) review and provide in writing an evaluation of the adequacy and appropriateness of the provisions relating to the prevention and treatment of drug abuse and drug dependence of all comprehensive State health, welfare, and rehabilitation plans submitted to the Federal Government pursuant to Federal law, including but not limited to those submitted pursuant to section 5(a) of the Vocational Rehabilitation Act, section 141 of this title, section 604 of the Public Health Service Act, section 1902 of title XIX of the Social Security Act, and section 204 of part A of the Community Mental Health Centers Act;

(c) administer the grants and contracts authorized under part E of this title; and

(d) provide assistance to any other service or program, or take any other action, consistent with the intent and objectives of this Act.

PLANNING FUNCTIONS OF THE SECRETARY

SEC. 123. It shall be the duty of the Secretary, acting through the Institute, with respect to his planning functions to—

(a) develop a detailed and comprehensive Federal drug abuse and drug dependence prevention and treatment plan to implement the objectives and policies of this title. The plan shall be submitted to Congress as soon as practicable, but not later than one year after the enactment date of this title. Other responsibilities of the Secretary, as set out in this title, shall not be interrupted or delayed pending the initial development of such a plan. It shall be reviewed annually and submitted to Congress with any appropriate revisions as part of the Secretary's annual report. The Secretary shall, in developing the comprehensive Federal plan, consult and collaborate with all appropriate public and private departments, agencies, institutions, organizations, and individuals. The plan shall specify how all available health, welfare, educational, and rehabilitation resources, and how funds, programs, services, and facilities authorized under existing Federal legislation, are to be utilized;

(b) develop model drug abuse and drug dependence prevention and treatment plans for State and local governments, reflecting the social, geographic, and economic variables of drug and drug dependence problems, and utilizing the concepts incorporated in the comprehensive Federal plan. The model plans shall be reviewed on a periodic basis and revised to keep them current. They shall specify how all types of community resources and existing Federal legislation may be utilized;

(c) provide assistance and consultation to State and local governments, public and private agencies, institutions, organizations, and individuals with respect to the prevention and treatment of drug abuse and drug dependence; and

(d) develop models of drug abuse and drug dependence treatment and rehabilitation legislation for State and local governments, which utilize the concepts incorporated in this title.

COORDINATION FUNCTIONS OF THE SECRETARY

SEC. 124. It shall be the duty of the Secretary, acting through the Institute, with respect to his coordinating functions to—

(a) upon request, assist the Civil Service Commission, the Department of Defense, the Veterans' Administration, and other Federal departments and agencies in the development and maintenance of appropriate prevention, treatment, and rehabilitation programs and services for drug abuse and drug dependence pursuant to part D of this title;

(b) serve, upon request, in a consulting capacity to all Federal courts, departments, and agencies, and to be responsible for assisting in the development and coordination of a full range of programs, facilities, and services available to them for education, diagnosis, planning, counseling, treatment, and rehabilitation with respect to the drug abuse and drug dependence problems they encounter;

(c) coordinate Federal prevention and treatment programs that deal with the problem of drug abuse and drug dependence;

(d) encourage and assist State and local government programs and services, and programs and services of public and private agencies, institutions, and organizations, for the prevention and treatment of drug abuse and drug dependence;

(e) stimulate more effective use of existing resources and available services for the prevention and treatment of drug abuse and drug dependence;

(f) cooperate with the National Advisory Council on Drug Abuse and Drug Dependence, the Civil Service Commission, and other appropriate Federal departments and agencies, to develop a policy consistent with this title with regard to Federal employees who are drug abusers or drug dependent persons, involving appropriate programs and services for the prevention and treatment of drug abuse and drug dependence among such employees; and

(g) assist State and local governments in coordinating programs among themselves for the prevention and treatment of drug abuse and drug dependence.

STATISTICAL FUNCTIONS OF THE SECRETARY

SEC. 125. It shall be the duty of the Secretary, acting through the Institute, with respect to his statistical functions to—

(a) gather and publish statistics pertaining to drug abuse, drug dependence, and drug related problems; and

(b) promulgate regulations specifying uniform statistics to be obtained, records to be maintained, and reports to be submitted, on a voluntary basis by public and private departments, agencies, organizations, practitioners, and other persons with respect to drug abuse, drug dependence, and drug related problems. Such statistics and reports shall not reveal the identity of any patient or drug dependent person or other confidential information, except as specifically authorized by Federal law.

RESEARCH FUNCTIONS OF THE SECRETARY

SEC. 126. It shall be the duty of the Secretary, acting through the Institute, with respect to his conduct functions to—

(1) conduct and encourage all forms of research, investigations, experiments, and studies relating to the cause, epidemiology, sociological aspects, prevention, diagnosis, and treament of drug abuse and drug dependence;

(2) conduct, and encourage and assist others to conduct, all forms of research, investigations, experiments, and studies relating to the toxicology, pharmacology, chemistry, effects on the health of drug abusers, and danger to the public health, of controlled substances;

(3) coordinate such research with research conducted by the Institute and with research conducted by other Federal, State, and local public and private nonprofit agencies, institutions, organizations, and individuals. To facilitate this activity, the Secretary shall maintain a complete and current register of all research which requires his approval or for which Federal funds are expended;

(4) make available research facilities and resources of the Administration to appropriate authorities, health officials, and individuals engaged in investigations or research related to the purposes of this title. Such resources shall include the maintenance of an adequate supply of controlled substances for investigational and research purposes;

(5) make grants to public and private nonprofit agencies, organizations, and institutions, and contracts with public and private agencies, institutions, and organizations, and individuals for such research;

(6) establish an information center on such research, which will gather and contain all available published and unpublished data and information. All Federal departments and agencies shall send to the Institute any unpublished data and information pertinent to the cause, prevention, diagnosis, and treatment of drug abuse and drug dependence, and the toxicology, pharmacology, epidemiology, incidence of drug abuse and drug dependence, effects on the health of drug abusers, and danger to the public health of controlled substances, and such data and information shall be available to all interested parties, except that this section shall not apply to data gathered pursuant to section 201 of the Comprehensive Drug Abuse Prevention and Control Act of 1970;

(7) establish and maintain research fellowships in the Institute and elsewhere, and provide for such fellowships through grants to public and private nonprofit agencies, institutions, and organizations;

(8) investigate methods for determining more rapid and precise methods for determining the extent of drug use by an individual in a given time period and the effects which individuals are likely to experience from such use, and publish on a current basis information concerning uniform methodology and technology for making such determinations;

(9) evaluate existing and proposed new programs and services for the prevention and treatment of drug abuse and drug dependence.

TRAINING FUNCTIONS OF THE SECRETARY

SEC. 127. It shall be the duty of the Secretary, acting through the Institute, with respect to his training functions to—

(a) establish interdisciplinary and bilingual training programs for professional and paraprofessional personnel with respect to drug abuse and drug dependence;

(b) encourage the establishment of training programs, including interdisciplinary and bilingual training programs, for professional and paraprofessional personnel, including peer group assistance personnel, by State and local governments and by public and private educational institutions and agencies with respect to drug abuse and drug dependence; and

(c) establish and maintain training fellowships in the Institute and elsewhere, and provide for such fellowships through grants to public and private nonprofit agencies, institutions, and organizations.

EDUCATIONAL FUNCTIONS OF THE SECRETARY

SEC. 128. It shall be the duty of the Secretary, acting through the Institute, with respect to his educational functions to—

(a) develop, assist others to develop, and encourage the development of curricula on the use and abuse of drugs for utilization in elementary, secondary, adult, and community education programs. Such curricula should reflect the social, geographical, and economic variables of drug usage and abuse, include relevant data and other information, and include bilingual curricula;

(b) develop, assist others to develop, and encourage the development of curricula on the use and abuse of drugs for utilization by parent-teachers associations, adult education centers, private citizen groups, community leaders and other parents and adults. Such curricula should reflect the social, geographical, and economic variables of drug usage and abuse, include relevant data and other information, and include bilingual curricula;

(c) develop, assist others to develop, and encourage the development of a broad variety of informational and educational materials for use in all media to reach all segments of the population that can be utilized by public and private agencies, institutions, and organizations in informational and educational programs relating to drug use and abuse. Such information and materials should reflect the social, geographical, and economic variables of drug usage and abuse, include relevant data and other information, and include bilingual curricula;

(d) establish educational courses, guides, and units on the causes of, effects of, and treatment for, drug abuse and drug dependence, for Federal law enforcement officials (including prosecuting attorneys, court personnel, the judiciary, probation and parole officers, correctional officers, and other law enforcement personnel), Federal welfare, vo-

cational rehabilitation, military, and veterans personnel, and other Federal officials who come in contact with drug abuse and drug dependence problems. Such courses, guides, and units should reflect the social, geographical, and economic variables of drug usage and abuse;

(e) develop, assist others to develop, and encourage the development of educational courses, guides, and units on the causes of, effects of, and treatment for drug abuse and drug dependence for use by appropriate State and local government and private agencies, institutions, and organizations, for State and local law enforcement officials (including prosecuting attorneys, court personnel, the judiciary, probation and parole officers, correctional officials, and other law enforcement personnel), State and local welfare, vocational rehabilitation, and veterans personnel, and other State and local officials and community leaders. Such courses, guides, and units should reflect the social, geographical, and economic variables of drug usage and abuse;

(f) develop, assist others to develop, and encourage the development of a broad range of community-oriented education programs on drug abuse and drug dependence for all segments of the population, including interested and concerned parents, young persons, community leaders, drug abusers and drug dependents, and other individuals and groups within a community. Such programs shall, where appropriate, include peer group assistance programs and utilization of former drug abusers, drug dependent persons, and persons with relevant backgrounds similar to those of the persons to be educated;

(g) evaluate, assist others in evaluating, and encourage the evaluation of curricula, guidelines, units, and other informational and educational materials relating to the use and abuse of drugs. Such evaluations should include an examination of intended and actual impact of such informational and educational materials and the identification of strengths and weaknesses in the information and educational materials;

(h) conduct, assist others in conducting, and encourage the conducting of preservice and inservice training programs on drug use and abuse for teachers, counselors, other educational personnel, law enforcement officials, and other public service and community leaders and personnel;

(i) recruit, train, organize, and employ professional and other persons, including former drug abusers, and drug dependent persons, to organize and participate in programs of public education about drug usage and abuse;

(j) serve as a clearinghouse for the collection, preparation, and dissemination of all information relating to drug abuse and drug dependence, including State and local drug abuse and drug dependence treatment plans, availability of treatment resources, training and educational programs, statistics, research, and other pertinent data and information;

(k) coordinate activities carried on by all departments, agencies, and instrumentalities of the Federal Government with respect to health and other educational aspects of usage and abuse; and

(l) undertake such other activities as the Secretary may consider important to a national program of education relating to drug usage and abuse.

REPORTING FUNCTIONS OF THE SECRETARY

SEC. 129. It shall be the duty of the Secretary, acting through the Institute, with respect to his reporting functions to—

(a) submit an annual report to Congress, which shall specify the actions taken and services provided and funds expended under each provision of this title and an evaluation of their effectiveness, and which shall contain the current Federal drug abuse and drug dependence prevention and treatment plan;

(b) submit such additional reports as may be requested by the President or by Congress; and

(c) submit to the President and to Congress such recommendations as will further the prevention and treatment of drug abuse and drug dependence.

PART D—PREVENTION AND TREATMENT FOR FEDERAL EMPLOYEES

DRUG ABUSE AND DRUG DEPENDENCE AMONG FEDERAL GOVERNMENT EMPLOYEES

SEC. 131. (a) The Civil Service Commission shall be responsible for developing and maintaining, in cooperation with the Secretary and other Federal agencies and departments, appropriate policies and services for the prevention of drug abuse and drug dependence, and for the treatment of drug dependence among Federal civilian employees, consistent with the purposes and intent of this title. Such policies and services shall make optimal use of existing governmental facilities, services, and skills. Federal civilian employees, except for personnel employed by Federal law enforcement agencies, who are drug dependent shall retain the same employment and other benefits as other persons afflicted with serious health problems and illnesses, and shall not lose, solely because they are drug abusers or drug dependent persons, pension, retirement, medical, or other rights. A good faith attempt shall be made to find appropriate work within the Government which does not involve the national security during the employee's rehabilitative treatment, rather than placing him on sick leave.

(b) The Secretary, acting through the Institute, shall be responsible for fostering similar drug abuse prevention, treatment, and rehabilitative services in State and local governments and in private industry.

(c) No person may be denied or deprived of Federal employment or a Federal professional or other license or right solely on the ground of prior drug abuse or prior drug dependence, except with regard to positions involving national security as specified in regulations promulgated by the department or agency in which he is employed, or except with regard to registration provisions in part C of title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970.

(d) Nothing herein shall prohibit the dismissal from employment of a Federal civilian employee who, as a result of drug abuse or drug dependence and failure to accept appropriate treatment, cannot properly function in his employment.

CONFIDENTIALITY OF RECORDS

SEC. 132. The Secretary may authorize persons engaged in treatment of drug abuse or drug dependence to protect the privacy of individuals who are the subject of such treatment by withholding from all persons not connected with the conduct of such treatment the names or other identifying characteristics of such individuals. Persons so authorized to protect the privacy of such individuals may not be compelled in any Federal, State, or local, civil, criminal, administrative, legislative, or other proceeding to identify such individuals. Such authorization by the Secretary shall not limit the rights of inspection and maintenance of records required under the Comprehensive Drug Abuse Prevention and Control Act of 1970.

PART E—FEDERAL ASSISTANCE FOR STATE AND LOCAL PROGRAMS

Subpart I—Formula Grants

AUTHORIZATION

SEC. 142. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1971, the sum of $10,000,000; for the fiscal year ending June 30, 1972, the sum of $20,000,000; for the fiscal year ending June 30, 1973, the sum of $25,000,000; for grants to States to assist them in planning, establishing, maintaining, coordinating, and evaluating projects for the development of more effective prevention, treatment, and rehabilitation programs to deal with drug abuse and drug dependence.

STATE ALLOTMENT

SEC. 143. (a) For each fiscal year the Secretary shall, in accordance with regulations, allot the sums appropriated for such year pursuant to section 142 among the States on the basis of the relative population, financial need, and need for more effective prevention, treatment, and rehabilitation of drug abuse and drug dependence; except that no such allotment to any State (other than the Canal Zone and the Trust Territory of the Pacific Islands) for any fiscal year shall be less than $200,000.

(b) Any amount so allotted to a State (other than the Canal Zone and the Trust Territory of the Pacific Islands) and remaining unobligated at the end of such year shall remain available to such State, for the purposes for which made, for the next fiscal year (and for such year only), and any such amount shall be in addition to the amounts allotted to such State for such purpose for such next fiscal year; except that any such amount, remaining unobligated at the end of the sixth month following the end of such year for which it was allotted, which the Secretary determines will remain unobligated by the close of such next fiscal year may be reallotted by the Secretary, to be available for the purposes for which made until the close of such next fiscal year, to other States which have need therefor, on such basis as the Secretary deems equitable and consistent with the purposes of this title, and any amount so reallotted to a State shall be in addition to the amounts allotted and available to the States for the same period. Any amount allotted under subsection (a) to the Canal Zone or the Trust Territory of the Pacific Islands for a fiscal year and remaining unobligated at the end of such year shall remain available to it, for the purposes for which made, for the next two fiscal years (and for such years only), and any such amount shall be in addition to the amounts allotted to it for such purpose for each of such next two fiscal years; except that any such amount remaining unobligated at the end of the first of such two additional years, which the Secretary determines will remain unobligated at the close of the second of such additional years may be reallotted by the Secretary, to be available for the purposes for which made until the close of the second of such additional years, to any other of such four States which have need therefor, on such basis as the Secretary deems equitable and consistent with the purposes of this subpart, and any amount so reallotted to a State shall be in addition to the amounts allotted and available to the State for the same period.

(c) At the request of any State, a portion of any allotment or allotments of such State under this subpart shall be available to pay that portion of the expenditures found necessary by the Secretary for the proper and efficient administration during such year of the State plan approved under this subpart, except that not more than 10 per centum of the total of the allotments of such State for a year, or $50,000, whichever is greater, shall be available for such purpose for such year.

STATE PLANS

SEC. 144. (a) Any State desiring to participate in this subpart shall submit a State plan carrying out its purposes. Such plan must—

(1) designate a single State agency as the sole agency for the administration of the plan, or designate such agency as the sole

agency for supervising the administration of the plan;

(2) contain satisfactory evidence that the State agency designated in accordance with paragraph (1) will have authority to carry out such plan in conformity with this subpart;

(3) provide for the designation of a State advisory council which shall include representatives of nongovernmental organizations or groups, and of public agencies concerned with the prevention and treatment of drug abuse and drug dependence, to consult with the State agency in carrying out the plan;

(4) set forth, in accordance with criteria established by the Secretary, a survey of need for the prevention and treatment of drug abuse and drug dependence, including a survey of the health facilities needed to provide services for drug abuse and drug dependence and a plan for the development and distribution of such facilities and programs throughout the State;

(5) provide such methods of administration of the State plan, including methods relating to the establishment and maintenance of personnel standards on a merit basis (except that the Secretary shall exercise no authority with respect to the selection, tenure of office, or compensation of any individual employed in accordance with such methods), as are found by the Secretary to be necessary for the proper and efficient operation of the plan;

(6) provide that the State agency will make such reports, in such form and containing such information, as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports;

(7) provide that the Comptroller General of the United States or his duly authorized representatives shall have access for the purpose of audit and examination to the records specified in paragraph (6);

(8) provide that the State agency will from time to time, but not less often than annually, review its State plan and submit to the Secretary any modifications thereof which it considers necessary;

(9) provide reasonable assurance that Federal funds made available under this subpart for any period may be so used as to supplement and increase, to the extent feasible and practical, the level of State, local and other non-Federal funds that would, in the absence of such Federal funds, be made available for the programs described in this subpart, and will in no event supplant such State, local, and other non-Federal funds; and

(10) contain such additional information and assurance as the Secretary may find necessary to carry out the provisions and purposes of this subpart.

(b) The Secretary shall approve any State plan and any modification thereof which complies with the provisions of subsection (a).

APPLICATIONS AND CONDITIONS

SEC. 145. (a) For each project pursuant to a State plan approved under this subpart for which a grant is sought from an allotment under section 143, there shall be submitted to the Secretary, through the State agency designated in accordance with section 144, an application by the State or a political subdivision thereof or by a public or other nonprofit agency, institution, or organization.

(b) The Secretary shall approve such application if (1) there remains sufficient balance in the allotment (available for the purpose) determined for such State; (2) the application is in conformity with the State plan approved under section 144; (3) he obtains assurances that any facility or portion thereof to be constructed or modernized and any program to be carried out will be available to all persons residing in the territorial area of the applicant; and (4) he obtains assurances that the applicant will keep such records, and afford such access thereto, and make such reports, in such form and containing such information, as the Secretary may reasonably require. The Secretary may, to the extent he determines it would not interfere with the objectives of this subpart, base his findings and determinations under this subsection on certifications by the State agency.

(c) No application under this section shall be disapproved until the Secretary has afforded the State agency an opportunity for a hearing.

(d) Amendment of an approved application shall be subject to approval in the same manner as an original application.

Subpart II—Project Grants

AUTHORIZATIONS

SEC. 146. There are hereby authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1971; $45,000,000 for the fiscal year ending June 30, 1972; and $70,000,000 for the fiscal year ending June 30, 1973, to carry out the provisions of this subpart. Any appropriated funds shall remain available until expended.

GRANTS AND CONTRACTS FOR THE PREVENTION AND TREATMENT OF DRUG ABUSE AND DRUG DEPENDENCE

SEC. 147. (a) The Secretary, acting through the Institute, is authorized to make grants to public and private nonprofit agencies, organizations, and institutions and enter into contracts with agencies, organizations, institutions, and individuals for the prevention and treatment of drug abuse and drug dependence to assist State and local governments and public and private agencies, institutions, organizations, and individuals to—

(1) (a) meet the costs of constructing, equipping, and operating treatment and rehabilitation facilities, including but not limited to emergency medical, inpatient, intermediate care, outpatient, and peer group assistance facilities for drug abusers and drug dependent persons, and (b) to assist them to meet, for the temporary periods specified in subsection (c) of this section, a portion of the costs of compensation of personnel for the initial operation of such facilities, and of new services in existing facilities for drug abusers and drug dependent persons;

(2) conduct research, demonstration, and evaluation projects, including surveys and field trials, looking toward the development of improved, expanded, and more effective methods of prevention and treatment of drug abuse and drug dependence;

(3) provide education and training for professional personnel, including medical, psychiatric, vocational rehabilitation, and social welfare personnel, in academic and professional institutions and in postgraduate courses about the prevention and treatment of drug abuse and drug dependence, and provide training for such personnel in the administration, operation, and supervision of programs and services for the prevention and treatment of drug abuse and drug dependence;

(4) recruit, educate, train, organize, and employ community drug abuse and drug dependence prevention and treatment personnel to serve with and under the direction of professional medical, psychiatric, vocational rehabilitation, and social welfare personnel in drug abuse and drug dependence prevention, treatment, and rehabilitation programs. Prior drug abuse or drug dependence and prior criminal arrests or convictions shall not be a bar to such recruitment, education, training, organization, and employment;

(5) provide services in correctional and penal institutions for the prevention and treatment of drug abuse and drug dependence;

(6) provide services, in cooperation with schools, law enforcement agencies, courts, and other public and private nonprofit agencies, institutions, and organizations, for the prevention and treatment of drug abuse and drug dependence among juveniles and young adults. These services, where feasible, shall include curricula for drug abuse education in elementary and secondary schools, and among parents and other adults;

(7) provide programs and services in cooperation with local law enforcement agencies, the courts, and other public and private nonprofit agencies, institutions, and organizations, for the instruction of law enforcement officers, prosecuting attorneys, court personnel, the judiciary, problem and parole officers, correctional officials and legal aid, public defender, and neighborhood legal services attorneys with respect to the causes, effects, prevention, and treatment of drug abuse and drug dependence. Such programs and services shall include, where possible, a full range of services available to State and local courts for diagnosis, counseling, and treatment for drug abuse and drug dependence for persons coming before the courts; and

(8) provide services for outpatient counseling of drug abusers and drug dependent persons to include employment, welfare, legal, education, and other assistance, in cooperation and coordination with welfare and rehabilitation personnel.

(b) Projects for which grants and contracts are made under this subpart shall be community based, and shall include both those that provide a comprehensive range of services and are integrated with and involve the active participation of a wide range of public and nongovernmental agencies, organizations, institutions, and individuals, and those that provide a more selective range of services arising from local initiative, educational and peer group assistance programs.

(c) The amount of any Federal grant made under subsection (a) of this section, except with regard to certain grants made under paragraph (1) of subsection (a), shall not exceed 100 per centum of the cost of the program or project specified in the application for such grant. The amount of any Federal grant made under paragraph (1) (a) of subsection (a) of this section to meet costs of constructing and equipping the facilities referred to in such paragraph shall not exceed 90 per centum of the cost of the program or project specified in the application for such grant. The amount of any Federal grant made under paragraph (1) (b) of subsection (a) of this section to meet the costs of compensation of personnel and other operating costs may be made only for the period beginning with the first day for which such a grant is made and ending with the close of eight years after such first day; and such grants may not exceed 90 per centum of such costs for each of the first two years after such first day, 80 per centum of such costs for the third year after such first day, 75 per centum of such costs for the fourth and fifth years after such first day, and 70 per centum of such costs for each of the next three years after such first day.

(d) An amount, not to exceed 5 per centum of the amount appropriated pursuant to the provisions of this subpart for any fiscal year, shall be available to the Secretary to make grants to local public or nonprofit private organizations to cover up to 100 per centum of the costs (but in no case to exceed $100,000) of projects for assessing local needs for programs of services for drug abusers and drug dependents, designing such programs, obtaining local financial and professional assistance and support for such programs in the community, and fostering

community involvements in initiating and developing such programs in the community. In no case shall a grant under this subsection be for a period in excess of one year; nor shall any grant be made under this subsection with respect to any project if, for any preceding year, a grant under this subsection has been made with respect to such project.

APPLICATION FOR FINANCIAL ASSISTANCE FROM UNITS OF LOCAL GOVERNMENT AND PRIVATE ORGANIZATIONS

SEC. 148. (a) In administering the provisions of this subpart, the Secretary shall require coordination of all applications for programs in a State and, in a view of the local nature of the drug abuse problem, shall not give precedence to public agencies over private nonprofit agencies, institutions, and organizations, or to State agencies over local agencies.

(b) Each applicant from within a State, upon filing its application with the Secretary, shall submit a copy of its application for review by the State agency designated in accordance with section 144, if such an agency exists, and if no such agency exists, by the State agency responsible for administering the State comprehensive plan for treatment and prevention of drug abuse and drug dependence, if such agency exists. Such State agency shall be given not more than thirty days from the date of receipt of the application to submit to the Secretary, in writing, an evaluation of the project set forth in the application. Such evaluation may include comments on the relationship of the project to other projects pending and approved and to the State comprehensive plan for treatment and prevention of drug abuse. The State shall furnish the applicant a copy of any such evaluation. A State, if it so desires, may, in writing, waive its rights under this section.

(c) Approval of any application by the Secretary, including the earmarking of financial assistance for a program or project, may be granted only if the application substantially meets a set of criteria established by the Secretary that—

(1) provide that the activities and services for which assistance under this subpart is sought will be substantially administered by or under the supervision of the applicant;

(2) provide for such methods of administration as are necessary for the proper and efficient operation of such programs or projects;

(3) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant; and

(4) provide reasonable assurance that Federal funds made available under this subpart for any period will be so used as to supplement and increase, to the extent feasible and practical, the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the program described in this subpart, and will in no event supplant such State, local, and other non-Federal funds.

APPROVAL BY NATIONAL ADVISORY COUNCIL ON DRUG ABUSE AND DRUG DEPENDENCE

SEC. 149. The Secretary, upon the recommendation of the National Advisory Council on Drug Abuse and Drug Dependence, is authorized to make grants under this subpart.

Subpart III—General

GENERAL

SEC. 150. (a) Whenever the Secretary finds a failure to comply with the terms of a grant or contract made or entered into under this part, he shall, after reasonable notice and opportunity for a hearing, terminate payments until he is satisfied that there will no longer be any failure to comply.

(b) The exclusive remedy of anyone adversely affected by a final action of the Secretary under subsection (a) of this section is to appeal to the United States court of appeals for the circuit in which it is located by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file with the court the record of the proceeding on which he based his action, as provided in section 2112 of title 28 of the United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or set it aside, in whole or in part, temporarily or permanently. Until the filing of the record, the Secretary may modify or set aside his order. The findings of the Secretary as to the facts shall be conclusive if supported by substantial evidence, but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Secretary shall be final, subject to review by the Supreme Court of the United States upon certiorari as provided in section 1254 of title 28 of the United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Secretary's action.

ADMISSION OF DRUG ABUSERS AND DRUG DEPENDENT PERSONS TO PRIVATE AND PUBLIC HOSPITALS

SEC. 150A. (a) Drug abusers and drug dependent persons shall be admitted to and treated in private and public general hospitals on the basis of medical need and shall not be discriminated against solely because of their drug abuse or drug dependence. No hospital that violates this section shall receive Federal financial assistance under the provisions of this Act or any other Federal law administered by the Secretary. No such action shall be taken until the Secretary has advised the appropriate person or persons of the failure to comply with this section, and provided an opportunity for correction or a hearing.

(b) Any action taken by the Secretary pursuant to this section shall be subject to such judicial review as is provided by subsection 150(b) of this title.

PART F—"THE NATIONAL ADVISORY COUNCIL ON DRUG ABUSE" AND DRUG DEPENDENCE

ESTABLISHMENT OF COUNCIL

SEC. 151. (a) Section 217(a) of the Public Health Service Act is amended—

(1) in the first sentence thereof, by inserting "the National Advisory Council on Drug Abuse and Drug Dependence," immediately after "the National Advisory Mental Health Council,"; and

(2) in the second sentence thereof, by inserting "the National Advisory Council on Drug Abuse and Drug Dependence," immediately after "the National Advisory Mental Health Council,", and by inserting "drug abuse and drug dependence," immediately after "psychiatric disorders,".

(b) Section 217(b) of such Act is amended, in the second sentence thereof, by inserting "drug abuse and drug dependence," immediately after "mental health,".

(c) Section 217 of such Act is further amended by adding at the end thereof the following new subsection:

"(d) The National Advisory Council on Drug Abuse and Drug Dependence shall advise, consult with, and make recommendations to the Secretary on matters relating to the activities and functions of the Service in the field of drug abuse and drug dependence. The Council is authorized (1) to review research projects or programs submitted to or initiated by it in the field of drug abuse and drug dependence and recommend to the Secretary, for prosecution under this Act, any such projects which it believes show promise of making valuable contributions to human knowledge with respect to the cause, prevention, or methods of diagnosis and treatment of drug abuse and drug dependence, and (2) to collect information as to studies being carried on in the field of drug abuse and drug dependence and, with the approval of the Secretary, make available such information through the appropriate publications for the benefit of health and welfare agencies or organizations (public or private), physicians, or any other scientists, and for the information of the general public. The Council is also authorized to recommend to the Secretary, for acceptance pursuant to section 501 of this Act, conditional gifts for work in the field of drug abuse and drug dependence; and the Secretary shall recommend acceptance of any such gifts only after consultation with the Council."

APPROVAL BY COUNCIL OF CERTAIN GRANTS UNDER COMMUNITY MENTAL HEALTH CENTERS ACT

SEC. 152. Section 266 of part E of the Community Mental Health Centers Act is amended—

(1) by striking out "Grants" and inserting in lieu thereof:

"(a) Except as otherwise provided in subsection (b), grants"; and

(2) by adding at the end thereof the following new subsection:

"(b) Grants made under this title which are primarily intended for use in the prevention or treatment of drug abuse and drug dependence may be made only upon recommendation of the National Advisory Council on Drug Abuse and Drug Dependence established by section 217(a) of the Public Health Service Act."

PART G—INTERGOVERNMENT COORDINATING COUNCIL ON DRUG ABUSE AND DRUG DEPENDENCE

ESTABLISHMENT OF COUNCIL

SEC. 161. (a) For the purpose of coordinating all Federal Government prevention, treatment, and rehabilitation efforts with respect to drug abuse and drug dependence, of coordinating such Federal efforts with State and local government efforts, and of developing an enlightened policy and appropriate programs for Federal employees for the prevention and treatment of drug abuse and the rehabilitation of drug dependent persons, there is hereby established an Intergovernment Coordinating Council on Drug Abuse Control consisting of the Secretary who shall serve as Chairman, the Attorney General of the United States, the United States Commissioner of Education, the Director of the National Institute for the Prevention and Treatment of Drug Abuse and Drug Dependence, the Director of the National Institute of Mental Health, and four representatives of State and local government departments or agencies.

(b) The President shall designate the four representatives of Federal departments or agencies who shall serve on the Coordinating Council, and shall appoint the four representatives of State and local government departments or agencies. The State and local government representatives shall serve for terms of four years, staggered so that one vacancy occurs each year. A State or local government representative may be reappointed immediately after serving less than a full term, and may be reappointed after a four-year hiatus after serving a full term.

(c) The Coordinating Council may appoint

such technical consultants as are deemed appropriate for advising the Council in carrying out its functions. The services of consultants obtained under this section may be obtained in accordance with section 3109 of title 5, United States Code, at rates for individuals in excess of the daily equivalent paid for positions in GS–18 of the General Schedule in section 5332 of title 5, United States Code.

FUNCTIONS OF COUNCIL

SEC. 162. The Coordinating Council is authorized and directed to—

(a) assist the Secretary in carrying out its function of coordinating all Federal prevention, treatment, and rehabilitation efforts to deal with the problems of drug abuse and drug dependence;

(b) assist the Secretary in carrying out its function of coordinating such Federal efforts with State and local governments;

(c) engage in educational programs among Federal employees, and in other appropriate activities, designed to prevent drug abuse and drug dependence;

(d) implement programs for the rehabilitation of Federal employees who are drug dependent persons; and

(e) develop and maintain any other appropriate activities consistent with the purposes of this title.

TITLE II—GENERAL

SAVING PROVISION

SEC. 201. If any section, provision, or term of this Act is adjudged invalid for any reason, such judgment shall not affect, impair, or invalidate any other section, provision, or term of this Act, and the remaining sections, provisions, and terms shall be and remain in full force and effect.

RECORDS

SEC. 202. (a) Each recipient of assistance under this Act pursuant to grants or contracts entered into under other than competitive bidding procedures shall keep such records as the Secretary shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the project or undertaking in connection with which such grant is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Secretary and Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients that are pertinent to the grants or contracts entered into under the provisions of this Act under other than competitive bidding procedures.

PAYMENTS

SEC. 203. Payments under this Act may be made in advance or by way of reimbursement and in such installments as the Secretary may determine.

Mr. HUGHES. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. JAVITS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HUGHES. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 3562.

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

U.S. PARTICIPATION IN CERTAIN INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. KENNEDY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1259, H.R. 18306.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read the bill (H.R. 18306) by title, as follows: "A bill 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.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to; and the Senate resumed the consideration of the bill.

Mr. GORE. Mr. President, the Senate was recently advised by Mr. George D. Fischer, president of the National Education Association, that only about one county or city in four is now able to sell bonds to construct schools in the cities and the counties of the United States.

Recently an announcement was made that no additional funds were available from the U.S. Government for housing of the low-income variety. I read the official announcement. For another thing no funds are available for loans by the Small Business Administration at any rate of interest.

At the same time almost 5 million people are out of work.

One additional thing we might consider is that a budget deficit of $15 billion has been estimated for the current fiscal year.

It is against this background, Mr. President, that we have the pending bill, which provides a grant—not a loan, but a grant—of $1,923,520,000 to certain international organizations. The bill provides for the granting of almost $2 billion of the taxpayers' money which they have not yet paid to international organizations. Contrary to many unfunded projects here at home that would be self-liquidating, not one dollar of it is to be repaid to the U.S. Government ever.

What do these international organizations do with it? They operate so-called soft loan windows, which are themselves in large measure grant windows—or, if you want to use the common phrase, give-away windows. Even when the money is loaned, for example, by the Asian Development Bank, it is to be loaned at interest rates of from 1.5 to 3 percent.

In case a county in Tennessee wishes to sell bonds to build a school, the interest rate is somewhat more than 1.5 percent and somewhat more than 3 percent. Indeed, somewhat more than most can or will pay.

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

Mr. GORE. I yield.

Mr. FULBRIGHT. The excerpt in the Senator's minority views which appears on page 36 of the report quotes me and Mr. Fischer. In this context it leaves the impression to someone who is not acquainted with it that we were talking about the funds involved in this bill, that is, for the international bank. Actually, what I had in mind in talking with him at that time was not the international bank or any of the agencies involved in the bill, but the cost of the war. The whole amount of the bill would not run the war for 2 months.

What the Senator says is certainly relevant to the question of rates, but I submit that the plan involved in this bill, spread over a number of years, because this money will not be pulled down in the near future—I explained in my opening statement that the budgetary impact in the immediate future is a very small part of the overall bill—will not have a great impact.

I wanted to clarify the RECORD by saying what Mr. Fischer was talking about was not the impact of the bill under consideration, nor was I talking about that. I was talking about the general economic situation, inflation, high interest rates, which have been caused primarily by the expenditures for wars and military affairs.

The total amount that the bank has borrowed from us is only about one-third of its total borrowings. The International Bank has borrowed two-thirds of all it has borrowed abroad, in other countries than the United States. So if one is talking about the impact of what the bank has borrowed in our own country, it is a very small amount.

I do not think Mr. Fischer—nor would I—ascribe to the effect of these bills anything like what one could read into that exchange which I engaged in with Mr. Fischer. I thought it would be proper to clarify the RECORD. He was not talking about these bills at that time.

Mr. GORE. I agree that Mr. Fischer was not testifying with respect to this bill. I did not say that.

Mr. FULBRIGHT. I know that, but people who did not know that could reason that way.

Mr. GORE. It is possible that someone might so misunderstand.

Mr. FULBRIGHT. That is right.

Mr. GORE. And I am glad the Senator states the fact. The facts which Mr. Fischer related to the Senate, however, are the facts to which I addressed attention; that is, that only about one out of four countries and cities in America can today sell its bonds to build schools, at any rate of interest. That rate of interest is very high, so high that many of the people of our countries and our cities and our States will not vote for bond issues. And even in the case where bond issues are approved by public referendum, only one-half of those are able to sell their bonds at any rate.

Mr. President, I cite that fact, plus the economic condition of the country, the unavailability of credit at any rate, for small business loans by the Small Business Administration, for housing loans for the poor and the low income people, in order to call attention to what this bill proposes—the granting of near-

ly $2 billion to these so-called international banks, to be used, in large part in turn, by these international institutions in so-called soft loans. The soft loan may or may not be repaid. One cannot place very much confidence in the hope that they will be repaid. In the first instance, there is in many instances a long grace period, sometimes as long as 10 years, before they repay any interest or principal.

And even if it is repaid the loan is, as I have said, in some cases at 1.5 percent.

What is the prime rate in New York? Some five times that amount, on the best of loans. What does a lowly citizen have to pay to borrow money, say, to build a supermarket? Rates are as high as 15 percent. And yet we are proposing to give away $1,923 million, to be loaned for purposes we know not of, but at rates one-fifth, one-sixth, or sometimes one-tenth the rate of interest that a citizen or a county would have to pay in Tennessee or elsewhere in the United States.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. ERVIN. This money is to be loaned for these soft loans such as no financial institution on earth would make; is that true?

Mr. GORE. I would not think that any institution that expected to remain solvent through the loans would make them.

Mr. ERVIN. And this advancement is to be made at a time when our deficit is constantly increasing, for the current fiscal year?

Mr. GORE. Yes. In that regard, let me call to the Senator's attention that only last June Congress was forced to raise the limit on the public debt to an alltime high of $395 billion. This would require us to raise it another $2 billion.

Mr. ERVIN. And would not this money have to come out of the deepest financial hole on the face of the earth or anywhere in the universe, so far as the Senator from Tennessee knows?

Mr. GORE. It would have to come out of the American taxpayer's pocket.

Mr. ERVIN. And out of an abyss which is worse than an abyss, in that there is a hole several hundred billion dollars deep already?

Mr. GORE. Well, the estimate of the deficit for fiscal 1971 is $15 billion. This would increase it.

Mr. ERVIN. I will ask the Senator from Tennessee if prior deficits have not placed this Nation in such a financial situation that it takes somewhere in the neighborhood of $15 billion or $16 billion a year merely to pay the interest on our national debt.

Mr. GORE. Let me compare that to the spendthrift days of the New Deal, when one of the budgets during the Roosevelt administration, I remember, which was so large that it created a great outcry, was $10 billion—the total: Defense, welfare, highways, everything. Ten billion dollars; and as the Senator has said, now it costs approximately $15 billion a year to pay the interest on the national debt.

Mr. ERVIN. I thank the Senator.

Mr. BYRD of Virginia. Mr. President, will the Senator yield at that point?

Mr. GORE. I yield.

Mr. BYRD of Virginia. May I suggest to the Senator that in the current budget, which is before Congress, the interest on the national debt is $20 billion?

Mr. GORE. Will the Senator from North Carolina accept that up-to-date correction?

Mr. ERVIN. I would say that the Senator from Virginia is an expert in this field, and I will accept whatever he says as being correct.

Mr. BYRD of Virginia. I thank the Senator from North Carolina. The Senator from Virginia is not an expert, but it just so happens that the interest on the national debt has increased in the last 3 years up to where it is now $20 billion. In fiscal 1968, it was $14.6 billion.

Mr. GORE. This is partly because of the greater debt and, as the Senator has said, partly because of the increased interest rate. The Government itself is paying as high as 7.3 percent interest.

Mr. BYRD of Virginia. The Senator is correct. Could I ask the Senator a question or two?

Mr. GORE. Yes.

Mr. BYRD of Virginia. I do not fully understand the exact amounts involved in the bill under consideration. Is the total $1.9 billion, or is it $3.7 billion?

If I may preface my question, I note that in the committee report, on page 2, it says:

> It will be seen that H.R. 18306 would authorize total appropriations of $3,709,500,000 for the four institutions over the period through fiscal year 1973.

Mr. GORE. Well, the statement which I made referred to the grant money.

Mr. BYRD of Virginia. The Senator was speaking only of the grant money when he spoke of $1.9 billion?

Mr. GORE. That is correct. This is for soft loans. This is to be given away. But I would like to look at the larger figure to which the Senator referred, which it will take me a little while to analyze.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ORDER FOR RECOGNITION OF SENATOR HOLLAND, SENATOR GURNEY, AND SENATOR YOUNG OF OHIO TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that following the remarks of the able Senator from Delaware (Mr. BOGGS) tomorrow, the able and distinguished Senator from Florida (Mr. HOLLAND) be recognized for not to exceed 30 minutes, that he be followed by the able and distinguished Senator from Florida (Mr. GURNEY) for not to exceed 30 minutes, and that following the remarks of Mr. GURNEY, the able and distinguished Senator from Ohio (Mr. YOUNG) be recognized for not to exceed 10 minutes.

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

S. 4539—INTRODUCTION OF THE ANIMAL WELFARE ACT OF 1970

Mr. DOLE. Mr. President, today I am introducing a bill which I hope will receive prompt and favorable attention by the Senate.

The bill, entitled the Animal Welfare Act of 1970, was introduced yesterday in the House of Representatives, and was unanimously recommended by the Livestock and Grains Subcommittee of the House Committee on Agriculture.

Several months of hearings and consideration have gone into the development of this bill, and I offer it today as a means to expedite its passage.

Through this measure, the humane animal treatment law would be expanded to include animals handled by wholesale pet dealers, zoos, road shows, and auction markets. A very important provision of the bill would establish humane standards for care and treatment of animals undergoing experimentation at medical research facilities. Animals on farms and those displayed at fairs, 4–H clubs, and similar events would be exempted.

I am sure Senators have read the news stories recently about scavengers who kidnap dogs, cats, and other pets and sell them to laboratories for experiments and research. Others of us have witnessed the abuse of an animal in some extreme manner. Senators would be amazed at the conditions under which some animals are transported from one location to another—whether for sale or for exhibition.

This law would put a stop to the abuse of these animals. The hearings conducted on this bill in the House have brought about cooperation from industry, the research community, private organizations, and individuals.

The bill assures the humane treatment of animals, while at the same time it recognizes the essential needs of industry and the critical function of scientific and medical research.

The existing humane animal treatment law is limited to cats, dogs, hamsters, guinea pigs, rabbits, and nonhuman primates, and only under certain circumstances. The proposed legislation will broaden coverage to all warm-blooded animals and will expand the areas of application of the existing statutes.

The PRESIDING OFFICER (Mr. SAXBE). The bill will be received and appropriately referred.

The bill (S. 4539) to amend the act of August 24, 1966, relating to the care of certain animals used for purposes of research, experimentation, exhibition, or held for sale as pets, introduced by Mr. DOLE was received, read twice by its title, and referred to the Committee on Commerce.

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[No. 397 Leg.]

Aiken	Griffin	Muskie
Allen	Gurney	Nelson
Allott	Hansen	Packwood
Anderson	Harris	Pastore
Baker	Hart	Pearson
Bennett	Hartke	Pell
Bible	Hatfield	Percy
Boggs	Holland	Proxmire
Brooke	Hollings	Randolph
Burdick	Hruska	Ribicoff
Byrd, Va.	Hughes	Saxbe
Byrd, W. Va.	Inouye	Schweiker
Cannon	Jackson	Scott
Case	Javits	Smith
Church	Jordan, N.C.	Sparkman
Cook	Jordan, Idaho	Spong
Cooper	Kennedy	Stennis
Cotton	Long	Stevens
Cranston	Magnuson	Stevenson
Curtis	Mansfield	Symington
Dodd	Mathias	Talmadge
Dole	McGee	Thurmond
Eagleton	McGovern	Tower
Ellender	McIntyre	Tydings
Ervin	Metcalf	Williams, N.J.
Fannin	Miller	Yarborough
Fulbright	Mondale	Young, N. Dak.
Goldwater	Montoya	Young, Ohio
Gore	Moss	
Gravel	Murphy	

The PRESIDING OFFICER. A quorum is present.

EXECUTIVE SESSION

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

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

The PRESIDING OFFICER. The nominations on the Executive Calendar will be stated.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Sam H. Roberts, of Texas, to be U.S. marshal for the western district of Texas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMMISSION ON CIVIL RIGHTS

The legislative clerk read the nomination of Manuel Ruiz, Jr., of California, to be a member of the Commission on Civil Rights.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

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

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

TAX CONVENTIONS WITH BELGIUM, FINLAND, AND TRINIDAD AND TOBAGO, AND ESTATE TAX CONVENTION WITH THE NETHERLANDS

Mr. MANSFIELD. Mr. President, earlier today the distinguished chairman of the Committee on Foreign Relations made a statement relative to four tax conventions; namely, with the Netherlands, Trinidad and Tobago, Finland, and Belgium. These tax conventions were reported unanimously by the Committee on Foreign Relations. In addition to the statement placed in the RECORD by the chairman of the Committee on Foreign Relations, a statement by Mr. Laurence N. Woodworth, Chief of Staff, Joint Committee on Internal Revenue Taxation, has been placed in the RECORD.

After consultation with the distinguished acting minority leader, I call up the four tax conventions which are on the Executive Calendar. The explanation has been made on all of these treaties and it will be in the RECORD. I repeat that there is no opposition but only unanimity so far as the treaties are concerned.

I ask unanimous consent that the treaties pass through the proper readings this afternoon and that tomorrow, at the conclusion of the morning hour, there be a single vote on all four treaties.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the four conventions, Executive G of the 91st Congress, first session, and D, E, and I of the 91st Congress, second session, on the Executive Calendar on which there will be a single vote tomorrow with that vote set out separately for each in the RECORD.

Thereupon, the Senate, as in the Committee of the Whole, proceeded to consider Executives G of the 91st Congress, first session, and D, E and I of the 91st Congress, second session, being the tax conventions with the Netherlands, Trinidad and Tobago, Finland, and Belgium, which were read the second time, as follows:

EXECUTIVE G

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF THE NETHERLANDS FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON ESTATES AND INHERITANCES

The Government of the United States of America and the Government of the Kingdom of the Netherlands, desiring to conclude a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances, have appointed for that purpose as their respective Plenipotentiaries:

The Government of the United States of America: William P. Rogers, Secretary of State, and

The Government of the Kingdom of the Netherlands: Hendrik C. Maclaine Pont, Minister of the Kingdom of the Netherlands, who, having communicated to each other their full powers, found in good and due form, have agreed upon the following articles:

Chapter I. SCOPE OF THE CONVENTION

ARTICLE 1. ESTATES COVERED

This Convention shall apply to estates of decedents which are subject to the taxing jurisdiction of one or both States by reason of the decedent's domicile therein or citizenship thereof at death. A decedent who at death was a citizen of the United States but is considered under the laws of the United States as having been a nonresident not a citizen of the United States for purposes of its tax shall be considered as having been neither domiciled in nor a citizen of the United States for purposes of this Convention.

ARTICLE 2. TAXES COVERED

(1) The taxes to which this Convention shall apply are:

(a) In the case of the United States: The Federal estate tax; and

(b) In the case of the Netherlands: The succession duty and the transfer duty at death.

(2) This Convention shall also apply to any taxes on estates and inheritances imposed by the States on the occasion of death, which are subsequently enacted in addition to, or in place of, the existing taxes, in the form of (a) tax on the corpus of the estate, (b) tax on inheritances, (c) transfer duties, or (d) taxes on donations *mortis causa*.

(3) The competent authorities of the States shall notify each other of any substantial changes which have been made in their respective laws relating to taxes on estates and inheritances.

Chapter II. DEFINITIONS

ARTICLE 3. GENERAL DEFINITIONS

(1) In this Convention:

(a) The terms "State" and "other State" mean the United States or the Netherlands, as the context requires;

(b) The term "United States" means the United States of America and when used in a geographical sense means the States thereof and the District of Columbia;

(c) The term "the Netherlands" comprises the part of the Kingdom of the Netherlands that is situated in Europe;

(d) The term "tax" means the tax or taxes described in Article 2 which are imposed by the State (or States) indicated by the context of the term's usage;

(e) The term "credit" means a deduction from tax; and

(f) The term "competent authority" means:

(i) In the case of the United States, the Secretary of the Treasury or his delegate, and

(ii) In the case of the Netherlands, the Minister of Finance or his duly authorized representative.

(2) Any term not otherwise defined in this Convention shall, unless the context otherwise requires, have the meaning which it has under the laws of the State whose tax is being determined.

ARTICLE 4. FISCAL DOMICILE

(1) For the purposes of this Convention, the question whether a decedent was domiciled in one of the States at his death shall be determined according to the law of that State.

(2) A decedent who at his death was a citizen of one of the States without being a citizen of the other State, and who would be considered, under paragraph (1), as having been domiciled in both States at his death, shall be deemed to have been domiciled in (and only in) the State of which he was a citizen, if:

(a) He died when having been domiciled in the other State in the aggregate less than 7 years during the 10-year period ending at his death; and

(b) He was in the other State for business, professional, educational, training, tourism, or a similar purpose (or in his capacity as the spouse or a dependent member of the family of a person who was in that other State for such a purpose, and did not have a clear intention to remain indefinitely in the other State.

(3) Where by reason of the provisions of paragraph (1) a decedent, other than a decedent described in paragraph (2), was domiciled in both States, then this case shall be determined in accordance with the following rules:

(a) He shall be deemed to have been domiciled in the State in which he made his permanent home for 5 years or more immediately preceding his death;

(b) If he did not make his permanent home for 5 years or more in either State, his domicile shall be deemed to be in the State with which his personal relations were closest;

(c) If the State in which his personal relations were closest cannot be determined, his domicile shall be deemed to be in the State of which he was a citizen; or

(d) If he was a citizen of both States or of neither of them, the competent authorities of the States shall determine the State of his domicile by mutual agreement.

(4) For the purposes of paragraph (2), unless all of the evidence considered together is clear and convincing to the contrary it shall be presumed that the decedent did not have a clear intention to remain indefinitely in the State of which he was not a citizen.

Chapter III. TAX RULES

Article 5. Application of Domestic Laws

(1) Except as otherwise provided in this Convention, each State shall impose its tax, and shall allow exemptions, deductions, credits, and other allowances, in accordance with its laws.

(2) In any case in which the laws of a State allocate deductions on the basis of the situs of property, property shall be deemed for the purpose of determining the amounts of any deductions to have a situs in that State only if that State may tax it under this Convention, and property shall be deemed for the purpose of determining the amounts of any credits to have a situs in the other State only if a credit is allowable under Article 11 for the tax of that other State with respect to the property. However, for purposes of (and only for purposes of) (a) the requirements of the respective tax laws of the States relating to information or tax returns or notices, transfer certificates, or maintenance of records, and (b) determining the applicability and amount of any sanctions of such laws with respect to the requirements referred to in (a) above, neither this paragraph nor any provision of Article 6, 7, or 8 shall change the taxability or situs of property or the amount of tax which would otherwise have been due in the absence of this Convention (or the amount of any resulting underpayment of tax). Notwithstanding the preceding sentence, requirements or sanctions found to be unnecessary for the prevention of fraud or fiscal evasion with respect to tax may be eliminated or modified (but not made more burdensome) by regulations prescribed pursuant to paragraph (5) of Article 13.

(3) The provisions of this Convention shall not result in an increase in the amount of the tax imposed by either State (except to the extent that the increase results from a reduction under the provisions of this Convention of the tax paid to a State with respect to which credit is allowable).

Article 6. Immovable Property

(1) Immovable property may be taxed by a State if such property is situated in that State.

(2) Whether any property constitutes immovable property shall be determined in accordance with the laws of the State in which such property is located. However, the term "immovable property" shall in any case include real property (but not mortgages, bonds, or other security interests or ships, or aircraft).

(3) The provisions of paragraphs (1) and (2) shall apply to immovable property whether or not such property forms part of the business property of a permanent establishment or is used for the performance of professional services or other independent activities of a similar character.

(4) The provisions of this article shall not cause property which is not taxable by a State under its laws to be taxed (or taken into account in determining the rate of tax) by that State.

Article 7. Business Property of a Permanent Establishment and Assets Pertaining to a Fixed Base Used for the Performance of Professional Services

(1) Except as provided in Article 6, assets (other than ships and aircraft operated in international traffic and movable property pertaining to the operation of such ships and aircraft) forming part of the business property of a permanent establishment may be taxed by a State if the permanent establishment is situated in that State.

(2) For purposes of this Convention, the term "permanent establishment" means a fixed place of business through which a decedent was engaged in trade or business. A decedent shall be deemed to have been engaged in trade or business through a fixed place of business whether he is so engaged as a sole proprietor or through a partnership or other unincorporated association, but in the case of a partnership or association, only to the extent of his interest therein. References in this article to a "decedent" shall be deemed to include such interests.

(3) The term "fixed place of business" shall include especially:

(a) A branch;

(b) An office;

(c) A factory;

(d) A workshop;

(e) A sales outlet;

(f) A mine, quarry, or other place of extraction of natural resources; and

(g) A building site or a construction or assembly project which exists for more than 12 months.

(4) Notwithstanding paragraphs (2) and (3), a permanent establishment shall not include a fixed place of business used solely for one or more of the following activities:

(a) The use of facilities for the purpose of storage, display, or delivery of goods or merchandise belonging to the decedent;

(b) The maintenance of a stock of goods or merchandise belonging to the decedent for the purpose of storage, display, or delivery;

(c) The maintenance of a stock of goods or merchandise belonging to the decedent for the purpose of processing by another;

(d) The maintenance of a fixed place of business for the purpose of purchasing goods or merchandise, or for collecting information, for the decedent;

(e) The maintenance of a fixed place of business for the purpose of advertising, for the supply of information, for scientific research, or for similar activities if they have a preparatory or auxiliary character for the decedent;

(f) The maintenance of a fixed place of business (by a person other than a dealer) for the purpose of investing or trading in stocks, securities, or commodities for the decedent's own account, whether directly or through a broker or other agent.

(5) A person who was acting in a State on behalf of a decedent—other than an agent to whom paragraph (4)(f) or (6) applies—shall be deemed to have been a permanent establishment of the decedent in that State if such person had, and habitually exercised in that State, an authority to conclude contracts in the name of the decedent, unless the exercise of such authority was limited to the purchase of goods or merchandise for the decedent.

(6) A decedent shall not be deemed to have had a permanent establishment in a State merely because he carried on a trade or business in that State through a broker, general commission agent, or any other agent of an independent status acting in the ordinary course of his business.

(7) The fact that the decedent controlled a corporation which engaged in trade or business in a State (whether through a permanent establishment or otherwise) shall not be taken into account in determining whether the decedent had a permanent establishment in such State.

(8) Except as provided in Article 6, assets pertaining to a fixed base used for the performance of professional services or other independent activities of a similar character may be taxed by a State if the fixed base is situated in that State.

(9) The provisions of this article shall not cause property which is not taxable by a State under its laws to be taxed (or taken into account in determining the rate of tax) by that State.

Article 8. Taxation on the Basis of Domicile

Subject to the provisions of Article 9, and except as provided in Article 6 or 7, property may be taxed (or taken into account in determining the rate of tax) only by the State in which the decedent was domiciled at his death.

Article 9. Taxation on the Basis of Citizenship

If the decedent was a citizen of a State at his death that State may tax property in accordance with its laws, including property not enumerated in Article 6 or 7, whether or not he was domiciled therein.

Article 10. Exemptions

(1) Property (other than community property) which passes to the surviving spouse from a decedent who was a domiciliary or citizen of the United States, and which may be taxed by the Netherlands solely by reason of Article 6 or 7, shall, for the purpose of determining the Netherlands transfer duty at death, be included in the estate only to the extent its value exceeds 50 percent of the value of all property included in the estate which may be taxed by the Netherlands. For purposes of this paragraph, the value of the estate which may be taxed by the Netherlands, and of the property which passes to the surviving spouse, shall be determined after taking into account any applicable deductions but before applying paragraph (2).

(2) Where a State may tax solely by reason of Article 6 or 7, that State shall not impose any tax if the aggregate value of the property included in the estate subject to its tax (after taking into account any applicable deductions and after taking into account the provisions of paragraph (1), but before taking into account any other exemptions) does not exceed $30,000. If the value so determined exceeds $30,000, the tax imposed shall not exceed the lesser of (a) 50 percent of such value in excess of $30,000, or (b) the amount of the tax determined in accordance with the provisions of this Convention taking into account any exemptions allowable under the laws of the State.

(3) Paragraph (1) shall be inapplicable during such period as the laws of the United States make the tax imposed by it with respect to estates of nonresident aliens substantially less favorable in relation to the tax imposed by it with respect to estates of its citizens or domiciliaries than is the case when this Convention is signed.

Chapter IV. RELIEF FROM DOUBLE TAXATION

Article 11. Credits

(1) Where both States impose tax with respect to property which may be taxed by a State in accordance with Article 6 or 7, a State which imposes its tax on the basis of the decedent's domicile therein or citizenship thereof at death shall allow a credit equal to the amount of the tax imposed by the other State with respect to property which may be taxed by such other State in accordance with Article 6 or 7.

(2) In addition to any credit allowable under paragraph (1), where both States impose tax with respect to property which is not property which one of the States may tax in accordance with Article 6 or 7:

(a) If the decedent was a citizen of only one State at death and if at his death he had been domiciled in the other State in the aggregate 7 or more years during the 10-year period ending at his death, then the State of which he was a citizen shall allow a credit equal to the amount of the tax imposed by such other State;

(b) If the decedent was a citizen of both States and a domiciliary of one State at death, then the State of which he was not a domiciliary shall allow a credit equal to the amount of the tax imposed by the other State; or

(c) If neither subparagraph (a) nor subparagraph (b) is applicable, then each State shall allow a credit in the amount which bears the same proportion to the amount of its tax attributable to such property, or to the amount of the other State's tax attributable to the same property, whichever is less, as the former amount bears to the sum of both amounts.

(3) Notwithstanding the provisions of paragraphs (1) and (2), the total amount of all credits allowed by a State pursuant to this article or pursuant to the laws or other conventions of such State with respect to all property in respect of which a credit is allowable under paragraph (1) or (2) (a) or (b) shall not exceed that part of the tax of the crediting State which is attributable to such property.

(4) In determining the amount of the tax imposed by a State with respect to or attributable to property there shall be subtracted from the gross tax so imposed all credits allowed by such State with respect to such property except credits which are allowable under this article.

(5) As used in paragraphs (1, and (2) of this article, reference to property which may be taxed by a State in accordance with Article 6 or 7 includes property which would be taxable by a State under the terms of one of those articles if taxable by the State under its laws, whether or not it is also taxable on the basis of the decedent's domicile or citizenship at death.

(6) No credit shall be finally allowed under this article until the tax for which the credit is allowable (reduced by any credit allowable with respect thereto) has been paid.

(7) Any credits authorized by this article are in lieu of, and not in addition to, any credits authorized by the respective laws of the States for the taxes of the other State.

Chapter V. SPECIAL PROVISIONS

Article 12. Limitation on Claims for Credit or Refund

(1) Any claim for credit or for refund of tax founded on the provisions of this Convention shall be made before the expiration of the latest of:

(a) The time for the making of a claim for refund of tax under the laws of the State to which the claim for credit or refund is made;

(b) Five years from the date of death of the decedent in respect of whose estate the claim is made; or

(c) One year after final determination and payment of tax for which any credit under Article 11 is claimed, provided that the determination and payment are made within 10 years of the date of death of the decedent.

(2) Any refund based on the provisions of this Convention shall be made without payment of interest on the amount so refunded.

Article 13. Competent Authorities

(1) Any person who considers that the actions of one or both of the States result or will result for him in taxation not in accordance with this Convention may, notwithstanding the remedies provided by the laws of those States, present his case to the competent authority of either State. Such presentation must be made within the period of time prescribed for the filing of a claim for credit or refund under Article 12. Should the person's claim be considered to have merit by the competent authority of the State to which the claim is made, it shall endeavor to come to an agreement with the competent authority of the other State with a view to the avoidance of taxation contrary to the provisions of this Convention.

(2) The competent authorities of the States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the interpretation or application of this Convention.

(3) The competent authorities of the States may communicate with each other directly for the purpose of reaching an agreement in the sense of this article. When it seems advisable for the purpose of reaching an agreement, the competent authorities may meet together for an oral exchange of opinions.

(4) In the event that the competent authorities reach such an agreement, taxes shall be imposed, and refund or credit of taxes shall be allowed, by the States in accordance with such agreement.

(5) The competent authority of each State may prescribe such regulations and forms as may be necessary or appropriate to give effect to and implement the provisions of this Convention.

Article 14. Exchange of Information

(1) The competent authority of each State shall furnish the competent authority of the other State such information as is pertinent to (a) carrying out the provisions of this Convention or the laws of such other State concerning its tax insofar as the taxation thereunder is in accordance with this Convention, or (b) preventing fraud or fiscal evasion in relation to the taxes which are the subject of this Convention (including information with respect to property exempted from the tax of the first-mentioned State by reason of Article 8). However, this paragraph shall not require the competent authority of a State to furnish information not in the possession of that State with respect to property exempted from its tax by reason of Article 8. Any information furnished shall be treated as secret and shall not be disclosed to any persons other than those (including a court, or administrative body) concerned with assessments, collection, enforcement, or prosecution in respect of the taxes which are the subject of this Convention.

(2) In no case shall the provisions of paragraph (1) be construed so as to impose on one of the States the obligation:

(a) To carry out administrative measures at variance with the laws or the administrative practice of that or of the other State;

(b) To supply particulars which are not obtainable under the laws or in the normal course of the administration of that or of the other State;

(c) To supply information which would disclose any trade, business, industrial, commercial, or professional secret or trade process, or information the disclosure of which would be contrary to public policy.

(3) The furnishing of information shall be either on a routine basis or on request with reference to particular cases. The competent authorities of the States shall agree on the list of information which shall be furnished on a routine basis.

Article 15. Diplomatic and Consular Officials

(1) Nothing in this Convention shall affect the fiscal privileges of diplomatic or consular officials or officials of international organizations under the general rules of international law or under the provisions of special agreements.

(2) Insofar as such privileges prevent the imposition of tax in the receiving State, the right to tax shall be reserved to the country in whose service the persons concerned exercised their functions or in the case of international officials the country of citizenship, and notwithstanding any other provisions of this Convention such persons shall not be deemed to be domiciled in the receiving State.

Chapter VI. FINAL PROVISIONS

Article 16. Entry into Force

(1) This Convention shall be ratified and the instruments of ratification shall be exchanged at The Hague as soon as possible.

(2) This Convention shall enter into force on the date on which the instruments of ratification are exchanged and its provisions shall apply to estates of persons dying on or after that date.

Article 17. Territorial Extension

(1) This Convention may be extended, either in its entirety or with any necessary modifications, to either or both of the countries of Surinam or the Netherlands Antilles and to all or any or the areas for whose international relations the United States is responsible, if the country or area concerned imposes taxes substantially similar in character to those to which this Convention applies. Any such extension shall take effect from such date and subject to such modifications and conditions, including conditions as to termination, as may be specified and agreed in an exchange of notes through diplomatic channels. Such notes shall be ratified and the instruments of ratification exchanged.

(2) Unless otherwise specified in the notice of termination referred to in Article 18 the termination of this Convention shall not also terminate the application of this Convention to any country or area to which it has been extended under this article.

Article 18. Termination

This Convention shall remain in force until terminated by one of the States. Either State may terminate this Convention, through diplomatic channels, with effect from the end of any calendar year not earlier than 5 years after the effective date of this Convention by giving at least 6 months notice in writing of termination. In such an event, this Convention will not apply to estates of persons dying after the expiration of the calendar year with respect to the end of which this Convention has been terminated.

In witness whereof the undersigned, duly authorized thereto, have signed this Convention.

Done in duplicate, in the English and Dutch languages, both texts being equally authentic, at Washington this 15th day of July, 1969.

For the Government of the United States of America:

William P. Rogers.

For the Government of the Kingdom of the Netherlands:

H. C. MacLaine Pont.

Protocol

At the moment of signing the Convention between the Government of the United States of America and the Government of the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates and inheritances (hereinafter to be called the Convention), the undersigned representatives have agreed on the following provisions:

I. The provisions of the Convention shall not affect property rights under laws relating to descent, distribution, succession, inheritance or other similar matters.

II. If the meaning of a term under the laws of one State is different from the meaning of the term under the laws of the other State, or if the meaning of such a term under the laws of one or both States is not readily determinable, the competent authorities of the States may, in order to prevent double taxation or to further any other purpose of the Convention, establish a common meaning of the term for purposes of the Convention.

III. In construing Article 4(3)(a), a decedent shall not be deemed to have more than one permanent home.

IV. As used in the Convention, the term "domicile" with respect to each of the States means residence for purposes of its tax.

V. The Kingdom of the Netherlands will not, for purposes of determining domicile under Article 4 of the Convention, assert its unilateral 10-year rule with respect to decedents who are citizens of the Netherlands and who were in the United States for less than 10 years, immediately preceding death, when such decedent had the intention to remain indefinitely in the United States; but this paragraph shall not affect the right of the Netherlands to tax pursuant to Article 9 of the Convention.

VI. Since it is intended by Article 4 to resolve all cases of double domicile, the competent authorities of the States shall resolve any dispute with respect to the domicile of the decedent for purposes of the Convention which is presented to one or both of them within the period of time prescribed for the filing of a claim for credit or refund under Article 12.

VII. The exemption provided by Article 10(1) will apply before the application of the exemption provided by Article 10(2).

VIII. It is understood that the Netherlands cannot disclose to the authorities of another country information obtained from banks and certain similar institutions, including insurance companies, except where and in so far as a bank or similar institution acts as the executor or administrator of an estate.

IX. If the effects of the Convention are substantially altered as a result of changes made in the laws of either State, then at the request of either State, the two States shall consult together with a view to making appropriate modifications in the Convention.

X. This Protocol shall be ratified together with the Convention and instruments of ratification thereof shall be exchanged at The Hague. It shall enter into force simultaneously with the Convention signed today and shall have the same duration as the Convention in accordance with Articles 16 and 18 thereof.

IN WITNESS WHEREOF the undersigned, duly authorized thereto, have signed this Protocol.

DONE in duplicate, in the English and Dutch languages, both texts being equally authentic, at Washington this 15th day of July, 1969.

For the Government of the United States of America:

WILLIAM P. ROGERS.

For the Government of the Kingdom of the Netherlands:

H. C. MACLAINE PONT.

EXECUTIVE D

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF TRINIDAD AND TOBAGO FOR THE AVOIDANCE OF DOUBLE TAXATION, THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME, AND THE ENCOURAGEMENT OF INTERNATIONAL TRADE AND INVESTMENT

The Government of the United States of America and the Government of Trinidad and Tobago, desiring to conclude a convention for the avoidance of double taxation, the prevention of fiscal evasion with respect to taxes on income, and the encouragement of international trade and investment, have agreed upon the following articles.

ARTICLE 1

TAXES COVERED

(1) The taxes which are the subject of this Convention are:

(a) In the case of the United States, the Federal income tax imposed by the Internal Revenue Code (but not including the personal holding company tax and accumulated earnings tax) (hereinafter called United States tax);

(b) In the case of Trinidad and Tobago, the corporation tax and the income tax (hereinafter called Trinidad and Tobago tax).

(2) This Convention shall also apply to taxes substantially similar to those covered by paragraph (1) which are subsequently imposed in addition to, or in place of, existing taxes.

(3) For the purpose of Article 6 (Nondiscrimination), this Convention shall apply to taxes of every kind imposed at the National, State, and local level.

ARTICLE 2

GENERAL DEFINITIONS

(1) In this Convention, unless the context otherwise requires:

(a)(i) The term "United States" means the United States of America; and

(ii) When used in a geographical sense, the term "United States" means the States thereof and the District of Columbia. Such term also includes (A) the territorial sea thereof and (B) the seabed and subsoil of the adjacent submarine areas beyond the territorial sea over which the United States exercises sovereign rights, in accordance with international law concerning the continental shelf, for the purpose of exploration and exploitation of the natural resources of such areas, but only to the extent that the person, property, or activity to which this Convention is being applied is connected with such exploration or exploitation.

(b)(i) The term "Trinidad and Tobago" means the islands of Trinidad and Tobago; and

(ii) When used in a geographical sense, the term "Trinidad and Tobago" includes (A) the territorial sea thereof and (B) the seabed and subsoil of the adjacent submarine areas beyond the territorial sea over which Trinidad and Tobago exercises sovereign rights, in accordance with Trinidad and Tobago legislation and international law concerning the continental shelf, for the purpose of exploration and exploitation of the natural resources of such areas, but only to the extent that the person, property, or activity to which this Convention is being applied is connected with such exploration or exploitation.

(c) The terms "one of the Contracting States" and "the other Contracting State" mean the United States or Trinidad and Tobago, as the context requires.

(d) The term "person" comprises an individual, a corporation, and any other body of individuals or persons.

(e) The term "United States corporation" or "corporation of the United States" means a corporation or any entity treated as a corporation for United States tax purposes, which is created or organized under the laws of the United States or any State thereof or the District of Columbia.

(f) The term "Trinidad and Tobago corporation" or "corporation of Trinidad and Tobago" means any company or any entity treated as a company under Trinidad and Tobago tax law, which is resident within Trinidad and Tobago for purposes of Trinidad and Tobago tax.

(g) The term "resident of the United States" means:

(i) A United States corporation; or

(ii) Any person (other than a corporation) resident in the United States for purposes of United States tax, but in the case of a partnership, estate, or trust only to the extent that the income derived by such person is subject to United States tax as the income of a resident.

(h) The term "resident of Trinidad and Tobago" means:

(i) A Trinidad and Tobago corporation; or

(ii) Any person (other than a corporation) resident in Trinidad and Tobago for purposes of Trinidad and Tobago tax, but in the case of a partnership, estate, or trust only to the extent that the income derived by such person is subject to Trinidad and Tobago tax as the income of a resident.

(i) The term "competent authority" means:

(i) In the United States, the Secretary of the Treasury or his delegate;

(ii) In Trinidad and Tobago, the Minister of Finance or his authorized representative.

(j) The term "State" means any National State, whether or not one of the Contracting States.

(k) The terms "paid", "distributed", and "received" when used with respect to income shall include amounts "credited".

(2) As regards the application of the provisions of this Convention by one of the Contracting States, any term not defined in the Convention shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of this Convention. Notwithstanding the previous sentence, if the meaning of such a term under the laws of one of the Contracting States is different from the meaning of the term under the laws of the other Contracting State, or if the meaning of such a term is not readily determinable under the laws of one of the Contracting States, the competent authorities of the Contracting States may, in order to prevent double taxation or further any other purpose of this Convention, establish a common meaning of the term for the purpose of this Convention by means of mutual agreement arrived at in accordance with Article 23 (Mutual Agreement Procedures).

ARTICLE 3

GENERAL RULES OF TAXATION

(1) A resident of one of the Contracting States shall be taxable by the other Contracting State only on income derived from sources within that other Contracting State. For this purpose, the rules set forth in Article 5 (Source of Income) shall be applied to determine the source of income.

(2) A resident of one of the Contracting States may be taxed by the other Contracting State on income taxable under paragraph (1) in accordance with the limitations set forth in this Convention. Any income to which the provisions of this Convention are not expressly applicable shall be taxable by each of the Contracting States in accordance with its new law. The provisions of this Convention shall not be construed to restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded (a) by the laws of one of the Contracting States in the determination of the tax imposed by that State or (b) by any other agreement between the Contracting States.

(3) Except as provided in paragraph (4), a Contracting State may tax a resident of that Contracting State (whether or not such person is also a resident of the other Contracting State), and the United States may tax its citizens, as if this Convention had not come into effect.

(4) The provisions of paragraph (3) shall not affect—

(a) The benefits conferred by a Contracting State under Articles 4 (Relief from Double Taxation), 6 (Nondiscrimination), and 7 (Tax Deferral for Technical Assistance);

(b) The benefits conferred by a Contracting State under Articles 18 (Teaching and Research), 19 (Students and Trainees), 20 (Governmental Salaries), and 21 (Rules Applicable to Personal Income Articles) upon individuals, other than (i) citizens of that Contracting State, or, (ii) in

the case of the United States, individuals having immigrant status in the United States.

ARTICLE 4

RELIEF FROM DOUBLE TAXATION

Double taxation shall be avoided in the following manner:

(1) Subject to the provisions of the law of the United States regarding the allowance as a credit against United States tax of tax payable in territory outside the United States (which shall not affect the general principle hereof), the United States shall allow to a citizen or resident as a credit against its taxes, the appropriate amount of Trinidad and Tobago tax paid and, in the case of a United States corporation owning at least 10 percent of the voting power of a corporation resident in Trinidad and Tobago, shall allow credit for the appropriate amount of Trinidad and Tobago tax paid by the corporation paying such dividend with respect to the profits out of which such dividend is paid, if the recipient of such dividend includes in its gross income for the purpose of United States tax the amount of such Trinidad and Tobago tax. For this purpose, the recipient of any dividend paid by a corporation which is resident in Trinidad and Tobago shall be considered to have paid to Trinidad and Tobago tax legally deducted from such dividend payment by the person by or through whom payment thereof is made (to the extent that it is a tax chargeable in accordance with the present Convention), if such recipient elects to include in his gross income for purposes of United States tax the amount of such Trinidad and Tobago tax. The appropriate amount of Trinidad and Tobago tax which shall be allowed as a credit under this paragraph shall be based upon the amount of Trinidad and Tobago tax paid but shall not exceed that portion of United States tax which net income from sources within Trinidad and Tobago bears to the entire net income.

(2) Subject to the provisions of the law of Trinidad and Tobago regarding the allowance as a credit against Trinidad and Tobago tax of tax payable in a territory outside Trinidad and Tobago (which shall not affect the general principle hereof), the United States tax payable under the law of the United States and in accordance with the present Convention, whether directly or by deduction (excluding, in the case of a dividend, tax payable in respect of profits out of which the dividend is paid), shall be allowed as a credit against any Trinidad and Tobago tax. In addition, in the case of a dividend paid by a United States corporation to a Trinidad and Tobago corporation which controls directly or indirectly at least 10 percent of the voting power in the United States corporation, the credit shall take into account the United States tax payable by the United States corporation in respect of the profits out of which such dividend is paid. The amount of United States tax which shall be allowed as a credit under this paragraph shall be based upon the amount of United States tax paid but shall not exceed that portion of Trinidad and Tobago tax which net income from sources within the United States bears to the entire net income.

ARTICLE 5

SOURCE OF INCOME

For purposes of this Convention:

(1) (a) Except as provided in subparagraph (b) and in paragraph (5) of Article 12 (Dividends), dividends paid by a corporation of one of the Contracting States shall be treated as income from sources within that Contracting State; and dividends paid by any other corporation shall be treated as income from sources outside that Contracting State.

(b) Dividends paid by a Trinidad and Tobago corporation shall be treated as income from sources within the United States if, for the 3-year period ending with the close of its taxable year preceding the declaration of such dividends (or for such portion of that period as the corporation has been in existence), such corporation—

(i) Had a permanent establishment in the United States, and

(ii) Derived 50 percent or more of its gross income from industrial or commercial profits effectively connected with the industrial or commercial profits effectively connected with the industrial or commercial activity engaged in through such permanent establishment, but only in an amount which bears the same ratio to such dividends as the gross income of the corporation for such period which is effectively connected with the commercial or industrial activity engaged in through such permanent establishment within the United States bears to its gross income from all sources. Notwithstanding the preceding sentence, the amount of dividends treated as income from United States sources under this subparagraph shall not exceed the net amount of money or property transferred from such permanent establishment during such period.

(2) (a) Except as provided in subparagraph (b), interest paid by a Contracting State, including any local government thereof, or by a resident of that Contracting State shall be treated as income from sources within that Contracting State; and interest paid by any other person shall be treated as income from sources outside that Contracting State.

(b) Interest paid by a resident of any State with a permanent establishment in another State directly or indirectly out of the funds of such permanent establishment on indebtedness incurred for the sole use of, or on banking deposits made with, such permanent establishment shall be treated as income from sources within the State in which such permanent establishment is located.

(3) Royalties paid for the use of, or the right to use property described in paragraph (4) of Article 14 (Royalties) in a State shall be treated as income from sources within that State.

(4) Income from real property and royalties from the operation of mines, quarries, or other natural resources shall be treated as income from sources within the State in which such property is located.

(5) Income from the rental of tangible personal (movable) property shall be treated as income from sources within the State in which such property is located when rented.

(6) Income received by an individual for his performance of personal services (either as an employee or in an independent capacity) or for furnishing the personal services of another person and income received by a corporation for furnishing the personal services of its employees or others shall be treated as income from sources within the State in which such services are performed. If services are performed partly within and partly outside a State, income from the performance or furnishing of such services shall be treated as income from sources partly within and partly outside that State. Compensation for personal services, and private pensions and annuities paid in respect of such services, performed aboard ships or aircraft operated in international traffic by a resident of a Contracting State and, in the case of the United States, registered in the United States, shall be treated as income from sources within that Contracting State, if performed by a member of the regular complement of the ship or aircraft.

(7) Income from the purchase and sale of personal (movable) property shall be treated as income from sources within the State in which such property is sold.

(8) Notwithstanding paragraphs (1) through (7), industrial or commercial profits which are attributable to a permanent establishment which the recipient, being a resident of one of the Contracting States, has in the other Contracting State, including income dealt with in Articles 12 (Dividends), 13 (Interest), 14 (Royalties), and 15 (Income from Real Property) from rights or property which is effectively connected with such permanent establishment, shall be treated solely as income from sources within the other Contracting State. For the purposes of this Convention, to determine whether rights or property is effectively connected with a permanent establishment, the factors taken into account shall include whether the income is derived from property used in or held for use in the commercial or industrial activities carried on through such permanent establishment, or the commercial or industrial activities carried on through such permanent establishment were a material factor in the realization of the income.

(9) The source of any item of income to which the provisions of this article are not expressly applicable shall be determined by each of the Contracting States in accordance with its own law.

ARTICLE 6

NONDISCRIMINATION

(1) A national of one of the Contracting States who is a resident of the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than is a national of that other Contracting State who is a resident thereof.

(2) A national or corporation of one of the Contracting States which has a permanent establishment in the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than is a national or corporation of that other Contracting State. This paragraph shall not be construed—

(a) To require a Contracting State to grant to nationals of the other Contracting State who are not residents of the first-mentioned Contracting State any personal allowances or deductions which are by its law available only to residents of the first-mentioned Contracting State,

(b) To prevent the application of paragraph (5) of Article 12 (Dividends) relating to tax on branch profits, or

(c) To prevent the United States from imposing a tax burden comparable to that referred to in subparagraph (b) on the income of a permanent establishment maintained by a resident of Trinidad and Tobago in the United States.

(3) A corporation of one of the Contracting States, the capital of which is wholly or partly owned by one or more nationals or corporations of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to more burdensome taxes than is a corporation of that Contracting State, the capital of which is wholly owned by one or more nationals or corporations of that Contracting State.

ARTICLE 7

TAX DEFERRAL FOR TECHNICAL ASSISTANCE

(1) If, in accordance with the laws of the Contracting States regulating foreign investment, a resident of one of the Contracting States transfers to a corporation of the other Contracting State for use in connection with a trade or business actively conducted by such corporation in that other Contracting State any—

(a) Patent, invention, model, design, secret formula or process, or similar property right, or

(b) Information concerning industrial, commercial, or scientific knowledge, experience, or skill,

or provides technical, managerial, engineering, architectural, scientific, skilled, indus-

trial, commercial, or like services which are ancillary and subsidiary to the transfer of the property rights referred to in (a) or information referred to in (b), and if in consideration thereof such resident receives from the corporation its stock, such resident may elect not to include in income for purposes of United States tax and Trinidad and Tobago tax any amount otherwise includible by reason of the receipt of such stock. In that event, otherwise deductible expenses incurred in the transaction shall not be currently deducted to the extent that they are allocable to amounts so excluded from income. If the stock received is thereafter disposed of, the amount excluded (or, if such stock is sold or exchanged for less than such amount, the amount received upon the sale or exchange) shall then be included in income in the manner in which it would have been included upon receipt of such stock. The deductions disallowed shall be allowed upon a disposition of the stock received and any gain upon such disposition shall be determined as if such amount had been included in income and such deductions allowed, upon receipt of such stock.

(2)(a) With respect to United States tax, the provisions of this article shall be subject to such regulations as are prescribed by the Secretary of the Treasury or his delegate to effectuate the provisions of this article and to further define and determine the terms, conditions, and amounts referred to herein.

(b) With respect to Trinidad and Tobago tax, the provisions of this article shall be subject to such regulations as are prescribed by the Minister of Finance or his authorized representative to effectuate the provisions of this article and to further define and determine the terms, conditions, and amounts referred to herein. In particular, the Minister of Finance or his authorized representative may by regulations prescribe standards for the determination of whether the services referred to in paragraph (1) are ancillary and subsidiary to the property rights or information referred to in such paragraph.

(c) To the extent provided by applicable regulations, a portion of any stock to which this article applies may be required to be deposited with a designated bank or other depositary for the purpose of assuring collection of the taxes payable under this article upon disposition of the stock.

ARTICLE 8

BUSINESS PROFITS

(1) Industrial or commercial profits of a resident of one of the Contracting States shall be taxable only in that Contracting State unless such resident is engaged in industrial or commercial activity through a permanent establishment in the other Contracting State. If such a resident of one of the Contracting States is so engaged, tax may be imposed by that other Contracting State on the industrial or commercial profits of that resident but only on so much of such profits as are attributable to the permanent establishment in that other Contracting State.

(2) Where a resident of one of the Contracting States engages in industrial or commercial activity in the other Contracting State through a permanent establishment situated therein, there shall be attributed to that permanent establishment the industrial or commercial profits which it might be expected to derive in that other Contracting State if it were an independent entity engaged in the same or similar activities under the same or similar conditions and dealing at arm's length with the resident of which it is a permanent establishment.

(3) In the determination of the industrial or commercial profits of a permanent establishment there shall be allowed as deductions, expenses wherever incurred, which are reasonably connected with such profits, including executive and general administrative expenses.

(4) No profits shall be deemed to be derived merely by reason of the purchase of goods or merchandise by a permanent establishment, or by the resident of which it is a permanent establishment, for the account of that resident.

(5) For the purposes of the preceding paragraphs, the profits to be attributed to a permanent establishment shall be determined by the same method year by year unless there is good and sufficient reason to the contrary.

(6) For purposes of this article, the term "industrial or commercial profits" means income derived from the active conduct of a trade or business. It includes profits from manufacturing, mercantile, agricultural, fishing, transportation, communication, or extractive activities, from the rental of tangible personal (movable) property, from the furnishing by an individual of the personal services of another person and from the furnishing by a corporation of the personal services of its employees. It includes income dealt with in Article 12 (Dividends), Article 13 (Interest), Article 14 (Royalties), and Article 15 (Income from Real Property), but only if the right or property giving rise to the dividends, interest, royalties, or income from real property is effectively connected with a permanent establishment which the recipient, being a resident of one Contracting State, has in the other Contracting State. It does not include insurance premiums or income received by an individual for his performance of personal services (either as an employee or in an independent capacity); nor does it include rentals from motion picture films or films or tapes for radio or television broadcasting.

ARTICLE 9

DEFINITION OF PERMANENT ESTABLISHMENT

For purposes of this Convention—

(1) The term "permanent establishment" means a fixed place of business through which a resident of one of the Contracting States engages in industrial or commercial activity.

(2) The term "a fixed place of business" includes, but is not limited to, a seat of management, an office, a store or other sales outlet, a workshop, a factory, a warehouse, a mine, a quarry, or other place of extraction of natural resources, or a building, construction, or installation project.

(3) Notwithstanding paragraphs (1) and (2), a permanent establishment shall not include a fixed place of business used only for one or more of the following activities:

(a) The processing by another person under arrangements or conditions which are or would be made between independent persons, of goods or merchandise belonging to the resident;

(b) The purchase, under arrangements or conditions which are or would be made between independent persons, of goods or merchandise for the account of the resident;

(c) The storage and/or delivery of goods belonging to the resident (other than goods or merchandise held for sale by such resident in a store or other sales outlet);

(d) The collection of information for the resident;

(e) Advertising, the conduct of scientific research, the display of goods or merchandise, or the supply of information, if such activities have a preparatory or auxiliary character in the trade or business of the resident;

(f) Construction, assembly, or installation projects if the fixed place of business is used for such purpose for less than 6 months.

(4) Even if a resident of one of the Contracting States does not have a permanent establishment in the other Contracting State under paragraphs (1) through (3), nevertheless it shall be deemed to have a permanent establishment in that other Contracting State if it—

(a) Engages in industrial or commercial activity in that other Contracting State through a person who—

(i) Has authority to conclude contracts in the name of that resident and habitually exercises that authority in that other Contracting State, unless the exercise of the authority is limited to the purchase of goods or merchandise for the account of the resident; or

(ii) Maintains in that other Contracting State a stock of goods or merchandise belonging to that resident from which he regularly fills orders or makes deliveries;

(b) Maintains equipment or machinery for rental or other purposes within that other Contracting State for a period of 6 months or more; or

(c) Sells in that other Contracting State goods or merchandise which either—

(i) Were subjected to substantial processing in that Contracting State (whether or not purchased in that Contracting State), or

(ii) Were purchased in that Contracting State and not subjected to substantial processing outside that Contracting State.

(5) Notwithstanding paragraph (4), a resident of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because it uses the services in that other Contracting State of a bona fide broker, general commission agent, forwarding agent, custodian, or other agent of independent status acting in the ordinary course of its business.

(6) The fact that a resident of one of the Contracting States is a related person with respect to (a) a resident of the other Contracting State or (b) a corporation which engages in industrial or commercial activity in that other Contracting State (whether through a permanent establishment or otherwise) shall not of itself be taken into account in determining whether the first-mentioned resident has a permanent establishment in that other Contracting State.

(7) If a resident of one of the Contracting States has a permanent establishment in the other Contracting State at any time during the taxable year, it shall be considered to have a permanent establishment in that other Contracting State for the entire taxable year.

ARTICLE 10

SHIPS AND AIRCRAFT

(1) Notwithstanding Article 8 (Business Profits), income which a resident of the United States derives from the operation in international traffic of ships or aircraft registered in the United States shall be exempt from tax by Trinidad and Tobago.

(2) Notwithstanding Article 8 (Business Profits), income which a resident of Trinidad and Tobago derives from the operation in international traffic of ships or aircraft shall be exempt from tax by the United States.

ARTICLE 11

RELATED PERSONS

(1) Where a resident of one of the Contracting States and any other person are related and where such related persons make arrangements or impose conditions between themselves which are different from those which would be made between independent persons, then any income which would, but for those arrangements or conditions, have accrued to such resident but, by reason of those arrangements or conditions, has not so accrued, may be included in the income of such resident for purposes of this Convention and taxed by that Contracting State accordingly.

(2) A person is related to another person if either person owns or controls directly or indirectly the other, or if any third persons own or control directly or indirectly both.

For this purpose, the term "control" includes any kind of control, whether or not legally enforceable, and however exercised or exercisable.

ARTICLE 12

DIVIDENDS

(1) The tax imposed by Trinidad and Tobago on dividends derived from sources within Trinidad and Tobago by a resident of the United States shall not exceed—

(a) Twenty-five percent of the gross amount actually distributed; or

(b) When the recipient is a corporation, 10 percent of the gross amount actually distributed if—

(i) During the part of the paying corporation's taxable year which precedes the date of payment of the dividend and during the whole of its prior taxable year (if any), at least 10 percent of the outstanding shares of the voting stock of the paying corporation was owned by the recipient corporation, and

(ii) Not more than 25 percent of the gross income of the paying corporation for such prior taxable year (if any) consisted of interest and dividends (other than interest derived in the conduct of a banking, insurance, or financing business or dividends and interest received from subsidiary corporations having 50 percent or more of the outstanding shares of their voting stock owned by the paying corporation at the time such dividends or interest is received).

(2) The provisions of paragraph (1) shall not apply if the recipient of the dividends is a resident of the United States and has a permanent establishment in Trinidad and Tobago and the stock giving rise to the dividends is effectively connected with the permanent establishment. In such case Article 8 (Business Profits) shall apply.

(3) Subject to the provisions of paragraph (5) of Article 13 (Interest), for purposes of this Convention:

(a) The term "dividends" in the case of Trinidad and Tobago includes any item which under the law of Trinidad and Tobago is treated as a distribution of a company except that this term does not include any redeemable share capital or security issued by a corporation in respect of shares in the corporation otherwise than wholly for new consideration, or such part of any redeemable share capital or security so issued as is not properly referable to new consideration.

(b) The term "dividends" in the case of the United States includes any item which under the law of the United States is treated as a distribution out of earnings and profits.

(4) Dividends paid by a corporation of one of the Contracting States to a person other than a resident of the other Contracting State (and in the case of dividends paid by a Trinidad and Tobago corporation, other than to a citizen of the United States) shall be exempt from tax by that other Contracting State, unless such dividends are treated as income from sources within that other Contracting State under paragraph (1) (b) or (8) of Article 5 (Source of Income).

(5) Notwithstanding the provisions of paragraphs (2) and (4), where a corporation of one of the Contracting States has a permanent establishment in the other Contracting State and derives profits or income which is effectively connected with that permanent establishment, any remittance of such profits or income by that permanent establishment may be taxed as a distribution in accordance with the law of the other Contracting State, but the rate so charged shall not exceed 10 percent.

ARTICLE 13

INTEREST

(1) Interest received by the Government of one of the Contracting States or any agency or instrumentality wholly owned by that Government shall be exempt from tax by the other Contracting State.

(2) The tax imposed by Trinidad and Tobago on interest received from sources within Trinidad and Tobago by a resident of the United States which is a bank or other financial institution not having a permanent establishment in Trinidad and Tobago shall not exceed 15 percent of the gross amount paid.

(3) Where any interest paid by a person to any related person exceeds a fair and reasonable consideration in respect of the indebtedness for which it is paid, the provisions of paragraph (2) shall apply only to so much of the interest as represents such fair and reasonable consideration; and the excess payment shall be characterized and taxed according to the laws of each Contracting State, including the provisions of this Convention where applicable.

(4) Interest paid by a corporation of one of the Contracting States to a person other than a resident or corporation of the other Contracting State (and, in the case of interest paid by a Trinidad and Tobago corporation, other than to a citizen of the United States) shall be exempt from tax by that other Contracting State, unless such interest is treated as income from sources within that other Contracting State under paragraph (2) (b) or (8) of Article 5.

(5) Any provisions of Trinidad and Tobago law having the effect of requiring interest paid to be treated as a distribution by the Trinidad and Tobago corporation shall apply to interest paid to a resident of the United States only to the extent that the taxpayer is unable to demonstrate to the satisfaction of the taxing authorities of Trinidad and Tobago that the investment giving rise to the interest (and its denomination as indebtedness) did not have as its purpose the avoidance of Trinidad and Tobago tax.

ARTICLE 14

ROYALTIES

(1) The tax imposed by one of the Contracting States on royalties derived from sources within that Contracting State by a resident of the other Contracting State shall not exceed 15 percent of the gross amount thereof, except as provided in paragraph (2) and (3).

(2) Royalties derived from copyrights, or rights to produce or reproduce any literary, dramatic, musical, or artistic work, by a resident one of Contracting State shall be taxable only in that Contracting State.

(3) Paragraphs (1) and (2) shall not apply if the recipient of the royalty, being a resident of one of the Contracting States, has in the other Contracting State a permanent establishment and the right or property giving rise to the royalties is effectively connected with such permanent establishment. In such a case, the provisions of Article 8 (Business Profits) shall apply.

(4) For the purposes of this article, the term "royalties" means any royalties, rentals, or other amounts paid as consideration for the use of, or the right to use:

(a) Copyrights, artistic or scientific works, patents, designs, plans, secret processes or formulae, trademarks, or other like property or rights (not including motion picture films or films or tapes for radio or television broadcasting), or

(b) Information concerning industrial, commercial, or scientific knowledge, experience, or skill.

The term does not include any royalties, rentals, or other amounts paid in respect of the operation of mines, quarries, or other natural resources.

(5) Where any royalty paid by a person to any related person exceeds a fair and reasonable consideration in respect of the rights or property for which it is paid, the provisions of paragraphs (1) and (2) shall apply only to so much of the royalty as represents such fair and reasonable consideration; and the excess payment shall be characterized and taxed according to the laws of each Contracting State, including the provisions of this convention where applicable.

ARTICLE 15

INCOME FROM REAL PROPERTY

A resident of one of the Contracting States who is subject to tax in the other Contracting State on income from real property, including gains derived from the sale or exchange of such property, or on royalties in respect of the operation of mines, quarries, or other natural resources may elect for any taxable year to compute that tax, on such income, on a net basis as if such resident were engaged in trade or business in that other Contracting State.

ARTICLE 16

INVESTMENT OF HOLDING COMPANIES

A corporation of one of the Contracting States deriving dividends, interest, or royalties from sources within the other Contracting State shall not be entitled to the benefits of Article 12 (Dividends), 13 (Interest), or 14 (Royalties) if—

(a) By reason of special measures granting tax benefits to investment or holding companies the tax imposed on such corporation by the first-mentioned Contracting State with respect to such dividends, interest, or royalties is substantially less than the tax generally imposed by such Contracting State on corporate profits, and,

(b) Twenty-five percent or more of the capital of such corporation is held of record or is otherwise determined, after consultation between the competent authorities of the Contracting States, to be owned, directly or indirectly, by one or more persons who are not residents of the first-mentioned Contracting State (or, in the case of a Trinidad and Tobago corporation, who are citizens of the United States).

ARTICLE 17

INCOME FROM PERSONAL SERVICES

(1) An individual who is a resident of one of the Contracting States shall be exempt from tax by the other Contracting State with respect to income from personal services performed within that other Contracting State if he is present within that other Contracting State for a period or periods not exceeding in the aggregate 183 days during the taxable year, and either—

(a) (i) Such individual is an employee of a resident of a State other than that other Contracting State (or of a permanent establishment of a resident of that other Contracting State located outside that Contracting State), and

(ii) Such income is not deducted as such in computing the profits of a permanent establishment in that other Contracting State which are subject to tax in that Contracting State; or

(b) The gross amount of such income does not exceed $3,000 or its equivalent in Trinidad and Tobago dollars.

(2) Compensation received by an individual for personal services performed aboard ships or aircraft operated in international traffic by a resident of a Contracting State (and, in the case of the United States, registered in the United States) shall, subject to paragraph (3) of Article 3 (General Rules of Taxation), be exempt from tax by the other Contracting State, if the services are performed by a member of the regular complement of the ship or aircraft.

(3) For purposes of paragraph (1), the term "income from personal services" includes employment income and income earned by an individual from the performance of personal services in an independent capacity. The term "employment income" includes income from services performed by

officers and directors of corporations, but does not include income from personal services performed by partners, which shall be treated as income from the performance of services in an independent capacity.

(4) The provisions of paragraph (1) shall not apply in the case of income from personal services derived by:

(a) A public entertainer, theater, motion picture or television artist, musician, or athlete, if the gross amount of such income exceeds $100 or its equivalent in Trinidad and Tobago dollars for each day such person is present for the purpose of performing in the Contracting State in which such services are performed; or

(b) Any person providing the services of the services of the persons described in subparagraph (a), even though such income may otherwise be considered to be exempt under some other provision of this Convention, if the gross amount of such income of such person for providing such services exceeds $100 or its equivalent in Trinidad and Tobago dollars for each day that the individuals whose services are being provided (or any one of such individuals) are present for the purpose of performing in the Contracting State in which such services are performed.

ARTICLE 18

TEACHING AND RESEARCH

(1) An individual who is a resident of one of the Contracting States at the beginning of his visit to the other Contracting State and who, at the invitation of the Government or that other Contracting State or of a university or other educational institution situated in that other Contracting State and approved by the appropriate educational authority of that Contracting State, visits that other Contracting State for the primary purpose of teaching or engaging in research, or both, at a university or other educational institution approved by the appropriate educational authority of that Contracting State shall be exempt from tax by that other Contracting State on his income from personal services for teaching or research at such approved university or other educational institution for a period not exceeding 2 years from the date of his arrival in that other Contracting State.

(2) The exemption granted under paragraph (1) shall not apply—

(a) To income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons;

(b) To income in cases where an agreement exists between the Governments of the Contracting States for the provision of the services of such individuals.

ARTICLE 19

STUDENTS AND TRAINEES

(1)(a) An individual who is a resident of one of the Contracting States at the beginning of his visit to the other Contracting State and who is temporarily present in that other Contracting State for the primary purpose of—

(i) Studying in that other Contracting State at a university or other educational institution approved by the appropriate educational authority of that Contracting State,

(ii) Securing training required to qualify him to practice a profession or a professional specialty, or

(iii) Studying or doing research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization.

shall be exempt from tax by that other Contracting State with respect to—

(iv) Gifts from abroad for the purposes of his maintenance, education, study, research, or training,

(v) The grant, allowance, or award, and

(vi) Income from personal services performed in the other Contracting State in an amount not in excess of $2,000 or its equivalent in Trinidad and Tobago dollars for any taxable year; or, if such individual is securing training required to qualify him to practice a profession or a professional specialty, not in excess of $5,000 or its equivalent in Trinidad and Tobago dollars for any taxable year.

(b) The benefits under this paragraph shall only extend for such period of time as may be reasonably or customarily required to effectuate the purpose of the visit, but in no event shall any individual have the benefits of this paragraph for more than 5 taxable years.

(2) A resident of one of the Contracting States who is present in the other Contracting State for a period not exceeding 1 year, as an employee of, or under contract with, a resident or corporation of the first-mentioned Contracting State, for the primary purpose of—

(a) Acquiring technical, professional, or business experience from a person other than that resident or corporation of the first-mentioned Contracting State, or

(b) Studying in the other Contracting State at a university or other educational institution approved by the appropriate educational authority of that Contracting State, shall be exempt from tax by the other Contracting State with respect to his income from personal services performed in that other Contracting State for that period in an amount not in excess of $5,000 or its equivalent in Trinidad and Tobago dollars.

(3) A resident of one of the Contracting States who is present in the other Contracting State for a period not exceeding 1 year, as a participant in a program sponsored by the Government of that other Contracting State, for the primary purpose of training, research, or study, shall be exempt from tax by that other Contracting State with respect to his income from personal services performed in that other Contracting State in connection with such training, research, or study in an amount not in excess of $10,000 or its equivalent in Trinidad and Tobago dollars.

ARTICLE 20

GOVERNMENTAL SALARIES

Wages, salaries, and similar compensation, pensions, annuities, or similar benefits paid by, or from public funds of, one of the Contracting States to an individual who is a national of that Contracting State for services rendered to that Contracting State in the discharge of governmental functions shall be exempt from tax by the other Contracting State.

ARTICLE 21

RULES APPLICABLE TO PERSONAL INCOME ARTICLES

(1) Articles 17 (Income from Personal Services), 18 (Teaching and Research), 19 (Students and Trainees), and 20 (Governmental Salaries) shall apply to reimbursed travel expenses, but such expenses shall not be taken into account in computing the maximum amount of exemptions specified in Articles 17 and 19.

(2) An individual who qualifies for benefits under more than one of the provisions of Articles 17 through 20 may apply that provision most favorable to him, but he shall not be entitled to the benefits of more than one of such provisions with respect to the same income in any taxable year.

ARTICLE 22

PRIVATE PENSIONS AND ANNUITIES

(1) Private pensions, private life annuities, and alimony paid to individuals who are residents of one of the Contracting States shall be exempt from tax by the other Contracting State.

(2) The term "life annuities", as used in this article, means a stated sum paid periodically at stated times during life, or during a specified number of years, under an obligation to make payments in return for adequate and full consideration in money or money's worth.

(3) The term "pensions", as used in this article, means periodic payments made after retirement or death in consideration for services rendered, or by way of compensation for injuries received in connection with past employment.

(4) The term "alimony", as used in this article, means periodic payments made pursuant to a decree of divorce or of separate maintenance which are taxable to the recipient under the internal laws of the Contracting State of which he is a resident.

ARTICLE 23

MUTUAL AGREEMENT PROCEDURES

(1) The competent authorities of the Contracting States may prescribe regulations for implementing the present Convention within the respective States and may communicate with each other directly for the purpose of giving effect to the provisions of this Convention. Should any difficulty or doubt arise as to the interpretation or application of this Convention, or its relationship to Conventions between one of the Contracting States and any other State, the competent authorities shall endeavor to settle the question as quickly as possible by mutual agreement.

(2) In particular, the competent authorities of the Contracting States may consult together to endeavor to agree—

(a) To the same application of the source rules set forth in Article 5 to particular items of income;

(b) To the same attribution of industrial or commercial profits to a resident of one of the Contracting States and to its permanent establishment situated in the other Contracting State; or

(c) To the same allocation of income between a resident of one of the Contracting States and any related person.

In the event that the competent authorities reach such an agreement, taxes shall be imposed on such income, and refund or credit of taxes shall be allowed, by the Contracting States in accordance with such agreement.

ARTICLE 24

EXCHANGE OF INFORMATION

(1) The competent authority of one of the Contracting States shall exchange such information with the competent authority of the other Contracting State as is pertinent to the carrying out of the provisions of this Convention or to the preventing of fraud or fiscal evasion in relation to the taxes which are subject of this Convention.

(2) The competent authority of the Contracting State to which a request for information is made shall not exchange information unless that information would be available under the taxation laws and administrative procedures of that Contracting State if the tax of the other Contracting State, to which the request for information relates, were the tax of the first-mentioned Contracting State and were being imposed by that Contracting State.

(3) Any information exchanged shall be treated as secret but may be disclosed to persons (including a court or administrative body) concerned with assessment, collection, enforcement, or prosecution with respect to the taxes which are the subject of this Convention.

(4) No information shall be exchanged which would disclose any trade, business, industrial, or professional secret.

ARTICLE 25

ASSISTANCE IN COLLECTION

(1) Each of the Contracting States shall endeavor to collect such taxes imposed by the other Contracting State as will ensure that any exemption or reduced rate of tax

granted under this Convention by the other Contracting State shall not be enjoyed by persons not entitled to such benefits. The Contracting State making such collections shall be responsible to the other Contracting State for the sums thus collected. The competent authorities of the Contracting States may consult together for the purpose of giving effect to this article.

(2) In no case shall the provisions of this article be construed so as to impose upon either of the Contracting States the obligation to carry out administrative measures at variance with the regulations and practices of the Contracting State endeavoring to collect the tax or which would be contrary to that Contracting State's sovereignty, security, or public policy.

ARTICLE 26

TAXPAYER CLAIMS

A taxpayer shall be entitled to present his case to the Contracting State of which he is a citizen or resident if he considers that the action of the other Contracting State has resulted or will result for him in taxation contrary to the provisions of this Convention. Should the taxpayer's claim be considered to have merit by the competent authority of the Contracting State to which the claim is made, it shall endeavor to come to an agreement with the competent authority of the other Contracting State with a view to the avoidance of taxation contrary to the provisions of this Convention.

ARTICLE 27

EXCHANGE OF LEGAL INFORMATION

(1) The competent authorities of the Contracting States shall notify each other of any amendments of the tax laws referred to in Article 1(1) and of the adoption of any taxes referred to in Article 1(2) by transmitting the texts of any amendments or new statutes at least once a year.

(2) The competent authorities of the Contracting States shall exchange the texts of all published material interpreting this Convention under the laws of the respective Contracting States, whether in the form of regulations, rulings, or judicial decisions.

ARTICLE 28

EFFECTIVE DATES AND RATIFICATION

(1) This Convention shall be ratified and the instruments of ratification exchanged at Port of Spain as soon as possible.

(2) After the exchange of instruments of ratification, this Convention shall have effect for taxable years beginning on or after the first day of January of the year in which the instruments of ratification are exchanged.

(3) Notwithstanding the provisions of paragraph (2), Article 7 (Tax Deferral for Technical Assistance) shall have effect with respect to stock received on or after the date of the signing of this Convention.

(4) Notwithstanding the provisions of paragraph (2), Trinidad and Tobago agree, following the signing of this Convention, to take all such steps as are necessary to give effect to the provisions of Article 12 (Dividends), so that such provisions shall be effective from January 1, 1970, and shall terminate on December 31, 1970, unless this Convention has been ratified by both Contracting States.

(5) This Convention shall continue in effect indefinitely, but it may be terminated by either of the Contracting States at any time after 5 years from the first day of January referred to in paragraph (2), provided that at least 6 months' prior notice of termination has been given. In such event, this Convention shall cease to be effective for taxable years beginning on or after the first day of January next following the expiration of the 6-month period.

ARTICLE 29

EXTENSION OF CONVENTION

(1) Either of the Contracting States may, at any time while this Convention continues in force, by a written notification given to the other Contracting State through diplomatic channels, declare its desire that the operation of this Convention, either in whole or in part or with such modifications as may be found necessary for special application in a particular case, shall extend to all or any of the areas (to which this Convention is not otherwise applicable) for whose international relations it is responsible and which impose taxes substantially similar in character to those which are the subject of this Convention. When the other Contracting State has, by a written communication through diplomatic channels, signified to the first-mentioned Contracting State that such notification is accepted in respect of such areas or areas, and the notification and communication have been ratified in accordance with the constitutional procedure of the respective Contracting States, and instruments of ratification exchanged, this Convention, in whole or in part, or with such modifications as may be found necessary for special application in a particular case, as specified in the notification, shall apply to the area or areas named in the notification for taxable years beginning on and after the date or dates specified therein. None of the provisions of this Convention shall apply to any areas in the absence of such acceptance and exchange of instruments of ratification in respect of that area.

(2) At any time after the date of entry into force of an extension under paragraph (1), either of the Contracting States may, by 6 months' prior written notice of termination given to the other Contacting State through diplomatic channels, terminate the application of this Convention to any area to which it has been extended under paragraph (1), and in such event this Convention shall cease to apply, for taxable years beginning on or after the first day of January next following the expiration of the 6-month period, to the area or areas named therein, but without affecting its continued application to the United States, Trinidad and Tobago, or to any other area to which it has been extended under paragraph (1).

(3) In the application of this Convention in relation to any area to which it is extended by notification by the United States or Trinidad and Tobago, reference to the "United States" or "Trinidad and Tobago," as the case may be, shall be construed as referring to that area.

IN WITNESS WHEREOF the undersigned have signed this Convention.

DONE in duplicate at Port of Spain this ninth day of January, 1970.

For the Government of the United States of America:

[SEAL]

J. FIFE SYMINGTON, JR.,
Ambassador Extraordinary and Plenipotentiary.

For the Government of Trinidad and Tobago:

ERIC WILLIAMS,
Prime Minister and Minister of Finance.

EXECUTIVE E

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND THE REPUBLIC OF FINLAND WITH RESPECT TO TAXES ON INCOME AND PROPERTY

The President of the United States of America and the President of the Republic of Finland, desiring to conclude a convention for the avoidance of double taxation of income and property and the prevention of fiscal evasion have appointed for that purpose as their respective Plenipotentiaries:

The President of the United States of America: William P. Rogers, Secretary of State of the United States of America, and the President of the Republic of Finland: Olavi Munkki, Ambassador Extraordinary and Plenipotentiary of the Republic of Finland at Washington, who have agreed upon the following articles.

ARTICLE 1

TAXES COVERED

1. The taxes which are the subject of the present Convention are:

(a) in the case of the United States, the Federal income tax, imposed by the Internal Revenue Code, hereinafter referred to as the "United States tax," but not including the United States personal holding company tax and accumulated earnings tax, and

(b) in the case of Finland:

(i) the State (national) income and capital tax ("tulo-ja omaisuusvero"),

(ii) the Communal tax ("kunnallisvero"), and

(iii) the Sailors' tax ("merimiesvero"), hereinafter referred to as the "Finnish tax".

2. The Convention shall also apply to any identical or substantially similar taxes which are subsequently imposed in addition to, or in place of, the existing taxes.

3. For the purpose of Article 7 (Nondiscrimination), this Convention shall also apply to taxes of every kind and to those imposed at the national, state, and local level.

ARTICLE 2

GENERAL DEFINITIONS

1. In this Convention, unless the context otherwise requires:

(a) The term "United States" means the United States of America and when used in the geographical sense means the States thereof and the District of Columbia.

(b) The term "Finland" means the Republic of Finland.

(c) The term "a Contracting State" or "the other Contracting State" means the United States or Finland, as the context requires.

(d) The term "person" comprises an individual or a corporation, or any other body of individuals or persons.

(e) (i) The term "United States corporation" or "corporation of the United States" means a corporation or any entity treated as a corporation for United States tax purposes, which is created or organized under the laws of the United States or any State thereof or the District of Columbia; and

(ii) the term "Finnish corporation" or "corporation of Finland" means a corporation or any entity treated as a corporation for Finnish tax purposes which is created or organized under the laws of Finland.

(f) The term "competent authority" means:

(i) in the case of the United States, the Secretary of the Treasury or his delegate, and

(ii) in the case of Finland, the Ministry of of Finance or its authorized representative.

(g) The term "State" means any National State, whether or not one of the Contracting States.

2. In the application of the provisions of the present Convention by one of the Contracting States, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that Contracting State relating to the taxes which are the subject of the present Convention. Notwithstanding the previous sentence, if the meaning of such a term under the laws of one Contracting State is different from the meaning of the term under the laws of the other Contracting State, the competent authorities of the Contracting States may, in order to prevent double taxation or further any other purpose of this Convention, establish a com-

mon meaning of the term for the purposes of this Convention.

ARTICLE 3

FISCAL DOMICILE

1. The term "resident of Finland" means:

(a) a Finnish corporation, and

(b) any other person (except a corporation or any entity which under Finnish law is treated as a corporation) who is resident in Finland for purposes of its tax, but in the case of a person acting as a partner or fiduciary only to the extent that the income derived by such person in that capacity is taxable as the income of a resident.

2. The term "resident of the United States" means:

(a) a United States corporation, and

(b) any other person (except a corporation or any entity treated under United States law as a corporation) who is resident in the United States for purposes of its tax, but in the case of a person acting as a partner or fiduciary only to the extent that the income derived by such person in that capacity is taxable as the income of a resident.

3. An individual who is a resident in both Contracting States shall be deemed a resident of that Contracting State in which he maintains his permanent home. If he has a permanent home in both Contracting States or in neither of the Contracting States, he shall be deemed a resident of that Contracting State with which his personal and economic relations are closest (center of vital interests). If the Contracting State in which he has his center of vital interests cannot be determined, he shall be deemed a resident of that Contracting State in which he has a habitual abode. If he has a habitual abode in both Contracting States or in neither of the Contracting States, the competent authorities of the Contracting States shall settle the question by mutual agreement. An individual who is deemed to be a resident of one Contracting State and not a resident of the other Contracting State by reason of the provisions of this paragraph shall be deemed a resident only of the former State for all purposes of this Convention, including Article 4 (General Rules of Taxation).

ARTICLE 4

GENERAL RULES OF TAXATION

1. A resident of one of the Contracting States shall be taxed by the other Contracting State only on income from sources within that other Contracting State, in accordance with the limitations set forth in the present Convention.

2. The provisions of the present Convention shall not be construed to restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded—

(a) by the laws of one of the Contracting States in the determination of the tax imposed by that State, or

(b) by any other agreement between the Contracting States.

3. The United States may tax its citizens and residents as if the present Convention had not come into effect.

(a) This provision shall not affect the rules laid down in Articles 5 (Relief from Double Taxation), 7 (Nondiscrimination), and 25 (Social Security Payments).

(b) This provision shall not affect the rules laid down in Articles 20 (Teachers), 21 (Students and Trainees), 22 (Governmental Functions), and paragraphs 1 and 2 of Article 23 (Rules Applicable to Personal Income Articles) when applicable to individuals who are not citizens of the United States and who do not have immigrant status in the United States.

4. Any income from sources within a Contracting State to which the provisions of the present Convention are not expressly applicable shall be taxable by such Contracting State in accordance with its own law.

ARTICLE 5

RELIEF FROM DOUBLE TAXATION

Double taxation of income shall be avoided in the following manner:

1. The United States shall allow to a citizen or resident of the United States as a credit against the United States tax the appropriate amount of Finnish tax (excluding the capital tax). Such appropriate amount shall be based upon the amount of income tax paid to Finland but shall not exceed that portion of the United States tax which net income from sources within Finland bears to the entire net income. For the purpose of applying the United States credit in relation to taxes paid to Finland, the rules set forth in Article 6 (Source of Income) shall be applied to determine the source of income.

2. (a) Where a resident of Finland derives income from sources within the United States or owns capital which is located in the United States and which, in accordance with the provisions of this Convention, may be taxed in the United States, Finland shall except as provided in subparagraph (b), allow as a deduction from Finnish income tax or capital tax that part of the Finnish income tax or capital tax, respectively, attributable to such income or capital.

(b) Where a resident of Finland derives dividends from sources within the United States Finland shall allow as a deduction from the Finnish tax on such dividends an amount equal to the United States tax paid on such dividends. Such deduction shall not exceed that part of Finnish tax which the dividends from sources within the United States bears to the entire net income subject to tax in Finland.

(c) Notwithstanding the provisions of subparagraph (b) of this paragraph, dividends paid by a United States corporation to a Finnish corporation shall be exempt from Finnish tax. This exemption shall not apply unless in accordance with the laws of Finland the dividends would have been exempt from Finnish tax if the first-mentioned corporation had been a Finnish corporation and not a United States corporation.

(d) Finland, in determining its taxes specified in Article 1 of this Convention, shall exclude from the base upon which such taxes are imposed such items of income or capital which are taxable only in the United States or which are exempt from Finnish tax under the provisions of this Convention, but the income or capital thus excluded may be taken into account by Finland in the determination of the graduated rate of Finnish tax to be imposed on residents of Finland.

ARTICLE 6

SOURCE OF INCOME

For purposes of this Convention:

1. Dividends shall be treated as income from sources within a Contracting State only if——

(a) paid by a corporation of the Contracting State, or

(b) paid by a corporation of any State if, for the 3-year period ending with the close of such corporation's taxable year preceding the declaration of the dividends (or for such part of that period as such corporation has been in existence), at least 80 percent of such corporation's gross income from all sources was industrial or commercial profits attributable to a permanent establishment which such corporation had in that Contracting State.

If a dividend would be treated under this paragraph as income from sources within both Contracting States, it shall be deemed to be income from sources within only the Contracting State described in subparagraph (b).

2. Interest shall be treated as income from sources within a Contracting State only if—

(a) paid by such Contracting State, including any political subdivision thereof, or by a resident of that Contracting State, or

(b) paid by a corporation of any State if, for the 3-year period ending with the close of such corporation's taxable year preceding the payment of the interest (or for such part of such period as such corporation has been in existence), at least 80 percent of such corporation's gross income from all sources was industrial or commercial profits attributable to a permanent establishment which such corporation had in that Contracting State.

If interest would be treated under this paragraph as income from sources within both Contracting States, it shall be deemed to be income from sources within only the Contracting State described in subparagraph (b).

3. Royalties described in paragraph 2 of Article 14 (Royalties), for the use of or privilege of using property described in such paragraph, shall be treated as income from sources within a Contracting State only if paid for the use of or privilege of using such property within that Contracting State.

4. Income from real property (including gains derived from the sale of such property, but not including interest from mortgages or bonds secured by real property) and royalties from the operation of mines, quarries, or other natural resources shall be treated as income from sources within a Contracting State only if such property is located in that Contracting State.

5. Income from the rental of tangible personal (movable) property shall be treated as income from sources within a Contracting State only if such property is located in that Contracting State.

6. Income received by an individual for his performance of personal services (whether as an employee or in an independent capacity) shall be treated as income from sources within a Contracting State only if such services are performed in that Contracting State. If services are performed partly within and partly outside a Contracting State, income from the performance of such services shall be treated as income from sources partly within and partly outside that Contracting State. Income from personal services (including pensions and annuities paid in respect of such services) performed aboard ships or aircraft operated by a resident of a Contracting State and registered in that Contracting State shall be treated as income from sources within that Contracting State, if rendered by a member of the regular complement of the ship or aircraft.

7. Income from the purchase and sale of intangible personal (including movable) property shall be treated as income from sources within a Contracting State only if such property is sold in that Contracting State.

8. Notwithstanding paragraphs 1–7, industrial and commercial profits which are attributable to a permanent establishment which the recipient, a resident of one of the Contracting States, has in the other Contracting State, including income dealt with in Articles 12 (Dividends), 13 (Interest), 14 (Royalties), 15 (Income from Real Property), and 16 (Capital Gains) derived from rights or property which are effectively connected with such permanent establishment, shall be treated as income from sources within that other Contracting State. For the purposes of this Convention, to determine whether property is effectively connected with a permanent establishment, the factors taken into account shall include whether the property is used in or held for use in carrying on business through such permanent establishment, and whether the activities carried on through such permanent establishment were a material factor in the realization of

the income derived from such property. For this purpose, due regard shall be given to whether or not such asset or such income was accounted for through such permanent establishment.

9. The source of any item of income to which the provisions of this Article are not expressly applicable shall be determined by each of the Contracting States in accordance with its own law. Notwithstanding the previous sentence, if the source of any item of income under the laws of one Contracting State is different from the source of such item of income under the laws of the other Contracting State, the competent authorities of the Contracting States may, in order to prevent double taxation or further any other purpose of this Convention, establish a common source of the item of income for purposes of this Convention.

ARTICLE 7

NONDISCRIMINATION

1. A citizen of one of the Contracting States who is a resident of the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than is a citizen of that other Contracting State who is a resident thereof.

2. The taxation on a permanent establishment which a resident of a Contracting State has in the other Contracting State shall not be less favorably levied in that other State than the taxation levied on a resident of that other State carrying on the same activities. This provision shall not be construed as obliging a Contracting State to grant to residents of the other Contracting State any personal allowances, reliefs, and reductions for taxation purposes on account of civil status or family responsibilities which it grants to its own residents.

3. A corporation of a Contracting State, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which a corporation of that first-mentioned Contracting State carrying on the same activities, the capital of which is wholly owned by one or more residents of the first-mentioned State, is or may be subjected.

ARTICLE 8

BUSINESS PROFITS

1. Industrial or commercial profits of a resident of one of the Contracting States shall be taxable only in that State unless such resident is engaged in industrial or commercial activity in the other Contracting State through a permanent establishment situated therein. If such resident is so engaged, tax may be imposed by such other State on the industrial or commercial profits of such resident but only on so much of such profits as are attributable to the permanent establishment.

2. Where a resident of a Contracting State carries on business in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to that permanent establishment the industrial or commercial profits which would be attributable to such permanent establishment if such permanent establishment were an independent entity engaged in the same or similar activities under the same or similar conditions and dealing at arm's length with the resident of which it is a permanent establishment.

3. In the determination of the profits of a permanent establishment, there shall be allowed as deductions expenses which are reasonably connected with such profits including executive and general administrative expenses, whether incurred in the State in which the permanent establishment is situated or elsewhere.

4. No profits shall be attributed to a permanent establishment merely by reason of the purchase of goods or merchandise by that permanent establishment, or by the resident of which it is a permanent establishment, for the account of that resident.

5. The term "industrial or commercial profits of a resident" includes income derived from manufacturing, mercantile, agricultural, fishing, or mining activities, from the operation of ships or aircraft, from the furnishing of personal services, from the rental of tangible personal property, and from insurance activities and rents or royalties derived from motion picture films, films or tapes of radio or television broadcasting. It also includes income derived from real property and natural resources and dividends, interest, royalties (as defined in paragraph 2 of Article 14), and capital gains but only if the right or property giving rise to such income, dividends, interest, royalties, or capital gains is effectively connected with a permanent establishment which the recipient, being a resident of one Contracting State, has in the other Contracting State. It does not include income received by an individual as compensation for personal services either as an employee or in an independent capacity.

ARTICLE 9

PERMANENT ESTABLISHMENT

1. For the purpose of this Convention, the term "permanent establishment" means a fixed place of business through which a resident of one of the Contracting States engages in industrial or commercial activity.

2. The term "permanent establishment" shall include especially:

(a) a seat of management;
(b) a branch;
(c) an office;
(d) a factory;
(e) a workshop;
(f) a warehouse;
(g) a mine, quarry, or other place of extraction of natural resources;
(h) a building site or construction or assembly project which exists for more than 12 months.

3. Notwithstanding paragraphs 1 and 2 of this Article, a permanent establishment shall not include a fixed place of business used only for one or more of the following activities:

(a) the use of facilities for the purpose of storage, display, or delivery of goods or merchandise belonging to the resident;

(b) the maintenance of a stock of goods or merchandise belonging to the resident for the purpose of storage, display, or delivery;

(c) the maintenance of a stock of goods or merchandise belonging to the resident for the purpose of processing by another person;

(d) the maintenance of a fixed place of business for the purpose of purchasing goods or merchandise, or for collecting information, for the resident;

(e) the maintenance of a fixed place on business for the purpose of advertising, for the supply of information, for scientific research, or for similar activities which have a preparatory or auxiliary character, for the resident.

4. A person acting in a Contracting State on behalf of a resident of the other Contracting State—other than an agent of an independent status to whom paragraph 5 applies—shall be deemed to be a permanent establishment in the first-mentioned State if such person has, and habitually exercises in that State, an authority to conclude contracts in the name of that resident, unless the exercise of such authority is limited to the purchase of goods or merchandise for that resident.

5. Notwithstanding paragraph 4 a resident of a Contracting State shall not be deemed to have a permanent establishment in the other Contracting State merely because such resident carries on business in that other State through a broker, general commission agent, or any other agent of an independent status, where such person is acting in the ordinary course of his business.

6. The fact that a resident of one of the Contracting States is a related person with respect to a resident of the other Contracting State or with respect to a person who engages in industrial or commercial activity in that other Contracting State (whether through a permanent establishment or otherwise) shall not be taken into account in determining whether that resident of the first Contracting State has a permanent establishment in the other Contracting State.

ARTICLE 10

SHIPPING AND AIR TRANSPORT

Notwithstanding Article 8, income which a resident of one of the Contracting States derives from the operation in international traffic of ships or aircraft registered in that Contracting State shall be taxable only in that Contracting State.

ARTICLE 11

RELATED PERSONS

1. Where a resident of a Contracting State deriving industrial and commercial profits in one of the Contracting States and any other person are related and where such related persons make arrangements or impose conditions between themselves which are different from those which would be made between independent persons, then any income which would, but for those arrangements or conditions, have accrued to the resident of one of the Contracting States but, by reason of those arrangements or conditions, as not so accrued, may be included in the income of the resident of one of the Contracting States for purposes of the present Convention and taxed accordingly.

2. (a) A person other than a corporation is related to a corporation if such person participates directly or indirectly in the management, control, or capital of the corporation.

(b) A corporation is related to another corporation if it either participates directly or indirectly in the management, control, or capital of the other, or if any person or persons participate directly or indirectly in the management, control, or capital of both corporations.

ARTICLE 12

DIVIDENDS

1. Dividends derived from sources within a Contracting State by a resident of the other Contracting State may be taxed in that other State.

2. Dividends derived from sources within a Contracting State by a resident of the other Contracting State may also be taxed by the former Contracting State but the tax imposed on such dividends shall not exceed—

(a) 15 percent of the amount actually distributed; or

(b) when the recipient is a corporation, 5 percent of the amount actually distributed if—

(i) during the part of the paying corporation's taxable year which precedes the date of payment of the dividend and during the whole of its prior taxable year (if any), at least 10 percent of the outstanding shares of the voting stock of the paying corporation was owned by the recipient corporation, and

(ii) not more than 25 percent of the gross income of the paying corporation for such prior taxable year (if any) consisted of interest and dividends (other than interest derived in the conduct of a banking, insurance, or financing business and dividends or interest received from subsidiary corpora-

tions, 50 percent or more of the outstanding shares of the voting stock of which was owned by the paying corporation at the time such dividends or interest were received).

3. Paragraph 2 of this Article shall not apply if the recipient of the dividends being a resident of one of the Contracting States has a permanent establishment in the other Contracting State and the shares with respect to which the dividends are paid are effectively connected with the permanent establishment. In such a case, the provisions of Article 8 shall apply.

4. For the purpose of paragraph 2 of this Article the combined Finnish tax on dividends derived from sources within the Republic of Finland by a resident of the United States and the Finnish capital tax on the capital stock of a Finnish corporation owned by a resident of the United States shall not exceed—

(a) 15 percent of the amount distributed; or

(b) when the recipient is a corporation, 5 percent of the amount distributed if the requirements of subdivisions i) and ii) of paragraph 2b) are satisfied.

ARTICLE 13

INTEREST

1. Interest derived from sources within one Contracting State by a resident of the other Contracting State shall be taxable only in that other Contracting State.

2. Paragraph 1 of this Article shall not apply if the recipient of the interest, being a resident of one of the Contracting States, has a permanent establishment in the other Contracting State and the indebtedness giving rise to the interest is effectively connected with such permanent establishment. In such a case, the provisions of Article 8 shall apply.

3. Where, owing to a special relationship between the payor and the recipient or between both of them and some other person, the amount of the interest paid, having regard to the claim with respect to which it is paid, exceeds the amount which should have been agreed upon by the payor and the recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the laws of each Contracting State, due regard being had to the other provisions of this Convention.

4. The term "interest" as used in this Article means income from Government securities, bonds, or debentures, whether or not secured by mortgage and whether or not carrying a right to participate in profits, and debt-claims of every kind as well as all other income assimilated to income from money lent by the taxation law of the State in which the income has its source.

ARTICLE 14

ROYALTIES

1. Royalties from sources within a Contracting State and paid to a resident of the other Contracting State shall be taxable only in that other State.

2. The term "royalties" as used in this Article means—

(a) any amounts paid as consideration for the use of, or the right to use the property described in paragraph 3 of this Article or for knowledge, experience or skill (know how); and

(b) gains derived from the sale or other disposition of the property described in paragraph 3 of this Article, to the extent payment of the amounts realized on such sale or disposition is contingent, in whole or in part, on the productivity, use, or disposition of such property.

3. The property referred to in paragraph 2 of this Article includes copyrights, artistic and scientific works, patents, designs, models, plans, secret processes or formulae, trademarks, and other like property or rights, and industrial, commercial, and scientific equipment.

4. The provisions of paragraph 1 shall not apply if the recipient of the royalties, being a resident of a Contracting State has in the other Contracting State in which the royalties arise a permanent establishment with which the right or property giving rise to the royalties is effectively connected. In such a case, the provisions of Article 8 shall apply.

5. Where, owing to a special relationship between the payor and the recipient or between both of them and some other person, the amount of the royalties paid, having regard to the use, right, or information for which they are paid, exceeds the amount which would have been agreed upon by the payor and the recipient in the absence of such relationship, the provisions of this Article shall apply only to the last-mentioned amount. In that case, the excess part of the payments shall remain taxable according to the law of each Contracting State, due regard being had to the other provisions of this Convention.

ARTICLE 15

INCOME FROM REAL PROPERTY

1. Income from real property, including royalties in respect of the operation of mines, or other natural resources and gains derived from the sale, exchange, or other disposition for consideration, of such property or of the right giving rise to such royalties, may be taxed by the Contracting State in which such real property, mines, quarries, or other natural resources are situated. For purposes of this Article and as provided in paragraph 4 of Article 6 (Source of Income) interest from mortgages or bonds secured by real property or by such royalty interest shall not be regarded as income from real property.

2. The provisions of paragraph 1 shall apply to income derived from the usufruct, direct use, letting, or use in any other form of real property.

ARTICLE 16

CAPITAL GAINS

1. A resident of one of the Contracting States shall be taxable only in that State on gains from the sale or exchange of capital assets.

2. Paragraph 1 of this Article shall not apply if—

(a) the gain is received by a resident of one of the Contracting States and arises out of the sale or exchange of property described in Article 15 (Income From Real Property) located within the other Contracting State,

(b) the recipient of the gain, being a resident of one of the Contracting States, has a permanent establishment in the other Contracting State and the property giving rise to the gain is effectively connected with such permanent establishment, or

(c) the recipient of the gain, being an individual resident of one of the Contracting States—

(i) maintains a fixed base in the other Contracting State and the property giving rise to such gain is effectively connected with such fixed base, or

(ii) is present in the other Contracting State for a period or periods exceeding in the aggregate 183 days during the taxable year.

3. In the case of gains described in paragraph 2(b), the provisions of Article 8 (Business Profits) shall apply.

ARTICLE 17

CAPITAL TAXES

1. Capital represented by property referred to in Article 15 (Real Property) may be taxed in the Contracting State in which such property is situated.

2. Subject to the provisions of paragraph 3 below, capital represented by assets, other than property referred to in paragraph 1, which are effectively connected with a permanent establishment of a resident of one of the Contracting States may be taxed in the State in which the permanent establishment is situated.

3. Ships and aircraft of a resident of one of the Contracting States, if registered in that Contracting State, and assets, other than property referred to in paragraph 1, pertaining to the operation of such ships or aircraft shall be exempt from tax by the other State.

4. (a) All other elements of capital of a resident of Finland not dealt with in this Article shall be exempt from tax by the United States.

(b) All other elements of capital of a resident of the United States not dealt with in this Article shall be exempt from tax by the Republic of Finland.

ARTICLE 18

INDEPENDENT PERSONAL SERVICES

1. Income derived by a resident of a Contracting State in respect of independence activities shall be taxable only in that State unless such activities were performed in the other Contracting State. Income in respect of independent activities performed within such other State may be taxed by such other State.

2. Notwithstanding the provisions of paragraph 1, income derived by a resident of a Contracting State in respect of independence activities performed in the other Contracting State shall be exempt from tax by that other Contracting State if the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned.

ARTICLE 19

DEPENDENT PERSONAL SERVICES

1. Salaries, wages, and other similar remuneration paid to a resident of a Contracting State for labor or personal services shall be taxable only in that State unless such labor or personal services are performed in the other Contracting State. Remuneration received for labor or personal services performed within such other State may be taxed by such other State.

2. Notwithstanding the provisions of paragraph 1, remuneration derived by a resident of a Contracting State in respect of an employment exercised in the other Contracting State shall not be taxable in such other State if—

(a) the recipient is present in the other State for a period or periods not exceeding in the aggregate 183 days in the fiscal year concerned,

(b) the remuneration is paid by, or on behalf of, an employer who is not a resident of the other State, and

(c) the remuneration is not borne by a permanent establishment which the employer has in the other State.

3. Remuneration received by an individual for personal services performed aboard ships or aircraft registered in one of the Contracting States and operated by a resident of that Contracting State shall be exempt from tax by the other Contracting State, if such individual is a member of the regular complement of the ship or aircraft.

ARTICLE 20

TEACHERS

1. An individual who is a resident of one of the Contracting States at the beginning of his visit to the other Contracting State and who, at the invitation of the Government of the other Contracting State or of a university or other accredited educational institution situated in the other Contracting State, visits the latter Contracting State for the primary

purpose of teaching or engaging in research, or both, at a university or other accredited educational institution shall be exempt from tax by the latter Contracting State on his income from personal services for teaching or research at such educational institution, or at other such institutions, for a period not exceeding 2 years from the date of his arrival in the latter Contracting State.

2. This Article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

ARTICLE 21

STUDENTS AND TRAINEES

1. (a) An individual who is a resident of one of the Contracting States at the beginning of his visit to the other Contracting State and who is temporarily present in the other Contracting State for the primary purpose of—

(i) studying at a university or other accredited educational institution in that other Contracting State, or

(ii) securing training required to qualify him to practice a profession or professional specialty, or

(iii) studying or doing research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization,

shall be exempt from tax by that other Contracting State with respect to amounts described in subparagraph (b).

(b) The amounts referred to in subparagraph (a) include—

(i) gifts from abroad for the purpose of his maintenance, education, study, research, or training;

(ii, the grant, allowance, or award; and

(iii) income from personal services performed in the other Contracting State in an amount not in excess of 2,000 United States dollars or its equivalent in Finnish markkas for any taxable year.

(c) The benefits under this paragraph shall only extend for such period of time as may be reasonably or customarily required to effectuate the purpose of the visit, but in no event shall any individual have the benefits of this Article and Article 20 (Teachers) for more than a total of 5 taxable years.

2. An individual who is a resident of one of the Contracting States at the beginning of his visit to the other Contracting State and who is temporarily present in the other Contracting State as an employee of, or under contract with, a resident of the former State, for the primary purpose of—

(a) acquiring technical, professional, or business experience from a person other than that resident of the former State or a corporation 50 percent or more of the voting stock of which is owned by that resident of the former State, or

(b) studying at a university or other accredited educational institution in that other Contracting State,

shall be exempt from tax by that other Contracting State for a period of 12 consecutive months with respect to his income from personal services in an amount not in excess of 5,000 United States dollars of its equivalent in Finnish markkas.

3. An individual who is a resident of one of the Contracting States at the beginning of his visit to the other Contracting States and who is present in the other Contracting State for a period not exceeding 1 year, as a participant in a program sponsored by the Government of the other Contracting State, for the primary purpose of training, research, or study, shall be exempt from tax by that other Contracting State with respect to his income from personal services performed in that other Contracting State and received in respect of such training, research, or study, in an amount not in excess of 10,000 United States dollars or its equivalent in Finnish markkas.

ARTICLE 22

GOVERNMENTAL FUNCTIONS

1. Remuneration, including pensions paid by or from public funds of the United States, or a political subdivision or local authority thereof to a United States citizen for services rendered to the United States or to any of its political subdivisions in the discharge of governmental functions shall be exempt from tax by the Republic of Finland.

2. Remuneration, including pensions, paid by or from public funds of the Republic of Finland, a subdivision, a local authority, or a public community thereof to an individual who is a citizen of the Republic of Finland for services rendered to the Republic of Finland or to a subdivision, a local authority, or a public community thereof in the discharge of governmental functions shall be exempt from tax by the United States.

ARTICLE 23

RULES APPLICABLE TO PERSONAL INCOME ARTICLES

1. Articles 18 through 22 shall apply to reimbursed travel expenses, but such expenses shall not be taken into account in computing the maximum amount of exemptions specified in Article 21.

2. If an individual qualifies for benefits under more than one of the provisions of Articles 18 through 22, he may apply the provisions of whichever Article is most favorable to him. However, the benefits of the Article claimed shall be reduced by any benefits previously allowed under any other of the provisions of Articles 18 through 22.

3. An individual who is a resident of one of the Contracting States and who is temporarily present in the other Contracting State and who qualifies for exemption from tax in such other Contracting State under Article 20 (Teachers) or Article 21 (Students and Trainees) shall be allowed by the former Contracting State as deductions from income subject to tax therein all travel expenses (including travel fares, meals and lodging, and expenses incident to travel) while traveling between the two Contracting States and all ordinary and necessary living expenses (including meals and lodging) while temporarily present in such other Contracting State. The expenses deductible under this paragraph shall be deemed to amount to at least 30 percent of the income exempt under Article 20 or 21.

ARTICLE 24

PRIVATE PENSIONS AND ANNUITIES

1. Except as provided in Article 22, pensions and other similar remuneration paid to a resident of a Contracting State in consideration of past employment shall be taxable only in the Contracting State.

2. Alimony and annuities paid to a resident of a Contracting State shall be taxable only in that Contracting State.

3. The term "annuities", as used in this Article, means a stated sum paid periodically at stated times during life, or during a specified number of years, under an obligation to make the payments in return for adequate and full consideration (other than services rendered).

4. The term "pensions and other similar remuneration", as used in this Article, means periodic payments made after retirement in consideration for services rendered, or by way of compensation for injuries received, in connection with past employment.

ARTICLE 25

SOCIAL SECURITY PAYMENTS

Social security payments and other public pensions (whether representing employee or employer contributions accretions thereto) paid by one of the Contracting States or, in the case of Finland by a public community, to an individual who is a resident of the other Contracting State shall be taxable only in the former Contracting State. However, this Article shall not apply to payments described in Article 22 (Governmental Functions).

ARTICLE 26

DIPLOMATIC AND CONSULAR OFFICERS

Nothing in the present Convention shall affect the fiscal privileges of diplomatic or consular officials under the general rules of international law or under the provisions of special agreements.

ARTICLE 27

INVESTMENT OR HOLDING COMPANIES

A corporation of one of the Contracting States deriving dividends, interest, or royalties from sources within the other Contracting State shall not be entitled to the benefits of Article 12, Article 13, or Article 14 if—

(a) by reason of special measures granting tax benefits to investment or holding companies the tax imposed on such corporation by the former Contracting State with respect to such dividends, interest, or royalties in substantially less than the tax generally imposed by such Contracting State on corporate profits, and

(b) 25 percent or more of the capital of such corporation is held of record or is otherwise determined, after consultation between the competent authorities of the Contracting States, to be owned directly or indirectly, by one or more persons who are not individual residents of the former Contracting State (or, in the case of a Finnish corporation, who are citizens of the United States).

ARTICLE 28

MUTUAL AGREEMENT PROCEDURE

1. Where a resident of a Contracting State considers that the actions of one or both of the Contracting States result or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of those States, present his case to the competent authority of the Contracting State of which he is a resident.

2. The competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the application of the Convention. In particular, the competent authorities of the Contracting States may consult together to endeavor to agree—

(a) to the same attribution of industrial or commercial profits to a resident of one of the Contracting States and its permanent establishment situated in the other Contracting State;

(b) to the same allocation of income between a resident of one of the Contracting States and any related person, referred to in Article 11; or

(c) to the same determination of the source of particular items of income.

3. The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of the preceding paragraphs. When it seems advisable for the purpose of reaching agreement, the competent authorities may meet together for an oral exchange of opinions.

4. In the event that the competent authorities reach such an agreement, taxes shall be imposed on such income, and refund or credit of taxes shall be allowed, by the Contracting States in accordance with such agreement.

ARTICLE 29

EXCHANGE OF INFORMATION

1. The competent authorities of the Contracting State shall exchange such information as is pertinent to carrying out the provisions of this Convention or preventing

fraud or fiscal evasion in relation to the taxes which are the subject of this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than those (including a court or administrative body) concerned with assessment, collection, enforcement, or prosecution in respect of the taxes which are the subject of the Convention.

2. In no case shall the provisions of paragraph 1 be construed so as to impose on one of the Contracting States the obligation—

(a) to carry out administrative measures at variance with the laws or the administrative practice of that or the other Contracting State;

(b) to supply particulars which are not obtainable under the laws or in the normal course of the administration of that or of the other Contracting State;

(c) to supply information which would disclose any trade, business, industrial, commercial, or professional secret or trade process, or information, the disclosure of which would be contrary to public policy.

3. The exchange of information shall be either on a routine basis or on request with reference to particular cases. The competent authorities of the Contracting States shall agree on the list of information which shall be furnished on a routine basis.

4. The competent authorities of the Contracting States shall notify each other of any amendments of the tax laws referred to in Article 1 (1) by transmitting the texts of any amendments or new statutes at least once a year.

5. The competent authorities of the Contracting States shall exchange the texts of all published material interpreting the present Convention under their respective laws, whether in the form of regulations, rulings, or judicial decisions.

ARTICLE 30

ASSISTANCE IN COLLECTION

1. Each of the Contracting States shall endeavor to collect such taxes imposed by the other Contracting State as will ensure that any exemption or reduced rate of tax granted under the present Convention by the other State shall not be enjoyed by persons not entitled to such benefits. The Contracting State making such collections shall be responsible to the other Contracting State for the sums thus collected. The competent authority of each of the Contracting States shall consult with the competent authority of the other Contracting State for the purpose of cooperating with and advising that other Contracting State in respect of any action taken by it within the former Contracting State to collect its tax.

2. In no case shall the provisions of this Article be construed so as to impose upon either of the Contracting States the obligation to carry out administrative measures at variance with the regulations and practices of the Contracting State endeavoring to collect the tax or which would be contrary to that State's sovereignty, security, or public policy.

ARTICLE 31

ENTRY INTO FORCE

1. This Convention shall be ratified and instruments of ratification shall be exchanged at Helsinki as soon as possible. It shall enter into force 2 months after the exchange of instruments of ratification. Its provisions shall for the first time have effect—

(a) in the case of Finland—

to taxes which are levied for taxable years beginning on or after January 1, following the year in which the instruments of ratification are exchanged.

(b) in the case of the United States—

(i) as respects the rate of withholding tax, to amounts received on or after the date on which this Convention enters into force;

(ii) as respects other income taxes, to taxable years beginning on or after January 1, following the year in which the instruments of ratification are exchanged.

2. Upon the coming into effect of this Convention, the Convention of December 18, 1952, relating to income taxes, shall terminate. The provisions of the Convention of December 18, 1952, will cease to have effect from the date on which the corresponding provisions of this Convention shall for the first time have effect according to subparagraph 1 above-mentioned.

ARTICLE 32

TERMINATION

1. This Convention shall remain in force until denounced by one of the Contracting States. Either Contracting State may denounce the Convention, through diplomatic channels, by giving notice of termination at least 6 months before the end of any calendar year after the year 1973. In such event, the Convention shall cease to have effect—

(a) in the case of Finland—to taxes which are levied for taxable years beginning on or after January 1 of the year following the year in which notice is given.

(b) in the case of the United States—

(i) as respects withholding taxes, on January 1 of the year following the year in which notice is given.

(b) in the case of the United States—

(i) as respects withholding taxes, on January 1 of the year following the year in which notice is given; and

(ii) as respects other income taxes, for any taxable year beginning on or after January 1 of the year following the year in which notice is given.

2. Notwithstanding the provision of paragraph 1 of this Article, and upon prior notice to be given through diplomatic channels, the provisions of Article 25 (Social Security Payments) may be terminated by either Contracting State at any time after this Convention shall enter into force.

DONE at Washington, in duplicate, in the English and Finnish languages, the two texts having equal authenticity, this sixth day of March 1970.

For the President of the United States of America:

WILLIAM P. ROGERS.

For the President of the Republic of Finland:

OLAVI MUNKKI.

EXECUTIVE I

CONVENTION

BETWEEN THE UNITED STATES OF AMERICA AND THE KINGDOM OF BELGIUM FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE KINGDOM OF BELGIUM. *Desiring* to conclude a convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income,

Have agreed upon the following articles:

ARTICLE 1—PERSONAL SCOPE

This Convention is generally applicable to persons who are residents of one or both of the Contracting States.

ARTICLE 2—TAXES COVERED

(1) The taxes which are the subject of this Convention are:

(a) In the case of the United States, the Federal income taxes imposed by the Internal Revenue Code, hereinafter referred to as the "United States tax", and

(b) In the case of Belgium:

(i) The individual income tax (l'impôt des personnes physiques);

(ii) The corporate income tax (l'impô des sociétés);

(iii) The income tax on legal entities (l'impôt des personnes morales);

(iv) The income tax on nonresidents l'impôt des nonrésidents);

(v) The prepayments and additional prepayments (les précomptes et compléments de précomptes); and

(vi) Surcharges (centimes additionnels) on any of the taxes referred to in (i) through (v), including the communal supplement to the individual income tax (le taxe communale additionnelle á l'impôr des personnes physiques),

hereinafter referred to as the "Belgian tax".

(2) This Convention shall also apply to any identical or substantially similar taxes which are imposed after the date of signature of this Convention in addition to, or in place of, existing taxes.

(3) The competent authorities of the Contracting States shall notify each other of any amendments of the laws imposing the taxes referred to in paragraph (1) and of the adoption of any taxes referred to in paragraph (2) by transmitting the texts of any amendments or new statutes at least once a year.

(4) The competent authorities of the Contracting States shall notify each other of the publication by their respective Contracting States of any material concerning the application of this Convention, whether in the form of regulations, rulings, or judicial decisions, by transmitting the texts of any such materials at least once a year.

ARTICLE 3—GENERAL DEFINITIONS

(1) In this Convention, unless the context otherwise requires:

(a) (i) The term "United States" means the United States of America; and

(ii) When used in a geographical sense, the term "United States" means the States thereof and the District of Columbia. Such term also includes (A) the territorial sea thereof (B) the seabed and subsoil of the adjacent submarine areas beyond the territorial sea, over which the United States exercises sovereign rights in accordance with international law for the purpose of exploration and exploitation of the natural resources of such areas, but only to the extent that the person, property, or activity to which this Convention is being applied is connected with such exploration or exploitation.

(b) (i) The term "Belgium" means the Kingdom of Belgium; and

(ii) When used in a geographical sense, the term "Belgium" means the territory of Belgium. Such term also includes (A) the territorial sea thereof, and (B) the seabed and subsoil of the adjacent submarine areas beyond the territorial sea over which Belgium exercises sovereign rights in accordance with international law, for the purpose of exploration and exploitation of the natural resources of such areas, but only to the extent that the person, property, or activity to which this Convention is being applied is connected with such exploration or exploitation.

(c) The term "one of the Contracting States" or "the other Contracting State" means the United States or Belgium, as the context requires.

(d) The term "person" includes an individual, a partnership, a corporation, an estate, a trust, or any body of persons.

(e) (i) The term "United States corporation" or "corporation of the United States" means a corporation which is created or organized under the laws of the United States or any State thereof or the District of Columbia or any unincorporated entity treated as a United States corporation for United States tax purposes, provided that such corporation or entity is not a Belgian corporation for Belgian tax purposes; and

(ii) The term "Belgian corporation" or "corporation of Belgium" means any entity

which under Belgian tax law (A) is either a body corporate or is treated as a body corporate and (B) is a resident of Belgium, provided that such entity is not a United States corporation for United States tax purposes.

(f) The term "competent authority" means:

(i) In the case of the United States, the Secretary of the Treasury or his delegate, and

(ii) In the case of Belgium, the competent authority according to Belgian legislation.

(g) The term "State" means any National State, whether or not one of the Contracting States.

(2) Subject to paragraph (2)(d) of Article 25 (Mutual Agreement Procedure), any other term used in this Convention and not defined in this Convention shall, unless the context otherwise requires, have the meaning which it has under the laws of the Contracting State whose tax is being determined.

ARTICLE 4—FISCAL DOMICILE

(1) In this Convention:

(a) The term "resident of Belgium" means:

(i) A Belgian corporation, and

(ii) Any person (other than a corporation) who is a resident of Belgium for purposes of its tax.

(b) The term "resident of the United States" means:

(i) A United States corporation, and

(ii) Any person (except a corporation or any other entity treated as a corporation for United States tax purposes) resident in the United States for purposes of its tax, but in the case of a partnership, estate, or trust only to the extent that the income derived by such person is subject to United States tax as the income of a resident.

(2) Where by reason of the provisions of paragraph (1) an individual is a resident of both Contracting States:

(a) He shall be deemed to be a resident of that Contracting State in which he maintains his permanent home. If he has a permanent home in both Contracting States or in neither of the Contracting States, he shall be deemed a resident of that Contracting State with which his personal and economic relations are closest (center of vital interests):

(b) If the Contracting State in which he has his center of vital interests cannot be determined, he shall be deemed to be a resident of that Contracting State in which he has a habitual abode;

(c) If he has a habitual abode in both Contracting States or in neither of the Contracting States, he shall be deemed to be a resident of the Contracting State of which he is a citizen; and

(d) If he is a citizen of both Contracting States or of neither Contracting State the competent authorities of the Contracting States shall settle the question by mutual agreement.

For purpose of this paragraph, a permanent home is the place where an individual dwells with his family.

ARTICLE 5—PERMANENT ESTABLISHMENT

(1) For the purpose of this Convention, the term "permanent establishment" means a fixed place of business through which a resident of one of the Contracting States engages in industrial or commercial activity.

(2) The term "fixed place of business" includes but is not limited to:

(a) A seat of management;

(b) A branch;

(c) An office;

(d) A factory;

(e) A workshop;

(f) A warehouse;

(g) A mine, quarry, or other place of extraction of natural resources; and

(h) A building site or construction or installation project which exists for more than 12 months.

(3) Notwithstanding paragraphs (1) and (2), a permanent establishment shall not include a fixed place of business used only for one or more of the following:

(a) The use of facilities for the purpose of storage, display, or delivery of goods or merchandise belonging to the resident;

(b) The maintenance of a stock of goods or merchandise belonging to the resident for the purpose of storage, display, or delivery;

(c) The maintenance of a stock of goods or merchandise belonging to the resident for the purpose of processing by another person;

(d) The maintenance of a fixed place of business for the purpose of purchasing goods or merchandise, or for collecting information, for the resident;

(e) The maintenance of a fixed place of business for the purpose of advertising, for the supply of information, for scientific research, or for similar activities which have a preparatory or auxiliary character, for the resident; or

(f) The maintenance of a building site or construction or installation project which does not exist for more than 12 months.

(4) Notwithstanding subparagraph (a), (c) and (d) of paragraph (3), if a resident of one of the Contracting States has a fixed place of business in the other Contracting State and goods or merchandise are either:

(a) Subjected to processing in the other Contracting State by another person (whether or not purchased in the other Contracting State); or

(b) Purchased in the other Contracting State (and such goods or merchandise are not subjected to processing outside the other Contracting State)

such resident shall be considered to have a permanent establishment in that other Contracting State, if all or part of such goods or merchandise is sold by or on behalf of such resident for use, consumption, or disposition in that other Contracting State.

(5) A person acting in one of the Contracting States on behalf of a resident of the other Contracting State, other than an agent of an independent status to whom paragraph (6) applies, shall be deemed to be a permanent establishment in the first-mentioned Contracting State if such person has, and habitually exercises in the first-mentioned Contracting State, an authority to conclude contracts in the name of that resident, unless the exercise of such authority is limited to the purchase of goods or merchandise for that resident.

(6) A resident of one of the Contracting States shall not be deemed to have a permanent establishment in the other Contracting State merely because such resident engages in industrial or commercial activity in that other Contracting State through a broker, general commission agent, or any other agent of an independent status, where such broker or agent is acting in the ordinary course of his business. This paragraph shall not apply with respect to a broker or agent acting on behalf of an insurance company if such broker or agent has, and habitually exercises, an authority to conclude contracts in the name of that company.

(7) The fact that a resident of one of the Contracting States is a related person with respect to a resident of the other Contracting State or with respect to a person who engages in industrial or commercial activity in that other Contracting State (whether through a permanent establishment or otherwise) shall not be taken into account in determining whether that resident of the first-mentioned Contracting State has a permanent establishment in that other Contracting State.

(8) The principles set forth in paragraphs (1) through (7) shall be applied in determining whether there is a permanent establishment in a State other than one of the Contracting States or whether a person other than a resident of one of the Contracting States has a permanent establishment in one of the Contracting States.

ARTICLE 6—INCOME FROM REAL PROPERTY

(1) Income from real property, including royalties in respect of the operation of mines, quarries, or other natural resources and gains derived from the sale, exchange, or other disposition of such property or of the right giving rise to such royalties, may be taxed by the Contracting State in which such real property, mines, quarries, or other natural resources are situated. For purposes of this Convention interest on indebtedness secured by real property or secured by a right giving rise to royalties in respect of the operation of mines, quarries, or other natural resources shall not be regarded as income from real property.

(2) Paragraph (1) shall apply to income derived from the usufruct, direct use, letting, or use in any other form of real property.

ARTICLE 7—BUSINESS PROFITS

(1) Industrial or commercial profits of a resident of one of the Contracting States shall be exempt from tax by the other Contracting State unless such resident is engaged in industrial or commercial activity in that other Contracting State through a permanent establishment situated therein. If such resident is so engaged, tax may be imposed by that other Contracting State on the industrial or commercial profits of such resident but only on so much of such profits as are attributable to the permanent establishment.

(2) Where a resident of one of the Contracting States is engaged in industrial or commercial activity in the other Contracting State through a permanent establishment situated therein, there shall in each Contracting State be attributed to the permanent establishment the industrial or commercial profits which would be attributable to such permanent establishment if such permanent establishment were an independent entity engaged in the same or similar activities under the same or similar conditions and dealing wholly independently.

(3) In the determination of the industrial or commercial profits of a permanent establishment, there shall be allowed as deductions expenses which are reasonably connected with such profits, including executive and general administrative expenses, whether incurred in the Contracting State in which the permanent establishment is situated or elsewhere.

(4) No profits shall be attributed to a permanent establishment of a resident of one of the Contracting States in the other Contracting State merely by reason of the purchase of goods or merchandise by the permanent establishment, or by the resident of which it is a permanent establishment, for the account of that resident.

(5) For the purposes of this Convention the term "industrial or commercial profits":

(a) Does include rents or royalties derived from motion picture films or films or tapes used for radio or television broadcasting or from copyrights thereof and rents derived from the leasing of tangible personal property;

(b) Does not include items of income specifically dealt with in other articles of this Convention, except as provided in such articles.

Subject to the provisions of this Convention, items of income excluded from industrial or commercial profits under subparagraph (b) may be taxed separately or together with industrial or commercial profits in accordance with the laws of the Contracting State whose tax is being determined.

ARTICLE 8—SHIPPING AND TRANSPORT

(1) Notwithstanding Article 7 (Business Profits) and Article 13 (Capital Gains), income which a resident of one of the Contracting States derives from the operation in international traffic of ships registered in that Contracting State, and gains which a resident of one of the Contracting States derives from the sale, exchange, or other disposition of ships operated in international traffic by such resident and registered in that Contracting State, shall be exempt from tax by the other Contracting State.

(2) Notwithstanding Article 7 (Business Profits) and Article 13 (Capital Gains), income which a resident of one of the Contracting States derives from the operation in international traffic of aircraft registered in either Contracting State or in a State with which the other Contracting State has an income tax convention exempting such income, and gains which a resident of one of the Contracting States derives from the sale, exchange, or other disposition of aircraft operated in international traffic by such resident and registered in either Contracting State or in a State with which the other Contracting State has an income tax convention exempting such income, shall be exempt from tax by the other Contracting State.

ARTICLE 9—ASSOCIATED ENTERPRISES

(1) Where a resident of one of the Contracting States and a resident of the other Contracting State are related and where such related persons make arrangements or impose conditions between themselves which are different from those which would be made between independent persons, then any income which would, but for those arrangements or conditions, have accrued to the resident of the first-mentioned Contracting State but, by reason of those arrangements or conditions, has not so accrued, may be included in the income of the resident of the first-mentioned Contracting State for purposes of this Convention and taxed accordingly.

(2) A person is related to another person for purposes of this Convention if either person participates directly or indirectly in the management, control, or capital of the other, or if any third person or persons participates directly or indirectly in the management, control, or capital of both.

ARTICLE 10—DIVIDENDS

(1) Dividends paid by a corporation of one of the Contracting States to a resident of the other Contracting State may be taxed by both Contracting States.

(2) The rate of tax imposed by the first-mentioned Contracting State on such dividends shall not exceed 15 percent of the gross amount actually distributed. The term "dividends" shall include income from invested capital received by members of Belgian companies other than companies with share capital where, under Belgian law, such income is taxable in the same way as dividends.

(3) Paragraph (2) shall not apply if the recipient of the dividends, being a resident of one of the Contracting States, has a permanent establishment in the other Contracting State and the shares with respect to which the dividends are paid are effectively connected with such permanent establishment. In such a case, Article 7 (Business Profits) shall apply, provided that Belgium shall not be prevented from imposing its movable property prepayment (précompte mobilier) in accordance with Belgian law.

(4) Dividends paid by a corporation of one of the Contracting States to a person other than a resident of the other Contracting State shall be exempt from tax by that other Contracting State. This paragraph shall not apply:

(a) If the recipient of the dividends has a permanent establishment in that other Contracting State and the shares with respect to which the dividends are paid are effectively connected with such permanent establishment, or

(b) If the dividends are paid by a United States corporation and are received within Belgium by a person who is not a citizen or resident of the United States.

ARTICLE 11—INTEREST

(1) Interest derived from sources within one of the Contracting States by a resident of the other Contracting State may be taxed by both Contracting States.

(2) The rate of tax imposed by one of the Contracting States on interest derived from sources within that Contracting State by a resident of the other Contracting State shall not exceed 15 percent.

(3) Notwithstanding paragraphs (1) and (2), interest derived by a resident of one of the Contracting States from sources in the other Contracting State shall be exempt from tax by the other Contracting State if it is:

(a) Interest arising out of commercial credit—including credit which is represented by commercial paper—resulting from deferred payments for goods or merchandise or services supplied by a resident of one of the Contracting States to a resident of the other Contracting State,

(b) Interest paid between banks, except on loans represented by bearer instruments, or

(c) Interest arising from deposits, not represented by bearer instruments, made in banks or other financial institutions.

(4) Notwithstanding paragraphs (1) and (2), interest beneficially derived by one of the Contracting States, or by an instrumentality of that Contracting State, not subject to tax by that Contracting State on *its* income, shall be exempt from tax by the other Contracting State.

(5) The term "interest" as used in this Convention means income from bonds, Government securities, notes or other evidences of indebtedness, whether or not secured and whether or not carrying a right to participate in profits, and debt-claims of every kind, as well as all other income assimilated to income from money lent by the taxation law of the Contracting State in which the income has its source, but not interest which is considered as dividends in accordance with the second sentence of paragraph (2) of Article 10 (Dividends); it includes, in the case of Belgium, prizes on lottery bonds.

(6) Interest shall be treated as income from sources within a Contracting State only if paid by such Contracting State, a political subdivision or a local authority thereof, or by a resident of that Contracting State. Notwithstanding the preceding sentence:

(a) If the person paying the interest (whether or not such person is a resident of one of the Contracting States) has a permanent establishment in one of the Contracting States in connection with which the indebtedness on which the interest is paid was incurred and such interest is borne by such permanent establishment, or

(b) If the person paying the interest is a resident of one of the Contracting States and has a permanent establishment in a State other than a Contracting State in connection with which the indebtedness on which the interest is paid was incurred and such interest is paid to a resident of the other Contracting State, and such interest is borne by such permanent establishment, such interest shall be deemed to be from sources within the State in which the permanent establishment is situated.

(7) Paragraphs (2), (3), and (4) shall not apply if the recipient of the interest, being a resident of one of the Contracting States, has a permanent establishment in the other Contracting State and the indebtedness giving rise to the interest is effectively connected with such permanent establishment. In such a case, the provisions of Article 7 (Business Profits) shall apply.

(8) Where any interest paid by a person to any related person exceeds an amount which would have been paid to an unrelated person, the provisions of this article shall apply only to so much of the interest as would have been paid to an unrelated person. In such a case the excess payment may be taxed according to its own law by the Contracting State from which the interest is derived.

(9) Interest paid by a resident of one of the Contracting States to a person other than a resident of the other Contracting State shall be exempt from tax by that other Contracting State. This paragraph shall not apply if:

(a) Such interest is treated as income from sources within that other Contracting State under paragraph (6);

(b) The recipient of the interest has a permanent establishment in that other Contracting State and the indebtedness giving rise to the interest is effectively connected with such permanent establishment, or

(c) Such interest is from sources within the United States and is received within Belgium by a person who is not a citizen or resident of the United States.

ARTICLE 12—ROYALTIES

(1) Royalties derived from sources within one of the Contracting States by a resident of the other Contracting State shall be exempt from tax by the first-mentioned Contracting State.

(2) The term "royalties" as used in this article means:

(a) Payment of any kind made as consideration for the use of, or the right to use, copyrights of literary, artistic, or scientific works (but not including copyrights of motion picture films or films or tapes used for radio or television broadcasting), patents, designs, models, plans, secret processes or formulae, trademarks, or other like property or rights, or knowledge, experience, or skill (know-how), and

(b) Gains derived from the sale, exchange, or other disposition of any such right or property to the extent that the amounts realized on such sale, exchange, or other disposition for consideration are contingent on the productivity, use, or disposition of such right or property.

(3) Royalties shall be treated as income from sources within one of the Contracting States only if paid by such Contracting State, a political subdivision or a local authority thereof, or by a resident of that Contracting State. Notwithstanding the preceding sentence:

(a) If the person paying the royalties (whether or not such a person is a resident of one of the Contracting States) has a permanent establishment in one of the Contracting States with which the right or property giving rise to the royalties is effectively connected and such royalties are borne by such permanent establishment, or

(b) If the person paying the royalties is a resident of one of the Contracting States and has a permanent establishment in a State other than a Contracting State with which the right or property giving rise to the royalies is effectively connected and such royalties are borne by such permanent establishment,

such royalties shall be deemed to be from sources within the State in which the permanent establishment is situated.

(4) Paragraph (1) shall not apply if the recipient of the royalty, being a resident of one of the Contracting States, has in the other Contracting State a permanent establishment and the right or property giving rise to the royalty effectively connected with such permanent establishment. In such a case the provision of Article 7 (Business Profits) shall apply.

(5) Where any royalty paid by a person to any related person exceeds an amount which would have been paid to an unrelated person, the provisions of this article shall apply only to so much of the royalty as would have been paid to an unrelated person. In such a case the excess payment may be taxed according to its own law by the Contracting State from which the royalty is derived.

ARTICLE 13—CAPITAL GAINS

Gains derived by a resident of one of the Contracting States from the sale, exchange, or other disposition of capital assets shall be exempt from tax by the other Contracting State unless:

(1) The gain is derived by a resident of the first-mentioned Contracting State from the sale, exchange, or other disposition of property described in Article 6 (Income from Real Property) situated within that other Contracting State.

(2) The recipient of the gain, being a resident of the first-mentioned Contracting State, has a permanent establishment or maintains a fixed base in that other Contracting State and the property giving rise to the gain is effectively connected with such permanent establishment or such fixed base, or

(3) The recipient of the gain, being an individual resident of the first-mentioned Contracting State, is present in that other Contracting State for a period or periods aggregating 183 days or more in the taxable year.

If under the provisions of paragraph (2) the property is effectively connected with a permanent establishment, the provisions of Article 7 (Business Profits) shall apply.

ARTICLE 14—INDEPENDENT PERSONAL SERVICE

(1) Income derived by an individual who is a resident of one of the Contracting States from the performance of personal services in an independent capacity, may be taxed by that Contracting State. Except as provided in paragraph (2), such income shall be exempt from tax by the other Contracting State.

(2) Income derived by an individual who is a resident of one of the Contracting States from the performance of personal services in an independent capacity in the other Contracting State may be taxed by that other Contracting State, if:

(a) The individual is present in that other Contracting State for a period or periods aggregating 183 days or more in the taxable year,

(b) The individual maintains a fixed base in that other Contracting State for a period or periods aggregating 183 days or more in the taxable year, and the income is attributable to such fixed base, or

(c) The individual derives the income from personal services as a public entertainer, such as a theater, motion picture, or television artist, a musician, or an athlete, unless such individual is present in that other Contracting State for a period or periods not exceeding a total of 90 days during the taxable year and such income does not exceed in the aggregate 3,000 United States dollars or its equivalent in Belgian francs during the taxable year.

ARTICLE 15—DEPENDENT PERSONAL SERVICE

(1) Wages, salaries, and similar remuneration derived by an individual who is a resident of one of the Contracting States from labor or personal services performed as an employee, including income from services performed by an officer of a company, may be taxed by that Contracting State. Except as provided by paragraph (2) and Article 20 (Teachers) and Article 21 (Students and Trainees) such remuneration derived from labor or personal services in the other Contracting State may also be taxed by that other Contracting State.

(2) Remuneration described in paragraph (1) derived by an individual who is a resident of one of the Contracting States shall be exempt from tax by the other Contracting State if:

(a) He is present in that Contracting State for a period or periods aggregating less than 183 days in the taxable year:

(b) He is an employee of a resident of the first-mentioned Contracting State or of a permanent establishment maintained in the first-mentioned Contracting State; and

(c) The remuneration is not borne as such by a permanent establishment which the employer has in that other Contracting State.

(3) Notwithstanding paragraphs (1) and (2), remuneration derived by an individual from labor or personal services performed as an employee aboard ships or aircraft registered in one of the Contracting States and operated by a resident of that Contracting State in international traffic shall be exempt from tax by the other Contracting State if such individual is a member of the regular complement of the ship or aircraft.

ARTICLE 16—DIRECTORS' FEES

Notwithstanding Articles 14 (Independent Personal Services) and 15 (Dependent Personal Services), a director's fee derived by an individual who is a resident of one of the Contracting States in his capacity as a member of the board of directors of a corporation of the other Contracting State (but not including fixed or contingent payments derived in his capacity as an officer or employee), which cannot be taken as a deduction by the corporation but is treated in that other Contracting State as a distribution of profits, may be taxed by that other Contracting State.

ARTICLE 17—SOCIAL SECURITY PAYMENTS

Social security payments and similar pensions paid by, or out of public funds created by, one of the Contracting States or a governmental instrumentality thereof to an individual who is a resident of the other Contracting State shall be taxable only in the first-mentioned Contracting State.

ARTICLE 18—PENSIONS AND ANNUITIES

(1) Except as provided in Articles 17 (Social Security Payments) and 19 (Governmental Functions), pensions and other similar remuneration paid to an individual who is a resident of one of the Contracting States in consideration of past employment shall be taxable only in that Contracting State.

(2) Alimony and annuities paid to an individual who is a resident of one of the Contracting States shall be taxable only in that Contracting State.

(3) The term "pensions and other similar remuneration", as used in this article, means periodic payments made after retirement or death in consideration for services rendered, or by way of compensation for injuries received in connection with past employment.

(4) The term "annuities", as used in this article, means a stated sum paid periodically at stated times during life, or during a specified number of years, under an obligation to make the payments in return for adequate and full consideration (other than for services rendered).

ARTICLE 19—GOVERNMENT FUNCTIONS

(1) Notwithstanding Article 15 (Dependent Personal Services), 17 (Social Security Payments), and 18 (Private Pensions and Annuities), wages, salaries, and similar remuneration, including pensions or similar benefits, paid by or from public funds of one of the Contracting States, or a political subdivision or local authority thereof, for labor or personal services performed for that Contracting State, or for any of its political subdivisions or local authorities, in the discharge of governmental functions:

(a) To a citizen of that Contracting State or

(b) To a citizen of a State other than a Contracting State and who comes to the other Contracting State expressly for the purpose of being employed by the first-mentioned Contracting State, or a political subdivision or a local authority thereof, shall be exempt from tax by that other Contracting State.

(2) The provisions of Articles 15 (Dependent Personal Services), 17 (Social Security Payments), and 18 (Private Pensions and Annuities) shall apply to wages, salaries, and pensions paid in respect of services rendered in connection with any trade or business carried on by the first-mentioned Contracting State, or a political subdivision or a local authority thereof.

ARTICLE 20—TEACHERS

(1) An individual who is a resident of one of the Contracting States at the time he becomes temporarily present in the other Contracting State and who, at the invitation of the Government of that other Contracting State or of a university or other recognized educational institution in that other Contracting State is temporarily present in that other Contracting State for the primary purpose of teaching or engaging in research, or both, at a university or other recognized educational institution shall be exempt from tax by that other Contracting State on his income from personal services for teaching or research at such university or educational institution, for a period not exceeding 2 years from the date of his arrival in that other Contracting State.

(2) This article shall not apply to income from research if such research is undertaken not in the public interest but primarily for the private benefit of a specific person or persons.

ARTICLE 21—STUDENTS AND TRAINEES

(1)(a) An individual who is a resident of one of the Contracting States at the time he becomes temporarily present in the other Contracting State and who is temporarily present in that other Contracting State for the primary purpose of:

(i) Studying at a university or other recognized educational institution in that other Contracting State, or

(ii) Securing training required to qualify him to practice a profession or professional specialty, or

(iii) Studying or doing research as a recipient of a grant, allowance, or award from a governmental, religious, charitable, scientific, literary, or educational organization,

shall be exempt from tax by that other Contracting State with respect to amounts described in subparagraph (b) for a period not exceeding 5 taxable years from the date of his arrival in that other Contracting State.

(b) The amounts referred to in subparagraph (a) are:

(i) Gifts from abroad for the purpose of his maintenance, education, study, research, or training;

(ii) The grant, allowance, or award; and

(iii) Income from personal services performed in that other Contracting State in an amount not in excess of 2,000 United States dollars or its equivalent in Belgian francs for any taxable year.

(2) An individual who is a resident of one of the Contracting States at the time he becomes temporarily present in the other Contracting State and who is temporarily present in that other Contracting State as an employee of, or under contract with, a resident of the first-mentioned Contracting State, for the primary purpose of:

(a) Acquiring technical, professional, or business experience from a person other than that resident of the first-mentioned Contracting State or other than a person related to such resident, or

(b) Studying at a university or other rec-

ognized educational institution in that other Contracting State, shall be exempt from tax by that other Contracting State for a period of 12 consecutive months with respect to his income from personal services in an aggregate amount not in excess of 5,000 United States dollars or its equivalent in Belgian francs.

(3) An individual who is a resident of one of the Contracting States at the time he becomes temporarily present in the other Contracting State and who is temporarily present in that other Contracting State for a period not exceeding 1 year, as a participant in a program sponsored by the Government of that other Contracting State, for the primary purpose of training, research, or study, shall be exempt from tax by that other Contracting State with respect to his income from personal services in respect of such training, research, or study performed in that other Contracting State in an aggregate amount not in excess of 10,000 United States dollars or its equivalent in Belgian francs.

(4) The benefits provided under Article 20 (Teachers) and paragraph (1) of this article shall extend only for such period of time as may reasonably or customarily be required to effectuate the purpose of the visit, but in no case shall any individual have the benefits provided therein for more than a total of 5 taxable years from the date of his arrival.

ARTICLE 22—INCOME NOT EXPRESSLY MENTIONED

Items of income of a resident of one of the Contracting States which are not expressly mentioned in the foregoing articles of this Convention shall be taxable only in that Contracting State except that if such income is derived from sources within the other Contracting State, that other Contracting State may also tax such income.

ARTICLE 23—RELIEF FROM DOUBLE TAXATION

(1) Notwithstanding any other provision of this Convention, a Contracting State may tax its citizens and residents as determined under Article 4 (Fiscal Domicile) as if this Convention had not come into effect, provided however, that:

(a) This provision shall not affect the benefits conferred by a Contracting State under this article and Articles 17 (Social Security Payments), 24 (Nondiscrimination), and 25 (Mutual Agreement Procedure).

(b) This provision shall not affect the benefits conferred by a Contracting State under Articles 19 (Governmental Functions), 20 (Teachers), and 21 (Students and Trainees), upon individuals who are neither citizens of, nor have immigrant status in, that Contracting State.

(2) Subject to the provisions of United States law applicable for the taxable year, the United States shall allow to a citizen or resident of the United States as a credit against United States tax the appropriate amount of Belgian tax; such appropriate amount shall be based upon the amount of tax paid to Belgium but shall not exceed the amount of United States tax attributable to income from Belgian sources. Income which has been taxed by Belgium in accordance with Articles 6 through 21 shall, for the purpose of applying the United States credit in relation to Belgian tax, be treated as income from Belgian sources.

(3) In the case of income derived from sources in the United States, relief from double taxation shall be granted in Belgium in the following manner:

(a) Where a resident of Belgium derives income which is not subject to the provisions of subparagraphs (b) through (d) below and which has been taxed by the United States in accordance with Articles 6 through 21, Belgium shall exempt such income from tax but may, in calculating the amount of tax on the remainder of the income of that resident, apply the rate of tax which would have been applicable if such income had not been exempted.

(b) Where a resident of Belgium receives dividends (which are not exempt under subparagraph (d)) to which the provisions of paragraphs (2) of Article 10 (Dividends) apply, interest to which the provisions of paragraph (2) or paragraph (8) of Article 11 (Interest) apply or royalties to which the provisions of paragraph (5) of Article 12 (Royalties) apply, Belgium shall reduce the Belgian tax imposed thereon by a credit in respect of the tax borne in the United States. The credit shall be allowed against the tax imposed on the net amount of the dividends from corporations of the United States, as well as of interest and royalties from sources in the United States which have been taxed there; the credit shall be the fixed amount in respect of the foreign tax for which provision is made in existing Belgian law, subject to any subsequent modification—which, however, shall not affect the principle hereof.

(c) Where a resident of Belgium receives income to which the provisions of Article 22 (Income Not Expressly Mentioned) apply and which has been taxed by the United States, the amount of Belgian tax proportionately attributable to such income shall not exceed the amount which would be imposed in accordance with Belgian law, if such income were taxed as earned income derived from sources outside Belgium and subject to foreign tax.

(d) Where a Belgian corporation owns shares in a United States corporation which is subject in the United States to tax on its profits, the dividends which are paid to it by the latter corporation and which may be taxed in the United States in accordance with the provisions of paragraph (2) of Article 10 (Dividends) shall be exempt from the corporate income tax in Belgium to the extent that exemption would have been accorded if the two corporations had been corporations of Belgium; this provision shall not prohibit the withholding from those dividends of the movable property prepayment (précompte mobilier) imposed by Belgian law.

(e) A Belgian corporation which, during the whole of an accounting period of a United States corporation which is subject there to tax on its profits, has held the direct ownership of shares in the latter corporation, shall also be exempted from the movable property prepayment (précompte mobilier) imposed by Belgian law on the dividends derived from those shares, provided that it so requests in writing not later than the time limited for the submission of its annual return; on the redistribution to its own shareholders of the dividends so exempted those dividends may not be deducted from dividends distributed by that corporation which are subject to the movable property prepayment (précompte mobilier). This subparagraph shall not apply when the first-mentioned corporation has elected that its profits be charged to the individual income tax. However, the application of this subparagraph shall be limited to dividends paid by a United States corporation to a Belgian corporation which controls not less than 10 percent of the voting power in the first-mentioned corporation where, for the application of the exemption referred to in subparagraph (d), a similar limitation would be imposed by Belgian legislation in respect of dividends paid by corporations of Belgium.

(f) Where an individual who is a resident of Belgium and a citizen of the United States receives income from sources within the United States which is not exempt from Belgian tax under subparagraph (a) nor covered by subparagraph (c), the amount of the Belgian individual income tax proportionately attributable to such income may not exceed:

(i) In the case of dividends, interest, and royalties, an amount which, after allowance of the fixed amount in respect of the foreign tax, where applicable, corresponds to 20 percent of such income;

(ii) In the case of other income concerned, the amount which would be imposed in accordance with Belgian law, if such income were taxed as earned income derived from sources outside Belgium and subject to foreign tax.

(g) When in accordance with Belgian law, losses incurred by a resident of Belgium in a permanent establishment situated in the United States have been effectively deducted from the profits of that resident for his taxation in Belgium, the exemption provided in subparagraph (a) shall not apply in Belgium to the profits of other taxable periods attributable to that establishment to the extent that those profits have also been reduced for United States tax purposes by reason of compensation for the said losses.

(4) In the case of a corporation which is treated as a United States corporation for United States tax purposes and as a Belgian corporation for Belgian tax purposes, relief from double taxation shall be granted in accordance with the principles of paragraphs (2) and (3).

ARTICLE 24—NONDISCRIMINATION

(1) A citizen of one of the Contracting States who is a resident of the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than a citizen of that other Contracting State who is a resident thereof.

(2) A permanent establishment which a resident of one of the Contracting States has in the other Contracting State shall not be subject in that other Contracting State to more burdensome taxes than a resident of that other Contracting State carrying on the same activities. This paragraph shall not be construed as obliging a Contracting State to grant to individual residents of the other Contracting State any personal allowances, reliefs, or deductions for taxation purposes on account of civil status or family responsibilities which it grants to its own individual residents.

(3) A corporation of one of the Contracting States, the capital of which is wholly or partly owned or controlled, directly or indirectly, by one or more residents of the other Contracting State, shall not be subjected in the first-mentioned Contracting State to any taxation or any requirement connected therewith which is other or more burdensome than the taxation and connected requirements to which a corporation of the first-mentioned Contracting State carrying on the same activities, the capital of which is wholly owned or controlled by one or more residents of the first-mentioned Contracting State, is or may be subjected.

(4) The provisions of this article shall apply to taxes of every kind whether imposed at the National, State, or local level.

(5) The provisions of paragraph (2) shall not be construed as preventing Belgium from taxing the total profits attributable to a permanent establishment which is maintained in Belgium by a United States corporation, or any unincorporated entity, which is a resident of the United States at a rate which—before the application of the surcharges specified in paragraph (1) (b) (vi) of Article 2—is the highest rate at which the profits of a Belgian corporation may be taxed.

(a) However, as long as Belgium imposes its tax on the distributed profits of a Belgian corporation at a rate which is lower than such highest rate then the Belgian tax on the portion of the profits of the permanent establishment which is deemed to be distributed shall be imposed at a rate which—before the application of the surcharges specified in paragraph (1) (b) (vi) of Article 2—shall not exceed the highest rate at which such tax may be imposed on the distributed profits of a Belgian corporation.

(b) For purposes of this paragraph, the permanent establishment which is maintained in Belgium shall be deemed to distribute the same percentage of its profits as such resident distributes from its total profits.

ARTICLE 25—MUTUAL AGREEMENT PROCEDURE

(1) Where a resident of one of the Contracting States considers that the action of one or both of the Contracting States results or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the national laws of the Contracting States, present his case to the competent authority of the Contracting State of which he is a resident within 2 years from the date of notification (or collection at source) of the tax which has been last asserted or collected. Should the resident's claim be considered to have merit by the competent authority of the Contracting State to which the claim is made, the competent authority shall endeavor to come to an agreement with the competent authority of the other Contracting State with a view to the avoidance of taxation contrary to the provisions of this Convention.

(2) The competent authorities of the Contracting States shall endeavor to resolve by mutual agreement any difficulties or doubts arising as to the application of this Convention. In particular, the competent authorities of the Contracting States may agree:

(a) To the same attribution of industrial or commercial profits to a resident of one of the Contracting States and its permanent establishment situated in the other Contracting State;

(b) To the same allocation of income, deductions, credits, or allowances between a resident of one of the Contracting States and any related person;

(c) To the same determination of the source of particular items of income; or

(d) To the same meaning of any term used in this Convention.

(3) The competent authorities of the Contracting States may communicate with each other directly for the purpose of reaching an agreement in the sense of this article. When it seems advisable for the purpose of reaching agreement, the competent authorities may meet together for an oral exchange of opinions.

(4) In the event that the competent authorities reach such an agreement, taxes on such income shall be adjusted and refund or credit of taxes shall be allowed, by the Contracting States in accordance with such agreement.

ARTICLE 26—EXCHANGE OF INFORMATION

(1) The competent authorities of the Contracting States shall exchange such information as is pertinent to carrying out the provisions of this Convention or preventing fraud or fiscal evasion in relation to the taxes which are the subject of this Convention. Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than those (including a court or administrative body) concerned with assessment, collection, enforcement, or prosecution in respect of the taxes which are the subject of this Convention.

(2) In no case shall the provisions of paragraph (1) be construed so as to impose on one of the Contracting States the obligation:

(a) To carry out administrative measures at variance with the laws or the administrative practice of that Contracting State or the other Contracting State;

(b) To supply particulars which are not obtainable under the laws, or in the normal course of the administration, of that Contracting State or of the other Contracting State; or

(c) To supply information which would disclose any trade, business, industrial, commercial, or professional secret or trade process or information, the disclosure of which would be contrary to public policy.

(3 The exchange of information shall be either on a routine basis or on request with reference to particular cases. The competent authorities of the Contracting States may agree on the list of information which shall be furnished on a routine basis.

ARTICLE 27—ASSISTANCE IN COLLECTION

(1) Each of the Contracting States shall endeavor to collect on behalf of the other Contracting State such taxes imposed by that other Contracting State as will ensure that any exemption or reduced rate of tax granted under this Convention by that other Contracting State shall not be enjoyed by persons not entitled to such benefits.

(2) In no case shall this article be construed so as to impose upon a Contracting State the obligation to carry out administrative measures at variance with the regulations and practices of either Contracting State or which would be contrary to the first-mentioned Contracting State's sovereignty, security, or public policy.

ARTICLE 28—MISCELLANEOUS

(1) Nothing in this Convention shall affect the fiscal privileges of diplomatic and consular officials under the general rules of international law or under the provisions of special agreements.

(2) The provisions of this Convention shall not be construed to restrict in any manner any exclusion, exemption, deduction, credit, or other allowance now or hereafter accorded:

(a) By the laws of one of the Contracting States in the determination of the tax imposed by that Contracting State, or

(b) By any other agreement between the Contracting States.

(3) The competent authorities of the two Contracting States may communicate with each other directly for the purpose of carrying out the provisions of this Convention.

ARTICLE 29—EXTENSION TO TERRITORIES

(1) The United States may, at any time while this Convention continues in force, by a written notification given to Belgium through diplomatic channels, declare its desire that the operation of this Convention, either in whole or in part or with such modifications as may be found necessary for special application in a particular case, shall extend to all or any of the areas (to which this Convention is not otherwise applicable) for whose international relations it is responsible and which impose taxes substantially similar in character to those which are the subject of this Convention. When Belgium has, by a written communication through diplomatic channels, signified to the United States that such notification is accepted in respect of such area or areas, and the notification and communication have been ratified and instruments of ratification exchanged, this Convention, in whole or in part, or with such modifications as may be found necessary for special application in a particular case, as specified in the notification, shall apply to the area or areas named in the notification and shall have effect on and after the date or dates specified therein.

(2) At any time after the date of entry into force of an extension under paragraph (1), either of the Contracting States may, by 6 months' prior notice of termination given to the other Contracting State through diplomatic channels, terminate the application of this Convention to any area to which it has been extended under paragraph (1), and in such event this Convention shall cease to have effect, beginning on or after the first day of January next following the expiration of the 6-month period, in the area or areas named therein, but without affecting its continued application to the United States, Belgium, or to any other area to which it has been extended under paragraph (1).

(3) In the application of this Convention in relation to any area to which it is extended by notification by the United States, reference to the "United States" shall be construed as referring to that area.

(4) The termination in respect of the United States or Belgium of this Convention under Article 31 (Termination) shall, unless otherwise expressly agreed by both Contracting States, terminate the application of this Convention to any area to which the Convention has been extended under this article.

ARTICLE 30—ENERGY INTO FORCE

(1) This Convention shall be ratified and instruments of ratification shall be exchanged at Washington as soon as possible. It shall enter into force 1 month after the date of exchange of the instruments of ratification. The provisions shall for the first time have effect with respect to income of calendar years or taxable years beginning (or, in the case of taxes payable at the source, payments made) on or after January 1, 1971.

(2) As between the United States and Belgium, the Convention between Belgium and the United States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed at Washington, D.C. on October 28, 1948; modified and supplemented by the Supplementary Conventions signed at Washington on September 9, 1952, and August 22, 1957, and by the Protocol signed at Brussels on May 21, 1965, shall terminate and cease to have effect in respect of income to which this Convention applies under paragraph (1) of this article.

ARTICLE 31—TERMINATION

(1) This Convention shall remain in force until terminated by one of the Contracting States. Either Contracting State may terminate the Convention at any time after 5 years from the date on which this Convention enters into force provided that at least 6 months' prior notice of termination has been given through diplomatic channels. In such event the Convention shall cease to have effect as respects income of calendar years or taxable years beginning (or, in the case of taxes payable at the source, payments made) on or after January 1 next following the expiration of the 6-month period.

(2) Notwithstanding the provision of paragraph (1), and upon prior notice to be given through diplomatic channels, the provisions of Article 17 (Social Security Payments) may be terminated by either Contracting State at any time after this Convention enters into force.

IN WITNESS WHEREOF, the respective Plenipotentiaries have signed this Convention and have affixed their seals.

DONE at Brussels, this 9th day of July, 1970, in duplicate, in the English, French, and Dutch languages, the three texts having equal authenticity.

FOR THE UNITED STATES OF AMERICA:
JOHN S. D. EISENHOWER.

FOR THE KINGDOM OF BELGIUM:
PIERRE HARMEL.

The PRESIDING OFFICER. If there be no objection, Executive G, D, E, and I, 91st Congress, second session, will be considered as having passed through their various parliamentary stages up to and including the presentation of the resolutions of ratification.

The resolutions of ratification of Executives G, D, E, and I will now be read.

The resolution of ratification of Executive G, was read, as follows:

Resolved, (two-thirds of Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the United States of America and the Kingdom of the Netherlands for the Avoidance of Double Taxation and the

Prevention of Fiscal Evasion with respect to Taxes on Estates and Inheritances, signed at Washington on July 15, 1969, and the related Protocol signed on the same date. (Executive G, 91st Congress, first session.)

The resolution of ratification of Executive D was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the United States of America and Trinidad and Tobago for the Avoidance of Double Taxation, the Prevention of Fiscal Evasion with respect to Taxes on Income, and the Encouragement of International Trade and Investment, signed at Port of Spain on January 9, 1970 (Executive D, 91st Congress, second session), subject to the following reservation:

"The Government of the United States does not accept Article 7 of the Convention relating to tax deferral for technical assistance."

The resolution of ratification of Executive E was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the United States of America and the Republic of Finland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Property, signed at Washington on March 6, 1970. (Executive E, 91st Congress, second session.)

The resolution of ratification of Executive I was read, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the Convention between the United States of America and the Kingdom of Belgium for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, signed at Brussels on July 9, 1970. (Executive I, 91st Congress, second session.)

ORDER FOR CALL OF THE CALENDAR, CONDUCT OF MORNING BUSINESS AND VOTE ON CONVENTIONS TOMORROW

Mr. MANSFIELD. Mr. President, I wish to change my previous request. This is to serve notice on the Senate, in accordance with an agreement reached some time ago, that prior to the recognition of the various Senators to whom 1½ hours in time has been allocated, it is the intention of the joint leadership to call up unobjected-to items on the Legislative Calendar.

I ask unanimous consent that after the 1½ hours are disposed of, there be a morning hour for the conduct of morning business.

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

Mr. MANSFIELD. I ask that the vote on the four treaties or conventions occur not later than 12:30 tomorrow afternoon.

Mr. MILLER. Mr. President, would the Senator mind making the time 12:30? Otherwise it could be considerably earlier. It would help us.

Mr. MANSFIELD. But there will be an hour and a half of speeches. Very well; 12:30 p.m.

Mr. MILLER. I thank the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered. The vote will occur at 12:30 p.m.

Mr. MANSFIELD. I ask for the yeas and nays on the conventions.

The yeas and nays were ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

PROGRAM

Mr. GRIFFIN. Mr. President, for the benefit of the Senate I would like to inquire of the majority leader if he can give us the schedule for the remainder of today and beyond.

Mr. MANSFIELD. It does not look as if we will be able to conduct much more business today. Being realistic and, I hope, practical, we will adjourn very shortly unless a Senator wants to discuss the present measure and a live quorum call is not put in in the meantime.

Tomorrow we will vote on the four treaties. We will vote once for the four treaties. Then we will return to the pending business to see how far we can get with it.

On Monday I had indicated that the bill for the protection of consumers might come up, but in view of the fact that the foreign aid appropriation bill and the transportation appropriation bill may be reported today, it is anticipated they would probably be taken up first, to be followed by the protection for consumers bill; and then, after that, H.R. 471 to amend the act of May 31, 1933, which has to do with the Taos Indians. Hopefully after that we will take up the defense appropriations bill and other matters that may come along.

PROHIBITION OF MOVEMENT OF CERTAIN HORSES

Mr. MANSFIELD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2543.

The PRESIDING OFFICER (Mr. SAXBE) laid before the Senate the amendments of the House of Representatives to the bill (S. 2543) to prohibit the movement in interstate or foreign commerce of horses which are "sored," and for other purposes, which were, on page 1, line 4, strike out "1969". and insert "1970."

On page 1, strike out all after line 4, over through and including line 8, on page 2, and insert:

SEC. 2. (a) A horse shall be considered to sored if, for the purpose of affecting its gait—

(1) a blistering agent has been applied after the date of enactment of this Act internally or externally to any of the legs, ankles, feet, or other parts of the horse;

(2) burns, cuts, or lacerations have been inflicted after the date of enactment of this Act on the horse;

(3) a chemical agent, or tacks or nails have been used after the date of enactment of this Act on the horse;

(4) any other cruel or inhumane method or device has been used after the date of enactment of this Act on the horse. including, but not limited to, chains or boots;

which may reasonably be expected (A) to result in physical pain to the horse when walking, trotting, or otherwise moving, (B) to cause extreme physical distress to the horse, or (C) to cause inflammation.

On page 3, line 14, strike out all after "he" down through and including "horse." in line 15, and insert "has complied with such rules and regulations as the Secretary of Agriculture may prescribe to prevent the showing or exhibition of horses which have been sored."

Mr. MANSFIELD. Mr. President, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

U.S. PARTICIPATION IN CERTAIN INTERNATIONAL FINANCIAL INSTITUTIONS

The Senate resumed the consideration of the bill (H.R. 18306) 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.

AMENDMENT NO. 1081

Mr. MILLER. Mr. President, I send an amendment to the desk and ask that it be read.

The PRESIDING OFFICER (Mr. PACKWOOD). The amendment will be read.

The legislative clerk read the amendment, as follows:

At the end of the bill add the following new chapter:

"Chapter 4. ANNUAL REPORT OF NATIONAL ADVISORY COUNCIL

"SEC. 41. ANNUAL REPORT

"The National Advisory Council on International Monetary and Financial Policies shall include in its annual report to the Congress (1) a statement with respect to each loan approved by the International Bank for Reconstruction and Development, the International Development Association, the Inter American Development Bank, and the Asian Development Bank, and a discussion of how each loan will benefit the people of the recipient country, and (2) a statement on steps taken jointly and individually by member countries of the Inter American Development Bank to restrain their military expenditures, and to preserve and strengthen free and democratic institutions."

Mr. MILLER. Mr. President, I am pleased to yield to the Senator from New York.

BROKER-DEALER LEGISLATION

Mr. JAVITS. Mr. President, I rise to speak about the serious problems currently faced by the American securities industry and to urge passage of S. 2348, the Securities Investor Protection Act of 1970.

There can be little doubt that our securities industry is undergoing a financial crisis. It has been reported that some 150 brokerage houses have been forced into liquidation and that hundreds of

others have had to merge or cut back operations. Thousands of investors have had their cash and securities in brokerage accounts frozen pending the perhaps long-drawn-out settlement of bankruptcy suits or other court actions. The news media presents increasingly disturbing reports of the industry's basic financial health and its resources for coping with the current crisis. Responsibility for brokerage house failures is variously assigned to poor management, corrupt practices, inadequate self-regulation by the exchange, lax enforcement of capital and other requirements by the SEC, and a host of other factors.

Whatever the origin of the crisis, however, two facts are clear: the crisis is endemic, affecting the whole securities industry throughout the entire country; second, there has been a resultant decline in investor confidence in securities brokers and dealers.

These two facts suggest to me that Congress must restore confidence in the securities industry by acting on S. 1358. This bill, a most valuable and timely initiative by Senator MUSKIE, will establish a Securities Investor Protection Corporation to protect investors from losses caused by brokerage house failures in much the same manner that bank depositors are now protected; this will be accomplished with little net expenditure of public funds. As such the bill represents an opportunity to enhance the security of hundreds of thousands of investors and to shore up the image of an important national asset, the American capital market, without detracting from other programs and items of national importance.

The need for a Securities Investor Protection Corporation can be demonstrated most dramatically merely by reciting the history of the New York Stock Exchange's $55 million trust fund over the past few months. This trust fund was established in 1954, to protect the customers of insolvent member firms. From its position of confidently assuring the investor community that the trust fund was fully adequate to protect investors against almost any contingency, the stock exchange has retreated step by step, until it is now widely assumed that the original $55 million will leave many investors out in the cold—customers of bankrupt firms.

Consider these items:

First. In an April 14 letter to Senator MUSKIE, NYSE President Robert Haack emphasized that "no customer of a member organization of the NYSE in more than 30 years has sustained a loss of securities or funds as a result of a liquidation of an NYSE firm." On July 15, the New York Exchange reassured investors that it intended to reimburse the customers of the 10 member firms then in liquidation without regard to any per-customer ceiling. On August 6, the Exchange repeated its assurances that no public investor had ever lost money upon the collapse of an NYSE member. But on August 11, only 5 days afterwards, Mr. Haack is reported in a Wall Street Journal article to have indicated that the $55 million trust fund might not be able to protect the NYSE firms then in liquidation. And in a move that must have taken many investors by surprise the NYSE indicated in a September court affidavit that it "has consistently described the fund as a discretionary fund and not an insurance fund or a protection fund." Finally, the Exchange has revealed last week that it would move to protect the customers of three ailing firms, but only as a quid pro quo for passage of the broker-dealer insurance bill.

Second. At the present time, as I mentioned earlier, some 150 brokerage houses including some of the largest in the street have been forced into liquidation or merger operations. Thousands of investors cannot sell in their frozen securities or withdraw their frozen cash balances. The recent takeover of Goodbody & Co. by Merrill Lynch carries a $30 million indemnification clause and a bar against other large firms from liquidating, which indicates the magnitude of the safeguards which Merrill Lynch thought to be a necessary condition for the merger. The $55 million trust fund has been fully committed. Nevertheless, on April 14 of this year, NYSE President Haack was assuring Senator MUSKIE that the situation with respect to operational and financial problems of NYSE member firms had "vastly improved" since the previous June.

Third. On April 24 a surprise audit disclosed that Plohn & Co. was in violation of the net capital rule—the exchange's requirement that the debt-to-capital ratio of member firms not exceed 20 to 1. In July both SEC Chairman Budge and NYSE Vice President DeNunzio testified before the Senate that if any firms were permitted to operate while in a net capital deficiency, the exchange would have to accept responsibility for those firms. Nevertheless, when Plohn & Co. was suspended from the exchange in August, the NYSE was so ominously silent on the subject of protecting Plohn customers as to be widely interpreted as refusing to help them. Mr. Haack has only this last week said that the NYSE staff would recommend protection for Plohn customers; however, the apparent quid pro quo for this recommendation is passage of the Muskie bill, and the recommendation carries no guarantee of protection.

In recounting these items, one cannot but be impressed with the contradictory statements from industry officials about the ability and intention of the NYSE to support fully the customers of failing firms, but, more importantly, with the apprehension and insecurity which must be dispelled for millions of investors; their confidence in the industry's ability to protect its own best customers should at no time be in doubt.

I have long supported the principle of investor insurance, and in July I urged passage of Senator MUSKIE's bill. I again urge passage, free of amendments which would substantially weaken it. If anything, the need for this legislation has increased since July. The issue here is not the legal merits of any claims against one exchange's trust fund, but rather the health of one of our major industries, the securities industry, and the safety of the savings of millions of Americans.

The time has surely come when Congress must act to build up confidence in our uniquely free but currently distressed securities industry. If this is not done—and I believe it can be done with minimal material changes in the principles of self-regulation which govern the securities industry—we may see a reaction to these events of 1970 so strong as to serve neither the investor nor the securities industry itself. This bill is one of the top priority items remaining to be enacted by the Congress in this session.

FURTHER EVIDENCE OF INFLATION

Mr. JAVITS. Mr. President, I rise to give new evidence that the administration's so-called fight against inflation is failing to halt the trend of rising prices. The Department of Labor released this morning the Consumer Price Index for the month of October. The total price of all items increased 0.5 percent on a seasonally adjusted basis; that is to say, an annual rate of 6 percent. This is the second consecutive month for such a large rise to occur, and surely suggests that present efforts to turn the tide of inflation are simply inadequate.

The administration's "Inflation Alert," published in August, as an outcome of recommendations made by the Republicans in the JEC and by a Senate resolution I introduced, fell short of what I believe to be a necessary minimum of Presidential leadership in the wage/price area. It would now appear to have had no effect on consumer prices whose rates have greatly accelerated since its publication. Perhaps the second "Alert," which I understand is to be released very soon, will establish more effective policy actions; I urge that—as an immediate first step—this second "Alert" take a very strong stance on wages and prices.

In recent months many national economic leaders, both businessmen and members of the administration, have spoken out openly in favor of some sort of incomes policy to aid in dampening this inflation which our economy clearly cannot continue to tolerate.

I again urge the Council of Economic Advisers and the President's other economic advisers to reconsider effecting some sort of incomes policy plan. For with an annual rate of inflation now at 6 percent surely such action is warranted.

ROMANTICIZING OF VIOLENCE

Mr. JAVITS. Mr. President, attention has been so focused upon the tiny minority of violence-prone young people that we risk overdramatizing their activities, both to ourselves, and, what is even more serious, to those young people themselves; while understanding that there is ample room in our society and opportunity for vigorous—and lawful—protest. I commend to the attention of the Members an editorial in the October 8 issue of Park East, a weekly newspaper published in New York City, which warns against romanticizing violence.

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

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

THE BULLIES

In the 1920s in Germany, every bully and every sadist found that by donning a brown shirt he would be transformed from a criminal into an exponent of a new ideology for a "New Germany." There they were called Nazis; here they have given themselves a variety of names under the generic title of revolutionaries. Suddenly a common criminal who is captured by the police is transformed into a political prisoner being persecuted for his views. An ex-convict in Boston, who was arrested for allegedly participating in the bank robbery in which a policeman was killed, now calls himself a revolutionary and seeks sympathy as a political prisoner.

The ridiculous part of this is that too many people are ready to extend the hand of friendship to any murderer or robber if he covers himself with a revolutionary ideology. And these bullies know it full well. To beat up a policeman becomes an act of courage when it is performed by a mob, waving clenched fists and shouting slogans. Too many weep for the bully instead of for his victim; for the prison inmate rather than for the correction officers who were held hostage for days.

It's about time, we separated the bullies from their ideologies and treated all perpetrators of violence as equals under the law. Let us no longer protect those whose out is to portray themselves as revolutonaries; they are no better than their brethren in crime.

ATTRACTING OVERSEAS VISITORS TO OUR SHORES

Mr. JAVITS. Mr. President, I would like to comment on the U.S. effort to attract overseas visitors to our shores and to bring to the attention of my Senate colleagues an interesting speech on what the future holds in store for this effort.

It is appropriate to comment on travel at this time, since 1970 marks the passage of the first comprehensive travel legislation in 9 years. The 1970 amendments to the International Travel Act of 1961 will establish a commission to find out exactly what our travel resources and needs are; it will increase the budget of the U.S. travel service; and it will institute a program of matching grants to States engaging in international travel programs.

With a country of such diverse tourist attractions as the Grand Canyon and New York City, of Disneyland, and our own National Gallery, it is shocking that the Federal budget for attracting tourists from abroad has actually been exceeded each year by such smaller countries as Ireland, Greece, and Italy. The new programs and authorizations contained in the International Travel Act amendments will help rectify this situation; they will also pose new challenges to private businesses engaged in the $30 billion travel industry.

In short, these amendments will not only put some muscle in the national travel effort, with all that this implies for the travel account of our balance of payments, but they will also usher in a new and expanded dimension in Federal, State, and private industry cooperation. This cooperation will be especially unique since the travel field comprises such a large diversity of businesses—for example, bus lines, hotels, restaurants, amusement parks, and travel agencies—of which a large percentage are small businesses.

How to muster the leadership for a coordinated travel program, and how to provide the millions of dollars which will be required in addition to the Federal share, is the subject of an interesting address by the chairman of the Discover America Travel Organization's International Committee, James Montgomery. Mr. Montgomery envisages 8 million overseas visitors in the United States by the end of this decade, spending together with Canadian and Mexican tourists about $5 billion in foreign currencies. The promotion costs for this $5 billion of business would amount to $70 million, in Federal, State, and private industry contributions. Mr. Montgomery's analysis of funding sources, and his optimistic view of the future U.S. international travel effort is the view of an expert and one which I commend to my colleagues to read.

I ask unanimous consent that excerpts of Mr. Montgomery's speech be printed in the RECORD.

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

TALK AND REPORT BY JAMES MONTGOMERY, VICE PRESIDENT, PAN AMERICAN WORLD AIRWAYS

INTRODUCING THE GREAT NEW WIDE-BODIED AMERICA

The recent Assistant Secretary of State for Educational and Cultural Affairs, Charles Frankel, after leaving office, published a fascinating book "High on Foggy Bottom: An Outsider's Inside View of our Government".

This book provides some insights which may point the direction in which we should endeavor to steer our good ship DATO in the coming years. Let me quote a few highly significant paragraphs:

"Between the state governments whose jurisdictions are increasingly artificial, and the federal government, whose jurisdiction is so large and so abstract, there is a vacuum in governmental power. New forms of regional government are required to permit the creation of a modernized federal system that would remove from Washington some portion of the activities that now go on there, and that would leave greater room for initiative and variety to different areas of the country. . . ."

"In between the so-called public and private sectors a large new third sector, comprised of semi-autonomous public corporations and private non-profit agencies heavily supported by government, has come into being over the past two decades. Government already relies on this sector heavily. It could rely on it more. Public services might acquire qualities of simplicity and intimacy they now lack, and the pressure on officials in Washington and on other centers of government would be proportionately reduced".

In trying to chart DATO's future in its task of stimulating travel to and within the United States, this concept of "a semi-autonomous non-profit agency heavily supported by government" seems to fit the requirements of an organization which has the monumental task of trying to provide inspiration and direction for a $46 billion dollar travel industry comprised of a vast number of public and private segments scattered across almost one-half of the globe from New York to Guam.

As the Chairman of your International Committee, my job is to focus on the segment of our industry which deals with foreign visitors. Today international tourism receipts not only account for the largest single item in world trade; they are also growing at a faster rate than the value of total world exports. And the United States leads all other nations in the revenue earned from foreign visitors.

In 1969 international tourism receipts amounted to an estimated $15.3 billion. The importance of tourism in world trade can be seen by comparing it to world exports of such items as cotton $2.6 billion, coffee $2.3 billion, sugar $1.8 billion and wool $1.5 billion.

During the past 10 years foreign visitors to the United States have more than doubled—from 6 million visitors in 1959 to 12.4 million in 1969. This is a remarkable achievement, but even more remarkable is the growth in travel from overseas areas. When we remove Canada and Mexico from these figures we find that *overseas* visitors have shown an amazing four-fold growth, reaching a total of 2 million visitors in 1969. Project this same rate of growth for the next ten years and we would see over 8 million *overseas* visitors touring the United States in 1979 spending about $3 billion in our hotels, restaurants, shops, sightseeing attractions, as well as buying transportation in the United States on planes, buses, railroads, rental cars and campers. Add to this the traffic from Canada and Mexico contributing another $2 billion and we will be enjoying a total visitor income of $5 billion annually before we see the end of the 1970's.

* * * * *

What makes us too confident that we can attain a four-fold increase in visitor traffic to the United States in the coming decade is the unbelievable magnitude of America's technological accomplishments in introducing new and improved tourism attractions in this country. We already have a *great new wide-bodied America* ready to be promoted and serviced for the benefit of visitors from all over the world.

During the past five years while the United States airlines have been spending about 3.5 billions of dollars preparing for the introduction of the 747, both private and public sectors of the United States have been investing hundreds of billions on all manner of structures, facilities and services that together represent the new tourism resources of this nation.

I wish I could point to a new DATO publication describing all of the new tourism wonders which have been created in the United States in the past five years. Since this does not exist, let me mention a few of the sights which would be new to a visitor who had not traveled in America since 1965. For such a visitor we offer an entirely new New World.

Look around you here in San Diego. The past five years have seen the introduction of the Sea World in Mission Bay Park which attracts over 2 million visitors a year; the new Civic Theatre seating 3,000 people, part of a new convention complex; Harbor Island, a man-made island three-quarters of a mile long on which Sheraton, Ramada Inns, Travel Lodge and others are adding more than a thousand hotel rooms and convention facilities to expand San Diego's capacity to receive visitors. The world famous San Diego Zoo is developing a new African Safari attraction. And these are only a few of the local attractions which are at the heart of a vast new tourism and recreation complex stretching from the Mexican border on the south, northward to Los Angeles and east to Palm Springs and the surrounding desert resorts.

Back home on my own resort island—Manhattan—an exciting new tourism product of unbelievable dimensions has also evolved in the past few years.

The $190 million Lincoln Center cultural complex has been completed. Here in a single location are covered theatre, opera, dance, concerts as well as library facilities, restaurants, bars and shops.

The famous skyline of New York has been dramatically changed. Great new skyscrapers have been added both in midtown and

lower Manhattan. A visitor today can see in the process of construction the new World Trade Center with two towers both higher than the Empire State Building.

Other new buildings of interest to visitors include the Ford Foundation with its interior garden, the Eastman Kodak building with its photographic gallery and photo information center and the new Burlington House which contains an exhibit called "The Mill". Here a moving conveyor belt carries visitors past a series of exhibits tracing the creation of fabrics and other Burlington products from the cotton boll to the finished manufactured items.

Washington, D.C., offers a new Smithsonian Museum, Florida now has Cape Kennedy and under construction a vast Disneyland recreation complex. Texas has its Astrodome and Colorado has created a number of exciting new winter sports communities. Chicago has the new $100 million dollar McCormick Building called "Place-On-The Lake" which provides the country's largest and most modern convention and exposition complex. In addition there is the John Hancock Center, a $95 million dollar 100-story skyscraper with a roof-top sightseeing area with a view of four states.

All across our country new public park facilities, new recreation areas, new camp sites and new motels, linked by computer controlled reservation systems, have recently been introduced.

The new tourist attractions in Las Vegas, Hawaii, Puerto Rico, New Orleans, Arizona and New Mexico are too numerous to mention. In fact, there is no time today to even touch on the vast array of sensational new sights and events designed for the instruction and entertainment of travelers and which did not exist in this country five years ago.

Like the new wide-bodied 747 we have a new and dazzling tourism product in America, ready to be introduced to the world. How do we go about bringing this new product to the market place?

There is only one way. We must use all our available promotional tools: research, advertising, merchandising, public relations—the application of all of the marketing techniques which we in America know more about than any other country in the world.

Now let's turn to the question of how to finance the program for telling the rest of the world about our new tourist attractions.

Foreign visitors spent about $2 billion in the United States last year. Assuming that 15% of the tourist spending gives us an approximation of the tax revenue generated for the state and local communities we find that foreign visitors are contributing about $300 million to these revenues.

Suppose the States could be persuaded to invest 3% of this $300 million of revenues toward expanding this profitable business. This would mean States spending $9 million for foreign travel promotion (at present 20 states spend only about $360,000 to attract foreign visitors).

Suppose a matching fund arrangement was made available through appropriations from the Federal Government.

If States provided $9 million and the USTS matched this with another $9 million, we would have an annual budget for use by the individual States totaling $18 million. States could promote themselves individually or pool their promotional funds for regional tourist development programs. Add to this a $9 million USTS budget for national travel development and $3 million for the private sector and we would have a grand total of $30 million available to tell the world about all those hundreds of new exciting tourism attractions we have recently created and are anxious to show to visitors from foreign lands.

Last year our Pan Am President, Najeeb Halaby, in an address before the European Travel Commission, pointed out the critical need in the United States for a regional or state-level approach to foreign promotion.

He pointed out the curious economic paradox that may only fit travel promotion. Fragmented promotion works better than mass selling when you are trying to promote a travel product comprising a number of different regions. "America, unlike Europe," Mr. Halaby pointed out, "has never been able to tap effectively for tourist development, its cultural resources or rely on the power of regional enthusiasm."

"Of course, economic nationalism begins to fail as the jet shrinks the world, but we need as much cultural nationalism, as much cultural diversity as we can get".

"For cultural diversity is the vision and the variety of the travel experience, which after all is based on seeing things that can't be seen in one's own backyard".

To coordinate the state or regional programs in order to make possible this diversified approach to the promotion of travel to the United States, Mr. Halaby emphasized the need of a strong private non-profit institution which could well be the Discover America Travel Organization. It should be financed by the public, and private industry should also make a substantial contribution. It should function as the semi-official arm of the USTS. In effect, this concept would expand the responsibility of DATO's International Committee into a body such as recommended by the Presidential Commission on Travel in 1968.

This Commission in its final report came to the following conclusion: "Our recommendation for implementing the Foreign Visitor Program—through a government travel office and a private institute—provides a unique system involving two organizations with complementary roles each responsible for what it does best, but with a single purpose. The dual structure could help remove the basis of distrust in the relationship of future Congresses to new government programs".

"The system also provides a basis for a direct cooperation with regional associations of the states. The wide variations in geography, climate and man-made attractions across the United States make such regional grouping logical for the promotion of foreign tourism. Each region is similar, in terms of tourist attractions, to a separate country and should be promoted as such. . . ."

The commission also suggested an annual budget which including the budget for the National Travel Office (USTS) and the Institute (DATO) would total $30 million. The Institute in turn would provide matching funds for state and regional promotional programs and would monitor and coordinate their activities.

The critical need for increased foreign currency earnings to improve our balance of payments is as pressing today as it was at the time of the Commission's report in 1968.

More important, the Institute envisaged by the report has now been created through the birth of DATO and has been in active operation for two years. In addition, through the creation of DATO's International Committee, which co-exists as the U.S. Department of Commerce Travel Advisory Board's Tour Committee, we now have two year's practical experience in working with the Federal Government on one hand, and the states and regions on the other, to bring to bear the necessary experience and coordinated action needed to energize and stimulate the program of foreign travel promotion.

The three-tiered approach to travel promotion as recommended by the Presidential Commission—Federal, DATO and Regional/State—is already in operation. We lack only two elements—the Federal budget allocation of $30 million and the contribution to DATO from the industry groups who are benefitting most from these travel development programs.

Before I conclude I want to draw attention to the great, but largely untapped, potential strength which exists within our DATO structure.

If we break down our $46 billion estimate of the total spent for travel in the United States we find that the food service industry receives about $13.1 billion, the lodging industry about $10.8 billion, transportation $14.5 billion, other retail sales $5.5 billion, entertainment $1.6 billion and miscellaneous services $0.5 billion.

As an example of untapped potential let's look at the food service industry with its $13.1 billion in sales to travelers. This industry alone could afford, in its own self interest to provide the financial support called for in President Mercer's far ranging plans for the future. Yet at the present time this vast industry's support of DATO programs is so modest as to be almost unperceived.

May I respectfully suggest to all members of DATO that a top-priority mission for 1971 should be the identification, and putting into proper place within our organization, all of the missing pieces of this vast jigsaw puzzle we call the travel industry. If our puzzle could be completed; if all of the pieces could be fitted into their proper places within DATO, I wonder what the finished picture would look like?

Instead of trying to make a prediction at this time may I conclude by leaving with you a few questions:

1) Do you know of any other trade association in the world that has an active membership which includes, on one hand, such major industries as transportation, oil, automotive manufacturing, air frame manufacturing, hotels and motels, publishing, etc., and side by side in the same organization, departments of the Federal Government, State Governments, Municipalities resort areas and other local community organizations?

2) Do you know any organization which has so much potential for serving the public in ways which make life happier, more meaningful, more satisfying in non-material ways, by providing through travel such benefits as recreation, health, education, cultural enrichment, new friendships and new avenues to international understanding and good will?

3) Could any industry, in its most utopian dream, conceive of a trade association which embraces such a large segment of American business and government at all levels, a mission more important for the public good, and leadership group with such imagination, creativity and willingness to explore new frontiers of cooperative action?

I have used the word "utopian" advisedly in this final question, in the sense used by Lewis Mumford when he wrote: "Utopia has long been the name for the unreal and the impossible. . . . As a matter of fact it is our utopias that make the world tolerable to us: the cities and mansions that people dream of are in fact those in which they finally live."

ORDER OF BUSINESS

Mr. HOLLINGS. Mr. President, may I proceed for 2 minutes?

Mr. MILLER. Mr. President, I yield to the Senator from South Carolina.

Mr. BYRD of West Virginia. Mr. President, the Senator lost the floor when he took his chair. The Senator from South Carolina wants only 2 minutes.

A THANKSGIVING MESSAGE TO THE PRESIDENT AND VICE PRESIDENT

Mr. HOLLINGS. Mr. President, Thanksgiving is traditionally the celebration of American plenty, a time in

which we acknowledge our gratitude for living in a land of affluence. For the majority of us, the celebration is apt. For the majority of us, deprivation and hunger are total strangers. But to 15 million hard-core hungry, empty stomachs are an everyday reality. Hunger is a documented and tragic fact, a national disgrace for a country which could eliminate want without growing another bushel of wheat or another ear of corn.

In the early months of his administration, President Nixon showed signs of moving resolutely to eradicate hunger. In May 1969, the President solemnly pledged that—

> The moment is at hand to put an end to hunger in America itself for all time.

Last December he promised that by Thanksgiving of this year—that is the day after tomorrow—every needy schoolchild would be provided free or reduced-cost school luncheons, thereby guaranteeing hungry youngsters at least one balanced meal daily during the school week. These promises have not been redeemed. Instead, sad to report, the administration is now weaseling out of its pledges. And White House spokesmen are using their high offices to attack dedicated hunger fighters.

I am appalled by the fact that Dr. Daniel P. Moynihan has issued a statement denying the connection between malnutrition and brain damage. Thousands of pages of expert medical testimony directly contradict Professor Moynihan's absurd generalizations. Studies old and new point to a direct relationship between malnutrition, mental retardation, and motor abilities, as well as the obvious retardation of physical growth. I am amazed at Professor Moynihan's refusal to face the large and evergrowing body of scientific evidence on this subject—particularly since there are able scientific minds within the administration itself that could set Professor Moynihan straight. I would urge the White House to consult the findings of Dr. Charles Upton Lowe, Drs. H. Peter Chase and Harold P. Martin, Dr. H. Jack Geiger and Prof. Robert Stauffer—some of whom are in the administration—to name only a few. Their studies make it clear, even to the nonacademic mind, that malnutrition in children leads directly to mental impairment—brain damage that can never be fully remedied.

Two weeks ago, I reported that the school lunch program was failing to reach the needy children President Nixon had promised to help. The administration has fallen far short of providing free or reduced-cost luncheons to the hungry poor. More than half of these children have yet to receive their first such lunch. Instead, the administration attempts to hide its failure in the smog of misleading statistics. We only need one statistic to document the failure. There are an estimated 8.9 million eligible poor children, and only 4.1 million of them are being fed today. What a far cry from the grandiose promise to feed them all by Thanksgiving.

The administration says we have gone from 19.7 to 21 million in the overall school lunch program, but they do not live up to their promise to the needy children. That number of needy children served has gone from 5.2 to 4.1 million, a drop of 20 percent. And the ultimate statistic, if that is what they want to feed them: 50 percent of those needy children eligible to receive help from a program that every Senator, Republican and Democrat, agrees is the finest program we have ever had, are not being fed.

Some argue that President Nixon has done more than any other Chief Executive. That is true. But previous administrations did not have the facts. President Nixon does.

With that information, and with his on-the-record promises, he should be leading the antihunger crusade. Instead he deliberately avoids the facts and confuses the people with half-truths and utterly misleading statistics.

I would like to know why the administration is issuing false information about its feeding programs and why it continues refusing to seek the kind of funds necessary to match promises with performance. Can it be that he is simply unaware of the mountains of evidence providing the realities of hunger? Has he fallen victim to the amateur expertise of Dr. Moynihan? Or is hunger simply not a part of his latest political game plan? I wonder.

The National Nutrition Survey last year was given high marks by the administration for its work. Yet once the evidence was in, the White House chose to ignore it. The findings have been suppressed, perhaps because Mr. Nixon does not want the American public to "worry" about the existence of malnutrition in the United States.

I would emphasis the use of suppression by this administration. In 1967, the Surgeon General of Health, Education, and Welfare came to Congress, and he testified, No, we do not know the extent, medically, of malnutrition in America. Yes, we have studied it in 33 countries of the world, but never in America.

So Congress directed a survey, and it commenced in some 10 States. When Dr. Arnold Schaefer, head of the survey, appeared before the Senate Select Committee on Nutrition and Human Need in the spring of this year, he had statistical findings on five States. He was ordered by the administration to testify on only two, Texas and Louisiana, and even to state that they were not conclusive.

Now, more recently, when we got onto this particular subject, and revealed the suppression of the facts, Dr. Schaefer was sent, after practically completing all of his studies, where? I ask the Senator from Oregon. Down to the Communicable Disease Center in Atlanta, Ga. Meanwhile we were trying to fight hunger, with that income yardstick. You know, it is the worst thing in the world. It insults commonsense. When you say $3,720 is the poverty cutoff, and that when you are under that, you are in poverty, and there are X number of people starving on the street, people look you in the face and say it is ridiculous, and they are right.

But we began studying these facts. We had 10 States studied, and the fact is, we have the data on 7,400 cases; and of the 7,400 studied, 6,967 are completed. This is sufficient to identify the key problem. They do not need to be cleaned up. Scientifically, you take all the data, clean it up, finalize it. But this is sufficient to identify the key problem.

We have six States finalized, that could be reported now. But the administration tells the gentleman, "Don't report, don't use it, or you are on the way out." He finally, as an administrator, had to bargain with the administration, and I would ask the news media to find out about this, because I had to find out, not from Dr. Schaefer, but from other sources.

He asked, "Could I stay on long enough to be able to give the final figures for the various States, so that we could pinpoint the preliminary findings for the several States we have studied?"

At last they said, "All right, you stay on until March 19. After March 19, if you agree not to testify, not to talk, and not to write about this survey, we will give you a 1-year sabbatical."

This is the "open" administration. We are not going to have any of the hanky-panky that we had with Brother Lyndon; we are going to have an open administration. So they tell that poor public servant, "Shut up, don't testify, don't write and you will get yourself a 1-year sabbatical. Otherwise, after March 19, you are in involuntary retirement," which means in common present-day parlance, fired.

And that is where the poor gentleman is, after doing the work and doing a good job, doing a job that the President himself said was good. That is where he finds himself, and that is how we obscure the hunger problem in America. I cannot express in terms too strong my contempt for those within the White House who are responsible for such dereliction to duty. And I also feel compelled to score the national news media for their failure to root out the political pressures and machinations which brought this fine effort to its death.

Last year the Bureau of the Budget turned over a classified document to the White House Urban Affairs Council. That document clearly showed that hunger and malnutrition was a national problem of tremendous scope. And it stated unequivocally that hunger leads to illness, lethargy, and the inability of a citizen to cope with the society of the 1970's. Yet that document, like other studies on the subject, is now gathering dust in some White House cabinet file.

Remember the two Army captains from West Point? The Urban Affairs Council of the White House got two captains, professors over at West Point, and they said, "We want you to make a special study for the White House on hunger in America," and they sent them to several States, all over the land, and when the two captains came back, they were told not to testify, and to shut up, and do not write, and do not appear. They finally did appear before the national news media, but the White House has yet to acknowledge receiving their report.

That is what the Nixon administration is doing: all rhetoric and no action, and running in the wrong direction.

If the family assistance plan is bad,

why not give food to the hungry under the approved food stamp program? The whole hangup on the family assistance plan is throwing money at a problem without any planning. Putting a Government check in the hands of one in every five in South Carolina, coming in the midst of unemployment, inflation, having a hard time paying the bills, is simply unworkable. And FAP would put one of every three citizens in Mississippi on the dole with a Government check. And that is solving the problem? Absolutely not. Let us get to the problem of hunger itself and the beginning of the poverty cycle.

I say if we are actually interested in the real needs of America, we would quit dawdling, we would quit cutting back on food programs on the House side, we would quit cutting back in the Senate, and we would quit cutting back on things like the school lunchroom program, while all the time appearing on TV and on the news media orating about a great job we are doing, and what great compassion we have. I say we are doing an about-face, and marching in the opposite direction.

Finally, why does the President refuse to support the Senate on a food stamp appropriation sufficient to fulfill his own promises to the hungry? Where is the hunger survey? You remember the White House Conference on Food, Nutrition, and Health? They were going to have a follow-up conference. Hunger fighters were begging the White House to have a reconference, but they can get no official agreement on a date. Another promise gone awry. The food stamp program is currently reaching only a third of those Americans eligible for food assistance. Is this how the President goes about putting "an end to hunger in America?"

I challenge President Nixon to respond to these facts. I challenge him to tell Congress and the American people why he has failed to get behind the army of words he sent into the battle some 18 months ago. I challenge him to stop leading by consensus politics and to start leading from genuine concern. Surely when millions are going hungry in this land of plenty, we cannot be satisfied with less than a full and honest attempt to end this tragic national blight.

This is what we get on the eve of Thanksgiving; and that is the Vice President, too, who says, in his famous words:

> If you have seen one ghetto, you have seen them all.

And who admonished me, in 1969, by saying:

> Why does not the Senator go to work on the problems of his people, rather than mouthing around on TV and making TV shows?

Mr. President, I ask unanimous consent to send a copy of my remarks to the President and Vice President. Is there provision for such a request under the rules? I do not hear any objection.

Mr. MILLER. Mr. President, reserving the right to object, may we have a ruling from the Chair?

The PRESIDING OFFICER. Objection is heard.

Mr. MILLER. No; reserving the right to object, I have asked for a ruling from the Chair on the Senator's question.

Mr. HOLLINGS. Would anyone contemplate an objection to that, seriously?

A point of order, Mr. President; what is this reservation of the right to object?

The PRESIDING OFFICER. Is there objection?

Mr. MILLER Mr. President, reserving the right to object, may I inquire of the Chair as to what the Chair's ruling is in response to the question raised by the Senator from South Carolina?

Mr. HOLLINGS. A point of order, Mr. President. I ask the Senator to either object or not. There is no provision for such a thing as reserving the right to object. I have asked unanimous consent.

Mr. DOLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOLE. Will the Senator from South Carolina repeat his request?

Mr. HOLLINGS. I ask unanimous consent to have a copy of my remarks on the Thanksgiving message and hunger in America prepared and sent to the President and Vice President of the United States. Is there objection to that?

Mr. DOLE. The Senator from Kansas does not object to the Senator from South Carolina doing that himself, but as to its being done as an official act of this body, I would object.

Mr. HOLLINGS. How about as official record? We just made it an official record.

Mr. MILLER. All the Senator from South Carolina has to do is send the President a copy of the CONGRESSIONAL RECORD.

Mr. HOLLINGS. But there is a difficult time communicating. I think he might pay attention. There is a fellow there named Harry Dent who shortstops everything I send.

The PRESIDING OFFICER. Objection is heard.

Mr. HOLLINGS. Objection is heard? What Senator objected?

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. A member of the committee.

THE COMPREHENSIVE MANPOWER ACT

Mr. YARBOROUGH. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3867.

The PRESIDING OFFICER (Mr. PACKWOOD) laid before the Senate the amendment of the House of Representatives to the bill (S. 3867) to assure opportunities for employment and training to unemployed and underemployed persons, to assist States and local communities in providing needed public services, and for other purposes, which was to strike out all after the enacting clause, and insert:

That this Act may be cited as "The Comprehensive Manpower Act".

STATEMENT OF PURPOSES

SEC. 2. The Congress finds and declares that—

(a) To attain the objective of the Employment Act of 1946 "to promote maximum employment, production and purchasing power" we must assure an opportunity for a gainful, productive job to every American who is seeking work and make available the education and training needed by any person to qualify for employment consistent with his highest potential and capability.

(b) It is within the capability of the United States to provide every American who is able and willing to work, full opportunity, within the framework of a free society, to prepare himself for and obtain employment at the highest level of productivity, responsibility, and remuneration within the limits of his abilities.

(c) The growth of the Nation's economic prosperity and productive capacity is limited by the lack of sufficient skilled workers to perform the demanding production, service, and supervisory tasks necessary to the full realization of economic abundance for all in an increasingly technical society, while, at the same time, there are many workers who are working below their capacity and who with appropriate education and training could capably perform jobs requiring a higher degree of skill, judgment, and attention.

(d) The human satisfaction and sense of purpose so important to employment cannot be fulfilled unless employees have a reasonable opportunity to advance in employment to positions of greater responsibility, status, and remuneration.

(e) The placement of unemployed or underemployed workers in private employment is hampered by the absence of a sufficient number of appropriate entry level employment opportunities to satisfy the need therefor and that the preparation of workers now occupying such places for, and their employment in, more responsible positions would increase the number of appropriate entry level employment opportunities.

(f) It is in the interest of workers, employers, and of the Nation to promote the filling of skill requirements in industry and to provide for the upward mobility of industrial workers by a program that will enable employers to educate and train their employees for positions of greater responsibility, to provide opportunities for advancement to industrial workers, and to create employment opportunities for the unemployed.

(g) There are great unfilled public needs in such fields as health, recreation, housing and neighborhood improvement, public safety, maintenance of streets, parks, and other governmental facilities, rural development, transportation, beautification, conservation, and other fields of human betterment and public improvement and that to meet these urgent public needs it is necessary to devote greater resources to public service and to expand public service employment.

(h) The organization and delivery of manpower training services is increasingly complex, the technological nature of the services is expanding, and the trained staff to provide such services is scarce, thus requiring an intensive program of technical assistance and staff training to public and private agencies providing manpower services, and

(i) The economic prosperity of the United States and the well-being and happiness of its citizens would be enhanced by the establishment of a comprehensive manpower policy and program designed to assure every American an opportunity for gainful pro-

ductive employment and to provide the education and training needed by any person to qualify for employment consistent with his highest potential and capability.

TITLE I—MANPOWER SERVICES PROGRAM

GENERAL RESPONSIBILITIES

SEC. 101. (a) The Secretary of Labor (hereinafter referred to as the Secretary) shall develop and carry out a program of comprehensive manpower services under this title that will—

(1) provide for the prompt referral of those persons who are qualified and are seeking work to suitable employment opportunities;

(2) provide training and related manpower services to all other persons who are unemployed, in danger of becoming unemployed, employed in public service jobs authorized in title III, or employed in low-paying jobs who could through further training qualify for job opportunities that would provide an adequate standard of living for themselves and their families;

(3) provide appropriate training and related manpower services for persons in correctional institutions to assist them in obtaining suitable employment upon release;

(4) provide appropriate training and related manpower services for persons who have recently been or will shortly be separated from military service;

(5) develop an early warning system and standby capability that will assure a timely and adequate response to major economic dislocations arising from changing markets, rapid technological change, plant shutdowns, or business failure;

(6) promote and encourage the adoption of employment practices by public agencies, nonprofit agencies, labor organizations, and private firms that will remove unreasonable barriers to employment, without reducing productivity, and expand opportunities for upward mobility;

(7) reduce the level of youth unemployment by improving the linkages between educational institutions and job markets; and

(8) support and encourage the development of broad and diversified training programs by public, non-profit and private employers designed to improve the skills and thereby the promotion and employment opportunities of employed workers.

(b) The Secretary shall be responsible for the coordination of the activities of other Federal agencies that may contribute to the accomplishment of the purposes of this Act, for promoting the maximum possible coordination of State and local public agencies and private agencies and for recommending to the President and to the Congress combinations of programs or shifts in responsibility that facilitate the achievement of the purposes of this Act.

COMPONENTS OF MANPOWER SERVICES PROGRAMS

SEC. 102. (a) In meeting the responsibilities imposed on him by section 101, the Secretary shall, to the extent needed in each State and local area, provide a comprehensive manpower services program for all those eligible under this title which shall include but shall not be limited to the following:

(1) A program for testing, counseling, and selecting for occupational training those unemployed or underemployed persons who cannot reasonably be expected to secure appropriate full-time employment without training.

(2) Programs for the attainment of basic education and communications and employment skills, by those eligible persons who indicate their intention to and will thereby be able to pursue, subsequently or concurrently, courses of occupational training of a type for which there appears to be a reasonable expectation of employment, or who have completed or do not need occupational training but do require such other preparation to render them employable.

(3) Outreach to find the discouraged and undermotivated and encourage and assist them to enter employment or programs designed to improve their employability.

(4) Prevocational orientation to introduce those of limited experience to alternative occupational choices.

(5) Short-term work experience with public and nonprofit agencies for those unaccustomed to the discipline of work.

(6) Communication and employability skills for those pursuing, subsequently or concurrently, courses of occupational training who require such other preparation to render them employable and for those with sufficient skills for suitable employment who require such perparation to become employable.

(7) Occupational training designed to improve and broaden existing skills or to develop new ones.

(8) On-the-job training provided by public, nonprofit and private employers.

(9) Part-time training for employed persons where such training would lead to improved employment opportunities.

(10) Programs to provide part-time employment, on-the-job training, or useful work experience for students from low-income families who are in the ninth through twelfth grades of school (or are of an age equivalent to that of students in such grades) and who are in need of the earnings to permit them to resume or maintain attendance in school.

(11) Special programs for jobs in public and private agencies leading to career opportunities including new types of careers, in programs designed to improve the physical, social, economic, or cultural conditions of the community or area served in fields including but not limited to conservation, pollution, beautification, health, education, welfare, neighborhood redevelopment, rural development, transportation, recreation, maintenance of parks, streets, public facilities, and public safety, which provide maximum prospects for advancement and continued employment without Federal assistance, which give promise of contributing to the broader adoption of new methods of structuring jobs and new methods of providing job ladder opportunities, and which provide opportunities for further occupational training to facilitate career advancement.

(12) Programs to provide incentives to private employers, nonprofit organizations, and public employers to train or employ unemployed or low-income persons, including arrangements by direct contract, for reimbursement to employers for the costs of recruiting and training such employees to the extent that such costs exceed those customarily incurred by such employer in recruiting and training new hires, payment for on-the-job counseling and other supportive services transportation, and payments for other extra costs including supervisory training required by the program.

(13) Skill training centers wherever a consolidation of occupational training and related manpower services would promote efficiency and provide improved services.

(14) Supportive and followup services to supplement work and training programs under this and other Acts, including health services, counseling, day care for children, bonding, transportation assistance, and other special services necessary to assist individuals to achieve success in work and training programs.

(15) Employment centers and mobile employment service units to provide recruitment, counseling, and placement services, conveniently located in urban neighborhoods and rural areas and easily accessible to the most disadvantaged.

(16) Special job development efforts to solicit job opportunities suited to the abilities of the disadvantaged job-seeker and to facilitate the placement of individuals after training including referral to employment opportunities in urban and suburban areas outside their own neighborhoods.

(17) Job coaching for a limited period to assist the employer and the worker to insure job retention.

(18) Relocation payments and other special services as needed to assist unemployed individuals and their families to relocate from a labor surplus area to another area with expanding employment opportunities where a suitable job has been located. Preference for such assistance shall be provided those who have been provided training before relocation or have been accepted for on-the-job and other types of employer-directed training.

(19) Special programs which involve work activities directed to the needs of those chronically unemployed poor who have poor employment prospects and are unable (because of age, physical condition, obsolete or inadequate skills, declining economic conditions, other causes of a lack of employment opportunity, or otherwise) to secure appropriate employment or training assistance under other programs. Such projects, in addition to other services provided, shall enable such persons to participate in projects for the betterment or beautification of the community or area served by the program, including but not limited to activities which will contribute to the management, conservation, or development of natural resources, recreational areas, Federal, State, and local government parks, highways, and other lands; the rehabilitation of housing; the improvement of public facilities; and the improvement and expansion of health, education, day care, and recreation services.

(20) The development of job opportunities through the establishment and operation of centers for low-income persons who are unemployed or underemployed, providing recruitment, counseling, remediation, vocational training, job development, job placement, and other appropriate services.

(b) Where appropriate, the services authorized by this section may be provided, in whole or in part, through residential programs.

ELIGIBLE APPLICANTS

SEC. 103. (a) To the extent consistent with the purposes of this title, the Secretary is authorized to enter into arrangements with any eligible applicant in accordance with the provisions of this title in order to make financial assistance available for the purpose of carrying out manpower services when the Secretary determines that such services can be most effectively implemented by such applicant.

(b) For the purpose of entering into arrangements with the Secretary under this title, eligible applicants shall be—

(1) prime sponsors designated pursuant to plans approved by the Secretary under section 104; and

(2) other public and private agencies, institutions, and organizations, including community action agencies.

PRIME SPONSORS

SEC. 104. (a) For the purposes of this title—

(1) any State; and

(2) any unit of general local government—

(A) which has a population of 100,000 or more persons on the basis of the most satisfactory current data available to the Secretary and (i) which is a city or (ii) which is a county or other unit of general local government which is determined by the Secretary, in accordance with such regulations as he shall prescribe, to have general governmental powers substantially similar to those of a city and to serve a substantial

part of a functioning labor market area; or

(B) which has a population of less than 100,000 persons on the basis of the most satisfactory current data available to the Secretary and which has the largest population of any unit of general local government meeting the requirements of clause (i) or (ii) of subparagraph (2)(A) in a State; and

(3) any combination of units of general local government which covers a geographical area which has a population of one hundred thousand or more persons on the basis of the most satisfactory current data available to the Secretary and which is determined by the Secretary, in accordance with such regulations as he shall prescribe, to serve a substantial part of a functioning labor market area;

(4) any unit or combination of units of general local government, without regard to the population requirements of clauses (2) and (3), in rural areas designated by the Secretary which have substantial outmigration and high unemployment; shall be eligible to be a prime sponsor of a comprehensive manpower services program in accordance with the provisions of this section.

(b) Any State or unit (or combination of units) of general local government which is eligible to be a prime sponsor under subsection (a) and which desires to be so designated in order to enter into arrangements with the Secretary under this title shall submit to the Secretary a prime sponsorship plan including provisions which evidence capability for carrying out a comprehensive manpower services plan in accordance with section 105(b) of this title and provisions for the establishment of a manpower services council which—

(1) provide that the chief executive officer or officers of the unit or units of government establishing such council shall appoint the members of the council and shall designate one member to be chairman;

(2) provide that the council shall include members who are representative of community action programs; other significant segments of the poverty community; the public employment service; education and training agencies and institutions, including vocational educational agencies and community postsecondary educational and training institutions; social service programs, including child care, environmental quality, health, recreation, vocational rehabilitation, and welfare agencies; industrial development organizations; apprenticeships programs; business; labor; and veterans organizations;

(3) provide that the chairman of the council shall, with the approval of the council, appoint a staff director who shall supervise professional, technical, and clerical staff serving the council;

(4) set forth procedures under which applications for financial assistance for any fiscal year will be submitted by the prime sponsor which shall be responsible for planning for and carrying out services for which financial assistance is provided under this title and under which appropriate arrangements may be made for the council's participation in planning and development, including initial preparation of such applications;

(5) set forth the prime sponsor's plans for conducting on a continuing basis surveys and analyses of needs for manpower services in the area served by the prime sponsor to be used in the development of applications for assistance under this title;

(6) set forth arrangements assuring that community action agencies will be involved in the development of applications for financial assistance and in the implementation of programs assisted under this title;

(7) set forth the prime sponsor's plans for evaluating (with the assistance of the council) the effectiveness of programs for which financial assistance is provided under this title; and

(8) describe the area to be served by the prime sponsor.

(c) In any case in which a State has submitted a plan under this section to serve a geographical area under the jurisdiction of a unit (or combination of units) of general local government which is eligible under clause (2), (3) or (4) of subsection (a) and which has submitted a plan under this section meeting the requirements set forth in subsection (b), the Secretary shall approve the latter plan after carrying out the procedures set forth in subsection (d). When two or more units (or combination of units) of general local government each submit plans which include a common geographical area under their respective jurisdictions and which are consistent with the purposes of this title and meet the requirements set forth in subsection (b), the Secretary, in accordance with such regulations as he shall prescribe, shall approve for that geographical area the unit of general local government plan which he determines will most effectively carry out the purposes of this title.

(d) The Secretary shall not approve a prime sponsorship plan submitted under this section unless—

(1) the plan was submitted to the Secretary by such date as the Secretary shall prescribe by regulation, prior to the beginning of the fiscal year when such plan is to take effect, in order to provide a reasonable period of time for review in accordance with the provisions of this section;

(2) a copy of such plan has been submitted for comment thereon to the Governor of the appropriate State; the Governor has been provided such period of time, as the Secretary shall prescribe by regulation, after the copy of such plan was sent to him, during which time he may submit comments on such plan to the Secretary, a copy of which comments shall be sent to the plan applicant; and, if comments have been submitted by the Governor, such additional period of time, as the Secretary shall prescribe by regulation, has passed, during which time the Secretary shall, to the extent practicable, confer with and encourage the plan applicant to resolve any differences arising from such comments;

(3) in the case of a plan submitted by a State, satisfactory arrangements are set forth for serving all geographical areas under its jurisdiction except for areas for which a local prime sponsorship plan is approved under this section.

(e) In the event that a unit (or combination of units) of general local government eligible to be a prime sponsor under subsection (a) does not submit a plan meeting the requirements set forth in this section, a community action agency serving a geographical area under the jurisdiction of such unit may submit a prime sponsorship plan for that area.

(f) Except as provided in subsections (c) and (d), the Secretary may approve any prime sponsorship plan submitted under this section if it is consistent with the provisions of this title. A plan submitted under this section may be disapproved or a prior designation of a prime sponsor may be withdrawn only if the Secretary, in accordance with regulations which he shall prescribe, has provided—

(1) written notice of intention to disapprove such plan, including a statement of the reasons therefor;

(2) for a reasonable time to submit corrective, amendments to such plan; and

(3) an opportunity for a public hearing upon which basis an appeal to the Secretary may be taken as of right.

(g) For the purpose of making such payments as may be reasonably necessary to cover the staff and other administrative expenses of the councils established pursuant to subsection (b) and to support other planning and evaluation activities of prime sponsors, the Secretary shall reserve not less than 1 per centum of the amounts available for titles I, II, and III of this Act to be allocated in the same manner as set forth in section 604.

APPLICATIONS

SEC. 105. (a) Financial assistance under this title may be provided by the Secretary for any fiscal year only pursuant to an application which is submitted by an eligible applicant and which is approved by the Secretary in accordance with the provisions of this title. Any such application shall set forth—

(1) a description of the services for which such financial assistance will be used;

(2) assurances that the services for which assistance is sought under this title will be administered by or under the supervision of the applicant, identifying any agency or agencies designated to carry out such services under such supervision;

(3) any arrangements made for services to be performed, on a reimbursable basis or otherwise, with the public employment service or any other puolic or private agency, institution, or organization;

(4) a description of the areas to be assisted by such programs, including data indicating the number of potential eligible participants, and their income and employment status;

(5) such other assurances, arrangements, and conditions, consistent with the provisions of this Act, as the Secretary deems necessary, in accordance with such regulations as he shall prescribe.

(b) An application submitted by a prime sponsor for financial assistance for any fiscal year shall set forth, in addition to the requirements set forth in subsection (a), a comprehensive manpower services plan for that fiscal year which shall include provisions for—

(1) coordinated and comprehensive assistance to those individuals requiring manpower and manpower-related services in order to achieve their full economic and occupational potential, effectively serving on an equitable basis the significant segments in that population;

(2) increased occupational opportunities and work experience for eligible individuals;

(3) intensified efforts to relieve skills shortages;

(4) effective utilization of manpower in our economy;

(5) appropriate arrangements with community action agencies, and, to the extent appropriate, with other community-based organizations serving the poverty community, for their participation in the conduct of programs for which financial assistance is provided under this title;

(6) utilizing, to the extent appropriate, those services and facilities which are available, with or without reimbursement of the reasonable cost, from Federal, State, and local agencies, including but not limited to the State employment service, State vocational education and vocational rehabilitation agencies, area skills centers, local educational agencies, postsecondary training and education institutions, and community action agencies, but nothing contained herein shall be construed to limit the utilization of services and facilities of private agencies, institutions and organizations (such as private businesses, labor organizations, private employment agencies, and private educational and vocational institutions) which can, at comparable cost, provide substantially equivalent training or services or otherwise aid in reducing more quickly un-

employment or current and prospective manpower shortages;

(7) long-term projections of requirements for manpower and manpower-related services, and planning for meeting such requirements, in the area served by the prime sponsor;

(8) evaluating the effectiveness of programs for which financial assistance is provided under this title in achieving the objectives of such programs; and

(9) integrating the services provided under this title with other manpower and manpower-related services in the area served by the prime sponsor for which financial assistance is provided by the Secretary of Labor.

APPROVAL OF APPLICATIONS

SEC. 106. An application, or modification or amendment thereof, for financial assistance under this title, may be approved only if the Secretary determines that—

(1) the application is consistent with the purposes of this title;

(2) the application meets the requirements set forth in section 105;

(3) an opportunity has been provided to the community action agency in the area to be served to submit comments with respect to the application to the applicant and to the Secretary;

(4) an opportunity has been provided to the Governor of the State to submit comments with respect to the application to the applicant and to the Secretary;

(5) an opportunity has been provided to officials of the appropriate units of general local government to submit comments with respect to the application to the applicant and to the Secretary;

(6) the approval request for funds does not exceed 90 per centum of the cost of carrying out the program proposed in such application, unless the Secretary determines that special circumstances or other provisions of law warrant the waiver of this requirement.

SPECIAL REQUIREMENTS FOR STATE PRIME SPONSORS

SEC. 107. (a) Any State seeking assistance under this Act or the Wagner-Peyser Act (48 Stat. 113) shall submit an annual State comprehensive manpower plan to the Secretary for approval in accordance with the requirements of this section.

(b) The State comprehensive manpower plan shall—

(1) provide for the cooperation and participation of all State agencies providing manpower and manpower-related services in the development and implementation of comprehensive manpower services plans by prime sponsors in accordance with the provisions of this Act;

(2) set forth an overall State plan for the development and sharing of resources and facilities needed to conduct manpower programs without unnecessary duplication and otherwise in the most efficient and economical manner;

(3) contain information regarding economic, industrial, and labor market conditions which will be useful to prime sponsors in the development and implementation of comprehensive manpower services plans under this Act including but not limited to job opportunities and skill requirements, labor supply in various skills, occupational outlook and employment trends in various occupations, and economic and business development and location trends;

(4) provide for the conduct of programs financed under the Wagner-Peyser Act in accordance with such rules, regulations, and guidelines as the Secretary determines necessary for the purpose of providing coordinated and comprehensive assistance to these individuals requiring manpower and manpower related services to achieve their full occupational potential in accordance with the policies of this Act; and

(5) contain other items as the Secretary deems necessary, in accordance with such regulations as he shall prescribe.

CONCURRENCE OF OTHER AGENCIES

SEC. 108. (a) The Secretary of Labor shall not issue rules, regulations, standards of performance, or guidelines with respect to assistance for services of a health, education, or welfare character under this title and he shall not provide financial assistance for services of a health, education, or welfare character under this title unless he shall have first obtained the concurrence of the Secretary of Health, Education, and Welfare. Such services include but are not limited to basic or general education; educational programs conducted in correctional institutions; institutional training; health, child care, and other supportive services; and new careers and job restructuring in the health, education, and welfare professions.

(b) The Secretary of Labor shall not issue rules, regulations, standards of performance, or guidelines relating to the participation of community action agencies and other community-based organizations serving the poverty community under this Act unless he shall have first obtained the concurrence of the Director of the Office of Economic Opportunity.

SPECIAL CONDITIONS

SEC. 109. The Secretary shall not provide financial assistance for any program under this title unless he determines, in accordance with such regulations as he shall prescribe, that—

(1) conditions of employment or training will be appropriate and reasonable in the light of such factors as the type of work, geographical region, and proficiency of the participant;

(2) appropriate standards for the health, safety, and other conditions applicable to the performance of work and training on any project are established and will be maintained;

(3) appropriate workmen's compensation protection will be provided to all participants;

(4) the program does not involve political activities; and that neither the program, the funds provided therefor, or the personnel employed therein, will be, in anyway or to any extent, engaged in the conduct of political activities, or in the support or furtherance of, or in opposition to, any political candidacy;

(5) participants in the program will not be employed on the construction, operation, or maintenance of so much of any facility as is used or to be used for sectarian instruction or as a place for religious worship;

(6) the program will not result in the displacement of employed workers or impair existing contracts for services or result in the substitution of Federal for other funds in connection with work that would otherwise be performed;

(7) persons shall not be referred for training in an occupation which requires less than two weeks of preemployment training unless there are immediate employment opportunities available in that occupation;

(8) funds will be used to supplement, to the extent practicable, the level of funds that would otherwise be made available from non-Federal sources for the purpose of planning and administration of programs within the scope of this title and not to supplant such other funds;

(9) the applicant will make such reports, in such form and containing such information as the Secretary may from time to time require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure that funds are being expanded in accordance with the provisions of this title.

ALLOWANCES AND COMPENSATION

SEC. 110. (a) The Secretary shall where appropriate provide for the payment of weekly allowances to individuals receiving services under this title. Such allowances shall be at a rate prescribed by the Secretary which, when added to amounts received by the trainee in the form of public assistance or unemployment compensation payments, shall approximate the minimum wage for a workweek of forty hours under section 6(a)(1) of the Fair Labor Standards Act of 1938, or, if higher, under the applicable State minimum wage law, or, where the trainee is being trained for particular employment, at a rate equal to 80 per centum of the weekly wage for such employment, whichever is greater. In prescribing allowances, the Secretary may allow additional sums for special circumstances such as exceptional expenses incurred by trainees, including but not limited to meal and travel allowances, or he may reduce such allowances by an amount reflecting the fair value of meals, lodging, or other necessities furnished to the trainee. The Secretary shall take such action as may be necessary to insure that such persons receive no allowances with respect to periods during which they are failing to participate in such programs, training, or instruction as prescribed herein without good cause. Notwithstanding the preceding provisions of this subsection, the Secretary may, in accordance with such regulations as he shall prescribe, make such adjustments as he deems appropriate in allowances which would otherwise be payable under this Act, including but not limited to adjustments which take into account the amount of time per week spent by the individual participating in such programs and adjustments to reflect the special economic circumstances which exist in the area in which the program is to be carried on. Allowances shall not be paid for any course of training having a duration in excess of one hundred and four weeks.

(b) For purposes of subchapter I of chapter 81 of title 5, United States Code, any person receiving services under this title shall, under such circumstances and subject to such conditions and limitations as the Secretary shall by regulation prescribe, be considered an employee of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply, except that in computing compensation benefits for disability or death, the monthly pay of such a person shall be deemed to be his allowance for a month, if he is receiving one. Regulations prescribed by the Secretary under this subsection may include but are not limited to adjustments in the amount of compensation payable under this subsection to take into account entitlements to workmen's compensation under other applicable laws or arrangements.

TITLE II—OCCUPATIONAL UPGRADING

AUTHORIZATION OF PROGRAM

SEC. 201. The Secretary shall carry out a program under which public and private employers will undertake to provide the necessary education and skill training to prepare employees for positions of greater skill, responsibility, and remuneration in the employ of such employers. Financial assistance under this title may be provided by the Secretary pursuant to an application submitted by eligible applicants who shall be—

(a) prime sponsors designated pursuant to the provisions of title I of this Act; and

(b) other public and private employers.

REQUIREMENTS FOR APPLICATIONS

SEC. 202. Any application must contain assurances satisfactory to the Secretary that—

(a) the positions for which employees will be trained are positions that cannot with reasonable effort be filled by the employer with unemployed or underemployed workers already possessing such skills and willing to accept such employment;

(b) the selection of trainees shall be based upon merit, ability, and length of service, and that no person shall be selected as a trainee until such person has been in the employ of the employer for a period of not less than six months;

(c) the training content of the program is adequate, involves reasonable progression, and will result in the qualification of trainees for suitable employment in a recognized skill or occupation in the service of that employer and of other employees in the same industry;

(d) the training period is reasonable and consistent with periods customarily required for comparable training;

(e) adequate and safe facilities and adequate personnel and records of attendance and progress are provided;

(f) successful completion of the employee's training program can reasonably be expected to result in an offer of employment in the employer's own enterprise in the occupation for which he will be trained at wage rates not less than those prevailing for the same or similar occupations in that industry;

(g) the training and placement of such employees is part of a program that can reasonably be expected to lead directly to the employment of an equivalent number of new employees in entry level employment; and

(h) the trainees are compensated by the employer at such rates, including periodic increases, as may be deemed reasonable under regulations hereinafter authorized, consiiding such factors as industry practice and trainees proficiency, and that in no event shall the wages or employment benefits of any trainee be less than those received by him immediately before his starting such training program.

PAYMENTS TO EMPLOYERS

SEC. 203. Such agreements shall provide for payment to the employer undertaking a training program under this title in an amount equal to—

(a) ninety per centum of the instructional expense, other ordinary and necessary training costs, and trainee wage payments for the time spent in training less the value of productive services rendered by such trainees, plus

(b) a bonus payment to reward the efforts of employers whose programs under this title have resulted in substantial upgrading and high retention, to be computed as follows:

(1) at the end of the first twelve months following the completion of a program authorized under this title, 20 per centum of the sum arrived at by multiplying the number of employees upgraded under such program by the average increase in annual earnings of these upgraded employees; and

(2) at the end of the second twelve months following the completion of a program authorized under this title, 10 per centum of the sum arrived at by multiplying the number of employees upgraded under such program by the average increase in annual earnings of these upgraded employees.

TITLE III—PUBLIC SERVICE EMPLOYMENT

AUTHORIZATION OF PROGRAM

SEC. 301. The Secretary shall carry out a program under which Federal, State, and local governments will provide useful public service employment to unemployed persons. Financial assistance under this title may be provided by the Secretary only pursuant to an application submitted by an eligible applicant, who shall be—

(a) prime sponsors designated pursuant to the provisions of title I of this Act; and

(b) other public agencies and institutions (including public service agencies and institutions of the Federal Government).

REQUIREMENTS FOR APPLICATION

SEC. 302. Any application for financial assistance under this title shall provide that—

(a) all persons employed thereunder, other than necessary technical, supervisory, and administrative personnel, will be selected from among eligible unemployed persons;

(b) to the maximum extent possible, technical, supervisory, and administrative personnel shall be recruited from among fully qualified, eligible unemployed persons;

(c) among eligible unemployed special consideration for employment shall be given to persons who have dependents living in the same household who are not covered by, or who have exhausted their entitlement to unemployment compensation;

(d) persons employed under such agreements shall be paid wages which shall not be lower than whichever is the highest of (A) the minimum wage which would be applicable to the employment under the Fair Labor Standards Act of 1938, as amended, if section 6(a)(1) of such Act applied to the participant and if he were not exempt under section 13 thereof, (B) the State or local minimum wage for the most nearly comparable covered employment, or (C) the prevailing rates of pay in the same labor market area for persons employed in similar public occupations;

(e) all persons employed under such agreements will be assured of workman's compensation, retirement, health insurance, unemployment insurance, and other benefits at the same levels and to the same extent as other employees of the employer and to working conditions and promotional opportunities neither more nor less favorable than such other employees enjoy;

(f) the provisions of section 2(a)(3) of Public Law 89-286 shall apply to such agreements;

(g) the applicant shall maintain or provide linkages with upgrading and other programs under this Act, and other Federal or federally supported manpower programs for the purpose of:

(1) providing those persons employed under the agreement who want to pursue work with the employer, or in the same or similar work as that performed under the agreement with opportunities to do so and to find permanent, upwardly mobile careers in the field; and

(2) providing those persons so employed who do not wish to pursue permanent careers in such field, with opportunities to seek, prepare themselves for, and obtain work in other fields;

(h) objectives shall be set for the movement of persons employed thereunder into public or private employment not supported under this Act; and

(i) the approvable request for funds does not exceed 80 per centum of the cost of carrying out this program: Provided, That if the employer has not achieved the objectives prescribed pursuant to clause (h) under any agreement, the Secretary shall reduce the Federal share in any continuation or extension of the agreement, unless the Secretary ascertains that the applicant was without fault or that economic conditions in the area precluded accomplishment of such objectives.

INFORMATION FOR EMPLOYEES

SEC. 303. Every person employed under agreements under section 301 shall be advised, prior to entering upon employment, of his rights and benefits in connection with such employment.

MAINTENANCE OF EFFORT

SEC. 304. (a) No financial assistance contract shall be provided under section 301 unless the Secretary determines that the execution of the agreement will result in an increase in employment opportunities over those which would otherwise be available and that it will not result in a reduction in the employment and labor costs of the employer or the displacement of persons currently employed, including partial displacement resulting from a reduction in hours of work or wages or employment benefits.

(b) Where a labor organization represents employees who are engaged in similar work to that performed under the agreement in the same labor market area, such organization shall be notified prior to entering into the agreement.

EVALUATION OF APPLICATIONS

SEC. 305. In evaluating applications submitted under this title the Secretary shall consider the cost to the Government of each such application in relation to—

(1) the number of eligible unemployed persons who will be provided with employment under the application;

(2) the need of the community for the services to be performed under the application; and

(3) the nature and extent of the unemployment in the community in which the agreement is to be performed.

OBLIGATIONS OF THE SECRETARY TO ENROLLES

SEC. 306. The Secretary shall on behalf of the enrollees be responsible for—

(1) assuring that every reasonable opportunity to find suitable regular employment or to enter a program authorized under Federal, State, or local manpower programs, has been explored before the individual is certified for public service employment;

(2) the provision of skills training to the extent necessary to equip unemployed persons to accept employment under agreements entered into under this title; and

(3) maintaining a continuing review of the status of each enrollee to assure that he is receiving consideration for referral to suitable regular employment or to manpower training programs.

DEFINITIONS

SEC. 307. For purposes of this Act—

(1) The term "eligible unemployed person" means any individual who has demonstrated that he is able and willing to work and (A) has been unemployed for five or more weeks, or (B) is employed on a part-time basis.

(2) The term "part-time basis" means less than thirty-five hours a week for a continuous period of ten weeks or more.

TITLE IV—SPECIAL FEDERAL RESPONSIBILITIES

PART A—MANPOWER RESEARCH AND DEVEOPMENT

RESEARCH AND DEVELOPMENT

SEC. 401. (a) To assist the Nation in expanding work opportunities and assuring access to those opportunities for all who desire it, the Secretary shall establish a comprehensive program of manpower research utilizing the methods, techniques, and knowledge of the behavioral and social sciences and such other methods, techniques, and knowledge as will aid in the solution of the Nation's manpower problems. This program will include, but not be limited to, studies, the findings of which may contribute to the formulation of manpower policy; development or improvement of manpower programs; increased knowledge about labor market processes; reduction of unemployment and its relationships to price stability; promotion of more effective manpower development, training, and utilization; improved national, regional, and local means of measuring future labor demand and supply; enhancement of job opportunities; upgrading of skills; meeting of manpower shortages; easing of the transition from school to work, from one job to another, and from work to retirement, opportunities and services for older persons who desire to enter

or reenter the labor force, and for improvements of opportunities for employment and advancement through the reduction of discrimination and disadvantage arising from poverty, ignorance, or prejudice.

(b) The Secretary shall establish a program of experimental, developmental, demonstration, and pilot projects, through grants to or contracts with public or private nonprofit organizations, or through contracts with other private organizations, for the purpose of improving techniques and demonstrating the effectiveness of specialized methods in meeting the manpower, employment, and training problems. In carrying out this subsection with respect to programs designed to provide employment and training opportunities for low-income people, the Secretary shall consult fully with the Director of the Office of Economic Opportunity. In carrying out this subsection the Secretary of Labor shall, where appropriate, also consult with the Secretaries of Health, Education, and Welfare, Commerce, Agriculture, and Housing and Urban Development, the Chairman of the Civil Service Commission, and such other agencies as may be appropriate. Where programs under this paragraph require institutional training, appropriate arrangements for such training shall be agreed to by the Secretary of Labor and the Secretary of Health, Education, and Welfare.

(c) The Secretary shall conduct such research and investigations as give promise of furthering the objectives of this Act either directly or through grants, contracts, or other arrangements.

LABOR MARKET INFORMATION

SEC. 402. (a) The Secretary of Labor shall develop a comprehensive system of labor market information on a national, State, local, or other appropriate basis, including but not limited to information regarding—

(1) the nature and extent of impediments to the maximum development of individual employment potential including the number and characteristics of all persons requiring manpower services;

(2) job opportunities and skill requirements;

(3) labor supply in various skills;

(4) occupational outlook and employment trends in various occupations; and

(5) in cooperation and after consultation with the Secretary of Commerce, economic and business development and location trends.

(b) Information collected under this section shall be developed and made available in a timely fashion to meet in a comprehensive manner the needs of public and private users, including the need for such information in recruitment, counseling, education, training, placement, job development, and other appropriate activities under this Act and under the Economic Opportunity Act, the Social Security Act, the Public Works and Economic Development Act of 1965, the Wagner-Peyser Act, the Vocational Education Act of 1963, the Vocational Rehabilitation Act, the Demonstration Cities and Metropolitan Development Act of 1966, and other relevant Federal statutes.

MANPOWER UTILIZATION

SEC. 403. (a) The Secretary shall establish a program for the improvement of manpower utilization in sectors of the economy experiencing persistent manpower shortages, or in other situations requiring maximum utilization of existing manpower. The Secretary shall conduct this program either directly or through such other arrangements as he may deem appropriate.

(b) The Secretary is authorized to provide financial support for studies of the utilization of manpower and of job design by any employer or group of employers in industries where there are a large number of unskilled employees, with a view to redesigning and rearranging the work patterns involved in the jobs, so that career ladders may be created where they do not exist, or are clearly inadequate.

EVALUATION

SEC. 404. (a) The Secretary shall provide for a system of continuing evaluation of all programs and activities conducted pursuant to this Act, including their cost in relation to their effectiveness in achieving stated goals, their impact on communities and participants, their implication for related programs, the extent to which they meet the needs of persons of various ages, and the adequacy of their mechanism for the delivery of services. He shall also arrange for obtaining the opinions of participants about the strengths and weaknesses of the programs.

(b) The Director of the Office of Economic Opportunity is authorized to conduct, either directly or by way of contract, grant, or other arrangement, a thorough evaluation of all programs and activities conducted pursuant to this Act to determine the effectiveness of such programs and activities in meeting the special needs of disadvantaged, chronically unemployed, and low-income persons for meaningful employment opportunities and supportive services to continue or resume their education and employment and to become more responsible and productive citizens. The Director of the Office of Economic Opportunity shall report to the Secretary on the evaluation authorized by this subsection at least once in each calendar year.

REMOVAL OF ARTIFICIAL BARRIERS TO EMPLOYMENT AND ADVANCEMENT

SEC. 405. The Secretary, in consultation with the Director of the Office of Economic Opportunity, shall conduct a continuing study of the extent to which artificial barriers to employment and occupation advancement, including civil service requirements and practices relating thereto, within agencies conducting programs under this Act restrict the opportunities for employment and advancement within such agencies and shall develop and promulgate guidelines, based upon such study, setting forth recommendations for task and skill requirements for specific jobs and recommended job descriptions at all levels of employment, designed to encourage career employment and occupational advancement within such agencies.

TRAINING AND TECHNICAL ASSISTANCE

SEC. 406. In carrying out his responsibilities under this Act, the Secretary of Labor, in consultation with the Secretary of Health, Education, and Welfare, and the Director of the Office of Economic Opportunity, where appropriate, shall provide, directly or through grants, contracts, or other arrangements, preservice and inservice training for specialized, supportive, and supervisory or other personnel and technical assistance which is needed in connection with the programs established under this Act or which otherwise pertains to the purposes of this Act. Upon request, the Secretary of Labor may make special assignments of personnel to public or private agencies, institutions, or employers to carry out the purposes of this section; but no such special assignments shall be for a period of more than two years. In order to encourage the establishment and operation by low-income persons and their representatives of centers on the local level which are designed to provide comprehensive employment and related services for low-income persons who are unemployed or underemployed, the Secretary of Labor shall, in consultation with the Secretary of Health, Education, and Welfare and the Director of the Office of Economic Opportunity, wherever feasible, provide training and technical assistance by grants, contracts, or other arrangements with individuals and organizations who have demonstrated a capacity to establish and operate such programs.

SEC. 407. (a) In carrying out his duties under this Act, the Secretary shall:

(1) Survey, at regular intervals, the various training programs and opportunities available to or utilized by staff of manpower service programs, including both managerial and technical staff.

(2) Analyze the manpower programs, operating or planned, including the conceptual basis, the operating structure, and the clientele to be served, in order to determine current and future staff training requirements thus correcting or avoiding deficiencies in staff performance and enhancing the impact of programs.

(3) Plan for and provide directly or by contract an integrated system of short term and intermittent staff training and instruction in managerial and technical matters relating to the conduct of manpower training programs and services, including but not limited to on-the-job training, the establishment and maintenance of fellowships and traineeships, exchange programs, and such other devices as are deemed necessary or appropriate. The staff training system thus established shall be aimed at and include manpower training and service staff at Federal, State, and local levels funded directly or indirectly by this Act and special attention shall be given to the utilization of this staff training system in a manner which will increase the number and effectiveness of previously disadvantaged persons serving in career staff capacities. Training under this section shall provide for such stipends and allowances (including travel and subsistence allowances) as may be deemed necessary, except that no such training or instruction (or fellowship or scholarship) shall be provided for any one course of study for a period in excess of four years.

PART B—NATIONAL COMPUTERIZED JOB BANK PROGRAM

FINDINGS AND PURPOSE

SEC. 411. The Congress hereby finds that the lack of prompt and adequate information regarding manpower needs and availability contributes to unemployment, underemployment, and the inefficient utilization of the Nation's manpower resources. The Congress further finds that the development of electronic data processing and telecommunications systems has created new opportunities for dealing with this difficult problem. It is therefore the purpose of this title to enlist the tools of modern technology in a cooperative Federal-State effort to reduce unemployment and underemployment and more adequately meet the Nation's manpower needs.

ESTABLISHMENT OF THE PROGRAM

SEC. 412. The Secretary shall develop and establish a computerized job bank program for the purpose of—

(1) identifying sources of available manpower supply and job vacancies;

(2) providing an expeditious means of matching the qualifications of unemployed, underemployed, and disadvantaged persons with employer requirements and job opportunities on a National, State, local, or other appropriate basis;

(3) referring and placing such persons in jobs; and

(4) distributing and assuring the prompt and ready availability of information concerning manpower needs and resources to employers, employees, public and private job placement agencies, and other interested individuals and agencies.

Maximum effective use shall be made of electronic data processing and telecommunications systems in the development and administration of the program. The program established under this part shall be coordinated with the comprehensive manpower services program established under title I.

CONDUCT OF THE PROGRAM

SEC. 413. For the purpose of carrying out the program established in section 412, the Secretary is authorized to make grants to

State or local agencies for the planning and administration of the program, including the purchase or other acquisition of necessary equipment. The Secretary may conduct the program on a regional or interstate basis either directly or through grants, contracts, or other arrangements with public or private agencies and organizations. He may also conduct the program when he finds that a State or local program will not adequately serve the purposes of this part. The Secretary may require that any information concerning manpower resources or job vacancies utilized in the operation of job-bank programs financed under this part be furnished to him at his request. He may, in addition, require the integration of any information concerning job vacancies or applicants into a job-bank system assisted under this part.

EXPERIMENTS, DEMONSTRATIONS, RESEARCH AND DEVELOPMENT

SEC. 414. The Secretary may conduct directly, or through contracts, grants, or other arrangements with public or private agencies or organizations, such experimental or demonstration projects, research and development as he deems necessary to improve the effectiveness of the program established under this part.

RULES, REGULATIONS, AND STANDARDS

SEC. 415. The Secretary shall prescribe such rules and regulations and standards as may be necessary to carry out the purposes of this part, including standards to assure the compatibility on a nationwide basis of data systems used in carrying out the program established by this part, and including rules and regulations to assure the confidentiality of information submitted in confidence.

PART C—DEVELOPMENT OF EMPLOYMENT OPPORTUNITIES FOR DISADVANTAGED PERSONS IN FEDERALLY ASSISTED PROGRAMS

PURPOSE

SEC. 421. The purpose of this part is to establish a program of research, development, and pilot activities for the purpose of determining the level of employment generated by Federal grant and assistance programs and the degree to which such programs can provide an increased source of opportunities for the employment and advancement of disadvantaged persons.

RESEARCH

SEC. 422. The Secretary is hereby authorized to undertake studies of the contribution of Federal grants-in-aid and other Federal assistance programs to the overall employment level. Such studies may include but are not limited to collection and analysis of information on the number of positions wholly or partially supported by Federal assistance programs, their occupational structure, wage, and salary levels, projections for future growth, requirements and qualifications for entry into such positions, promotional and career development opportunities, the educational, vocational, and other relevant characteristics of those who occupy such positions, and the effects of such employment on employment generally. The heads of all Federal departments and agencies administering grants-in-aid or other Federal assistance programs are hereby directed to cooperate fully with the Secretary in the conduct of such studies. They shall transmit to the Secretary annually estimates of the employment increases or decreases expected to result from the planned expansion or reduction of such programs, and as conditions warrant, on call from the Secretary, contingency plans and estimates relating to the increase in employment which would be created if such programs are expanded under conditions of persistent high unemployment and underemployment.

PILOT PROGRAMS

SEC. 423. (a) The Secretary of Labor is authorized to conduct experimental, developmental, demonstration, and pilot programs to carry out the purposes of this part. In the conduct of these programs, the Secretary is authorized to enter into agreements with the heads of other Federal departments and agencies administering grants-in-aid and other forms of Federal assistance to establish annual and multiyear goals for the employment of disadvantaged persons in employment wholly or partially supported through such Federal assistance. For the purposes of carrying out these agreements, Federal departments and agencies may provide, notwithstanding any other provision of law, that the fulfillment of such goals shall be a condition for receiving such assistance.

(b) Programs under this part shall, to the extent practicable, be designed to eliminate artificial barriers to employment and occupational advancement, including merit system requirements and practices related thereto, which restrict opportunities for the employment and advancement of disadvantaged persons.

(c) Funds made available for the purpose of carrying out this part may be allocated and expended, or transferred to other Federal agencies for expenditure, as the Secretary of Labor deems necessary for carrying out the provisions hereof.

(d) Activities for which funds made available under this part may be expended shall include, but are not limited to, the following:

(1) extraordinary costs of training and supportive services necessary to improve the performance of disadvantaged persons who are employed pursuant to agreement under this section;

(2) costs of providing orientation, counseling, testing, followup, and other similar manpower services determined necessary to assist such individuals to achieve success in employment.

REPORTS

SEC. 424. The Secretary shall transmit to the Congress annually a report of his findings and recommendations arising out of the programs and studies under this part.

PART D—SECRETARY'S RESPONSIBILITY

SEC. 431. In carrying out his responsibilities under this Act, the Secretary is authorized under this title to provide for services and activities authorized any other part of this Act.

TITLE V—MISCELLANEOUS

AUTHORIZED APPROPRIATIONS

SEC. 501. (a) For the purposes of carrying out this Act, there are authorized to be appropriated $2,000,000,000 for the fiscal year ending June 30, 1972, $2,500,000,000 for the fiscal year ending June 30, 1973, and $3,000,000,000 for the fiscal year ending June 30, 1974.

(b) Notwithstanding any other provision of law, unless enacted in specific limitation of the provisions of this subsection, any funds appropriated to carry out this Act which are not obligated prior to the end of the fiscal year for which such funds were appropriated shall remain available for obligation during the succeeding fiscal year, and any funds obligated in any fiscal year may be expended during a period of two years from the date of obligation.

FUNDS AVAILABLE FOR SPECIFIC PROGRAMS

SEC. 502. (a) The amounts appropriated to carry out this Act for any fiscal year (except for amounts otherwise reserved in accordance with this Act or expressly limited in an appropriation Act to a specific purpose under this Act) shall be allocated among the titles of this Act in such a manner, subject to subsections (b) and (c) of this section, that of the amounts so appropriated—

(1) three-quarters shall be for training and employment programs carried out under titles I, II, and III of this Act; and

(2) one-quarter shall be for activities authorized under title IV of this Act.

(b) Notwithstanding any limitation on appropriations for any program or activity under this Act or any Act authorizing or appropriating funds for any such program or activity, not to exceed 25 per centum of the amount appropriated or allocated from any appropriation for any fiscal year for carrying out any such program or activity under this Act may be transferred and used by the Secretary for carrying out any other such program or activity under this Act: *Provided*, That on a nationwide basis an amount not less than 18.75 per centum of the amount appropriated under this Act shall be used to support public service employment under title III of this Act.

(c) To the extent necessary to enable the Secretary to make funds available to carry out any grant or contract entered into prior to the effective date of this Act under the Manpower Development and Training Act of 1962, as amended, or title I of the Economic Opportunity Act of 1964, as amended, the Secretary may transfer funds from amounts allocated for newly authorized programs under this Act.

ADVANCE FUNDING

SEC. 503. (a) For the purpose of affording adequate notice of funding available under this Act, appropriations under this Act are authorized to be included in the appropriation Act for the fiscal year preceding the fiscal year for which they are available for obligation.

(b) In order to effect a transition to the adverse funding method of timing appropriation action, the amendment made by subsection (a) shall apply notwithstanding that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

ALLOCATION OF FUNDS

SEC. 504. (a) The amounts available for any fiscal year for titles I, II, and III which are not otherwise reserved in accordance with this Act shall be allocated in such a manner that of such amounts—

(1) (A) not more than 5 per centum shall be available for financial assistance under subsection (c) of this section, and (B) not more than 5 per centum shall be available for financial assistance under subsection (d) of this section;

(2) not less than 70 per centum shall be apportioned among the States in an equitable manner, taking into consideration the proportion which the—

a. labor force,
b. unemployment,
c. lack of full-time employment,
d. insured unemployed,
e. average weekly unemployment compensation benefits paid,
f. number of teenagers fourteen through seventeen years of age,
g. persons heading low-income families,
h. unrelated low-income persons,

of the State bears to the respective totals thereof the United States, the demonstrated capacity of sponsors to conduct effective programs and the relative size of allocations previously received by each State for comparable manpower purposes; and

(3) the remainder shall be made available to the Secretary to carry out the purposes of titles I, II, and III.

(b) The amount apportioned to each State under clause (2) of subsection (a) shall be apportioned among areas within each such State so that areas served by prime sponsors approved under the provisions of section 104 of this Act are apportioned funds in the same manner as provided in clause (2) of subsection (a). To the maximum extent feasible, such apportioned funds shall be expended through approved applications submitted by such prime sponsors.

(c) The amount available pursuant to clause (1) (A) of subsection (a) shall be available to the Secretary for the purpose of

providing additional financial assistance as an incentive for the designation of prime sponsors for appropriate labor market areas or portions thereof. Financial assistance provided to any such prime sponsor may not exceed an amount equal to an additional 20 per centum of the financial assistance otherwise available to the area so covered under subsection (b) of this section. The Secretary shall confer with units of general local government eligible to be prime sponsors in appropriate labor market areas and encourage such units to cooperate on an areawide basis to the maximum extent practicable.

(d) The amount available pursuant to clause (1)(B) of subsection (a) for the purposes of this subsection shall be available to the Secretary for the purpose of providing additional financial assistance as an incentive for the establishment by the prime sponsor of appropriate procedures for coordination and cooperation with agencies administering vocational education programs in the area to be served by any such sponsor. Financial assistance provided to any such prime sponsor may not exceed an amount equal to an additional 20 per centum of the financial assistance otherwise available to such prime sponsor under subsection (b) of this section. The Secretary, with the concurrence of the Secretary of Health, Education, and Welfare, shall establish criteria for the establishment of such procedures.

(e) The Secretary is authorized to make reallocations for such purposes under this title as he deems appropriate of the unobligated amount of any apportionment under subsections (a)(2) and (b) to the extent that the Secretary determines that it will not be required for the period for which such apportionment is available. No amounts apportioned under subsections (a)(2) and (b) for any fiscal year may be reallocated for any reason before the expiration of the ninth month of the fiscal year for which such funds were appropriated and unless the Secretary has provided fifteen days' advance notice to the prime sponsor for such area of the proposed reallocation. Any funds reallocated under this subsection are not required to be apportioned in accordance with subsection (a)(2) or (b), and no revision in the apportionment of the funds not so reallocated shall be made because of such reallocations.

(f) As soon as practicable after funds are appropriated to carry out this Act for any fiscal year, the Secretary shall publish in the Federal Register the apportionments required by subsections (a)(2) and (b) of this section and the labor market areas described in subsection (d) of this section.

DEFINITIONS

SEC. 505. For the purposes of this Act, except as otherwise specified, the term—

(1) "Secretary" means the Secretary of Labor.

(2) "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands.

LEGAL AUTHORITY

SEC. 506. (a) The Secretary may prescribe such rules, regulations, guidelines and other published interpretations or orders under this Act as he deems necessary. Rules, regulations, guidelines, and other published interpretations or orders issued by the Department of Labor, or any official thereof, for the purpose of carrying out this Act shall contain, with respect to each material provision of such rules, regulations, guidelines, interpretations, or orders, citations to the particular section or sections of statutory law or other legal authority upon which such provision is based. Such rules, regulations, guidelines and other published interpretations or orders may include adjustments authorized by section 204 of the Intergovernmental Cooperation Act of 1968.

(b) The authority of the Secretary relating to disapproval of prime sponsorship plans under section 104(f) shall not be delegated outside the Office of the Secretary or of the Assistant Secretary for Manpower.

SPECIAL LIMITATIONS AND CONDITIONS

SEC. 507. (a) No authority conferred by this Act shall be used to enter into arrangements for, or otherwise establish, any training programs in the lower wage industries in jobs where prior skill or training is typically not a prerequisite to hiring and where labor turnover is high, or to assist in relocating establishments from one to another. Such limitation on relocation shall not prohibit assistance to a business entity in the establishment of a new branch, affiliate, or subsidiary of such entity if the Secretary of Labor finds that assistance will not result in an increase in unemployment in the area of original location or in any other area where such entity conducts business operations, unless he has reason to believe that such branch, affiliate, or subsidiary is being established with the intention of closing down the operations of the existing business entity in the area of its original location or in any other area where it conducts such operations.

(b) Any amounts received under chapters 11, 13, 31, 34, and 35 of title 38, United States Code, by any veteran of any war, as defined by section 101 of title 38, United States Code, who served on active duty for a period of more than one hundred and eighty days or was discharged or released from active duty for a service-connected disability or any eligible person as defined in section 1701 of such title, if otherwise eligible to participate in programs under this Act, shall not be considered for purposes of determining the needs or qualifications of participants in programs under this Act.

OTHER AGENCIES AND DEPARTMENTS

SEC. 508. (a) In the performance of his function under this Act, the Secretary, in order to avoid unnecessary expense and duplication of functions among Government agencies, shall use the available services or facilities of other agencies and instrumentalities of the Federal Government. Each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary and, to the extent permitted by law, to provide such services and facilities as he may request for his assistance in the performance of his functions under this Act.

(b) The Secretary shall carry out his responsibilities under this Act through the maximum utilization of all possible resources for skill development available in industry, labor, public and private educational and training institutions, State, Federal, and local agencies, and other appropriate public and private organizations and facilities.

COMPARATIVE PROGRAM INFORMATION

SEC. 509. The Secretary shall not provide financial assistance for any program under this Act unless he determines, in accordance with regulations which he shall prescribe, that periodic reports will be submitted to him containing data designed to enable the Secretary and the Congress to measure the relative and, where programs can be compared appropriately, comparative effectiveness of the programs authorized under this Act. Such data shall include information on—

(1) enrollee characteristics, including age, sex, race, health, education level, and previous wage and employment experience;

(2) duration in training and employment situations, including information on the duration of employment of program participants for at least a year following the termination of participation in federally assisted programs and comparable information on other employees or trainees of participating employers;

(3) total dollar cost per trainee, including breakdown between salary or stipend, training and supportive services and administrative costs.

The Secretary shall compile such information on a State, regional, and national basis.

NONDISCRIMINATION

SEC. 510. The Secretary shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect thereto specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any program participant or any applicant for participation in such program because of race, creed, color, national origin, sex, political affiliation, or beliefs.

REPORTS

SEC. 511. The Secretary of Labor shall make such reports and recommendations to the President as he deems appropriate pertaining to manpower requirements, resources, use, and training, and his recommendations for the forthcoming fiscal year, and the President shall transmit to the Congress within sixty days after the beginning of each regular session a report pertaining to manpower requirements, resources, utilization, and training.

AUTHORITY TO CONTRACT AND EXPEND FUNDS

SEC. 512. The Secretary may make such grants, contracts, or agreements, establish such procedures (subject to such policies, rules, and regulations as he may prescribe), and make such payments, in installments and in advance or by way of reimbursement, or otherwise allocate or expend funds made available under this Act, as he may deem necessary to carry out the provisions of this Act, including (without regard to the provisions of section 4774(d) of title 10, United States Code) expenditures for construction, repairs, and capital improvements, and including necessary adjustments in payments on account of overpayments or underpayments. The Secretary may also withhold funds otherwise payable under this Act in order to recover any amounts expended in the current or immediately prior fiscal year in violation of any provision of this Act or any term or condition of assistance under this Act.

ACCEPTANCE OF GIFTS

SEC. 513. The Secretary is authorized, in carrying out his functions and responsibilities under this Act, to accept in the name of the Department, and employ or dispose of in furtherance of the purposes of this Act, or any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise.

ACCEPTANCE OF VOLUNTARY SERVICES

SEC. 514. The Secretary is authorized, in carrying out his functions and responsibilities under this Act to accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

ACCEPTANCE OF FUNDS

SEC. 515. The Secretary is authorized to accept and utilize in carrying out the provisions of this Act funds appropriated to carry out other Federal statutes if such funds are utilized for the purposes for which they are specifically authorized and appropriated.

TRANSFER OF FUNDS

SEC. 516. Funds appropriated under the authority of this Act may be transferred, with the approval of the Director of the Office of Management and Budget, between departments and agencies of the Federal Government, if such funds are used for the purposes for which they are specifically authorized and appropriated.

UTILIZATION OF SERVICES AND FACILITIES

SEC. 517. In addition to such other authority as he may have, the Secretary is author-

ized, in carrying out his functions under this Act, to utilize, with their assent, the services and facilities of Federal agencies without reimbursement, and with the consent of any State or political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement.

RENTAL, ALTERATION, AND IMPROVEMENT OF BUILDINGS

SEC. 518. The Secretary is authorized, in carrying out his functions under this Act, to expend funds without regard to any other law or regulations for rent of buildings and space in buildings and for repairs, alteration, and improvement of buildings and space in buildings rented by him; but the Secretary shall not utilize the authority contained in this section—

(1) except when necessary to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which it is needed, and

(2) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority.

EXPENDITURES FOR PRINTING AND BINDING

SEC. 519. In addition to such other authority as he may have, the Secretary is authorized, in carrying out his functions under this Act, to expend funds made available for the purposes of this Act for such printing and binding as he determines necessary, without regard to any other law or regulation.

CRIMINAL PROVISIONS

SEC. 520. Title 18 of the United States Code is amended by adding a new section 665 to read as follows:

"THEFT OR EMBEZZLEMENT FROM MANPOWER FUNDS; IMPROPER INDUCEMENT

"SEC. 665. (a) Whoever, being an officer, director, agent, or employee of or connected in any capacity with any agency receiving financial assistance under the Comprehensive Manpower Act embezzles willfully misapplies, steals, or obtains by fraud any of the moneys, funds, assets or property which are the subject of a grant or contract of assistance pursuant to this Act shall be fined not more than $10,000 or imprisoned for not more than two years, or both; but if the amount so embezzled, misapplied, stolen, or obtained by fraud does not exceed $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"(b) Whoever, by threat of procuring dismissal of any person from employment or of refusal to employ or refusal to renew a contract of employment in connection with a grant or contract of assistance under the Comprehensive Manpower Act induces any person to give up any money or thing of any value to any person (including such grantee agency) shall be fined not more than $1,000, or imprisoned not more than one year, or both."

INTERSTATE AGREEMENTS

SEC. 521. In the event that compliance with provisions of this Act requires cooperation or agreements between States; the consent of Congress is hereby given to such agreements to facilitate such compliance, subject to the approval of the Secretary.

EFFECT ON EXISTING LAWS

SEC. 522. (a) Effective with respect to fiscal years after June 30, 1971, the Manpower Development and Training Act of 1962 is repealed. Unexpended appropriations for carrying out such Act may be made available to carry out this Act, as directed by the President.

(b) All functions of the Director under part A of title I of the Economic Opportunity Act of 1964 are hereby transferred to the Secretary of Labor and part A of title I shall, without regard to the expiration date specified in section 171, become part E of title IV of this Act. Any reference to part A of title I of the Economic Opportunity Act or any provision thereof in any other law of the United States shall be deemed to be a reference to part E of title IV of this Act or the corresponding provision thereof.

(c) Effective with respect to fiscal years ending after June 30, 1971, title I of the Economic Opportunity Act of 1964 is amended by—

(1) amending all of the matter that appears preceding part D thereof to read as follows:

"TITLE I—MANPOWER DEVELOPMENT AND COMMUNITY ECONOMIC DEVELOPMENT PROGRAMS

"PART A—RESEARCH, EXPERIMENTAL, AND DEVELOPMENTAL AUTHORITY IN THE MANPOWER AREA

"STATEMENT OF PURPOSE

"SEC. 101. It is the purpose of this part to provide authority for the conduct of research, experimental, and developmental activities focused on providing more effective means for dealing with the employment and employment-related problems of the economically disadvantaged.

"ACTIVITIES AUTHORIZED

"SEC. 102. (a) The Director is authorized to contract with or provide financial assistance to public or private agencies or organizations for the payment of all or part of the costs of developing and carrying out programs designed to further the purposes of this part. Programs assisted under this part shall be of an experimental, developmental, demonstration, or pilot nature and shall be structured in such manner as the Director deems will best equip them to yield information as to the relative effectiveness of various approaches (including new approaches and refinements or variations of traditional approaches) directed to the solution of the employment and employment-related problems of the economically disadvantaged. Such programs may include provision for supportive and followup services.

"(c) In formulating plans for the implementation of this section, the Director shall consult with the Secretary of Labor, and, as appropriate, the heads of other Federal agencies.

"TECHNICAL ASSISTANCE AND TRAINING

"SEC. 103. The Director may provide (directly or through contracts or other appropriate arrangements) technical assistance to assist in the initiation or effective operation of programs under this part. He may also make arrangements for the training of instructors and other personnel needed to carry out progams under this part.

"RESEARCH AND EVALUATION

"SEC. 104. The Director is authorized to contract with or provide financial assistance to public or private agencies or organizations for research pertaining to the purposes of this part. He shall also provide for the careful and systematic evaluation of programs related to the purposes of this part, directly or by contracting for independent evaluations, with a view to measuring specific benefits, so far as practical, and providing information needed to assess the relative potential of the various approaches employed in such programs for contributing significantly to the solution of employment and employment-related problems of the economically disadvantaged. In formulating plans for the implementation of this section, the Director shall consult with the Secretary of Labor and, as appropriate, with the heads of other Federal agencies.

"SPECIAL CONDITIONS

"SEC. 105. Participants in programs under this part shall not be deemed Federal employees and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work; rates of compensation, leave, unemployment compensation, and Federal employment benefits.";

(2) redesignating part D thereof as part B and sections 150 through 155 as sections 121 through 126, respectively;

(3) striking out part E thereof; and

(4) redesignating part F as part C and section 171 as section 141.

(c) Effective with respect to fiscal years after June 30, 1971, section 810(a) of the Economic Opportunity Act of 1964 is amended by striking the word "and" at the end of paragraph (2) thereof, by inserting in lieu of the period at the end of paragraph (3) a semicolon and the word "and", and by adding the following new paragraph:

"(4) with the approval of the Secretary of Labor, in Job Corps centers operated under title IV of the Comprehensive Manpower Act.

(d) Grants and contracts entered into pursuant to the provisions of title I of the Economic Opportunity Act of 1964 and the Manpower Development and Training Act of 1962 prior to the effective date set forth in subsections (a) and (b) of this section shall not be affected by the provisions of this section.

ADVISORY COMMITTEES

SEC. 523. (a) The Secretary shall appoint a National Manpower Advisory Committee which shall consist of ten members and shall be composed of representatives of labor, management, agriculture, education, and training, and the public in general. From the members appointed to such Committee the Secretary shall designate a Chairman. Such Committee, or any duly established subcommittee thereof shall from time to time make recommendations to the Secretary relative to the carrying out of his duties under this Act. Such Committee shall hold not less than two meetings during each calendar year.

(b) For the purpose of making expert assistance available to persons formulating and carrying on programs under this Act, the Secretary shall, where appropriate, require the organization of a community, State, and/or regional basis of labor-management-public advisory committees.

(c) The National Manpower Advisory Committee may accept gifts or bequests, either for carrying out specific programs or for its general activities or for its responsibilities under subsection (b) of this section.

(d) Appointed members of the National Manpower Advisory Committee shall be paid compensation at the rate of $100 per diem when engaged in the work of the National Manpower Advisory Committee, including traveltime, and shall be allowed travel expenses and per diem in lieu of subsistence as authorized by law for persons in the Government service employed intermittently and receiving compensation on a per diem, when actually employed, basis.

SEC. 524. (a)—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICE FOR VETERANS

"Sec.
"2001. Definitions.
"2002. Purpose.
"2003. Assignment of veterans' employment representative.
"2004. Employees of local offices.
"2005. Cooperation of Federal agencies.
"2006. Estimate of funds for administration; authorization of appropriations.
"2007. Administrative controls; annual report.
"2008. Cooperation and coordination with the Veterans' Administration.

"§ 2001. Definitions

"For the purposes of this chapter—

"(1) the term 'eligible veteran' means a veteran of any war, or of service after January 31, 1955, as defined in section 101 of this title; and

"(2) the term 'State' means each of the several States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, and may include, to the extent determined necessary and feasible, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

"§ 2002. Purpose

"The Congress declares as its intent and purpose that there shall be an effective (1) job and job training counseling service program, (2) employment placement service program, and (3) job training placement service program for eligible veterans and that, to this end, policies shall be promulgated and administered, so as to provide such veterans the maximum of employment and training opportunities.

"§ 2003. Assignment of veterans' employment representative

"The Secretary of Labor shall assign to each State a veterans' employment representative, and such assistant veterans' employment representative as he shall determine to be necessary to assist the veterans' employment representative to carry out effectively in that State the purposes of this chapter. Each veterans' employment representative and assistant veterans' employment representative shall be an eligible veteran who at the time of appointment shall have been a bona fide resident of the State for at least two years and who shall be appointed in accordance with the provisions of title 5, United States Code, governing appointments in competitive service and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and general schedule pay rates. Each such veterans' employment representative and assistant veterans' employment representative shall be attached to the staff of the public employment service in the State to which they have been assigned. They shall be administratively responsible to the Secretary of Labor for the execution of the Secretary's veterans' counseling and placement policies through the public employment service and in cooperation with manpower and training programs administered by the Secretary in the State. In cooperation with the public employment service staff and the staffs of each such other program in the State, the veterans' employment representative and his assistants shall—

"(1) be functionally responsible for the supervision of the registration of eligible veterans in local employment offices for suitable types of employment and training and for counseling and placement of eligible veterans in employment and job training programs;

"(2) engaged in job development and job advancement activities for eligible veterans, including maximum coordination with appropriate officials of the Veterans' Administration in that agency's carrying out of its responsibilities under subchapter IV of chapter 3 of this title and in the conduct of job fairs, job marts, and other special programs to match eligible veterans with appropriate job and job training opportunities;

"(3) assist in securing and maintaining current information as to the various types of available employment and training opportunities, including maximum use of electronic data processing and telecommunications systems and the matching of an eligible veterans' particular qualifications with an available job or on-the-job training or apprenticeship opportunity which is commensurate with those qualifications;

"(4) promote the interest of employers and labor unions in employing eligible veterans and in conducting on-job training and apprenticeship programs for such veterans;

"(5) maintain regular contact with employers, labor unions, and training programs and veterans' organizations with a view to keeping them advised of eligible veterans available for employment and training and to keeping eligible veterans advised of opportunities for employment and training; and

"(6) assist in every possible way in improving working conditions and the advancement of employment of eligible veterans.

"§ 2004. Employees of local offices

"Except as may be determined by the Secretary of Labor based on a demonstrated lack of need for such services, there shall be assigned by the administrative head of the employment service in each State one or more employees, preferably eligible veterans, on the staffs of local employment service offices, whose services shall be fully devoted to discharging the duties prescribed for the veterans' employment representative and his assistants.

"§ 2005. Cooperation of Federal agencies

"All Federal agencies shall furnish the Secretary of Labor such records, statistics, or information as he may deem necessary or appropriate in administering the provisions of this chapter, and shall otherwise cooperate with the Secretary in providing continuous employment and training opportunities for eligible veterans.

"§ 2006. Estimate of funds for administration; authorization of appropriations

"(a) The Secretary of Labor shall estimate the funds necessary for the proper and efficient administration of this chapter. Such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget for the Department of Labor.

"(b) There are hereby authorized to be appropriated such sums as the Congress shall determine to be necessary for the proper and efficient administration of this chapter.

"(c) In the event that the regular appropriations Act making appropriations for administrative expenses for the Department of Labor with respect to any fiscal year does not specify an amount for the purposes specified in subsection (b) of this section for that fiscal year, then of the amounts appropriated in such Act there shall be available only for the purposes specified in subsection (b) of this section such amount as was set forth in the budegt estimate required pursuant to subsection (a).

"(d) Any funds made available pursuant to subsections (b) and (c) of this section shall not be available for any purpose other than those specified in such subsections, except with the approval of the Secretary based on a demonstrated lack of need for such funds for such purposes.

"§ 2007. Administrative control; annual reports

"(a) The Secretary of Labor shall establish administrative controls for the following purposes:

"(1) To insure that each eligible veteran, especially those veterans who have been recently discharged or released from active duty, who requests assistance under this chapter shall promptly be placed in a satisfactory job or job training opportunity or receive some other specific form of assistance designed to enhance his employment prospects substantially, such as individual job development or employment counseling service.

"(2) To determine whether or not the employment service agencies in each State have committed the necessary staff to insure that the provisions of this chapter are carried out; and to arrange for necessary corrective action where staff resources have been determined by the Secretary to be inadequate.

"(b) The Secretary of Labor shall report annually to the Congress on the success of the Department of Labor and its affiliated State employment service agencies in carrying out the provisions of this chapter. The report shall include, by State, the number of recently discharged or released eligible veterans and other eligible veterans who requested assistance through the public employment service and, of these, the number placed in suitable employment or job training opportunities or who were otherwise assisted, with separate reference to occupational training under appropriate Federal law. The report shall also include any determination by the Secretary under section 2004 or 2005 of this title and a statement of the reasons for such determination.

"§ 2008. Cooperation and coordination with the Veterans' Administration

"In carrying out his responsibilities under this chapter, the Secretary of Labor shall from time to time consult with the Administrator and keep him fully advised of activities carried out and data gathered pursuant to this chapter to insure maximum cooperation and coordination between the Department of Labor and the Veterans' Administration."

(b) The amendments made by this section shall become effective ninety days after the enactment of this Act.

EFFECTIVE DATE

SEC. 525. The effective date of this Act, except as otherwise provided, shall be July 1, 1971. Rules, regulations, guidelines, and other published interpretations or orders may be issued by the Secretary at any time after the date of enactment.

REPORTS

SEC. 526. (a) The Secretary of Labor and the Secretary of Heath, Education, and Welfare shall report to the Congress by January 20, 1972, on the extent to which community colleges, area vocational and technical schools, and other vocational educational agencies and institutions are being utilized to carry out manpower training programs supported in whole or in part from provisions of the Economic Opportunity Act of 1964, the Manpower Development and Training Act of 1962, and this Act, the extent to which administrative steps have been taken and are being taken to encourage the use of such facilities and institutions and agencies in the carrying out of the provisions of this Act and any further legislation that may be required to assure effective coordination and utilization of such facilities and agencies to the end that all federally supported manpower and vocational educational programs can more effectively accomplish their objectives providing all persons needing occupational training an opportunity for such training.

(b) The Commissioner of the United States Office of Education shall report to the Congress by January 20, 1973, on the extent to which vocational orientation, preparation, and education are being incorporated in regular elementary and secondary education programs and curricula to the end that educational institutions serving youth during years of compulsory school attendance are affording meaningful opportunities, education, and incentives or students to enter vocational careers and on any legislation that may be necessary to facilitate an appropriate blend of vocational and academic education.

Mr. YARBOROUGH. Mr. President, I move that the Senate disagree to the amendments of the House, and agree to the request of the House for a conference, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. PACKWOOD) ap-

pointed Mr. NELSON, Mr. YARBOROUGH, Mr. PELL, Mr. KENNEDY, Mr. MONDALE, Mr. CRANSTON, Mr. HUGHES, Mr. STEVENSON, Mr. MURPHY, Mr. JAVITS, Mr. PROUTY, Mr. DOMINICK, and Mr. SCHWEIKER conferees on the part of the Senate.

THE ATTEMPTED RESCUE OF PRISONERS OF WAR

Mr. DOLE. Mr. President, earlier today, representatives of the National League of Families of American Prisoners and Missing in Southeast Asia held a news conference. I ask unanimous consent to have printed at this point in the RECORD a statement made by one of the representatives, commending this administration and those who participated in the rescue effort of American prisoners.

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

COMMENT ON POW RESCUE

The families of men who are held as Prisoners of War and who are Missing and believed to be Prisoners of War in Southeast Asia will surely be heartened by this new evidence of concern on the part of the administration.

Despite the failure of the rescue mission, it was daring and courageous in concept and execution, and we owe a debt of gratitude to those volunteers who were willing to risk their own lives in trying to aid our husbands and sons.

We can only reiterate what is only well known to the American people . . . that North Vietnam and her allies consistently have treated the POW issue as a political issue when it is in fact a humanitarian issue. Their continued refusal to abide by the Geneva Conventions serves both to prolong the war and impede the peace negotiations. If they would agree to an immediate exchange of all prisoners, we feel certain the action would encourage our citizens to demand accelerated efforts in Paris to bring the war to an end. Meanwhile it must become more apparent to North Vietnam and her allies with each passing day that the world community ultimately will hold them responsible for the lives and well-being of the prisoners.

Scores of families have contacted us and their spirits have been uplifted by this magnificent effort to rescue these men. Some families have expressed concern about possible reprisals against the prisoners as a result of the bombing and rescue missions. The National Headquarters of the League is aware, however, that there can be no reason or justification for the North Vietnamese to retaliate against the prisoners. The prisoners themselves have done nothing which would warrant reprisals and, furthermore, any such action on the part of North Vietnam would not be tolerated by the more than 120 nations which signed the Geneva Convention.

We are becoming increasingly concerned about the welfare of the prisoners because there is evidence that they are dying in the camps.

U.S. PARTICIPATION IN CERTAIN INTERNATIONAL FINANCIAL INSTITUTIONS

The Senate continued with the consideration of the bill (H.R. 18306) 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.

Mr. MILLER. Mr. President, I modify my amendment, which has been read, so that in the second line the word "policy" will read "policies".

THE PRESIDING OFFICER. The amendment is so modified.

Mr. MILLER. Mr. President, in the committee report by the Committee on Foreign Relations on the pending bill, there are some remarks by the senior Senator from Tennessee (Mr. GORE) taking issue with several portions of the bill. On page 37 of the report, the Senator from Tennessee says this:

In spite of the pressing need for additional information to enable the Congress to evaluate the operations of the international development banks, the Committee on Foreign Relations struck from the House bill a provision that would have helped fill this gap. Chapter 5 of the bill as passed by the House would have required the National Advisory Council on International Monetary and Financial Policies to include in its annual report to Congress a detailed statement concerning each loan approved by the World Bank, the International Development Association, the Inter-American Development Bank, and the Asian Development Bank, and the position taken by the United States representative. It is difficult to understand why the Committee would reject a provision which would help it carry out its responsibilities.

Mr. President, my amendment substantially is a restatement of that chapter 5 of the House-passed bill which was stricken from the bill by the committee.

The administration sent a letter dated September 11, 1970, to the Speaker of the House of Representatives in which the following statement was made:

We and many other nations have given these institutions strong support in the past. They have earned this support by using their resources well in the service of a growing and prosperous world economy, a more stable international monetary system, and a more rapid growth of the developing countries. Their hallmark is shared contributions, impartial expertise, and the assurance of high standards of economic performance.

I am not sure who drafted this statement, which went to the Speaker of the House. I would be inclined to say that perhaps on an overall basis these international organizations, to which we have been strong contributors and supporters, have used their resources to be very helpful to developing countries, and there has been, generally, an impartial expertise which has pervaded their activities.

However, when it comes to the Inter-American Development Bank, I am deeply concerned by what I have been hearing of late. It seems to me that the administration should be made aware that there is considerable and growing concern in Congress, the financial community, and the national press about the politically oriented, and wasteful management of previous U.S. contributions to the Inter-American Development Bank—IDB—for the ostensible purpose of fostering Latin American economic and social progress. With the recent resignation of the President of the IDB, the Nixon administration should take advantage of this opportunity to insist on a comprehensive study of the way in which the Bank has employed U.S. resources in its loans and technical assistance activities in Latin America and of the management reforms required to make the IDB a more technically competent multilateral instrument of Latin American development.

The senior management have been negligent in the use of Bank funds; they have used Bank funds for personal and political ends; they have ignored technical criteria in the selection and approval of projects; and they have encouraged wasteful administrative practices. Although the IDB has done good work in some areas, the prestige and reputation of the IDB is not what it should be. The resignation of the President of the Bank should be followed by appointment by his successor of a new management team recruited under strict standards of technical and administrative competence and experience.

What is at stake is the continued U.S. support of the IDB and its viability as an instrument of Latin American development. Our Latin American colleagues in the Bank, representing the Latin American member countries, should be reminded now, as the Bank enters its second decade of life, that the pact establishing the Bank and committing the United States to support Latin American development included an implicit commitment by them that they would use U.S. contributions to the Bank for economic development and not political or personal ends. Unless the people of the United States and their representatives in Congress are convinced that their taxes are being used by the Bank efficiently and for needed economic development, U.S. support for the Bank will decline and the viability of the Bank jeopardized.

The administration should know that the Congress will be examining Bank activities closely over the next year or two for signs of changes in management, increased efficiency in Bank operations and better management control over the use to which U.S. funds are put. The Treasury, with its special responsibility for representing U.S. interests in the Bank through the U.S. executive director, must insist on broad institutional reforms within the Bank, including a new management team, as the quid pro quo for continued U.S. support of the Bank.

The imminent election of a new President of the IDB provides the opportunity for beginning the long overdue reform of the IDB.

I ask unanimous consent to have printed in the RECORD at this point a memorandum on this subject prepared by Dr. James D. Theberge of Georgetown University.

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

RECOMMENDATIONS FOR REFORMING THE INTER-AMERICAN DEVELOPMENT BANK

(By Dr. James D. Theberge, of Georgetown University)

The Inter-American Development Bank (IDB) was created in 1959 during the Eisenhower Administration after Vice President Nixon returned from his crisis-ridden trip

to Latin America. Subsequently, the Act of Bogota and the Charter of Punta del Este assigned the IDB a major role in financing the external capital needs of Latin America under the Alliance for Progress. The purpose of the Bank is to finance the economic and social development of member countries using both hard and soft loan funds for the purpose.

U.S. policy towards the IDB was established in the early 1960's during the Kennedy Administration with Douglas Dillon, Secretary of the Treasury, playing a major role. The original structure of the Bank pitted the U.S.—the major contributor—against the 19 Latin American members of the Bank—the borrowers—who were given effective management control over the employment of the U.S. dollar contribution to the Bank.

A policy of excessive permissiveness on the part of the U.S. Treasury, State Department, and the Congress has permitted the largely Latin American management of the Bank (with the tacit complicity of senior U.S. officials of the IDB) to waste U.S. funds on an impressive scale. The magnitude of the mishandling and inefficient use of U.S. funds has never been determined because the Bank management has successfully resisted any comprehensive, independent investigation of its activities.

Th responsible officials in the Treasury, State Department and the relevant Congressional Committees have long been aware of the very considerable problems of the IDB. However, Treasury has been almost exclusively concerned with the balance of payments impact of IDB lending operations. State Department fears upsetting the banks borrowers and being charged with "interference" in internal Bank affairs or attempting to convert the IDB into a bilateral instrument of U.S. policy. This is a reasonable concern but should not be used as an excuse for not insuring good and effective use of U.S. funds contributed to the Bank. The Congress lacks incentive since no constituency interests are involved whatever the Bank does. The pro-multilateral aid Congressmen are afraid of discrediting the second largest multilateral development lending institution in the world.

5. The U.S. has contributed approximately $1.8 billion to the Bank for lending on non-commercial terms (FSO) to Latin America. Although the U.S. can veto any loan made from the Fund for Special Operations (the "soft loan window"), the predominantly Latin American management of the Bank [a] administers the use of U.S. funds without effective safeguards to insure they are used efficiently and not wasted.

6. The consequences of this unique arrangement whereby the borrowers control and manage the use of the funds of the major cerditor in their own interests without any really effective safeguards to protect the creditor's interests can be summarized briefly:

(1) *Political recruitment and cronyism.* Incompetent and unqualified persons were appointed to senior management positions on political grounds or as friends of the President of the Bank.

(2) *Lack of program evaluation and project performance audit mechanism.* Latin American managers and Directors, representing Bank member countries, consistently refused to permit the evaluation of Bank programs or the auditing of the performance of Bank projects in the field. Without a program and project evaluation staff with high-level backing in the Bank, it is impossible for the Bank to learn by its past mistakes and to correct errors in Bank lending procedures, practices and policies.

(3) *Approval of loans on political rather than technical grounds.* Perhaps as many as one-third of Bank loans are made on political grounds whether the projects are technically and economically viable or not. The Bank technical staff is frequently overruled, economic benefits inflated, rates of return altered to "justify" loan projects already decided on political grounds. Under such degrading circumstances, the Bank is unable to retain competent technicians who object to such practices.

(4) *Irresponsible use of Bank funds.* Although difficult to verify without an exhaustive investigation, there have been numerous cases of consulting contracts which proved worthless to the Bank. Bank consulting contracts with Doxiodis (Greek urban planning firm), Lockheed (Bolivian planning) and Raul Saez (multinational investment evaluation criteria), are examples which *prima facie* appear to fall into the category of irresponsible use of Bank funds by senior management.

(5) *U.S. Government (Congress and Treasury/State Departments) permissiveness.* Since any attempt by the U.S. to restrict the freedom of action of the Latin American management and insure that U.S. interests are protected evokes the cry of "U.S. intervention" by the other members of the Bank Board of Directors and the Latin American management, both the Congressional and Executive branches have followed a policy of uncritical permissiveness and have failed to protect legitimate U.S. interests in seeing that Bank funds are used effectively.

(6) In order to improve Bank operational efficiency, avoid the wasteful use of U.S. funds and protect U.S. interests in the region, a careful reorganization of the Bank is required along with the replacement of senior management by competent, reform-minded Bank officials.

Recommendations

(1) The Treasury Department negotiate with the newly-elected President for the removal of the senior Bank management and their replacement with outstanding, technically competent, reform-minded officials.

(2) The Bank be required to reorganize the Office of the Program Adviser to the President to include a program evaluation and project performance auditing function, eliminating the "Review and Evaluation Group" which was set up as a window dressing to "satisfy" the requirement of the Selden Amendment.

(3) The Bank management be required to submit to the Board of Directors bi-annual program evaluation and project performance reports, including recommendations for improving Bank lending practices, procedures and policies as a condition of continued U.S. support for the Bank.

(4) the Bank be required to raise its standards of recruitment of professional staff for the Bank and minimum standards of technical competence set to reduce the incidence of technically incompetent political appointments to Bank staff.

(5) the Office of the Vice President (the Vice President traditionally is a U.S. citizen) should be strengthened so that it can undertake at the initiation of a Project Committee and at the time the loan document is submitted for review by the Loan Committee (chaired by the Vice President) a careful, in-depth review of the technical and economic feasibility of the project in order to screen out low or negative yield projects at an early stage and prevent them from being approved as a result of interested political pressure.

(6) the NAC system of Treasury/State/AID coordination and review of Bank loans must be improved so that projects presented for IDB financing which are not feasible are identified (in the nature of things mainly by the AID staff) and the Office of the U.S. Executive Director provided with in-depth analysis of "problem" loan proposals and specific policy guidance. The U.S. Executive Director's office is not able to study carefully the large number of loan proposals presented to the Board of Directors each month and the present NAC machinery of Treasury/State/AID coordination and review is clumsy and inefficient.

[a] U.S. nationals presently occupy only four positions at the senior manager level in the Bank: the Vice President, the Legal Advisor, the Program Adviser and Financial Manager.

Mr. BYRD of Virginia. Mr. President, I should like to obtain some information in regard to the pending legislation. However, I do not know from whom I can obtain it, at the moment.

Mr. MILLER. Does the Senator mean the pending amendment?

Mr. BYRD of Virginia. No. The pending bill.

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

The PRESIDING OFFICER (Mr. PACKWOOD). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 1 minute p.m.) the Senate adjourned until tomorrow, Wednesday, November 25, 1970, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate November 24, 1970:

DIPLOMATIC AND FOREIGN SERVICE

Robert O. Blake, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Mali.

U.S. DISTRICT COURTS

Hubert I. Teitelbaum, of Pennsylvania, to be a U.S. district judge for the western district of Pennsylvania, vice Wallace S. Gourley, retired.

Harry W. Wellford, of Tennessee, to be a U.S. district judge for the western district of Tennessee, vice a new position created by Public Law 91–272, approved June 2, 1970.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 24, 1970:

U.S. MARSHAL

Sam H. Roberts, of Texas, to be U.S. marshal for the western district of Texas for a term of 4 years.

COMMISSION ON CIVIL RIGHTS

Manuel Ruiz, Jr., of California, to be a member of the Commission on Civil Rights.