SENATE—*Wednesday, April 15, 1970*

The Senate met at 10 o'clock a.m., and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

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

Eternal Father, in whose will is our peace, grant to us the assurance of Thy presence, every hour, every day, everywhere. As in past days we have shared hours of triumph with the explorers of distant planets, so now may we share their hours of agony, of prayer, of faith, and of hope.

We beseech Thee, O Lord, to give journeying mercies to the sons of this good land now voyaging through space. Grant that the skills of science may minister to faith, and faith illumine the way of science, and in the union of the two—bring safely to the haven of earth and home the intrepid explorers of distant realms.

Grant to all who strive to perfect this mission, insights beyond that which is seen. Sharpen their intellects. Reinforce their judgments. Steady and nerve their wills. Light up a pathway through untrespassed space, and by Thy providence guide them to earth and home and loved ones. Hear the prayers which arise out of the depth of the soul, but are too deep for words.

May Thy heavenly benediction be upon those who travel, those who serve them, and those who wait. And unto Thy gracious care and protection we commit them, ourselves, and our Nation. 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 legislative clerk read the following letter:

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

To the Senate:

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

RICHARD B. RUSSELL,
President pro tempore.

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

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

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

THE JOURNAL

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, April 14, 1970, be dispensed with.

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. At this time the Chair recognizes the Senator from Oklahoma (Mr. BELLMON), in accordance with the previous order, to proceed for 15 minutes.

Mr. KENNEDY. Mr. President, will the Senator from Oklahoma yield to me briefly to make a unanimous-consent request?

Mr. BELLMON. I am happy to yield to the Senator from Massachusetts for that purpose.

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

PROGRESS IN VIETNAM

Mr. BELLMON. Mr. President, in line with his policy of keeping the American public informed about developments concerning our country's involvement in Southeast Asia, President Nixon announced last week that he will make another report to be carried to the Nation by radio and television from the White House Thursday evening. It is anticipated that this report will deal with the progress being made in withdrawing American troops from Vietnam and in helping the South Vietnamese Government to assume a greater role in the conduct of the war and in the affairs of Southeast Asia.

Despite the harping and jibing of some of his critics, President Nixon's policy of Vietnamization is increasingly successful. During this administration, there has been an overall reduction in casualty rates. The number killed in action in 1969 was 9,414, compared with 14,592 in 1968. The costs of the war have been lowered. In fiscal year 1970, the costs for Southeast Asia, the bulk of which was Vietnam, totaled $23.2 billion, compared with $28.8 billion for fiscal year 1969. The Government of South Vietnam has become more stabilized, and, most important of all to the families of American servicemen, more than 100,000 troops have been brought home.

Reckless charges have been made that American participation in the war has spread into Laos and Cambodia. Such politically inspired allegations have not been substantiated. The Nixon administration has made it very clear that it does not intend to involve the United States in an expanded war in Indochina.

In light of Mr. Nixon's determined efforts for peace, it is highly regrettable that some members of the opposition party are striving hard to keep the country divided and thereby prolong the war. The statement last week by National Democratic Chairman Lawrence F. O'Brien offers strong evidence that some Democrat leaders plan to do everything they can to make Vietnam the main issue in this year's elections. They are intensifying their attack on a Republican President who has done much in 13 months to remedy a situation which their party had been unable to resolve in 6 years.

It is ironic that at the same time some politically ambitious spokesmen for the opposition party are chastising President Nixon for our posture in Vietnam, they are also trying desperately to take credit for some of the notable successes. A striking example is the land reform program.

With the assistance of our Government, President Thieu was able to obtain passage of a bill by the Vietnamese Legislature which will provide for the distribution of more than 2.25 million acres of good agricultural land to 500,000 tenant farmers on a permanent ownership basis. The program is working, it is popular, and it has strengthened both the Thieu government and the South Vietnamese citizens' will to defend the nation.

It is generally recognized that this accomplishment is a major step toward providing the necessary incentive for the Vietnamese people to achieve the internal strength and independence which is essential to building a durable nation.

It is interesting to note that the Senator from Maine (Mr. MUSKIE) who has been openly skeptical of the abilities of the Vietnamese people, has now come forth with a proposal to spend an additional $320 million for the land reform program. It is said that imitation is the sincerest form of flattery. The Nixon administration and the Thieu government have every reason to feel flattered by Mr. MUSKIE's move.

As for Mr. MUSKIE's repeated demands that a new representative to the Paris peace talks be named, this question was adequately answered by Under Secretary of State Elliott Richardson in hearings before the Senate Foreign Relations Committee last month.

Mr. President, I ask unanimous consent that an excerpt from the transcript of those hearings be printed in the RECORD.

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

EXCERPTED FROM HEARINGS, MARCH 16, 1970

Senator SYMINGTON. . . . why don't we put somebody of the stature of Ambassador Lodge

in Paris and really try to get on with the negotiations?

RICHARDSON. . . . we think that the prognosis for Vietnamization is quite good and to the extent that this is so, this fact in turn should, we believe, convince the other side that the opportunity to negotiate is a wasting opportunity.

By that I mean that their chances of a favorable deal from their point of view through the negotiating process are not going to be as good a month from now or a year from now as they were last month or last year. In this sense, the Vietnamization process and the negotiating process have always in this Administration seemed to be inseparably related.

Now, so far as our representation in Paris is concerned, the point essentially is that we sought by every means we can conceive of to engage the other side in serious negotiations. The U.S. part in the negotiations necessarily involves primarily the mutual withdrawal of external forces. The other major heading for negotiations is a political settlement. And here it has been our position that a political settlement can only be negotiated among the Vietnamese. The key parties in any such settlement obviously are the Government of South Vietnam and the so-called provisional revolutionary government of the Viet Cong. And so far the other side has persistently refused to permit that type of negotiation to take place.

And so we are saying in substance that we and the Government of South Vietnam stand ready to enter into serious negotiations at any time. We have made clear that no proposition that we have advanced has been advanced on a take-it-or-leave-it basis, that the only fundamental to which we adhere is that any political solution should be a political solution arrived at freely among the South Vietnamese through the process of negotiation and elections. And so in effect at this stage we are awaiting an indication of the other side's willingness to engage in serious negotiations, and, of course, at that point if it seemed desirable, we would be prepared to send another delegation head to Paris, but in the meanwhile, we made clear that Ambassador Habib has full power to negotiate. He has the full confidence of the Administration. And he is a very experienced and resourceful, fair-minded diplomatic representative.

SYMINGTON. Well, let me say I have the highest respect for Ambassador Habib, and my only point is that there has been discussion of the fact that he was not as well known nationally, and internationally as his predecessor, and that being a point that has been developed by many people in many countries, we are sincere about the idea of negotiation being an equal opportunity along with Vietnamization which for the reasons presented to you I have my doubts about, then I would think that we would want to carry out more of an appreciation of the form of the development of the situation as well as the substance.

RICHARDSON. Well, senator, all I can say, I can only really add that the point has been made primarily, and it is made often, by the spokesman for the Government of North Vietnam and the PRG in Paris, but we think this is an excuse on their part, a smoke screen, designed to mask their own unwillingness to negotiate. They have plenty of ways available to them at any time to signal their readiness to enter into serious negotiation and if at that point it became significant to substitute a new delegation head in Paris, we would certainly do it. But so far there really appears to be nothing in this point beyond the attempt by the other side to divert responsibility or attention from their own intransigence.

Mr. BELLMON. Mr. President, 1970 is an election year. It is understandable that intense partisanship will cloud the judgment of candidates and party leaders. However, 1970 is also a war year and I believe that the American people will not be kindly inclined this November toward those super partisans who jeopardize the growing opportunity for peace.

Mr. President, I yield the floor.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the Senate will proceed to the transaction of routine morning business, under the 3-minute limitation.

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

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

The bill clerk proceeded to call the roll.

SETBACK FOR SEA LEVEL CANAL PLAN

Mr. THURMOND. Mr. President, the Washington Post of April 13 gave its main headline to the report of a group of science advisers appointed by the National Academy of Sciences to study the effects of a sea level canal across the Isthmus of Panama.

Although the full report of the committee is not yet available, the article relates that at meetings here on Thursday and Friday, the group of scientists concluded that digging a sea level canal by the use of nuclear explosives was dangerous and impractical. They also concluded that such a sea level canal—or indeed a sea level canal of ordinary construction—would have an unknown and disastrous effect upon the marine life in the Atlantic and Pacific oceans.

For some time now, I have been pointing out these two problems to the Senate. A canal dug by nuclear explosions would have to be done at a site far removed from the present population of Panama and would nevertheless result in extensive radioactive fallout. There are also significant geological problems relating to the unstable strata of the region, which would make nuclear excavation very risky.

No matter how such a "big ditch" is excavated, there still remains the problem that the marine species from the Pacific would be able to travel easily into the Atlantic and vice versa, with unknown consequences for the survival of these species. Many scientists have been concerned over this problem, and I have introduced several such comments in the CONGRESSIONAL RECORD in recent months.

Now we have a committee of scientists that was organized at the instigation of the proponents of a sea level canal—namely, the Atlantic Pacific Inter-Oceanic Canal Study Commission—that has concluded that the ecological effect would go far beyond merely altering the sea environment and include effects on migratory marine species, on terrestrial fauna and flora, on microorganisms, and on local, urban, and urban, and rural human populations.

The invasion of the species from one ocean to the other might result in large-scale extinction of many species. We must bear in mind that many coastal nations, particularly developing nations, rely extensively on the sea as a source of food and especially protein. The large-scale disappearance of any species in either ocean could thus have a potentially disastrous effect upon the sufficiency of food for human life.

The article also indicates that the committee "definitely" opposes using nuclear explosives. In particular the article notes that the world's tritium level would go up about 50 percent.

The resolution to this problem, according to the article, lies in the expansion of the capacity of the present lock canal with the fresh water barrier which prevents the migration of salt water species. This article in the Post concludes by asking, "Is a new multi-billion-dollar canal really necessary?" And the article points out, "Engineers' reports indicate the present canal, with improvements, could serve 60 percent more traffic."

Mr. President, I have introduced a bill for the improvement and enlargement of the present canal which would provide for the most efficient operation of the canal. This plan, embodied in S. 2228, will meet all the capacity needed during this century and beyond. It can be accomplished at a savings of billions of dollars over the construction of a new canal. It can be accomplished without negotiation of new treaties with Panama; and, finally, it can be accomplished without the environmental dangers which these distinguished scientists are pointing out in this article.

Mr. President, I ask unanimous consent that the article "A-Canal Dealt Blow" from the Washington Post of Monday, April 13, 1970, be printed in the RECORD.

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

A-CANAL DEALT BLOW

(By Victor Cohn)

The dream of a future sea-level Atlantic-Pacific canal blasted out cheaply by nuclear explosives has been dealt a severe blow—maybe a fatal one—by a group of biological advisers to the canal study commission.

The advisers have agreed in recent months that nuclear digging would create too much dangerous radioactivity, as well as other risks to nearby populations.

They also agreed Thursday and Friday in a final set of meetings at the National Academy of Sciences that no one can say yet whether a sea-level canal, even if dug by conventional explosives, is biologically safe.

This is because it could mix Atlantic and Pacific fish and other life forms, with possible large-scale extinction of many species.

The biologists think at least 10 to 15 years of intensive research are needed. For one thing, they advise annual counts of ocean populations, like fish and shrimps, just to set base lines by which to judge a new canal's long-range effects.

A set of conclusions like these is now being drawn up as the result of the meetings here of this group—the Committee on Ecological Research for the Inter-Oceanic Canal, headed by Dr. Ernst Mayr, Agassiz professor of zoology at Harvard University. The committee was named by the National Academy of Sciences at the request of the Atlantic-Pacific

Inter-Ocean Canal Study Commission, created by Congress in 1964.

The commission must tell President Nixon by Dec. 1 whether a new sea-level canal to supplement the present Panama Canal is commercially and technically a good idea; where and how it ought to be built; and how much it might cost.

Many new ships are far too large for the narrow passage of the present canal, built early in this century. Others laden with valuable cargoes are forced to delay passage for several costly days because of the traffic jam in the complex series of locks.

Some authorities believe that the saturation point of the present canal will be reached in a few years, lending urgency to studies for a new canal.

The biologists were asked only to design ecological studies of a new canal's effect, not to say how or if one should be built. Their formal report thus may be more limited in scope than their actual conclusions.

All their conclusions, however, are certain to be transmitted to the administration and to the scientific community in one way or another.

Dr. Mayr declined to reveal any of the group's formal recommendations before they are made to the science academy, then to the canal commission. But another committee member said the group "definitely" opposes using nuclear explosives.

Mayr conceded that: "Giving you just my own personal opinion, I think it's rather widely agreed now that using nuclear explosives is nonsensical, especially if the canal is built near any populated areas.

"It's been established just for one thing that the world's tritium level would go up by about 50 per cent." Tritium is a form of hydrogen produced by some nuclear processes.

Several canal sites have been proposed, including some in little-populated areas that cross Colombia and Nicaragua-Costa Rica. But those now most favored, it is learned, are two within 50 miles of the present canal. The other sites are far lengthier, and economical only with cheap nuclear blasting.

THREE REASONS ADVANCED

"I think there are three reasons," Mayr said, "why nuclear blasting is unwise—one, radioactive fallout; two, tritium level; three, possible seismic (earthquake-causing) effects of blasts near any populated areas."

Study of nuclear blasting has also won little recent backing from the Nixon administration, though the Atomic Energy Commission still thinks there is an excellent chance that it could prove safe and economical with more development. Sovet officials recently said they are planning some extensive nuclear digging, on the basis of what one U.S. official called "more extensive tests than ours."

The AEC did six canal excavation experiments between 1962 and 1968, setting off devices around 350 feet beneath the earth. The last blasted a crater 852 feet across and 208 deep.

"As in all cratering experiments," an AEC spokesman reports, "some radioactivity was released. But it was a comparatively small amount—most is trapped in the crater bottom or comes back in earth-rock debris thrown around the crater.

"We found you could go back to the area and work within several months. And we would expect by the time the canal is built—some years away—we would have explosives that release much less radioactivity."

The AEC is working on "cleaner" explosives at its Livermore, Calif., Lawrence Radiation Laboratory. But it also says it needs "at least" four more cratering tests before it can say whether nuclear excavation is a good idea.

NONE IN BUDGET

None is included in the AEC's fiscal 1971 budget. One was planned for this year, but was finally set aside to concentrate on the Livermore research.

"We've already told the President we can't define the feasibility of nuclear excavation," says John P. Sheffey, executive secretary of the canal commission. "But we certainly think the nuclear experiments should be completed."

The idea of U.S. nuclear blasting anywhere in Central America has found little favor in State Department halls, many diplomats see it creating only anti-American feeling, even if fallout is minuscule.

"But you can find all sorts of opinions, and no determination has been made," one official said. "No one has faced the question fully, and no one needs to for several years."

Here, some scientists disagree, though they are aware that the canal commission test incidentally, used a 35-canal being built for around 15 years. "Once projects get going and reach a certain size," one scientist said, "it's very hard to choke them off, even if many people then feel the idea is ecologically poor. Look at the SST."

The latest AEC cratering test, incidentally, used a 35-kiloton device (equal to exploding 35,000 pounds of TNT). One estimate has it that digging a canal would take 35 megatons, or the equivalent 1,000 35-kiloton bombs.

But it is the ecological consequence of the canal, no matter how it is dug that has worried the biologists most.

A National Academy of Science publication last fall credited committee members with saying that environmental effects would go "far beyond" merely altering the sea environment and its life forms, "and include effects on migratory species, on terrestrial (earth) fauna and flora, on microorganisms and on local urban and rural human populations."

This report said that: "While a few successful migrations have apparently taken place between the oceans, there has been nothing to equal the predicted inter-Oceanic migrations that would be inevitable if a sea-level canal were built. Many scientists believe the invasion of competitive marine fauna on either coast might result in large-scale extinction of many species, an irrevocable catastrophe to science and a loss to future generations of men."

The biologists have some interesting ideas about how it might be possible to prevent or minimize mixing of the oceans. These include building effective tidal gates and keeping them closed at high-tide, and building a big man-made lake in mid-canal—much like Gatun Lake, which has served the old canal as a highly effective biological barrier. Salt-water species get into the present canal despite its locks, but seldom get across this fresh-water body.

A problem here, Mayr said, is that "no one knows yet whether such a man-made lake can be built." In all, he guessed, some $20 million a year ought to be spent, starting soon, if a new canal's ecological consequences are to be estimated and, hopefully, minimized.

REPORT DUE IN WEEK

The biologists' major recommendations should be turned over to the Science Academy in another week. A more detailed report will be made to the canal commission by June 30.

A major question the commission must address is: Is a new multi-billion-dollar canal really necessary? (Cost estimates so far have ranged from $1½ billion—for a nuclear job—up to $3 billion.)

Engineers' reports indicate the present canal, with improvements, could serve 60 per cent more traffic. But it still could not handle big wide-beamed aircraft carriers and super-tankers.

One commission job, therefore, is to balance a new canal's cost and value against the cost of a large oil pipeline across the isthmus, to transfer oil between super-tankers.

The commission, headed by Robert S. Anderson, head of a New York investment firm and former secretary of the treasury, meets here every two months. There will "definitely" be a report to the President by Dec. 1, Sheffey said, despite two previous one-year delays.

ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senator from South Carolina be permitted to continue for an additional 15 minutes.

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

ILLEGALITY OF THE 14TH AMENDMENT

Mr. THURMOND. Mr. President, in yesterday's Evening Star, Mr. David Lawrence again pointed out a significant factor in the problem of North-South relations which has plagued this country for generations.

Mr. Lawrence points out that the 14th amendment was never legally adopted under the procedures prescribed by the U.S. Constitution and that the Southern States were forced to accept this amendment at bayonet point.

It is ironic that the instrument which modern so-called reformers rely on in their campaign for what they call "justice" is itself rooted in illegality and violence. It is no wonder that such an instrument is a source of division and hatred and has become a curse upon modern life, which remains to divide our people.

Mr. Lawrence concisely summarizes the black page of history surrounding the adoption of the 14th amendment. It woud be well for all my colleagues to refresh their memory concerning this travesty of justice and subversion of the Constitution.

Mr. President, I ask unanimous consent that the article entitled "Rewrite the 14th Amendment?" from the Evening Star of Monday, April 13, 1970, be printed in the RECORD at the conclusion of my remarks.

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

REWRITE THE 14TH AMENDMENT?

The South would probably swallow its grievances over the defeats of Judges Haynsworth and Carswell for seats on the Supreme Court if the majority in Congress would help correct the worst fraud in American history—the enforced "adoption" of the Fourteenth Amendment, on which numerous cases in the desegregation controversy are currently based.

Few people today know about certain undisputed facts of history which occurred just after the War Between the States ended in April 1865—that the Thirteenth Amendment, abolishing slavery, was legally ratified by state legislatures in the South as well as the North, but when the Fourteenth Amendment was proposed, it seemed to be confronted with failure. It takes three-fourths of the states to ratify. In this case, 16 out of 37 state legislatures did not vote to approve—just a little less than half. Outside the South, six states had failed to ratify, and in the South 10 had rejected it.

Congress had ousted all Southerners from their seats in the Senate and the House, and then passed a law of coercion. It provided that military rule be established in

the Southern states and that none of them could be regarded as in the Union unless they "ratified" the Fourteenth Amendment.

Amnesty to former rebels had been declared in May 1865 by President Andrew Johnson because the war was over. In 1867, under penalty of continued exile, the Southern states were told specifically they must ratify the Fourteenth Amendment as the price of readmission to the Union. In one instance, a general sent down from the North presided over a state legislature.

When Secretary of State Seward in July 1868 was faced with the problem of proclaiming "ratification" of the Fourteenth Amendment, he said frankly that he wasn't authorized "to determine and decide doubtful questions as to the authenticity of the organization of state legislatures or as to the power of any state legislature to recall a previous act or resolution of ratification."

He said the amendment was valid if the original resolutions of the Ohio and New Jersey legislatures were to be deemed effective, notwithstanding subsequent rejection.

Many noted historians point out in their books that new state legislatures in the South had been elected to function in 1866 after the war, but in 1867 were put under military rule and the senators and representatives from the states were denied seats in Congress. President Johnson had vetoed the measure. It was, however, passed over his veto, and, of course, no Southerners were there to vote.

The Supreme Court of the United States 20 years later refused to rule on all these illegal procedures, claiming they were acts of the "political departments of the government." This was obviously a means of avoiding a decision on a ticklish question.

But several decades after its passage the same Fourteenth Amendment is being used by the high court to regulate the operation of the schools by the federal government, hitherto a function of the states.

Clearly there is need for the American people through their representatives in Congress to rewrite the so-called "Fourteenth Amendment" and to stipulate where state rights begin and end and where federal power may be interposed.

The people have every right to erase from the record the chapter of history after the war was over by which the states in the South were coerced—some by military power—to "ratify" an alleged amendment to the Constitution.

The facts are available in the history books. They are unquestioned. If America is to live happily as "one nation, indivisible," the mistakes of the past will have to be reexamined. It means building a new respect for law and a restoration of confidence in national concepts of the Constitution.

No longer would it be necessary to worry whether a Supreme Court justice came from the South or the North or the West or the East.

For if the Constitution hereafter defines the limits of judicial power and the functions that are beyond it, and requires adherence to the existing amending process alone as the way to obtain change, there is little likelihood of any regional resentments arising in the future.

Racism would lose its fervor because people in all sections of the country would then feel they were being treated alike by the Constitution.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I intend to make a brief reference to some remarks made on yesterday by the distinguished majority whip, the Senator from Massachusetts (Mr. KENNEDY). I have notified him.

I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

Mr. GRIFFIN. 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.

POSSIBLE IMPEACHMENT OF MR. JUSTICE DOUGLAS

Mr. GRIFFIN. Mr. President, a news report this morning refers to a statement made yesterday by the distinguished majority whip, Senator KENNEDY, indicating some criticism on his part of a speech to be made today by the distinguished minority leader of the other body, Representative FORD, relating to the possible proceedings to impeach Mr. Justice Douglas.

I do not know exactly what the majority whip said on yesterday. I have no copy of his remarks. My purpose this morning is not to be critical of the majority whip, but to take this occasion, as the whip on this side of the aisle with a leadership responsibility, to caution my colleagues in the Senate—and perhaps to advise the Nation as well—concerning the very solemn responsibility of the Senate, and of certain restraints necessarily imposed upon Senators, under the Constitution, in a situation such as this.

I can understand that it might be tempting for individual Senators to involve themselves in public discussion of the merits or demerits of the possible impeachment of a Supreme Court Justice. And yet, each Senator should realize that it would be a serious breach of his obligation under the Constitution to do so.

Under the Constitution, of course, the House of Representatives has the sole power to bring charges. In effect, as I understand its role, the House of Representatives acts in the capacity of a prosecutor and grand jury; it determines whether or not there is sufficient evidence to impeach the accused.

If the House in its wisdom should vote to impeach, then the Senate, under the Constitution, has the sole and solemn responsibility to sit as judges and jurors to hear the evidence and to determine the guilt or innocence of the accused.

The distinguished Senator from North Carolina (Mr. ERVIN) on May 13, 1969, at a time when there was some speculation about possible impeachment of Mr. Justice Fortas, made an excellent and learned statement on the role of the Senate, and I shall ask that pertinent portions of his statement be reprinted at the conclusion of my remarks.

Mr. President, only one Supreme Court Justice in the history of the United States, Mr. Justice Samuel Chase, was actually impeached by the House and tried by the Senate. In that instance the Senate found him not guilty of the charges. But, a number of lower Federal court judges have been impeached by the House, found guilty by the Senate, and removed from office.

In order for the Senate to be in a position to carry out its solemn responsibility under the Constitution, Senators should be particularly aware at this time of the importance, not only of keeping an open mind but also of refraining from public statements which give the appearance of having prejudged the case against Mr. Justice Douglas. A statement in the Senate questioning the motives of House Members comes dangerously close, I suggest, to giving the appearance of prejudgment on the merits.

Accordingly, I wish to reiterate and to underscore the words of wisdom and caution expressed on an earlier occasion by the distinguished Senator from North Carolina (Mr. ERVIN) who, needless to say, is a former State supreme court justice and an eminent constitutional lawyer who commands high respect in this body. I commend his advice to the Members of this body on this occasion.

Of course, I know not what the decision of the House will be with respect to the suggestion that Mr. Justice Douglas be impeached, but I do know that the Senate as a body—and each Senator as an individual—owes a solemn obligation to Mr. Justice Douglas and to the Nation to hold itself and himself in a position which will enable us to carry out our ultimate constitutional responsibility in a manner that will be objective, without prejudgment and without the appearance of prejudgment.

Following is a statement by the Senator from North Carolina (Mr. ERVIN) which appeared in the CONGRESSIONAL RECORD for May 13, 1963:

CONSTITUTIONAL RESTRAINTS ON ACTION REGARDING SUPREME COURT JUSTICES

Mr. ERVIN. Mr. President, for the last 2 weeks, the Supreme Court has once again been the center of public discussion, as it has been so often in our history. There is general agreement that the situation which now exists amounts to a crisis for the Supreme Court of a seriousness rarely matched in our history. In such circumstances, the obligations placed upon each Member of Congress, on the President, and the Court itself require thoughtful consideration and a strict adherence to the Constitution.

Much is at stake. More is involved even than the reputation and integrity of the High Court. The very independence of the Court may be threatened. We must all rise above passing temptations and insure that however this matter is resolved, the damage to the Supreme Court will be minimized.

The Constitution provides that all Federal judges shall retain office during "good behavior," which means that judges have tenure for life. Excepting only resignation or retirement, there is only one method by which a Federal judge can be relieved of office—that is by impeachment according to article II, section 4.

Under the impeachment provisions, the House of Representatives must bring charges that a Federal official has committed "treason, bribery, or other high crimes and misdemeanors." The Senate has the sole power to try impeachments brought by the House, and a two-thirds vote is necessary for conviction. The responsibility placed upon the Senate is an awesome one. Only once before, in 1805, was a Supreme Court Justice brought to the well of the Senate. This was the impeachment of Justice Samuel Chase, who was charged with rendering decisions which his political opponents disliked. However, a Senate composed largely of his political enemies refused to convict Justice Chase.

The precedent established was that judges could be impeached only for violations of law, and not for their political views or for decisions they handed down while on the bench. This precedent is a foundation stone of the independence of the Supreme Court. While the Court is not and never should be immune from criticism for its decisions, it should remain safe from retribution based upon partisan politics.

The responsibility of the Senate to sit in judgment in impeachment cases imposes an obligation to act in the highest traditions of judicial propriety. In such a proceeding, each Member sits as a judge, and care must be taken not to prejudge the issue, or to appear to prejudge it by taking a public position. In spite of the recent demands for investigations and inquiries, the Senate should move cautiously in view of its ultimate constitutional responsibility. In this matter, the Senate must await the action of the other body, for the Constitution gives to the House of Representatives the initiative in these matters.

The restraints placed upon the President by the Constitution are even more strict than those placed on the Senate. The Constitution gives the President the power to appoint Supreme Court Justices with the advice and consent of the Senate. But it confers no role on the President in matters of removal. A Federal judge is immune from action by the President, and care should be taken in all cases not to establish any precedent suggesting that the President has any power or influence to discharge a member of the judiciary from office.

Restraints are also imposed on the courts themselves. Each judge is an independent officer. His authority stems directly from the Constitution. Judges are not dependent for their positions on the good will or tolerance of their brethren on the courts. It would be most unfortunate if the independence of the judiciary were weakened by making judges subject to the opinions of other members of the judiciary. Courts are ill-equipped to discipline their own members, and it would be an unfortunate development if any court or judge—even the Chief Justice—had any role in resolving questions such as the one we now face.

This serious crisis will eventually be resolved, if not by voluntary action, then by operation of constitutional procedures. In the meantime, I would hope that every public official would carefully measure his public behavior by the dictates of his conscience and by the requirements of the Constitution.

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 please call the roll.

The bill clerk proceeded to call the roll.

Mr. JAVITS. 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.

HANOI TESTS THE NIXON DOCTRINE

Mr. JAVITS. Mr. President, on this Vietnam Moratorium Day, it is essential to emphasize that Hanoi is testing President Nixon's nerves. The prime motive of increased North Vietnamese military activity in Laos and Cambodia, in my judgement, is to try to bait the United States into widening the Vietnam war into a generalized Indochina war. In refusing thus far to take the bait I feel that President Nixon has shown a wise restraint. I trust he will continue this restraint against involvement in Laos and Cambodia, that the troop withdrawals from Vietnam will continue as scheduled and that he will not be distracted by the diversionary North Vietnamese actions in Laos and Cambodia. Clearly, an expansion of the Vietnam war would be strongly opposed in Congress and by the Nation as a whole. Moreover, in strictly military terms, "victory" would likely prove to be at least as illusive in Laos and Cambodia as it has proven to be in South Vietnam.

Additionally, there is some evidence that Hanoi intends its military thrusts in Laos and Cambodia as responses to the 1969 offensive in Laos by the forces of Laotian General Vang Pao and to the more recent coup d'etat by rightist military leaders in Cambodia. Moreover, Hanoi, by strengthening its military positions and sanctuaries in Laos and Cambodia, presumably is preparing strongholds from which it can challenge Vietnamized provinces in South Vietnam after American units have been withdrawn.

In demonstrating—as it has always had the capacity to do—the inherent risks and potential failures of President Nixon's Vietnamization strategy, Hanoi has underscored the underlying policy issues facing the Nixon administration with respect to the Vietnam war. The rosy glow of optimism concerning Vietnamization has had a sobering shadow of doubt cast over it.

However, there is no way but out for the United States in Vietnam. President Nixon recognized this when he said in his recent press conference that Vietnamization is "irreversible." I believe that the President will confirm this by announcing additional U.S. troop withdrawals tomorrow night.

According to recent reports, the President's top military commanders have been emphasizing the risks in Vietnamization and have urged pause in the cycle of U.S. troop withdrawals. In my judgment, there are greater risks in following a policy of stop and go with respect to Vietnamization, especially if control of such a policy is to rest in Hanoi's hands.

The Vietnam war always has been primarily a test of will and purpose between the Communist and anti-Communist forces in Vietnam. There is no way in which the United States can substitute its will and purpose for that of the South Vietnamese Government, short of colonial occupation. This has always been the key limiting factor in our involvement there. It is the reason why military victory has eluded us despite the excellent military performance of our Armed Forces on the battlefield.

During my recent visit to Vietnam I saw evidence that a certain momentum had been achieved through Vietnamization. That momentum would be lost, perhaps irretrievably, if Hanoi succeeds in achieving a stop-go pattern of control over U.S. troop withdrawals.

We will never know what the South Vietnamese are capable of on their own until they try it on their own—and they will never know either until they try. Nor will Hanoi.

If the South Vietnamese cannot make it now, there is no reason to feel that they will ever be able to make it. I am confident that this was recognized by the Nixon administration when it decided to adopt Vietnamization as its fundamental approach. There is nothing more that we can do militarily in Vietnam which will contribute decisively to the fundamental and ultimate test of political will and purpose between Hanoi and the Saigon government.

The military situation of April 1965, when Hanoi and the Vietcong appeared on the verge of capturing Saigon by force of arms has been decisively reversed. The cost to the United States of achieving this has proven to be improvident in the extreme. Over 40,000 American lives have been sacrificed—over five times that number wounded and maimed—and well over a hundred billion dollars of treasure has been spent. A President of the United States—elected 4 years earlier by the largest plurality in history—has been forced to withdraw from office. A rampant inflation has been let loose in the United States which gravely threatens the health of our economy. And domestic tensions and violence have reached a new and more dangerous pitch.

The new situation in Cambodia brought about by the right-wing takeover presents a more significant challenge to U.S. policy than developments in Laos. Offensives and counteroffensives in Laos are an old story. But something new has happened in Cambodia.

There is a recent precedent which could provide pertinent guidelines for U.S. policy with respect to Cambodia. The ouster of Sukarno in Indonesia is analogous in many respects to the ouster of Sihanouk in Cambodia. The U.S. policy response to the post-Sukarno situation in Indonesia has been one of the major successes of postwar U.S. diplomacy.

The United States has been very restrained in its approach to the military government which ousted Sukarno. It has insisted upon maintaining Indonesia's neutrality, and it has refrained from seeking to draw Djakarta into a military alinement. Our assistance has been economic, provided through multilateral channels and aimed at sound economic regeneration. Sukarno's charismatic, flamboyant, profligate and pro-Peking era of personal rule is now a footnote in Asian history.

The similar, though perhaps more benign, era of personal rule by Sihanouk in Cambodia has left in its wake an array of problems and policy options for the United States resembling those in Indonesia in October 1965. It would be a grave blunder for the United States to rush in with offers of military assistance to the new Cambodian Government. It would be no less of a blunder for the United States to move by incremental steps into a role of military benefactor and protector of Cambodia. Fortunately, nationalism continues to be a strong, non-Communist force in Cambodia. Aside from Vietcong and North Vietnamese encroachments in sparsely populated border areas, Cambodia's severest problems are economic.

Stagnation, and even deterioration, of

the Cambodian economy in the later years of Sihanouk's rule were a prime cause of his ouster. In due course, if the Lon Nol government demonstrates a capacity for effective rule, a limited amount of economic assistance through multilateral channels might be justified. But the United States should strenuously avoid military involvement in Cambodia.

The new situation in Vietnam, Laos, and Cambodia poses a real test of nerves for the Nixon administration. The ingredients which tempted the Johnson administration to seek a military solution to the struggle in Vietnam are all present now in the broader context of Indochina as a whole. The significance and sincerity of the Nixon doctrine is at stake.

The wisdom of the Nixon doctrine—that the United States cannot substitute its will, purpose, and combat troops for those of Asian nations under attack by Communist guerrilla forces—is fully applicable to the broader situation in Indochina. Hanoi is now exercising military options it long has held in Laos and Cambodia to test President Nixon's commitment to his own doctrine. The time has come to bring to an end our military involvement in Vietnam. Nothing happening in Indochina should be permitted to alter that fundamental fact.

S. 3718—INTRODUCTION OF THE ALLIED HEALTH PROFESSIONS' TRAINING AMENDMENTS OF 1970

Mr. JAVITS. Mr. President, I introduce today on behalf of myself and Senators PROUTY, MURPHY, DOMINICK, and SAXBE—all the Republican members of the Health Subcommitee—and Senator SCOTT, the administration's bill to extend for one year the programs of assistance for training in the allied health professions, and for other purposes, entitled the "Allied Health Professions' Training Amendments of 1970."

As the author of the Veterans in Allied Health Professions and Occupations Act of 1969, S. 2753, which I introduced with Senator PROUTY last July, I am very pleased that this bill incorporates many of the programs contained in S. 2753.

The new consolidated special authority in the administration bill provides broad authority for experimentation and demonstration which will allow support of such activities as the development of new types of health manpower, new teaching methods, new or improved means of recruiting, retraining, or retention of allied health manpower—provided for by my bill.

Under broadened authority, the Department of Health, Education, and Welfare will be able to reach special groups such as the economically or culturally deprived, returning veterans with experience in the health fields, or persons reentering any of the allied health fields—provided for by my bill. I believe the bill should have a provision—as provided in S. 2753—for scholarship grants and loans to allied health personnel in training or retraining programs and should authorize eligible veterans pursuing a course of study in any one of the allied health professions to receive not only a scholarship grant but also not to be disqualified from educational benefits the veteran would otherwise have been entitled to receive.

Shortages of competent faculty in training programs at all levels constitute one of the greatest obstacles to the improvement and expansion of training programs for the allied health professions. As training programs enlarge and new programs are needed, the demand for teachers mounts. The administration bill proposes extension of the authority for advanced traineeships for preparation of teachers, supervisors, and administrators in the allied health field and broadening the eligible institutions to include not only training centers for allied health professions, but other institutions and agencies which provide such advanced training. I approve the concept of broadening eligibility and am pleased that the administration recognizes this great need—as provided in S. 2753—to explore the real possibility of finding new sources of manpower capable of performing many of the functions now carried out by highly skilled and scarce professional personnel.

There are now major unmet needs for health manpower. Indeed, the lack of allied health manpower is a most serious problem as we aspire to bring the full potential of modern medicine to all members of our society. We must expand the training and use of allied health personnel, develop new types of health personnel, recruit from many different kinds of potential health manpower pools, and increase the availability of trained allied health personnel.

The administration argues for a 1-year extension as follows:

> Other health manpower authorizations in the Department of Health, Education, and Welfare programs are due to expire June 30, 1971. In addition, the President has recently proposed, in his message of March 19 on higher education, a Career Education program starting in fiscal year 1972, which should contribute to the supply of allied health personnel. Accordingly, we believe a one-year extension of this legislation is the appropriate course at the present time. Such an extension will make the present allied health program authorizations coterminous with the other health manpower authorizations, and will permit an assessment of the potential role of the proposed Career Education program in relation to the allied health program.
>
> We are making an across-the-board assessment of health manpower programs in terms of their interrelationships and their impact on the health needs of the Nation. We consider such an assessment to be absolutely essential if we are to fulfill our responsibilities to the Nation to increase not only the number of health service personnel, but the breadth and quality of their services. Our examination will take into account the programs of other Federal agencies which are contributing to meeting health manpower needs.
>
> We shall continue our review of the allied health program as part of this overall assessment and, upon its completion, we will present to the Congress our legislative recommendations relating to all the health manpower authorities. In the interim, however, the changes we are proposing in the attached bill will enable us to move forward without delay toward the achievement of certain urgent allied health manpower objectives.

The proposed administration legislation would:

First, extend the authority for basic improvement—formula—grants for training centers for allied health professions;

Second, separate the special improvement grant authority from its present dependence on the basic improvement grant;

Third, replace the present section 792 (c) authority for special improvement grants with new broad, flexible authority for special projects for experimentation, demonstration, and institutional improvement, and consolidates the authorities of section 794 of the Public Health Service Act—developmental grants—into the new section 792(c);

Fourth, extend the authority for advanced traineeships, and broaden the eligible institutions to include other agencies, organizations, or institutions which provide such training, in addition to currently eligible training centers;

Fifth, extend the authority for construction of teaching facilities for training centers for allied health professions.

I am very hopeful that the Health Subcommittee of the Labor and Public Welfare Committee, of which I am ranking minority member, under the chairmanship of Senator RALPH YARBOROUGH, who also has introduced allied health professions legislation—which incorporates many features in the administration bill and my own bill, S. 2753—will carefully consider the pending allied health professions legislation and bring together the best legislation to meet the acute shortage of manpower in the allied health professions.

In closing, I might note that one of our greatest concerns—in helping overcome the critical manpower shortages—is the need for conducting a comprehensive study of existing laws, regulations, customs, and practices governing the licensing, certification, or other means by which individuals are determined to be qualified to practice in the allied health professions. On the basis of the information obtained from the study, and with the advice and assistance of appropriate State and local agencies, professional groups, and other appropriate groups and organizations we should recommend to States and professional groups model codes relating to the classification of the various occupations and specialties within the allied health professions, the standards which must be met by personnel qualified to engage in such occupations or specialties, and the licensing, certification, or other procedures to be employed in determining whether individuals meet such standards—provided for by my bill, S. 2753.

The ACTING PRESIDENT pro tempore (Mr. ALLEN). The bill will be received and appropriately referred.

The bill (S. 3718) to amend the Public Health Service Act to extend for 1 year the programs of assistance for training in the allied health professions, and for other purposes, introduced by Mr. JAVITS (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

THE FAMILY ASSISTANCE ACT

Mr. JAVITS. Mr. President, the Senate will soon begin consideration of the administration's proposed Family Assistance Act, which has been reported favorably by the House Committee on Ways and Means.

While I generally support the administration's initiative and have cosponsored the Family Assistance Act in the Senate, I shall propose an amendment exempting mothers of school-age children and other relatives who care for such children from the work and training requirements of the bill. I shall do so because I regard such a requirement as generally undesirable as a matter of policy, unrealistic in terms of the availability of child-care facilities, and unnecessary in light of experience under existing requirements and the strong incentive provisions proposed in the administration's bill.

Mr. President, it has been established that welfare mothers want to work. In a recent study of families on welfare in New York City, it was documented that seven mothers in 10 would prefer to work and more than eight in 10 had some employment experience. We can expect even a higher degree of motivation under the admiinstration's bill. The Family Assistance Act contains incentives much stronger than those applicable under current law. Under the bill, the first $720 per year of earned income and one-half of the remainder is exempted in determining the amount of the family assistance payments. Under present AFDC programs, a State is required to disregard $360 per year of family income and only one-third of the remainder of such income.

But, for the most part, welfare mothers have been unable to participate in training or employment because of a lack of child-care facilities for their children during hours when they would be away from home.

The report of a joint review carried out by the U.S. Department of Health, Education, and Welfare, and the New York State Department of Social Services, issued last September, documented an increased interest of mothers in training and employment, but cited the long waiting lists for child-care centers. Lack of child-care facilities was indicated throughout the report as one of the prime obstacles in the path that leads away from welfare dependency. The report concluded that—

> Additional day care facilities serving school-age and pre-school children are urgently needed in neighborhoods where AFDC and other low income families live to enable these women to take advantage of WIN and other training and employment programs.

Mr. President, there is increasing awareness of the need for child-care services and the commitment of this administration to expand such services is commendable.

But we must face the fact that, even on the most ambitious of schedules, we cannot expect child-care services to become available in any significant number for millions of poor school-age children.

This is apparent when we view the problems which we will have in providing child care for preschool children. There are currently more than 3.8 million preschool children of working mothers, and child-care provision for only 600,000 of them in the entire country. Even with the administration's plan to add 450,000 slots, less than one-third of the preschool need will be met. As long as care for preschool children remains a priority, we quite clearly cannot assume that the child-care needs of millions of school-age children who would require after-school care or full care during the summer will be met if their mothers are required to work.

Mr. President, in light of these facts, it is clear that an arbitrary imposition of a work requirement will only force mothers of school-age children to choose between neglecting their children or losing their benefits under the Family Assistance Act.

The mother on welfare—like any other mother—is in the best position to determine whether her participation in employment or training will serve the interests of her family.

And I might add that no guidelines can be formulated that could adequately express for more than 3 million school-age children in poor households headed by women, the circumstances under which employment or training will be a long-term benefit rather than a long-term liability for the child, the family, and society because of neglect.

But this does not mean that we should fail to encourage such mothers to accept work and training opportunities. Accordingly, although my amendment would eliminate the work requirement for mothers of school-age children it would leave unchanged the requirement that they register for manpower services, training, and employment. By requiring registration, but not work, the mother will become aware of opportunities, but would not be forced to accept them if she determined that they would interfere with her care for the child.

Let us, then, give welfare mothers the respect to which they are entitled, and rely upon their own desires to provide for their children and upon a thoughtfully constructed incentive system, a meaningfully developed manpower and training and employment program, and expanding comprehensive child-care services to spell the differences—in time—between our new efforts to help the poor and those past efforts which have—despite similar requirements—failed to eliminate the rise in welfare dependency.

As I request cosponsorship for this amendment in the coming days, I hope that many of the Members of the Senate will join with me, whether or not they support the family assistance plan, to indicate their strong opposition to the inclusion of any such work requirement in the crucial welfare-reform legislation which will be acted upon by the Congress this year.

I ask unanimous consent that my amendment be printed at this point in the RECORD.

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

> On page 20, line 18, insert "(except a mother or other relative of a child, under the age of sixteen, who is caring for such child)" immediately after "individual".

Mr. SCOTT. Mr. President, I am glad that the distinguished Senator from New York has made reference to the Family Assistance Act. I introduced that bill in the Senate a good many months ago. Of course, we are not in a position to take it up until the other body has acted, because it is a fiscal bill.

I am very pleased that everything seems favorably disposed in the other body; and I hope that when the bill is brought here we can persuade the Committee on Finance to hold hearings early and to act as promptly as they possibly can, because this is one of the boldest and most innovative proposals made by any administration in recent years. It is a means by which we can escape from the more onerous burdens of an undignified and often inadequately administered or unworkable system. I sincerely hope that we can do better by the beneficiaries, by the country, and by the taxpayers.

FEDERAL REVENUE SHARING

Mr. SCOTT. Mr. President, little letup is seen in future spending needs of State and local governments in this decade. The demands on local government and the rapidly rising costs of government services are severely straining local budgets. The real problem lies in an insurmountable local revenue inadequacy. Indeed we are facing a local government fiscal crisis which threatens the domestic problem solving fibre.

In apportioning revenue resources among the Federal, State, and local governments, those with the greatest problems and responsibilities for serving our citizens have historically been left with a tax system that is now hopelessly ill equipped to pay for public services and programs. The local tax system's productivity simply does not respond normally to normal economic growth. We have given local government an inherently weak tax structure with which we expect to work miracles. As a result, local governments face an unprecedented revenue gap of billions of dollars.

I know it has only been through large measures of imagination and initiative and remarkably vigorous attempts to make do that our Commonwealths' cities and counties have survived fiscally.

I cannot think of an objective more fundamental to the Nation's interests than insuring that we have strong local government. Our federal system of government has served us well. As our domestic problems grow more complex, the solutions do not lie in a single central government in Washington. The solutions lie in renewing the capacities of the other levels of government to make the most effective use of our resources to provide machinery that can respond immediately and directly to problems as they arise.

Since the strength of our local gov-

ernments lies largely in their fiscal capability and capacity, we in Congress must contribute to improving that capability by enacting immediately a system of Federal revenue sharing with the States and localities.

Revenue sharing, simply, is a means of federalizing the Federal income tax base—sharing it directly with hard-pressed local governments.

True and meaningful help to these hard-pressed governments can come through Federal revenue sharing. We can use revenue sharing as a pressure valve to relieve fiscal imbalances among local governments and to provide an injection of fresh funds to move governments closer to the people. We can give States and localities breathing room. We can also move just a little more power out of Washington to decentralize our Government and to return power to local governments.

It is true that to a degree we already share revenue with States and localities through the categorical grant programs. I will not burden my colleagues with a recitation of the benefits or the problems this system of categorical aid has created. I will simply point out that it is not enough, nor is it, sometimes, effective.

I am not suggesting we abandon categorical aid for only through specifically directed aid can we hope to get national problems in scope. I believe the categorical aid programs are in desperate need of reform, but that is the subject of other legislation.

Categorical aid has one other disadvantage. It greatly limits the flexibility of the State or local official in his ability to use the funds received. Revenue sharing would not. No strings or restrictions would be placed on the use of shared revenues. Thus, revenue sharing complements local plans and program execution by making money available where it is more desperately needed. Too often the Congress and the Federal bureaucracy believe we possess all wisdom as to how Federal funds can best be spent locally. We do not have such wisdom. Local officials and their citizens know best what their own goals and priorities are and must be. Revenue sharing is then one of a number of tools to help them achieve these goals.

Our Governor and the leaders in cities, boroughs, and counties of our Commonwealth often and forcefully made the case to me for revenue sharing. I intend to continue to be a strong advocate on their behalf and on behalf of strong State and local government throughout the country. I believe it is time now that this Democratic Congress get on with the business of establishing Federal revenue sharing, as President Nixon has proposed, and as I have called for many times before.

THE NOMINATION OF JUDGE HARRY A. BLACKMUN TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT

Mr. JAVITS. Mr. President, on yesterday when the President announced the nomination of Judge Blackmun, I issued a statement to the press, which I shall now read:

It is a fine thing that the President has acted so promptly in making this nomination to the Supreme Court. I will examine the qualifications of the nominee with the greatest care. I want very much to vote confirmation and I hope to be able to do so based on the nominee's record. At the same time, I regret very much that the President felt he had to draw a sectional line on this nomination, and I hope he will not do so again. There are many fine judges in the South who are qualified to sit on the nation's highest court with distinction, as many already have.

PERSONAL STATEMENT BY SENATOR SMITH OF MAINE

Mrs. SMITH of Maine. Mr. President, I rise on a point of personal privilege, and ask unanimous consent to have printed in the RECORD an exchange of correspondence between Mr. Bryce Harlow and myself.

My letter was delivered at the White House at 10:47 a.m. this morning.

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

THE WHITE HOUSE,
Washington, April 14, 1970.

Hon. MARGARET CHASE SMITH,
U.S. Senate,
Washington, D.C.

DEAR MARGARET: Your speech asserts that none of your staff leaked the information that you would support Judge Carswell.

I of course will not contest that—couldn't if I wished to, wouldn't if I could. So I humbly confess error as directed, and contritely apologize as requested, for disseminating information that your staff disavows.

We have been friends, best I can recollect, for 23 years—since my staff days on the House Armed Services Committee. I am dismayed that such an episode as this could so badly fray a relationship that I have greatly prized.

Sincerely,

BRYCE N. HARLOW,
Counsellor to the President.

U.S. SENATE,
Washington, D.C., April 15, 1970.

Mr. BRYCE N. HARLOW,
Counsellor to the President,
The White House, Washington, D.C.

DEAR MR. HARLOW: Thank you for your letter of apology and for your retraction of your televised statement about my office.

Sincerely yours,

MARGARET CHASE SMITH,
U.S. Senator.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Geisler, one of his secretaries.

POLLUTION OF THE GREAT LAKES—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 91-308)

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

To the Congress of the United States:

The first of the Great Lakes to be discovered by the seventeenth century French explorers was Lake Huron. So amazed were these brave men by the extent and beauty of that lake, they named it "The Sweet Sea".

Today there are enormous sections of the Great Lakes (including almost all of Lake Erie) that make such a title ironic. The by-products of modern technology and large population increases have polluted the lakes to a degree inconceivable to the world of the seventeenth century explorers.

In order to contribute to the restoration of these magnificent waters, this Administration will transmit legislation to the Congress which would stop the dumping of polluted dredged spoil into the Great Lakes. This bill would:

—Discontinue disposal of polluted dredged materials into the Great Lakes by the Corps of Engineers and private interests as soon as land disposal sites are available.

—Require the disposal of polluted dredged spoil in containment areas located at sites established by the Corps of Engineers and approved by the Secretary of the Interior.

—Require States and other non-Federal interests to provide one-half the cost of constructing containment areas and also provide needed lands and other rights.

—Require the Secretary of the Army, after one year, to suspend dredging if local interests were not making reasonable progress in attaining disposal sites.

I am directing the Secretary of the Army to make periodic reports of progress under this program to the Chairman of the Council on Environmental Quality.

This bill represents a major step forward in cleaning up the Great Lakes. On the other hand, it underlines the need to begin the task of dealing with the broader problem of dumping in the oceans.

About 48 million tons of dredgings, sludge and other materials are annually dumped off the coastlands of the United States. In the New York area alone, the amount of annual dumping would cover all of Manhattan Island to a depth of one foot in two years. Disposal problems of municipalities are becoming worse with increased population, higher per capita wastes, and limited disposal sites.

We are only beginning to find out the ecological effects of ocean dumping and current disposal technology is not adequate to handle wastes of the volume now being produced. Comprehensive new approaches are necessary if we are to manage this problem expeditiously and wisely.

I have therefore directed the Chairman of the Council on Environmental Quality to work with the Departments of the Interior, the Army, other Federal agencies, and State and local governments on a comprehensive study of ocean dumping to be submitted to me by September 1, 1970. That study will recommend further research needs and appropriate legislation and administrative actions.

Specifically, it will study the following areas:

—Effects of ocean dumping on the environment, including rates of spread and decomposition of the waste materials, effects on animal and plant life, and long-term ecological impacts.

—Adequacy of all existing legislative authorities to control ocean dumping, with recommendations for changes where needed.

—Amounts and areas of dumping of toxic wastes and their effects on the marine environment.

—Availability of suitable sites for disposal on land.

—Alternative methods of disposal such as incineration and re-use.

—Ideas such as creation of artificial islands, incineration at sea, transporting material to fill in strip mines or to create artificial mountains, and baling wastes for possible safe disposal in the oceans.

—The institutional problems in controlling ocean dumping.

Once this study is completed, we will be able to take action on the problem of ocean dumping.

The legislation being transmitted today would control dumping in the Great Lakes. We must now direct our attention to ocean dumping or we may court the same ecological damages that we have inflicted on our lands and inland waters.

RICHARD NIXON.

THE WHITE HOUSE, *April 15, 1970.*

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 16916) making appropriations for the Office of Education for the fiscal year ending June 30, 1971, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 16916) making appropriations for the Office of Education for the fiscal year ending June 30, 1971, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORT ON LIMITATIONS ON BUDGET OUTLAYS FOR FISCAL YEAR 1970

A letter from the Director, Bureau of the Budget, Executive Office of the President, transmitting, pursuant to law, a report on limitations on budget outlays for the fiscal year 1970 (with an accompanying report); to the Committee on Appropriations.

REPORT OF THE OFFICE OF CIVIL DEFENSE OF THE DISTRICT OF COLUMBIA

A letter from the Commissioner, Executive Office, Government of the District of Columbia, transmitting, pursuant to law, the annual report of the Office of Civil Defense of the District of Columbia, for fiscal year 1969 (with an accompanying report); to the Committee on the District of Columbia.

REPORT OF DESALTING AND ELECTRIC POWER GENERATING PROJECT

A letter from the Secretary of the Interior, reporting, pursuant to law, on the progress and results otbained by the United States from participating in the desalting and electric power generating project on Bolsa Island; to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION ADDING ADDITIONAL MEMBERS TO THE WATER RESOURCES COUNCIL

A letter from the Chairman, Water Resources Council, transmitting a draft to proposed legislation to include the Secretary of Commerce and the Secretary of Housing and Urban Development as members of the Water Resources Council (with an accompanying paper); to the Committee on Interior and Insular Affairs.

APPLICATION FOR LOAN BY PIONEER WATER CO., PORTERVILLE, CALIF.

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a copy of an application by the Pioneer Water Co., of Porterville, Calif., for a loan to assist in financing rehabilitation of an existing irrigation distribution system (with accompanying papers); to the Committee on Interior and Insular Affairs.

PROPOSED LEGISLATION TO PERMIT FULL-TIME REFEREES IN BANKRUPTCY TO SERVE AS PART-TIME U.S. MAGISTRATES

A letter from the Acting Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to amend section 35 of the Bankruptcy Act (11 U.S.C. 63) and sections 631 and 634 of title 28, United States Code, to permit full-time referees in bankruptcy to serve as part-time U.S. magistrates and for other purposes (with an accompanying paper); to the Committee on the Judiciary.

REPORT OF POSTMASTER GENERAL

A letter from the Postmaster General transmitting, pursuant to law, the report on revenue and cost analysis of the Department for fiscal year 1969 (with an accompanying report); to the Committee on Post Office and Civil Service.

PROPOSED LEGISLATION AND REPORT ON DREDGING AND WATER QUALITY PROBLEMS IN THE GREAT LAKES

A letter from the Secretary of the Army, transmitting for the information of the Senate a report on dredging and water quality problems in the Great Lakes; also a draft of proposed legislation to provide for construction of contained dredged soil disposal facilities for the Great Lakes and connecting channels, and for other purposes (with an accompanying paper and report); to the Committee on Public Works.

PETITIONS

Petitions were laid before the Senate and referred as indicated:

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

A concurrent resolution of the Legislature of the State of Kansas; to the Committee on Agriculture and Forestry:

"HOUSE CONCURRENT RESOLUTION No. 1097

"A concurrent resolution memorializing the Congress of the United States to provide for study of the possibilities of ethyl alcohol production from wheat to replace tetraethyl lead now used in gasolines, and thereby materially reducing air pollution

"Be it resolved by the House of Representatives of the State of Kansas, the Senate concurring therein: That the legislature of the state of Kansas respectfully petitions the congress of the United States to provide for study of the possibilities of ethyl alcohol production from wheat to replace tetraethyl lead now used in gasolines, and thereby materialy reducing air pollution.

"Be it further resolved: That a duly attested copy of this resolution be immediately transmitted to the presiding officers of both houses of the United States congress, to the chairmen of the agriculture committees of both houses of congress, and to the president and executive director of the council of state governments.

"I hereby certify that the above CONCURRENT RESOLUTION originated in the HOUSE, and was adopted by that body *March 4,1970.*

"CALVIN A. STRAWIG,
"Speaker of the House.
"L. O. HAZEN,
"Chief Clerk of the House.

"Adopted by the Senate March 13, 1970.

"——— ———,
"President of the Senate.
"RALPH E. ZARKER,
"Secretary of the Senate.

"Attest:

"ELVILLE M. SHANAHAN,
"Secretary of State."

A joint resolution of the Legislature of the State of California; to the Committee on the Judiciary:

"ASSEMBLY JOINT RESOLUTION No. 22

"A resolution relative to National Raisin Week

"Whereas, National Raisin Week is the nation's oldest food festival, celebrating its 61st observation from April 26th through May 2nd in 1970; and

"Whereas, The California raisin industry, the largest in the world, provides one-half of the world's supply of raisins; and

"Whereas, The great San Joaquin Valley of California, and more particularly Fresno County, is the very heart of the raisin industry; and

"Whereas, Since raisins are a wonderfully delicious and nutritious food, packed with energy and the health giving qualities of captured sunshine, it is most fitting that during this special observance week their praise be sung throughout the land, that even more people may come to know and enjoy the raisin and take pride in this unique industry; now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to proclaim the week of April 26th through May 2nd, 1970, as "National Raisin Week"; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States.

"Adopted in Assembly March 20, 1970,

"Adopted in Senate April 3, 1970."

A joint resolution of the General Assembly of the Commonwealth of Virginia; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION No. 81,
COMMONWEALTH OF VIRGINIA

"A resolution memorializing the Congress to submit to the States an amendment to the Constitution of the United States

"Whereas, taxes by the United States Government on the interest on evidences of indebtedness of states, their political subdivisions, and the agencies and instrumentalities thereof, impose a burden on the sovereign power of the states, and their political subdivisions, agencies and instrumentalities to borrow money for essential state and local purposes; and

"Whereas, the constantly recurring attempts of Congress and the Treasury Department of the United States to tax the interest on such evidences of indebtedness has severely damaged the ability of the states and their political subdivisions, agencies and instrumentalities to borrow money, and has substantially increased the cost of such borrowings to the detriment of the taxpayers of the states and their political subdivisions, agencies and instrumentalities; and

"Whereas, such recurring attempts to tax the interest on such evidences of indebtedness flout the Constitutional principle of reciprocal inter-governmental tax immunity first enunciated by the Supreme Court of the United States in McCulloch v. Maryland (4 Wheat 316) in the year 1819 and more specifically applied by that Court in Pollack v. Farmers' Loan & Trust Co. (157 U. S. 429) and later cases; and

"Whereas, it is advisable and in the best interest of the states to prevent future attempts to tax the interest on such evidences of indebtedness by amending the Constitution of the United States to unequivocally state the principle of reciprocal inter-governmental tax immunity in respect of taxes on the interest on such evidences of indebtedness and thereby restore investor confidence to the market for such evidences of indebtedness and, consequently, reduce the cost of borrowing by the states and their political subdivisions, agencies and instrumentalities; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the Congress of the United States is hereby memorialized to submit to the legislatures of the states an amendment to the Constitution of the United States in the following form, which amendment is hereby ratified as an amendment to the Constitution of the United States on behalf of the State of Virginia, by this Joint Resolution, to wit:

" 'Without the consent of a state, Congress shall have no power to lay and collect any tax, direct or indirect, upon the income derived from interest paid on evidences of indebtedness of such state, or of any political subdivision, agency or instrumentality thereof, nor shall any state have power, without the consent of Congress, to lay and collect any tax, direct or indirect, upon the income derived from interest paid on obligations of the United States or of any agency or instrumentality thereof'; and be it further

"Resolved, That a duly attested copy of this Joint Resolution shall be immediately transmitted by the Clerk of the House of Delegates to both the President and Secretary of the Senate of the United States and to the Speaker and Clerk of the House of Representatives of the United States.

"Agreed to by the House of Delegates March 9, 1970.

"GEORGE R. RICH,
"Clerk.

"Agreed to by the Senate March 14, 1970.

"BEN D. LACY,
"Clerk."

The petition of Richard L. Walker, of Louisville, Ky., praying for the enactment of legislation relating to economic sanctions against Rhodesia; to the Committee on Foreign Relations.

Mr. THURMOND presented a concurrent resolution adopted by the Legislature of the State of South Carolina, praying for the enactment of legislation to insure the continued operation of the U.S. Coast Guard Reserve, which was referred to the Committee on Commerce.

(For reference to the concurrent resolution, see the remarks of Mr. THURMOND when he presented the concurrent resolution, which appear under the heading "Extensions of Remarks.")

REPORT OF A COMMITTEE

The following report of a committee was submitted:

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

S. 3127. A bill to provide for the exchange of governmental officials between the United States and the Union of Soviet Socialist Republics (Rept. No. 91-767).

AUTHORIZATION FOR COMMITTEE ON LABOR AND PUBLIC WELFARE TO STUDY RESEARCH ACTIVITIES CONDUCTED TO ASCERTAIN THE CAUSES AND DEVELOP CURES TO ELIMINATE CANCER—REPORT OF A COMMITTEE

Mr. YARBOROUGH. Mr. President, I am reporting favorably today, from the Committee on Labor and Public Welfare, without amendment, Senate Resolution 376, which provides for a study of the needs in cancer and recommendations for the steps to be taken in terms of legislation and programs to mount a massive attack on the disease and find its solution.

This resolution has the support of 46 of my colleagues, representing the entire Nation from New York to Hawaii and from the Canadian border to Mexico. It has the sponsorship of Members of both parties representing the whole spectrum of political philosophy.

It is no more than logical that a resolution on cancer should have this kind of support. Cancer cuts across all levels and segments of our population. It deals out death and suffering regardless of wealth, color, or creed, and to find its ultimate solution will require a concerted effort of all those who have been affected by it or who might be in the future. That means every one of us.

The National Cancer Institute was established in 1938 and we can take pride in the progress we have made in the intervening years, but the greater part of the job is still ahead of us. We must build on the progress we have made so far and we must do it on a large and broad scale.

When the National Cancer Institute was established, only one person in five who had cancer lived as long as 5 years with it. This figure has now gone up to one in three, from one in five, and it could be one in two if the knowledge involved in early diagnosis and treatment could be given to every man, woman, and child in the country. Progress in the last 25 years has been encouraging, for we have made great improvements in surgical techniques and in radiotherapy. We have also made great strides in chemotherapy and are now beginning to make discoveries in immunotherapy.

Four kinds of cancer previously considered incurable are now subject to cure by the use of chemicals alone. Other forms of previously incurable cancer are being treated with the combined use of surgery and radiotherapy and chemotherapy. The lives of children with acute leukemia have been extended with the use of chemicals and immunotherapy. We can look forward to the complete cure of patients with acute leukemia by means of chemotherapy and the added support of immunotherapy.

There has also been progress in the prevention of cancer. Medical men have moved in two important directions of research in this regard. The first concerns the relationship of viruses to cancer and the second is the role that air pollution and poisons in our environment play in producing cancer. There is no longer any question in the minds of the research man that many forms of cancer are caused by viruses. And there is hope that some forms of cancer in men may be prevented by vaccine or forms of immunotherapy. We can see that in these areas of research more work needs to be done to develop the leads that have already been uncovered. But the question is how do we go about this in an organized way? What is the body of information that we have at our disposal today and how shall we develop that knowledge and information to find the answers to the problems that have not been solved up to now?

There is no doubt that funds are necessary for the conquest of cancer, but how are those funds to be used? What are the programs to be pushed? And how are they to be balanced one against the other? This is what this resolution seeks to accomplish. It provides for bringing to the Committee on Labor and Public Welfare the men with the knowledge and the minds and imagination to tell the committee and the Senate what must be done and how we must go about doing it to eliminate cancer as a disease.

The dimensions of the problem are enormous. Today, more than one-half million Americans suffer from cancer. Many of them are in extreme pain, many have a hopeless outlook. Most of these people will die because despite all our efforts, we are able now to save only one cancer patient out of three.

In addition to the fact that more than one-half million of our present population has cancer, is the fact of that of our total population of 200 and some million, about 50 million are destined to develop cancer and two-thirds of these—about 33 million—will die of cancer unless we find the solutions for which we are looking.

The problem of cancer is a far bigger problem than the resources we have marshaled so far to combat it. If we are to conquer cancer and prevent suffering and death from striking such a large number of our people, we must move to a new and higher plateau, with greater effort, greater energy, greater manpower, and greater financial resources brought into play in proper balance. We must make the effort against cancer an urgent national goal.

This resolution proposes that the best medical minds in the country be called on to provide the best thought and the best means to proceed along these lines. It will be their responsibility to survey new concepts, research programs of promise, and clinical advances of importance; to advise and create task forces and collaborative programs of research and clinical investigation; to identify leaders and institutions suitable for the achievement of specific goals, and to inform the Congress, the States, and the people of the level of resources necessary for such scientific and medical programs.

This is what the adoption of this resolution will accomplish. It will show us the way to the conquest of the disease. It will tell us what needs to be done and how to do it. And it will tell us what the cost will be in funds and effort, and what resources we must marshal if we are to conquer the disease.

There is no more noble purpose to which this body could dedicate itself. Too many lives have been lost for too many years for us to be satisfied with inadequate use of our resources. We must use every resource we have, but we must find out how to use them. This is what this resolution is designed to accomplish, and I urge you to give it your favorable consideration.

The PRESIDING OFFICER (Mr. LONG). The resolution will be referred to the Committee on Rules and Administration.

BILLS INTRODUCED

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

By Mr. JAVITS (for himself, Mr. PROUTY, Mr. MURPHY, Mr. DOMINICK, Mr. SAXBE, and Mr. SCOTT):

S. 3718. A bill to amend the Public Health Service Act to extend for one year the programs of assistance for training in the allied health professions, and for other purposes; to the Committee on Labor and Public Welfare.

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

By Mr. MATHIAS:

S. 3719. A bill to establish the Advisory Commission on Federal Tax Forms, and for other purposes; to the Committee on Finance.

By Mr. BAKER:

S. 3720. A bill to preserve, for purposes of study and research, nationally televised news and public interest programs; to the Committee on Rules and Administration.

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

ADDITIONAL COSPONSOR OF A BILL

S. 3643

Mr. GRIFFIN. Mr. President, on behalf of the Senator from Pennsylvania (Mr. SCOTT), I ask unanimous consent that, at the next printing, the name of the Senator from Minnesota (Mr. MONDALE) be added as a cosponsor of S. 3643, to provide for the issuance of a gold medal to the widow of the Reverend Dr. Martin Luther King, Jr., and the furnishing of duplicate medals in bronze to Martin Luther King, Jr., Memorial Fund at Morehouse College and the Martin Luther King, Jr., Memorial Center at Atlanta, Ga.

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

ADDITIONAL COSPONSOR OF A RESOLUTION

S. RES. 376

Mr. KENNEDY. Mr. President, on behalf of the Senator from Texas (Mr. YARBOROUGH), I ask unanimous consent that, at the next printing, the name of the Senator from Oregon (Mr. HATFIELD) be added as a cosponsor of Senate Resolution 376, authorizing the Committee on Labor and Public Welfare to study research activities conducted to ascertain the causes and develop cures to eliminate cancer.

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

AMENDMENT OF RAILROAD RETIREMENT ACT OF 1937—AMENDMENTS

AMENDMENT NO. 583

Mr. MILLER submitted amendments, intended to be proposed by him, to the bill (H.R. 15733) to amend the Railroad Retirement Act of 1937 to provide a temporary 15 per centum increase in annuities, to change for a temporary period the method of computing interest on investments of the railroad retirement accounts, and for other purposes, which were referred to the Committee on Labor and Public Welfare and ordered to be printed.

ADDITIONAL COSPONSORS OF AMENDMENT

NO. 582

Mr. McGOVERN. Mr. President, last Friday, April 10, I introduced an amendment to provide a simplified food stamp distribtuion system which would be integrated with the President's family assistance plan. At that time 40 Senators joined with me in cosponsoring my amendment.

Inadvertently, however, the names of four cosponsoring Senators, Senators BURDICK, CASE, DODD, and McINTYRE, were omitted from the list which was printed in the RECORD. I, therefore, ask unanimous consent that the following list of cosponsors, taken from the first printing of my amendment, be included in the RECORD at the conclusion of my remarks.

I also ask unanimous consent that the name of the distinguished Senator from Arkansas, Senator FULBRIGHT, be added to the list of cosponsors of my amendment.

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

LIST OF COSPONSORS

Mr. Bayh, Mr. Brooke, Mr. Burdick, Mr. Case, Mr. Church, Mr. Cranston, Mr. Dodd, Mr. Eagleton, Mr. Goodell, Mr. Gravel, Mr. Harris, Mr. Hart, Mr. Hartke, Mr. Hollings, Mr. Hughes, Mr. Inouye, Mr. Jackson, Mr. Javits, Mr. Kennedy, Mr. McCarthy, Mr. McGee, Mr. McIntyre, Mr. Magnuson, Mr. Mansfield, Mr. Metcalf, Mr. Mondale, Mr. Montoya, Mr. Moss, Mr. Muskie, Mr. Nelson, Mr. Pastore, Mr. Pell, Mr. Proxmire, Mr. Randolph, Mr. Ribicoff, Mr. Schweiker, Mr. Tydings, Mr. Williams of New Jersey, Mr. Yarborough and Mr. Young of Ohio.

NOTICE OF HEARING ON SUPREME COURT NOMINEE

Mr. HRUSKA. Mr. President, on behalf of the Committee on the Judiciary, and at the request of its chairman, I desire to give notice that a public hearing has been scheduled for Wednesday, April 29, 1970, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nomination:

Harry A. Blackmun, of Minnesota, to be an Associate Justice of the Supreme Court of the United States.

Any persons desiring to offer testimony in regard to this nomination shall, not later than 48 hours prior to such hearing, file in writing with the committee a request to be heard and a statement of their proposed testimony.

The hearing will be before the full committee of which Senator JAMES O. EASTLAND, of Mississippi, is chairman.

ADDITIONAL STATEMENTS OF SENATORS

POSSIBILITY OF POWER SHORTAGE IN SUMMER

Mr. SPARKMAN. Mr. President, threats of power shortages and blackouts, or brownouts, this summer, due to inadequate coal supplies and generation capacity are a lot more serious than the public realizes. Except for a recent article in the Wall Street Journal not much is known about this.

But the White House, the Department of Interior, the Office of Emergency Preparedness, and other Federal agencies are quite disturbed. There has been at least one meeting on the subject at the Department of Interior and a report on it has been sent to the White House.

FEDERAL OFFICIALS JITTERY

Federal officials are jittery about the possibility of a recurrence, on a wider scale, of the blackouts of 1965 and 1967. The power failure of 1965, a massive one, knocked out electric power for up to 12 hours over an area with a population of about 30 million along the eastern seaboard and parts of Canada.

The 1967 failure struck Pennsylvania, New York, Maryland, and Delaware and affected about 13 million people.

The 1965 blackout caused considerable public alarm. However, few people in the affected areas realized how serious the consequences could have been had the failure lasted much longer than 12 hours. A private utility spokesman in New York City commented:

> All of our sewage must be pumped out by electricity. Had the blackout lasted any longer, we would have had serious health problems. The stench alone would have been enough to cause illness. Hospitals and airports fortunately were able to switch to standby emergency power, but we would have had real trouble if the failure had lasted much longer.

The effects of large-scale power shutdowns or breakdowns in urban areas can be disastrous, to say the least, for electricity is a vital part of our daily lives. It is needed for food refrigeration, telephone communication, mass transportation, the heating or air-conditioning of our homes and many other purposes, not the least of which is national defense production.

COAL SUPPLY IS INVOLVED

Coal supply and demand are at the root of the power problem we face this sum-

mer—that and a threatened rail strike, too. But the ominous fact is that we still may face coal shortages in the coming hot months, and resultant electric power shutdowns, even if the rail strike—which would paralyze coal distribution—does not come to pass.

Ironically, we have more than enough coal in the ground, waiting to be mined, but even so demands are exceeding supplies. There are a number of reasons for this.

One is the shortage of miners. Even with automation, we will need at least 50,000 additional men to work in the mines within the next 5 years. However, finding them will be a difficult, if not next to hopeless job, according to Federal officials wrestling with the problem. Working underground has become a forbidden occupation to most young men these days. They can find better and less hazardous work elsewhere at equal or better pay.

RAIL CAR SHORTAGE

Another reason is the shortage of "hopper" rail cars to haul the coal from the mine; also, the dislocation of these cars when in use. For example, unit trains comprising a large number of hoppers have been delayed for many days at Hampton Roads, Va., waiting for export vessels. Meantime, coal awaiting shipment has piled up at some mines.

A further factor has been the much-talked-about but little-achieved switch to the more glamorous nuclear power plants, from the conventional—coal-using—steam plants. With the expected increase of nuclear electricity, railroads decreased orders for hopper cars, figuring they would be less in demand for coal hauling.

For the same reason coal companies have not been digging new mines, figuring that the need for coal would be less with the switch to nuclear power.

NUCLEAR PLANTS OFF SCHEDULE

However, the installation of nuclear powerplants is far behind schedule, due partly to poor planning by utility companies. Originally the utilities thought it would take about 2 years to install a nuclear plant, but instead it is taking as long as 7 years.

All this has seriously curtailed normal coal production. We produced about 554 million tons last year, whereas we require about 750 million tons a year to fulfill our domestic and export needs.

Foreign exports have further complicated the picture. We exported 21 million tons to Japan alone last year, a 300-percent boost in 3 years' time to that country. A Japanese trading company will pay Island Creek Coal Co. nearly double the market price for 30 million tons of U.S. coal under a $500 million deal soon to be concluded, according to the Wall Street Journal.

COAL FINANCED BY JAPAN

The coal will be produced at a new mine in Buchanan County, Va., to be financed by the Japanese.

Oddly enough, another contributing factor to the coal scarcity is the new Federal mine health and safety law, which takes effect on April 1. This is the most comprehensive—if not the best—law of its kind ever enacted by Congress, but Federal officials are frankly worried about its effect on small mining companies, which account for 12.5 percent of our total coal production.

Though these small mines all produce less than 100,000 tons of coal a year, there are about 4,000 of them throughout the Nation—or 80 percent of the total number of coal mines in the country. Therefore, their combined output is impressive and important to the economy.

SMALL MINES HAVE PROBLEMS

However, the great majority of them have money problems. They claim they do not have enough financial reserves to do what is necessary to comply with the new law, including the purchase of up-to-date equipment, the sinking of deeper shafts in mine face areas to increase ventilation, and so forth. Therefore, many of these small mining firms maintain they will be forced out of business.

Mine health advocates contend that they should close down, if they cannot maintain decent, healthful working standards. At the same time, we will have an even greater coal shortage if a considerable number of the small mines shut down. A number no doubt will be merged with larger coal companies.

One striking example of the threatened power shortage is the fact that the Tennessee Valley Authority electric power system, the largest single coal buyer in the Nation, currently has a stockpile of only 2.8 million tons, though its normal stockpile is 8 million tons. Nine plants in the TVA system have only enough coal to operate for a week or two.

LET US MOVE TO AVERT CRISIS

I strongly suggest that the White House take immediate steps to alleviate this critical situation. Obviously, we should be taking a much closer look at our resources—including coal and power—from the standpoint of current and future requirements.

The threatened coal and power crisis is patently due in part to poor planning by private industry or the Federal Government, or both, and we should move quickly to deal with the problem.

Mr. President, I ask consent that an article published in the Washington Post of March 21, 1970, be printed in the RECORD as a supplement to my remarks on the power shortage.

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

POWER FAILURES IN UNITED STATES FEARED

(By William G. Cushing)

A potential power crisis of larger dimension and lasting longer than the Northeast power blackout of 1965 could result soon if power utilities continue to experience a coal shortage, the American Public Power Association said yesterday.

Alex Radin, general manager of the APPA, made the statement in a letter sent to President Nixon at the beginning of the week, and made public yesterday.

"Current inability of electric utilities to obtain adequate supplies of coal needed to fuel existing generating facilities poses a potential power crisis of a magnitude and duration which could exceed that experienced during the 'Northeast Blackout' of 1965 and the 'PJM' failure of 1967," Radin told the President.

The PJM system includes major power companies serving the District, Maryland, Delaware, Pennsylvania and New Jersey.

Radin, whose organization represents a small part of the electric industry (it consists of 1,400 mainly municipally owned public power systems, 108 of which generate their own power) warned "there is a distinct likelihood of widespread 'brownouts' (rationing of electricity) or 'blackouts' in major areas of the United States, particularly the Midwest and the Southeast."

OUTRUNNING QUANTITIES

He told the President the demand for coal by the electric industry, which uses about 60 per cent of all coal produced, is "far outrunning quantities offered by coal companies," that bidders for coal contracts have dropped drastically, and that prices for available coal are rising at "alarming" rates.

Although utilities normally maintain a stockpile of 60 to 90 days' supply of coal, he said, some have reported decreased stockpiles and others "could be wiped out in a few days" of normal operation.

A spokesman for the National Coal Association backed up Radin's claim of a low coal supply: "There is a coal shortage," he said. "We (the nation) used more coal last year than produced.

"Although production was up in 1969—to 556 million tons—consumption amounted to 563 million tons. The difference has come out of stockpiles."

Part of the reason production has not kept up with demand, the coal association spokesman said, stems from an absence of excess capacity in the industry.

UNDERESTIMATED DEMAND

But basically, he said, the cause is that the utilities, coal's biggest customer, underestimated the demand for power and relied too heavily in its planning on the promise of nuclear power. Nuclear power plants expected to be operational now are a "couple of years late" in delivery, the coal spokesman noted.

Radin blamed several causes for the short coal supply, among them "coal company reluctance to develop new mines" in expectation of nuclear power; "underestimating of utility demand for coal;" recent "large-scale sales to foreign markets" at higher prices; labor shortages and transportation difficulties.

An Interstate Commerce Commission spokesman said he was "not aware of any problems in transporting coal . . . We haven't been receiving any recent complaints about inadequate transportation service for coal or inadequate availability of transportation."

Federal Power Commission figures also tended to back up the Radin claim. In the Southeast and the Midwest regions of the country, coal tonnage on hand and days' supply have both declined.

ADDRESS TO CONGRESS BY THE CHIEF JUSTICE ON THE STATE OF THE JUDICIARY

Mr. KENNEDY. Mr. President, last month I was pleased to have the opportunity to join the distinguished junior Senator from Indiana (Mr. BAYH) in submitting Senate Concurrent Resolution 57, inviting the Chief Justice to address a joint session of Congress. A companion resolution was introduced in the House by Representative ALLARD K. LOWENSTEIN of New York.

In the period since the resolution was submitted, new interest has been gen-

erated in the proposal. A column by Richard Wilson published recently in the Washington Evening Star, discussed the proposal favorably. Also, it appears that Chief Justice Burger himself may be receptive to such an invitation. I understand, for example, that the Chief Justice has accepted an invitation from the American Bar Association to deliver a "state of the judiciary" address to the annual meeting of the ABA in St. Louis in August.

I believe that it would be entirely appropriate for the Chief Justice to deliver future addresses of this sort to a joint session of the Senate and House of Representatives, and I hope that we can achieve early passage of Senate Concurrent Resolution 57.

Mr. President, because of the interest that has developed in this matter, I ask unanimous consent to have printed in the RECORD, at the conclusion of my remarks, Richard Wilson's column in the Evening Star, to which I have referred; a Washington Post article written by E. Barrett Prettyman, Jr., discussing the matter in detail; and a Washington Post editorial commenting on Mr. Prettyman's proposal. Although, as Mr. Prettyman points out, the idea for a state of the judiciary address to Congress is not new, I believe that Mr. Prettyman deserves great credit for developing it in its present form.

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

[From the Washington Star, Mar. 30, 1970]

BURGER READIES STATE OF JUDICIARY REPORT

(By Richard Wilson)

The crisis in the courts is so great that Chief Justice Warren Burger has explored the idea of going before Congress with a state-of-the-judiciary message outlining broad reforms in the administration of justice.

Leaders in Congress were cool to the idea and it has temporarily been set aside, but there would be ample time later this year after the congressional elections or in the new Congress early next year for such an unusual and precedent-shattering appearance by the Chief Justice before a joint meeting of Congress.

Burger, in the meantime, will deliver in two sections on two successive days a state-of-the-judiciary report to the American Bar Association at its August meeting in St. Louis.

Burger has discussed his aims with numerous officials in the administration of justice, and they report him ready, when invited, to go before Congress to emphasize and dramatize what he believes to be the urgent needs for reform.

All this is very unusual. It leaves the legal traditionalists aghast and heavy with words about the separation of powers, the independence of Congress from the judiciary, the desired aloofness and detachment of the high court from practical affairs. But that does not disturb the chief justice and those who share his views because they believe the crisis of the courts is so great that tradition can take second place.

Anyway, there has been discussion of a state-of-the-judiciary message, something like the President's constitutional State-of-the-Union Message, since the days of Chief Justice Charles Evans Hughes.

Those who have talked to Burger say that what he is interested in is making the courts work better at a time when they are swamped with cases, procedural barriers, administrative problems and are paralyzed in the kind of adversary system which is long out of date and has been drastically revised in other advanced countries.

Revision of the adversary system—that courtroom drama in which contest and conflict take precedent over getting quickly to the question of guilt or innocence—is probably far off. But the improvement of administrative procedures can be done, and is being done, quicker than the nay-sayers ever expected.

Only a few months after Burger proposed that a new generation of court administrators be trained in advanced methods of operating the courts, the first intensive course, financed by a Ford Foundation grant, will open June 15 at the University of Denver. Five hundred aspirant court administrators have applied.

In another field, improving methods of legal education, former Labor Secretary Willard Wirtz will be named executive director of a two-year program for the American Bar Association and Law Institute.

With the help of various agencies, Burger has amassed a vast amount of material in three major fields—the trial courts, probation and parole, and the appellate courts. Those who have consulted with him report he is now drawing together this material, analyzing it, and preparing to present his recommendations to the Bar Association and Congress, if Congress desires.

The chief justice is impatient and dissatisfied with the way the judicial system works. He recognizes recent improvements but none the less he is appalled by multiple trial and appeal cases in which the accused carries on his warfare with society for 8, 9, 10 years and more.

He cites one case in which more than 60 jurors and alternates were involved in 5 trials, a dozen trial judges heard motions and presided, more than 30 lawyers participated and 50 appellate judges reviewed the case on appeals. He calculated the cost of that one case as $250,000, and added that the tragic aspect was that every judge and every juror was fully convinced of the defendant's guilt from beginning to end.

"What we must weigh in the balance," said Burger in a recent speech, "is the rationality of a system which is all contest and conflict. . . . Our system is open to the criticism that it is too much sail with too light an anchor."

This is a criticism of the hallowed adversary system, an example of which millions of TV viewers recently watched on National Education television in the documentary on the City of Denver vs. Lauren Watson. Four trial days were consumed in determining that this militant Black Panther was not guilty of resisting arrest after an alleged minor traffic infraction, a jury-finding rather damaged by Watson's post-trial statement that he should have murdered the two officers who arrested him.

However Burger presents his views to Congress on the administration of justice, whether in person or indirectly, there is ample cause for him to do so. His views would be dramatized by a personal appearance before Congress, and it is really hard to see how the independence of either Congress or the judiciary system would be harmed.

[From the Washington Post, Jan. 4, 1970]

STATE OF JUDICIARY DESERVES ITS OWN REPORT TO CONGRESS

(By E. Barrett Prettyman, Jr.)

(NOTE.—A former law clerk to three Supreme Court justices, Prettyman served in the Kennedy administration as a special assistant to the Attorney General and as a White House special assistant. He is the author of "Death and the Supreme Court," a study of capital cases, and is now a partner in a Washington law firm.)

At the Fourth Circuit Judicial Conference in 1953, the then Deputy Attorney General of the United States and our present Secretary of State, William P. Rogers, suggested that Congress consider extending an invitation to the Chief Justice of the United States to appear each year before a joint session of Congress to report on the state of the federal judiciary.

"In this way both Congress and the public would be fully informed, from year to year, about the work and the progress of the federal courts of our nation," Rogers said.

"Such a plan, I think, might materially contribute to a better understanding among the three great branches of our government."

Events since 1953 have proven the wisdom of Rogers' idea. Not only does the work of the judiciary need explaining to the country as never before, but a new and frightening set of figures on the growth of litigation in the federal courts bears witness to the need for long-range planning and congressional action. It is time that the problems of our judicial system be presented, both to Congress and to the country, at the highest level.

Entering a period of new leadership on the Supreme Court provides an appropriate occasion for innovative reforms, and the first could be for the leader of the third coordinate branch of government to address a joint session of Congress each year on the state of the judiciary in much the same fashion as the President reports on the state of the Union to the same body.

A GROWING LOAD

Anyone who imagines that the predicament faced by our federal judicial system is too narrow or unimportant to warrant an address of this kind simply is not cognizant of the expanding problems affecting a great mass of litigants in this country.

The caseload in the federal courts has reached an all-time high. New filings in the courts of appeals increased again in fiscal 1969—12.4 percent over the year before. For the first time, these appeals shoved above the 10,000 level. The pending caseload reached an all-time high of 7,849 on June 30, 1969. Both the number of appeals docketed and the number pending have more than doubled in just seven years.

Although nine additional appellate judgeships were authorized in 1968, four of these were still unfilled at the end of fiscal 1969. Thus, whereas there were 90 appeals docketed per judge in 1967, the number rose to 94 in 1968 and 106 in 1969. The heaviest increase was in habeas corpus appeals for federal prisoners, which increased 55 percent in a single year.

In 1969 the combined civil and criminal cases newly docketed in federal district courts rose to 110,778, an increase of 8.4 per cent over the year before. The cases disposed of increased but still totaled 6,846 less than the number filed, so the volume of pending cases reached a record 104,091 on June 30, 1969.

In the criminal area, Selective Service Act cases alone were up 81 per cent, the largest number since World War II.

In the area of law and order, 17,770 criminal cases pending at the end of the fiscal year included 3,521 that had been pending between six months and a year and 2,625 that had been pending between a year and two years. The total number of cases pending more than six months had increased 30 per cent in a single year (although 40 per cent of these involved fugitive defendants).

Overall, both the courts of appeals and the district courts faced an across-the-board increase in judicial business in fiscal 1969 of approximately 10 per cent.

A REALISTIC LOOK

Myriad problems stem from these extraordinary caseloads. There are too few judges, too few courtrooms, too few supporting personnel. It takes too long to prepare tran-

scripts and records. (On a national average, it takes three months just to prepare the transcript and record for delivery to the court of appeals.)

Delays in criminal cases directly affect the fight against crime as well as the fair administration of justice, and delays in civil cases make the cost and inconvenience of litigation virtually prohibitive in many instances.

Jurors by the thousands sit for days with nothing to do. Far too few probation and parole officers are available to handle the 21,000 persons submitted for supervision each year. Problems of bail, judicial disability, the protracted case and a hundred other subjects plague our courts. It would take a book merely to list the litany of horrors inherent in the litigation and appeal of cases today.

New appointments and innovations are constantly being made, and dedicated men all over the country are striving for new and better answers. But neither the problems nor the answers are being brought into focus for the country and the Congress, and action has seldom been galvanized even in the face of emergencies.

An annual address to the Congress by the Chief Justice might well allow the country its first realistic look at the state of its judiciary, pinpoint current and long-range problems, suggest solutions as well as areas for study and motivate the Congress to effective action.

The present system of presenting these matters to Congress is both unbecoming and unproductive. Suggested changes usually emanate from a committee of the Judicial Conference of the United States. The conference, which meets in March and September of each year, is made up of the Chief Justice of the United States, the chief judge of each circuit, a district court judge elected from each circuit for a three-year term, the chief judge of the Court of Customs and Patent Appeals and the chief judge of the Court of Claims. If the committee recommendation is approved by the full conference, it is sent to the administrative office of the United States Courts. That office drafts a letter to the Vice President and the speaker of the House.

The requests outlined in the letter are then assigned to the appropriate Senate and House committees. A great deal of federal judges' time is expended in preparing for and attending the resulting legislative hearings, and yet the testimony is seldom reported in the press unless the issue is one of high controversy.

On judicial matters, Congress needs not only direction but the impetus that comes from public scrutiny, for often the reaction of Congress to a judicial dilemma is too narrow to suit the circumstances. Thus the Senate recently passed a bill that would create 70 new district court judgeships, as well as urgently needed circuit executives and district court executives. But the bill would not supply the supporting court personnel—reporters, clerks, bailiffs, law clerks, marshals, probation officers and the rest—so essential to the proper administration of justice.

A 1969 Senate committee report noted: "Since 1959, there has been a 40 per cent increase in the number of federal district judges, but only a 9 per cent increase in the number of civil and criminal dispositions."

A NATIONAL CONCERN

Only the clout supplied by national support is likely to produce the personnel necessary to dispose of the courts' current backlog and cope with the needs of the future. The solution, I submit, would be a well-constructed, well-supported, forceful and public presentation to Congress that the country as well as congressmen could evaluate.

Nor should the Chief Justice be restricted to the needs and problems of the immediate future; he could forecast the years ahead, the decades beyond, and offer suggestions for basic changes that would help meet the needs and obviate the problems. His address could range over as broad a field as the courts encompass.

The problem of criminal sentencing, for example, would seem ripe for review. The interrelationship between state and federal judicial problems might well be probed by the Chief Justice.

These matters affect the entire country. They should properly be the concern of all of us rather than the concern merely of a committee of Congress.

An address by the Chief Justice would not, of course, eliminate the necessity for hearings or do away with the appearance of witnesses or the presentation of supporting data. But in much the same way that a prehearing conference can eliminate some issues and narrow others, an address by the Chief Justice would tend to focus everyone's attention on the priority items and provide an impetus for congressional action. It would, in short, turn the flashlight into a spotlight.

An address by the Chief Justice to Congress each year, or at the commencement of each new Congress every two years, would be proper and meaningful from a number of standpoints. It would be a dignified approach from the head of one coordinate branch of government to the branch responsible for both legislation and appropriations. It would inform the public of problems in an area now largely hidden from public view and thereupon furnish impetus for appropriate remedies. It would force the judges to face the failings of their system and to evolve new ideas for dealing with them, and then provide them with an appropriate forum for the expression of those ideas.

And it would provide an opportunity to demonstrate the extraordinary vigor and strength of our federal courts, the absolute necessity for an independent judiciary and the all-important role of the judicial branch in protecting society and human rights.

[From the Washington Post, Jan. 6, 1970]

STATE OF THE JUDICIARY REPORT

E. Barrett Prettyman Jr. has revived a useful idea for focusing national attention on the mounting problems of the federal courts. Referring to a similar suggestion by William P. Rogers, then Deputy Attorney General and now Secretary of State, Mr. Prettyman suggested in our Outlook section on Sunday that Congress invite the Chief Justice to report annually to a joint session on the state of the judiciary. His aim is to illuminate the country's problems in the pursuit of justice with a spotlight instead of a flashlight.

It is characteristic of the judiciary that its words and actions be restrained. No politicians scream in its behalf, and no one seems to organize demonstrations, violent or nonviolent, to obtain more judges or reduce the backlog of stale cases that clog most of our courts. Judges and lawyers often speak about the needs of the courts, but their admonitions are easily lost amid the clamor of many causes.

Some years ago Congress set up the Judicial Conference of the United States, with a fact-finding and statistical arm—the Administrative Office of the United States Courts—to improve the operation of the so-called weakest branch. In some respects the conference has worked well, along with the judicial councils set up in the various circuits, but it has not become the powerful mouthpiece that the judicial branch ought to have. Mr. Prettyman directed attention to the fact that 17,770 criminal cases were pending in the federal courts at the end of fiscal 1969, including more than 2,600 that were from one to two years old. The number of appeals filed in the last seven years has more than doubled; so has the number of cases pending. The need for more judges, courtrooms, prosecutors, clerks, probation officers and so forth is acute. Many observers believe that the need for more internal efficiency in handling the mounting case loads is even more urgent.

Clearly some means of alerting the country to the shabby state of justice in our overloaded courts ought to be devised. A report on the "state of the judiciary" would undoubtedly be useful, but Congress has shown no disposition to invite the chief justice to address a joint session. It may fear, not wholly without reason, that some future chief justice might abuse the privilege by venturing into political controversies or general legislative issues.

The call for action on the judicial front ought to come, moreover, from the Judicial Conference, which is widely representative of the judicial system. Of course, the chief justice is the head of the conference and its proper spokesman. But he needs the weight of the whole federal judiciary behind him when he ventures into the area of court machinery and judicial reforms.

The conference does make recommendations as to where judges are needed and other matters, and the Administrative Office produces factual reports. What is needed is a stronger and more persuasive consensus on judicial requirements. Why not an annual "State of the Judiciary" report as influential as the Joint Economic Report or the findings of a top-flight presidential commission? Without waiting for Congress to act, the Judicial Conference itself could play a much stronger role in rejuvenating and buttressing the machinery of justice.

SENATOR VANCE HARTKE: A FRIEND OF SMALL BUSINESS

Mr. McINTYRE. Mr. President, as chairman of the Small Business Subcommittee of the Banking and Currency Committee and a member of the Select Committee on Small Business, I have continually admired and benefited from the able leadership and assistance given the small business community by my friend, the distinguished senior Senator from Indiana (Mr. HARTKE).

He has always been extremely sensitive to the needs of the small businessman. He has a clear understanding of the importance of small business to our national economy.

Therefore, I was pleased to note a recent column written by John Chamberlain, of Kings Features Syndicate, who generally reflects the conservative viewpoint, praising the understanding and the work of the Senator from Indiana in the area of small business. The Senator from Indiana deserves the credit given him by Mr. Chamberlain.

Mr. President, I ask unanimous consent to have printed in the RECORD the pertinent part of Mr. Chamberlain's column regarding the Senator's concern for small business.

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

HARTKE COURTS SMALL BUSINESSMAN

(By John Chamberlain)

When it comes to guessing the way the cat is going to jump in an election year, Sen. Vance Hartke of Indiana is a good man to watch.

* * * * *

He hasn't said so in so many words, but it is obvious that he thinks the issues this

autumn are likely to be bread-and-butter issues. Like another well-known senatorial aspirant, Hubert Humphrey in Minnesota, he is fighting it out along that line.

INDIANA BALANCED

Hartke's state of Indiana is nicely balanced between industry and agriculture. But, although you wouldn't know it in the shadow of the Gary steel mills, it is smaller industry that gives Indiana its rather comforting "older America" flavor. "We are a feeder state," says Hartke, "we make small parts for big business."

Knowing his constituency, the small farmer, the small businessman, Hartke has built himself a record in the Senate of showing concern for the enterpriser who has to struggle for credit.

When the Nixon administration decided it would be good anti-inflationary policy to scrap the tax credit of seven per cent which had been allowed to business on new plant investment and improvements, Hartke argued that it would be penny-wise and pound-foolish to change the tax credit rules.

The way to beat inflation, he said, was to expand productive capacity and to improve existing productivity. This would automatically reduce scarcity and force the manufacturer to lower his prices.

FAVORED TAX CREDIT

In the Johnson years, when the tax credit was suspended for a period, an exception was made for the 312,000 small businesses of the nation that had under $25,000 in income. Tax credits were still allowed on annual investments up to $20,000.

Hartke, along with Senator Bible of Nevada and Senator Sparkman of Alabama, fought to make a similar exemption to the Nixon repeal bill, and their amendment won by a 48–41 vote. But it was thrown out in the Senate-House Conference Committee.

Since then Hartke has taken a slightly different tack in fighting for the small enterpriser. He wants to see a reform in our depreciation policies, allowing fast write-offs for small business in particular. His refrain continues to be: "Increased production is the way to fight inflation."

The economic downturn in northern Indiana has helped Hartke "enormously," to quote a politician in a Wall Street Journal roundup. In the southern part of the state, where prosperity has never run really high, Hartke didn't need to wait on the choking of credit to make his appeal as the champion of the small man.

The American Conservative Union, in its early 1970 election prognosis, listed Indiana as a "high-priority" state for conservative attention. There is a "solid chance," said the ACU, of unseating Hartke, maybe with conservative State Treasurer John Snyder, maybe with someone else.

But this was before Nixon tight-money policies, which made no allowance for the "under-$25,000-in-income" small enterpriser, had had such a depressing effect.

The Republicans may yet rue the day when they decided to scrap the seven per cent tax credit for the little fellow. If the economic downturn continues, Hartke may have still another opportunity to say after election day, "I told you so."

HEARINGS SET ON BIG THICKET NATIONAL PARK BILL

Mr. YARBOROUGH. Mr. President, the announcement by the Senator from Nevada (Mr. BIBLE), chairman of the Parks and Recreation Subcommittee, that his subcommittee will hold hearings in Texas on June 12 and, if necessary, June 13 is great news for Texas and for conservationists and biologists everywhere. It is the first big breakthrough in my 4-year fight for the Big Thicket.

Hearings of this type are essential before any national park bill can be passed. Senator BIBLE and his subcommittee have had many demands on their time and energies. I am grateful—and all Texans should be thankful—that Senator BIBLE has now scheduled these hearings. A Senate hearing alone does not pass a park bill, but no national park bill can ever pass the Senate without a hearing first.

The Big Thicket is one of the great natural wilderness areas of our country. It covers parts of Hardin, Polk, Tyler, Liberty, and San Jacinto Counties.

Immediate action is necessary if we are to establish a 100,000-acre national park in the Big Thicket. The question is whether Congress will be able to save a part of this gem of a wilderness before all of it is destroyed forever. It is being destroyed now at the rate of 50 acres or more a day.

There were 3½ million acres in the Big Thicket when the first European explorers encountered the area. Forty years ago the Big Thicket had been reduced to 1½ million acres, and today only about 300,000 acres are left.

I believe it is more important to preserve a portion of our great national heritage, such as the Big Thicket, than it is to make money for a few at the expense of destroying entire ecological systems.

More than 300 species of rare birds are in the Big Thicket. These birds live among the thick brush and beautiful trees with many species of wildlife, some of which, such as the Texas red wolf, are in danger of becoming extinct.

Many of the trees are as rare specimens as are the birds and animals, such as the world champion eastern red cedar, black hickory, holly, silverbell, and many, many others.

We cannot afford to lose the Big Thicket, nor can we preserve only a token amount. We need at least a 100,000-acre national park so that the animals and birds will have enough wilderness area to survive and the ecological balances in the Big Thicket, with its water supply systems, can be maintained.

The hearings on my Big Thicket National Park bill will be held in Texas in June—possibly in Beaumont or in the Big Thicket itself. I believe that anyone with any interest in conservation who sees the Big Thicket will want to preserve it.

LABOR VIOLENCE IN PALM BEACH

Mr. GURNEY. Mr. President, on Monday, April 6, 1970, in Palm Beach County, Fla., a riot took place that poses squarely some important questions to the people of Florida and to the United States as well.

The incident—for the want of a better term—involved a mass-picketing demonstration that rapidly degenerated into a disturbance directly affecting the lives of thousands of citizens in West Palm Beach and in the adjacent county.

There does not seem to be any question that the massive demonstration was carefully planned. Word of the preparations had been rumored about West Palm Beach as early as the preceding Saturday afternoon.

Law enforcement authorities had also been warned. Although some precautions were taken by the authorities, when the showdown came, they could not prevent the riot. Physical assaults, destruction to property, arson, and utter disregard for the rights and welfare of others were the order of the day.

The sheriff of Palm Beach County and the State's attorney stated publicly on channel 5 television that they believed that all the building trades unions in the area were responsible for the affair. They proposed further investigation to determine whether a conspiracy existed, a conspiracy that gave rise to the violence.

Over the weekend, business agents of various unions were apparently busy notifying craftsmen that instead of going to work they should report to their union halls on Monday morning, April 6, in order to prepare for taking part in mass picketing against a project being built for the Spreen Volkswagen agency in nearby Palm Beach County.

It is interesting to note that the agency, adding a sizable extension, had been subject to picketing for 2 weeks prior. The work was being done by nonunion workmen entirely. Picketing had failed to halt deliveries and the work had been moving ahead quietly and without difficulty. Let it be noted that Florida is one of the "right-to-work" States. In our constitution, we have an amendment guaranteeing the right to work, regardless of membership or nonmembership in a labor organization. Unfortunately, we have no implementing statute that would in effect give teeth to this amendment, and I may say that a proposal is now under consideration in Tallahassee to remedy that omission.

But in the minds of the building trades leaders, there is an obvious blind spot: They apparently do not think people have the right to employment unless they first become members of their particular unions. In fact, union craftsmen in this instance were pulled off their regular jobs in the order to take part in a general demonstration thus ignoring their contractual duty to report for their regular work to the jobsite of their regular employers.

Mr. President, we can dispute the merits of a union shop or a closed shop and the right to work legislation rationally: We should not and cannot allow the advocates of compulsory unionism to employ violence and physical assaults and arson as a means of settling the dispute. Violence cannot be permitted to any party as a means of settlement to any public question.

But let me pursue the events of Monday, April 6. After assembly at the union halls, the workers in groups made their way to the Spreen Volkswagen jobsite.

As one newspaper declared:

> They came in a wave, flattening a wire fence and ripping up the steel posts to use as battering rams, flailing shiny new cars with sledgehammers and hurling Molotov cocktails.

Security at the jobsite was meaningless. Three private guards and three carloads of sheriff's men were unable to control the mob.

Over 1,500 men took part in the assault, a mob so huge that it took a task force of 300 sheriff's deputies, reinforced by West Palm Beach city and State police to restore order. Tear gas was finally used to quell the crowd.

One guard described the assault on the project as an infantry charge. The rioters used concrete blocks to destroy not only Volkswagens but the more expensive Porsches and Audis. One row of eight Porsches was overturned and burned. Many of the cars had windows and hoods smashed with concrete blocks. Sixty-one cars in all were wrecked.

Combustible fluids were ignited, roofing was ripped off, walls were stoved in with fence posts as battering rams.

The rioters used steel trusses to block off the highways, preventing thousands of persons from using their normal routes to their employment. The traffic jam also made it impossible for police reinforcements to reach the scene in time.

Damage to the property has been estimated at upward of $160,000.

Over 20 arrests have been made on the basis of photographs of the rioters—who strove to ruin any photographic records of their activities. They assaulted news photographers and smashed their cameras and destroyed a radio news cruiser.

The State's attorney and the county solicitor have joined forces along with the county sheriff's men and State police to gather evidence and to determine if a conspiracy charge should be brought.

Public reaction against the breakdown of law and order in this peaceful Florida community has been reassuring. Press editorial reaction has also been outspoken. One newspaper declared:

> Florida cannot tolerate this reversion to the 19th century in violation of its laws. The leaders of this black day of violence ought to be punished to the fullest extent of the statutes, whether or not a proper charge of conspiracy made by Sheriff William Heidtman is found to apply.

What can we make of this incredible incident? Are we here on the verge of labor anarchy, an offshoot of the new breed of anarchy which we see in so many other areas of the Nation?

I feel it is worth recalling that the unions involved in this rash conduct have been the very unions that have topped the list in obtaining wage increases all out of relation to productivity. These same unions have prevented the introduction of new methods and materials to meet the tremendous demands of the housing industry in our Nation. It is the same unions that have for years precluded the entry of minority groups into their trades by restrictions on ratios of apprentices on the jobsite. They have also restricted the work by means of featherbedding and jurisdictional disputes that have led to costly delays in construction.

It is obvious that we cannot permit repetition of this series of incidents in Palm Beach County. Law enforcement officials must be given the means to prevent such attacks and punish criminal conduct of this sort.

We must once more assert the rights that ordinary citizens have under our body of laws: to pursue their trade and go about their business freely without illegal interference from any source. We must put an end to special privileges of the building trades unions that have given these arrogant union leaders the erroneous impression that they are beyond the reach of law, and that their rights are superior to those of other citizens.

We must show that unlawful violation of the rights of citizens will be resisted and, where criminal, will be punished. There is no question that these union leaders must learn and understand that the privileges that they now enjoy will be restricted or curtailed if they pursue this line of lawless conduct.

It is no secret that for some 3 years the building trades unions have been obtaining—because of their monopoly position in various areas—wage settlements far in excess of what can be economically justified.

But in this area of labor relations as in others, the public interest must come first. Restoration of competition to the construction industry by opening opportunities to thousands of unemployed persons must occur.

In this area, the Federal Government must play a role, a role that the administration has already assumed to some degree.

We must see that construction is returned to its rightful place as an area for honorable employment for all persons capable of performing the job: whether they are black or white, union or nonunion. We must guarantee that management and employees—whether union or nonunion—enjoy the rights they are entitled to as citizens, especially the right to go about their business without fear of violence or intimidation.

TO DEEPEN OUR COMMITMENT

Mr. PROXMIRE. Mr. President, the international protection of human rights should be of paramount concern to this country.

However, U.S. participation in this area has been a great disappointment to those who are committed to guaranteeing worldwide protection of these basic rights. Where human rights is concerned, this country has failed to assert its moral leadership.

The Declaration of Independence and the Constitution proclaim human rights as a cornerstone of American freedoms. We have voted in favor of the human rights conventions in the General Assembly of the United Nations, but the Senate of the United States has failed to ratify most of them. Six U.N. conventions are pending in the Senate—Genocide, Political Rights of Women, Forced Labor, Employment Policy, Inter-American Convention on Political Rights of Women, and the Freedom of Association and Organization Conventions. Two more treaties—those on racial discrimination and marriage—have not even been submitted to the Senate.

The only action taken by the Senate in this area has been ratification of the supplementary convention on slavery in 1967 and the protocol on the status of refugees in 1968.

Our record is even more disturbing when we realize the substantial participation of the United States in drafting and securing U.N. ratification of the Universal Declaration of Human Rights, which has served as the foundation for much of the progress in this area. Mrs. Eleanor Roosevelt served as chairman of the U.N. Commission on Human Rights, which submitted the declaration to the General Assembly in 1948.

United States action on the human rights conventions is essential if the important goal of international protection of these basic freedoms is to be realized. Without American participation, this crucial effort will continue to face a major stumbling block.

Mr. President, the President's Commission for the Observance of Human Rights Year 1968 has emphasized the nature of our task in a publication entitled "To Deepen Our Commitment." An excerpt from this excellent publication summarizes the action that the United States has taken with regard to human rights, and urges prompt Senate ratification of the treaties that have not been acted upon. I ask unanimous consent that the excerpt entitled "Ratification Long Overdue" be printed in the RECORD.

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

RATIFICATION LONG OVERDUE

HUMAN RIGHTS CONVENTIONS PENDING BEFORE THE UNITED STATES SENATE

The Inter-American Convention on Granting of Political Rights to Women, *submitted by President Truman on January 13, 1949.*

The Convention on the Prevention and Punishment of the Crime of Genocide, *submitted by President Truman on June 16, 1949.*

The Convention of Freedom of Association and Protection of the Right to Organize, *submitted by President Truman on August 27, 1949.*

The Convention on the Abolition of Forced Labor, *submitted by President Kennedy on July 22, 1963.*

The Convention on the Political Rights of Women, *submitted by President Kennedy on July 22, 1963.*

The Convention Concerning Employment Policy, *submitted by President Johnson on June 2, 1966.*

On two recent occasions President Johnson has called for the ratification of human rights conventions. In his Proclamation of Human Rights Year, October 11, 1967, he stated:

"American ratification of these Conventions is long overdue. The principles they embody are part of our own national heritage. The rights and freedoms they proclaim are those which America has defended—and fights to defend—around the world."

In his remarks on signing the Executive Order establishing the Commission, President Johnson said:

"The Senate . . . supported our participation in international agreements that further the protection of human rights by assenting to the Supplementary Convention on Slavery on November 2, 1967 . . . It is my earnest hope that the Senate will complete the tasks before it by ratifying the remaining Human Rights Conventions."

Since the United Nations began its work

in the field of human rights, human rights conventions have been drafted in the following areas: Prevention of Discrimination; Genocide; Slavery and Forced Labor; Nationality, Statelessness, and Refugees; Freedom of Information; Freedom of Association; Employment Policy; Political Rights of Women; and Marriage. Some of these Conventions have been prepared under the auspices of the International Labor Organization and the United Nations Educational, Scientific, and Cultural Organization.

In 1966 the United Nations completed two major conventions which form with the Universal Declaration of Human Rights an "International Bill of Human Rights". These two conventions are the Covenant on Civil and Political Rights, and the Covenant on Economic, Social, and Cultural Rights. The Covenant on Civil and Political Rights is complemented by an optional protocol which provides for measures of implementation of the covenant.

There are at present six human rights conventions pending before the United States Senate. They are popularly known as the Conventions on Forced Labor, Political Rights of Women, Genocide, Freedom of Association, Employment Policy, and the Inter-American Convention on the Political Rights of Women. The United States has also signed, but not ratified, two other major Human Rights Conventions: The International Convention on the Elimination of all forms of Racial Discrimination, and the Convention on Consent to Marriage, Minimum age of Marriage and Registration of Marriages. These two Conventions have not yet been submitted to the Senate.

The Senate has held hearings on the Convention Concerning the Prevention and Punishment of the Crime of Genocide (1950) and the Convention Concerning Employment Policy (1966). In 1967 the Senate Foreign Relations Committee established a Subcommittee on the Human Rights Conventions to hold hearings on the three human rights conventions sent to the Senate in 1963 by President Kennedy—the Conventions on Slavery, Forced Labor, and the Political Rights of Women. At the hearings Ambassador Goldberg testified that this Administration "strongly supports ratification of these conventions." He also stated that "the rights we are talking about in all three of these conventions are fundamental rights guaranteed by our Constitution . . ." and that there would be no need for implementing legislation. The Foreign Relations Committee reported out the Supplementary Slavery Convention which was approved by the Senate and ratified by President Johnson, December 7, 1967.

On August 1, 1968, President Johnson transmitted to the Senate a Human Rights Convention entitled Protocol Relating to the Status of Refugees. This Protocol in effect replaces the earlier Convention relating to the Status of Refugees by incorporating the principal substantive provisions of the earlier convention. The Senate advised and consented to the ratification of the Protocol on October 4, 1968, and President Johnson subsequently submitted the United States ratification of it to the United Nations. Thus the United States today is a party to two U.N. Human Rights Conventions.

The Special Committee of Lawyers under the Chairmanship of Associate Justice of the Supreme Court, Tom C. Clark (retired), appointed a subcommittee to prepare a report on the Human Rights Conventions. The subcommittee is headed by former Attorney General William P. Rogers. Dean Clarence Clyde Ferguson and Mr. John Carey are the rapporteurs for the preparation of the report.

At its third meeting on June 11, 1968, the Commission discussed the question of the best means to achieve ratification of human rights conventions and decided to give its strong support to the President's objective by urging their ratification at the earliest possible time. The Commission stated in a resolution adopted at that time:

"These human rights conventions are an expression of principles that have guided our own citizens in the development of a progressive and enlightened government. The fact that United States Law is in accord with the provisions of these conventions does not mean that there is no necessity for this country to participate in them . . . ."

THE COLLEGE BENEFIT SYSTEM OF AMERICA

Mr. HATFIELD. Mr. President, recently I submitted a statement to the subcommittee of the House Judiciary Committee, now hearing H.R. 9010, which is the companion bill to the bill which I am cosponsoring in the Senate, S. 1290, to incorporate the College Benefit System of America. Because of my great interest in this legislation, I ask unanimous consent that my remarks to the subcommittee be printed in the RECORD.

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

STATEMENT OF SENATOR MARK O. HATFIELD

Mr. Chairman, in your hearings on H.R. 9010, which would grant a federal charter to the College Benefit System of America, I should like to record my strong support for this proposal. As you know, I am a cosponsor of the companion bill, S. 1290, which is before the Senate. I believe this legislation is necessary to protect the nationwide pension program of higher education from the fragmentation and dilution which would result from multiple state regulation and discriminatory taxation.

Legislative recognition was given to higher education's pension system by the State of Oregon. As a former educator, Dean of students of Willamette University, and later as Governor of Oregon, I enthusiastically supported that legislation. After extensive consideration, the Oregon legislature determined that it was in the public interest that higher education's pension fund not be subject to multiple regulation and taxation. I am advised that thirty other states have granted substantially similar relief. In each instance the states have properly determined that the pension program of higher education should be granted necessary relief. But what a demanding, exhausting and, unfortunately, tentative route to preserve a national resource!

For the past fifty years, higher education's pension system has admirably served two objectives which this government has long recognized as being in our national interest—first, providing for the financial welfare of our senior citizens upon their retirement, and second, strengthening our institutions of higher education. The program now provides retirement protection for over 300,000 staff members of over 2,000 educational institutions located in each of the fifty states.

It is with considerable pride that I can say that the institutions participating in this great pension system include the seven colleges and universities under the Oregon State Board of Higher Education as well as sixteen other educational institutions in Oregon, including the University of Portland, Reed College, Willamette University and the Medical Research Foundation of Oregon.

Higher education's pension program is one of the factors enabling our colleges and universities to attract and retain teachers of a quality which has made this country's system of higher education greater than any the world has ever known. Without the retirement security that this pension program provides, it is likely that many of these teachers could not have afforded to forsake the higher salaries of private industry to enter the teaching profession.

The ultimate beneficiaries of financial sacrifices by educators are the nation's youth who are attending or will attend those colleges and universities, and the nation itself which draws upon our institutions of higher learning for leadership in the public and private fields. In return for these benefits, it is only fitting that government should make it possible for the higher educational community to continue providing for its own retirement security without the burden of multiple and discriminatory taxation and regulation.

The fact that the educational world took it upon itself in 1918 to establish a cooperative contributory pension system that would meet education's pension needs on a uniform and nationwide basis is a great tribute to its initiative and foresight. Education's achievement is particularly remarkable when it is realized that its pension program predated Social Security by some twenty years. Throughout its history, education's pension program always has been regarded as a pioneer in the area of retirement security.

The purpose of the proposed legislation is simply to enable education to continue accomplishing, without impediment or restriction, what it has accomplished so admirably for over fifty years. The successful growth and development of this nationwide program has been due in part to the fact that it has been uniformly regulated by only one state and, like the great majority of public and private pension funds, has not been burdened with taxation. Unless the proposed federal charter is granted, there is now a substantial danger that this may change.

By reason of its unique structure, higher education's pension program could be exposed to regulation and taxation under the insurance laws of each of the fifty states. The result of this multistate regulation and taxation would be to discriminate against higher education's pension system and to destroy its uniform availability throughout the nation.

The great majority of the public and private pension plans are not taxed. Education's pension program should not now be singled out for taxation. The financial pressures upon our institutions of higher learning are now greater than ever as a result of increasing student enrollment and the generally increasing cost of education—combined with a disproportionately lower increase in new faculty members. Education can ill afford additional financial burdens in the form of discriminatory taxation of its pension program.

Perhaps even greater dangers are presented by the threat of multiple state regulation. The heart of education's pension program uniformity cannot exist if the pension program is subject to regulation under the insurance laws of each of the fifty states. It is inevitable that this multiple regulation will result eventually in differences in the administration and availability of the program in the various states. The mobility of teachers from an institution in one state to an institution in another state would be seriously impeded and a divisive element will be injected into our higher educational system.

Contrary to contentions made by the opponents of this legislation, this bill is not intended to infringe in any way upon the power of the states to regulate the business of insurance. What is involved here is a pension program. The tax and regulatory relief which the legislation will provide will apply only to the pension activities of the program.

Suggestions of representatives of the commercial insurance industry that this legisla-

tion will grant a preference to an insurance company is also without substance. In providing for its pension needs the educational world is not competing with the commercial insurance companies any more than the unions are competing with the insurance companies in the administration of the union pension funds. College Benefit System of America which seeks a federal charter is designed as a cooperative trust of higher education.

This is worthy and necessary legislation. I sincerely hope that the Committee will take prompt and favorable action on H.R. 9010.

DE FACTO AND DE JURE SEGREGATION

Mr. RIBICOFF. Mr. President, the Senate recently debated the need for a uniform policy of integration in this country. Therefore, the recent statement by the U.S. Commission on Civil Rights in response to the President's message on integration is timely and interesting.

I hope all who are concerned with insuring equality of educational opportunity to all our children, white and black, North and South, will take the time to read this thoughtful statement.

I ask unanimous consent that the Commission's statement be printed in the RECORD.

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

STATEMENT OF THE U.S. COMMISSION ON CIVIL RIGHTS

On March 24, 1970, the President issued an important civil rights statement. The President's statement is comprehensive and thoughtful. He has made clear his strong support for the constitutional principle of the 1954 Supreme Court decision in *Brown* v. *Board of Education:* "We are not backing away. The Constitutional mandate will be enforced."

The President also has given his view of the contents of that constitutional mandate. "Deliberate racial segregation of pupils by official action," the President said, "is unlawful, wherever it exists." He pointed out emphatically that "it must be eliminated 'root and branch'—and it must be eliminated at once." Further, the President stated that "segregation of teachers must be eliminated" and ordered that steps be taken to assure against discrimination in the quality of facilities or the quality of education delivered to school children within individual school districts.

As the President recognizes, however, the issues are more complex than merely ending current practices of deliberate public school segregation and discrimination, and their implications for the future of the country are far-reaching. While many of the problems are common to nearly all minority groups in all parts of the country, others frequently are unique to particular sections of the country or to particular minority groups. Problems of segregation and inadequate school facilities, for example, cut across racial or ethnic lines and exist in all regions. Black children in the rural South, however, experience educational deprivations different in kind from those of children who live in northern ghettos. By the same token, Mexican American and other Spanish-speaking children experience unique hardships when they come from homes where their first language is Spanish but enter an educational environment where only English is permitted, and as a result are shunted automatically into lower ability groups and subjected to curricular discrimination.

The President addressed himself to many of the more complex issues that have been troubling the Nation—Issues such as what can be done about so-called *de facto* school segregation, what are the most effective and sensible means of enforcing school desegregation requirements, how much of a social burden can the schools reasonably be expected to bear, how important is integration to the achievement of minority group children, how effective can busing be as a means of carrying out school desegregation, how important is adherence to the neighborhood school principle, and what kinds of resources should the Federal Government make available to local communities to achieve the goal of equal educational opportunity?

These are issues of critical importance deserving of the highest level of consideration and discussion. In the course of its history, the Commission has paid continuing attention to many of these issues. We are committed to the purpose for which this Commission was created: To act as an objective, bipartisan factfinding agency and to continually apprise the President, the Congress, and the Nation of the facts as we see them. The Commission believes that the experience and information we have gathered over the years concerning the issues discussed in the President's statement provide a sound basis for analysis and comment that can contribute to their clarification and be of help to educators, other public officials, and concerned Americans generally. It is in this spirit that we speak out now.

DE JURE V. DE FACTO

The President draws a sharp distinction between *de jure* and *de facto* school desegregation, contending that under the former there is a positive duty to end it, while under the latter, "school authorities are not Constitutionally required to take any positive steps to correct the imbalance." This statement represents a strict interpretation of existing Supreme Court decisions.

It can be argued, however, that the Supreme Court's decision in *Brown* warrants a broader interpretation. For one thing, while the holding of the Supreme Court in the *Brown* case was limited to legally compelled or sanctoined segregation, the Court's concern extended as well to segregation resulting from factors other than legal compulsion. The Supreme Court quoted with approval a lower court finding that "Segregation of white and colored children in public schools has a detrimental effect upon the colored children. *The impact is greater when it has the sanction of law . . .*" (Emphasis added), and concluded: "Separate educational facilities are inherently unequal . . ."

Thus the Court expressly recognized the inherent inequality of all segregation noting only that the sanction of law gave it greater impact. In a sense, therefore, the President's sharp distinction between *de jure* and *de facto* segregation tends to blunt what many think is a crucial thrust of *Brown*.

The Commission, moreover, in the course of its investigations, has found numerous examples—North and South—which suggest that it is not adequate to describe school segregation as purely *de facto*— that in many cases, school segregation that appears to result solely from accidental housing patterns turns out, upon closer examination, to result in large part from decisions by school and other public officials.

For example, decisions on school boundary lines have been made with the purpose and effect of isolating minority group members in their own separate and unequal schools. Sites for new schools, even recently, have been strategically selected so as to assure against racially integrated student bodies. The size of schools has been determined with an eye toward maintaining racial separation. As the President recognizes conduct of this type is illegal. Instances of purposeful school segregation have been found in surprising places, in the North as well as the South. The school systems of New Rochelle, New York; South Holland, Illinois; Pasadena and Los Angeles, California; and Pontiac, Michigan, are among those which have been found by the courts to have practiced deliberate school segregation in violation of the Fourteenth Amendment. There is no doubt that there are many more instances of school segregation resulting from conscious decisions of school officials than the relative handful that have come to the attention of the courts.

It also should be understood that legally compelled or sanctioned school segregation is not a phenomenon unique to the South. In many northern and western states, the current pattern of racial separation of students is a legacy of an era when laws and policies explicitly authorized segregation by race. States such as Indiana, New Mexico and Wyoming maintained separate-but-equal laws beyond the mid 1940s. In other northern states, such as Ohio and New Jersey, cities and counties persisted in maintaining separate schools for black students well into the 1950s.

Even in those instances where school segregation is a result of housing patterns with no apparent complicity of school officials, government at all levels—local, State, or Federal—invariably is heavily implicated. Historically, racial zoning ordinances imposed by local law were a formidable factor in creating and maintaining racially exclusive neighborhoods. Although such ordinances were held unconstitutional as early as 1917, some communities continued to enforce them, even as late as the 1950s.

Judicial enforcement by State courts of racially restrictive covenants has been another important factor. Although these covenants were private agreements to exclude members of designated minority groups, the fact that they were enforceable by the courts gave them maximum effectiveness. Not until 1948 was the judicial enforcement of such covenants held unconstitutional, and not until 1953 was their enforcement by way of money damages held unlawful. Racially restrictive covenants no longer are judicially enforceable, but they still appear in deeds and the residential patterns they helped to create still persist.

Various exercises of local governmental authority, such as decisions on building permits, the location of sewer and water facilities, building inspection standards, zoning and land use requirements, and the power of eminent domain have been used to exclude minority group members from designated neighborhoods and even from entire communities.

The Federal Government, principally through its public housing and FHA mortgage insurance programs, has been all too often a willing partner in the creation and perpetuation of racially segregated neighborhoods, even to the point of insisting upon them. Until the late 1940s, for example, FHA insisted on racially restrictive covenants to insure against integrated housing developments. Until 1962 when the Executive Order on Equal Opportunity in Housing was issued, the agency continued willingly to do business with discriminatory builders and developers. The Public Housing Administration permitted its funds to be used for the creation and perpetuation of segregated housing projects well after the courts had made it clear that such practices were in violation of the Constitution. Other Federal programs, such as the highway and urban renewal programs, which involve massive displacement and relocation, also have had the effect of intensifying residential segregation.

The point we are making is that the current situation we face, in which most minor-

ity group children attend school in isolation from children of the majority group, is *not* accidental or purely *de facto*. In many cases, it has resulted in whole or in substantial part from an accumulation of governmental actions. Thus the categorical distinction between *de jure* and *de facto* segregation is not as clear-cut as it would appear. Upon closer examination, there is probably little legal substance to the concept of *de facto* school segregation. Further, in the Commission's view, the Government has a moral as well as legal responsibility to undo the segregation it has helped to create and maintain. There is no statute of limitations by which government in its many forms can be exonerated from its past misdeeds or relieved of its current obligations.

The Commission believes that the necessary course of action is to make available to the Department of Justice and the Department of Health, Education, and Welfare the resources necessary to determine on a nationwide basis those cases which appear on the surface to involve *de facto* segregation but which in reality involve *de jure* school segregation, and then to take steps to correct the situation. We note that the President, in his budget request for Fiscal Year 1971, has asked for substantial increases in resources for civil rights enforcement in both departments—56 additional positions for the Civil Rights Division of the Department of Justice and 144 additional positions for the Office of Civil Rights in the Department of Health, Education, and Welfare. It is important that the President's request be honored. It also is important that the attention of these two departments be directed specifically to the problem of apparent *de facto* segregation that may, in fact, have been consciously created and maintained *de jure*. We believe that to accept without investigation the notion of widespread fortuitous and ingenuous school segregation and to determine policy on that basis would be a serious mistake.

Further, there is a large arsenal of weapons, in the form of nondiscrimination laws and low- and moderate-income housing programs, available to combat housing segregation and remove it as a cause of school segregation. As this Commission also recently pointed out in its report on "Federal Installations and Equal Housing Opportunity," the leverage of the substantial economic benefits generated by Federal installations can be used effectively to promote housing desegregation.

Another important way to promote housing desegregation is to provide people with the economic wherewithal necessary to expand their choice of housing. The President's Family Assistance and Manpower Training proposals, as well as the Administration's endorsement of the "Philadelphia Plan," represent forward moving efforts to enable the poor, a disproportionately high number of whom are minority group members, to join the Nation's economic mainstream and expand their choice in housing and other aspects of life through adequate income and job stability.

ENFORCEMENT OF SCHOOL DESEGREGATION

The President's statement was largely silent concerning the means that will be used to bring about an end to dual school systems. Experience in the 16 years since the *Brown* decision provides many lessons on what kind of enforcement works and what kind does not. During the first ten years following *Brown*, when litigation was the sole enforcement mechanism, progress in carrying out the Supreme Court's mandate was frustratingly slow—three percent desegregation in 10 years. Since the enactment of Title VI of the Civil Rights Act of 1964, however, with its provision for administrative enforcement, progress has accelerated enormously—30 to 40 percent desegregation in the last five years. In a July 3, 1969, statement the Attorney General and the Secretary of Health, Education, and Welfare indicated that the Government was deemphasizing the use of administrative enforcement under Title VI in favor of a return to litigation. This, despite the evidence of the practical utility of Title VI as an enforcement mechanism. The fact that the President made no reference to the means to be used raises the fear that litigation will, in fact, continue to be substituted for administrative enforcement. In its September 1969 report on "Federal Enforcement of School Desegregation," the Commission characterized the Administration's reliance on litigation as "a major retreat in the struggle to achieve meaningful school desegregation." The Commission believes it is important that a clear statement of policy be made by the President to allay these fears.

The President made plain in his statement, however, two other principles which apparently will guide his Administration in carrying out the Supreme Court's mandate: local discretion and reliance on good faith of local school administrators. Again, on the basis of the experience of the past 16 years, the Commission believes that neither is adequate assurance. The progress that has been made in promoting school desegregation in the South has not often resulted from local initiative, alone, but more frequently from persistent Federal pressure, joined with local initiative. Experience also has demonstrated that results alone—and not good faith—are the only true measure of compliance with the Supreme Court's mandate.

BURDEN ON THE SCHOOLS

Another area that warrants further discussion is the suggestion that we are asking too much of our schools. The President said: "They have been expected not only to educate, but also to accomplish a social transformation." The Commission believes this is true—that much is being asked of our schools, that much always has been asked of them. The important point, however, is that they have delivered. During the great waves of immigration that brought millions of oppressed people to this land of promise, it was the schools that we relied upon to educate the children of these immigrant families and to integrate them into American society. They did not fail us then.

But they are failing today. The children of the Nation's ghettos and barrios are not receiving the quality of education afforded to more affluent majority group children, nor are they being enabled to join the Nation's social and economic mainstream. Above all, they are not being integrated into American society, but are becoming alienated from it. To be sure, the problems facing the schools may be more difficult than those they faced in earlier days when they succeeded so well. But these problems cannot be viewed as insoluble, nor can be relieve our schools of the burden, heavy as it may be, of being the chief instrument by which they will be resolved. For the schools occupy a special place in American society. As the President pointed out:

"The school stands in a unique relationship to the community, to the family, and to the individual student. It is a focal point of community life. It has a powerful impact on the future of all who attend. It is a place not only of learning, but also of living—where a child's friendships center, where he learns to measure himself against others, to share, to compete, to cooperate—and it is the one institution above all others with which the parent shares his child."

Public schools must again be asked to play their traditional role as "the balance wheel of the social machinery." It will not do to insist that we are placing too heavy a burden on the schools. It is a burden that they always have accepted and they must accept it now. It should be a national priority of the highest order to provide our schools with the necessary resources—adequate facilities, better teaching training, and the like—to bear this burden. It is for this reason that we welcome the President's allocation of one and a half billion dollars. There are urgent needs for all of this and more, plus a clear pinpointing of the precise educational priorities for school improvement throughout the country.

There simply is no other institution in the country so equipped to do the job. If the public schools fail, the social, economic, and racial divisions that now exist will grow even wider. It would be even worse, however, if the schools do not even try.

IMPORTANCE OF SCHOOL INTEGRATION

In his March 3, 1970, message on "Education Reform," the President made the following statement: "Quality is what education is all about; desegregation is vital to that quality." That statement did not represent a suggestion of a new direction in national policy, but rather, an accurate and succinct description of one of the cornerstones of established policy.

It has been settled that desegregation is fundamental to the achievement of equal educational opportunity. All three branches of the Federal Government have spoken with one firm resolve on this matter and the Nation has committed itself to achieving the goal of quality integrated education for all of our children. Studies have been made, such as the Coleman Report, the Commission's own report on "Racial Isolation in the Public Schools," and a recent study of the New York State Board of Regents, which indicate that racial, as well as social class, integration has a positive effect on the achievement of school children. These studies are useful in contributing to better understanding of the elements that make for quality education. They in no way question the fundamental policy of school desegregation. That policy is based on considerations as important as school achievement scores. School integration is necessary to create the understanding and sense of common purpose so vital to the Nation's future well-being. The key question now is not the relative merits of desegregation, but how to accomplish it.

It is true, as the President points out, that the adult community has failed to achieve for itself the kind of multiracial society that we are seeking to achieve in schools. The failure of the adult community, however, only highlights the necessity of insuring that our children receive the kind of training in integrated school environments that will equip them to thrive in the multiracial society they will enter. In fact, nowhere is integration more easily achieved than among children, who are born without prejudice and who accept other human beings for their human values, without automatic judgments based on race or color. If we delay this training until they enter the adult society, we will have been too late. It is in the schools where our children's attitudes and perceptions can be influenced to enable them to succeed where we, their parents, have failed.

BUSING

In his statement, the President raised the issue of busing and cautioned that we must proceed with the least possible disruption to our children's education. Busing has become an emotionally charged word and the issues involved have been the subject of considerable misunderstanding. Many who oppose busing do so on the basis of certain assumptions, one of which is that riding to school disrupts a child's education and causes harm. This is a serious issue which should not be argued solely in terms of assumptions or emotion. The Commission believes that facts which it has found in the course of its investigations may contribute to clarify the issue and sharpening the debate over it.

Busing is neither a new nor a unique technique, and its use is not limited to facilitating desegregation. For example, for decades, black and white children alike, in the South were bused as much as 50 miles or more each day to assure perfect racial segregation. In many cases, busing was the exclusive privilege of white children—black children often were required to walk considerable distances. No complaints then were heard from whites of any harmful effects. Nor was any concern exhibited over the damage suffered by black children through their deliberate segregation. The Supreme Court in *Brown* described vividly the nature of the harm to which Negro children were being subjected.

"To separate them from others of similar age and qualifications solely because of their race generates a feeling of inferiority as to their status in the community that may affect their hearts and minds in a way unlikely ever to be undone."

Thus the arguments that some now make about the evils of busing would appear less than ingenuous. The plain fact is that every day of every school year 18 million pupils—40 percent of the Nation's public school children—are bused to and from school, and the buses log in the aggregate more than two billion miles—nine billion passenger miles—each year. It also should be understood that the overwhelming majority of school busing has nothing to do with desegregation or achieving racial balance. The trend toward consolidation of schools, for example, particularly in rural areas, requires extensive busing. It causes no disruption to the educational routines of the children and is treated as normal and sensible.

Amid the controversy over busing, in many school systems, North and South, transportation is being used quietly and effectively as a means of bringing about desegregation. The bus rides are not long—in Berkeley, California, for example, a city of 120,000 people, the bus trip never exceeds 20 minutes—and it causes no harm. In the South, of course, the amount of busing needed to bring about desegregation frequently is considerably less than was required to maintain dual school systems. For example, at the Commission's 1968 hearing in Montgomery, Alabama, we found that black students in Selma, seeking to attend trade school, were bused some 50 miles to the nearly all-black Trenholm School in Montgomery, although the Rufus King trade school was located in Selma. Rufus King, however, was all-white.

It is a mistake to think of the problems of desegregation and the extent that busing is required to facilitate it solely in the context of the Nation's relatively few giant urban centers such as Chicago, New York, or Los Angeles. In most of our cities the techniques necessary to accomplish desegregation are relatively simple and busing creates no hardships. The experience in communities which have successfully desegregated could easily be transferred to cities of greater size.

Even in giant urban centers, progress in desegregation does not require interminable bus rides or disruption of our children's education. The President, in discussing the recent California court decision requiring desegregation of the Los Angeles school system, quoted "local leaders" as estimating that the total cost of busing will amount to 40-million dollars over the next school year. This estimate represented the contention of the defendants in that litigation. It was presented to the court for the purpose of arguing against the feasibility of desegregation in that city's school system. In fact, the court rejected this estimate as unrealistic.

In Los Angeles, as in other cities, substantial desegregation can be accomplished through relatively simple devices such as alteration of existing school attendance areas, school pairing, and the establishment of central schools. To be sure, transportation is necessary in giant urban centers as it is in smaller cities, but here too, it is false and defeatist to assume that the bus rides must be lengthy or that the education of our children will be disrupted.

In the Commission's view, the emphasis that some put on the issue of busing is misplaced. As most Americans would agree, it is the kind of education that awaits our children at the end of the bus ride that is really important.

NEIGHBORHOOD SCHOOLS

In his statement, the President emphasized the desirability of maintaining the neighborhood school principle. For several reasons, the Commission questions whether this should be one of the cornerstones upon which national educational policy rests.

For one thing, neighborhood schools do not represent the invariable principle governing school attendance that many believe. Frequently, neighborhood attendance is subordinated to other educational goals. In some cities, for example, handicapped children or academically talented students attend schools other than the one in their neighborhood.

Further, the Commission has found numerous instances of departures from neighborhood attendance policy that have had the effect of promoting racial segregation, where faithful adherence to the neighbodhood school principle would have assured integrated student bodies. In Cleveland, Ohio and San Francisco, California, for example, optional zones were created to permit white students who otherwise would have attended racially integrated schools to choose instead nearly all-white schools out of their neighborhood. Transfer plans, ostensibly instituted to relieve overcrowding, also have had the effect of promoting racial separation.

There is, in fact, a good deal of inconsistency and hypocrisy that all too often surround the lip service paid to the neighborhood school principle. Courts, as well as school officials, have had little difficulty in dismissing its importance for the purpose of maintaining segregation. In Cincinnati in 1876, for example, black children who had to walk four miles each way to attend a black school brought suit to enter the much nearer white school. The court refused and said: "Children cannot cluster around their schools like they do around their parish church." Several years ago, then Chief Judge Tuttle of the U.S. Court of Appeals for the Fifth Circuit, in a case involving the Mobile, Alabama, school system, made some observations on this point:

"Both in testimony and in the briefs, much is said by the appellees about the virtues of 'neighborhood schools.' Of course, in the brief of the Board of Education, the word 'neighborhood' doesn't mean what it usually means. When spoken of as a means to require Negro children to continue to attend a Negro school in the vicinity of their homes, it is spoken of as a 'neighborhood' school plan. When the plan permits a white child to leave his Negro 'neighborhood' to attend a white school in another 'neighborhood' it becomes apparent that the 'neighborhood' is something else again. As every member of this court knows, there are neighborhoods in the South and in every city of the South which contain both Negro and white people. So far as has come to the attention of this court, no board of education has yet suggested that every child be required to attend his 'neighborhood school' if the neighborhood school is a Negro school. Every Board of Education has claimed the right to assign every white child to a school other than the neighborhood school under such circumstances. And yet, when it is suggested that Negro children in Negro neighborhoods be permitted to break out of the segregated pattern of their own race in order to avoid the 'inherently unequal' education of 'separate educational facilities,' the answer too often is that the children should attend their 'neighborhood school.' So, too, there is a hollow sound to the superficially appealing statement that school areas are designed by observing safety factors, such as highways, railroads, streams, etc. No matter how many such barriers there may be, none of them is so grave as to prevent the white child whose 'area' school is Negro from crossing the barrier and enrolling in the nearest white school even though it be several intervening 'areas' away."

There also is some question whether the narrow attendance areas served by neighborhood schools truly represent the "neighborhood" as we currently understand that term. In fact, the meaning of neighborhoods has changed over the years. Recent developments in the pattern of urban life—rapid population shifts and the growing distances city residents travel for recreation, business, and shopping—have diffused traditional neighborhood patterns. They no longer are the self-contained, cohesive communities they may once have been. In short, it is doubtful that adherence to the neighborhood school principle is required by considerations of close community ties in narrow geographical areas. The schools have an opportunity, by broadening the geographical areas they serve, to expand the experience of children beyond that of the restricted confines of their narrowly defined neighborhood, and establish the school as a broader "community" or "neighborhood" in which the lives of all who attend can be enriched.

If adherence to the neighborhood school principle frequently interferes with efforts to promote desegregation, there also is some question concerning its value as a means of providing quality education. The essence of the neighborhood school is a self-contained unit serving a relatively small student population. In larger units, however, economies of scale frequently make possible the offering of a broader curriculum and the provision of new and expensive equipment that are not economically possible in schools which serve small numbers of students. Many rural areas, for example, in an effort to improve the quality of education, have abandoned the tradition of small individual school houses in favor of consolidated schools serving much larger student bodies. In short, adherence to the neighborhood school principle under current conditions not only tends to interfere with efforts at desegregation, but also has little bearing on efforts to improve the quality of education and in some cases may even thwart those efforts.

The Commission believes that ideally and ultimately, resolution of the problem of school segregation lies in residential desegregation, which will remove the emotional issue of neighborhood schools from the arena of civil rights controversy. Residential desegregation can be accomplished through laws and policies designed specifically to secure an open housing market, and administered with dedication and purpose. This does not mean, however, that efforts to desegregate the schools should await the day when neighborhood desegregation has been achieved. We cannot afford to make integrated education wholly dependent upon open housing, for to do so would be to consign at least another generation of children to education in racially isolated schools.

HELPING COMMUNITIES TO DESEGREGATE

We have spoken of communities that have recognized the problem of school segregation and have determined to eliminate it on their own. Many of these are in the South and they have complied with judicial and administrative requirements by devising imaginative and successful plans not only for achieving physical desegration but also for assuring quality education for all children.

Some of these communities are in areas commonly thought to be among the most opposed to desegregation. For example, Pass Christian and New Albany, Mississippi, both have accomplished full desegregation and have taken steps to assure that the desegregated schools are not white schools or black schools, but schools that all children can feel a part of. As measured by white and black student participation in school activities, daily attendance rates, and achievement scores, their efforts have been successful.

Other communities, particularly in the North, while they have been under no legal compulsion to accomplish desegregation, nonetheless have sought to do the job. The President has pointed out that these school officials are free to take steps beyond the constitutional minimums to diminish racial separation.

The Commission questions, however, whether this is enough, and whether the appropriate posture of the Federal Government on this important matter should be merely a passive one. Rather, we believe it is essential that resources, in the form of financial and technical assistance, be made available to assist these communities in bringing about total and successful desegregation as rapidly as possible.

We recognize, of course, that the President has made a commitment of one and one-half billion dollars over the next two years to carry out his school policies, and we applaud this step. There is need to clarify how this money will be used. The President specified two purposes: "Improving education in racially impacted areas, North and South, and for assisting school districts in meeting special problems incident to court-ordered desegregation."

It is not clear whether these two purposes are considered mutually exclusive—whether school districts *not* under court order would be eligible for assistance under this program to promote desegregation or whether the President's proposal assumes that so-called *de facto* segregation is with us to stay. If the latter, then the proposal may well have the effect of providing built-in financial incentives for the perpetuation of racial segregation in schools not under court order and transform an acceptance of the reality of *de facto* segregation into self-fulfilling prophesy. We believe again that further official clarification of this point is needed.

The President has made it clear to all that his Administration intends to carry out the Supreme Court's mandate of an immediate end to legally sanctioned dual school systems.

Much more, however, is necessary. The problems of racial isolation in the Nation's schools cannot be resolved solely through cautious adherence to a narrow construction of existing case law. The courts, in defining the constitutional requirements relating to desegregation have informed us only of our minimum mandate, not the maximum that we are permitted to do to accomplish school desegregation. In education, as in other areas of national concern, it is the responsibility of the Congress and the Executive Branch to act beyond this minimum, using the broad authority provided under the Constitution. Thus it is not sufficient to say that local school officials who have not maintained legally compelled separate systems may desegregate their schools if they choose to. The necessity of desegregation must also be urged and the resources made available to accomplish it if our Nation is to move toward the ideal of "one Nation, under God, indivisible, with liberty and justice for all." It is this word "all," with its special connotation of equal educational opportunity for all the children in America which has inspired most of our comments. We believe that here is the central concern, the true promise of what America will be in the years ahead—one Nation, indivisible, or two Nations divided.

The Commission fears that the President's statement, particularly his sharp distinction between *de jure* and *de facto* segregation, well may have the net effect, though unintentional, of signaling a major departure from the policy of moving toward integrated schools and that open society of which he spoke so well in his statement.

Last September, in its report on "Federal Enforcement of School Desegregation," the Commission pointed out:

"This is certainly no time for giving aid and comfort, even unintentionally, to the laggards while penalizing those who have made commendable efforts to follow the law, even while disagreeing with it. If anything, this is the time to say that time is running out on us as a Nation. In a word, what we need most at this juncture of our history is a great positive statement regarding this central and crucial national problem where once and for all our actions clearly would match the promises of our Constitution and Bill of Rights."

The Commission is aware that the problem of school segregation is one of enormous difficulty and complexity. Yet a realistic assessment of the scope and dimensions of the problem should not result in a resigned acceptance of its indefinite continuation or a defeatist conclusion that it is beyond our capacity to resolve. The Commission is convinced of the ability and will of the American people to respond affirmatively to a call to end the injustice that school segregation represents. This call requires a major investment of resources, the commitment of public and private officials on the Federal, State, and local level—indeed of all Americans—and above all, the continuing example of courageous moral leadership from the President of the United States.

Members of the Commission: Rev. Theodore M. Hesburgh, C.S.C., Chairman, Stephen Horn, Vice Chairman, Frankie M. Freeman, Maurice B. Mitchell, Robert S. Rankin, Manuel Ruiz, Howard A. Glickstein, Staff Director.

MISS LAURIE MICHELS, BOISE, IDAHO, WINNER OF ABILITY COUNTS CONTEST

Mr. JORDAN of Idaho. Mr. President, it was my pleasure to learn than an Idaho student, Miss Laurie Michels of 2120 Sunrise Rim, Boise, who attends Borah High School, is among the five national winners of the Ability Counts contest sponsored by the President's Committee and Governors' Committees on Employment of the Handicapped.

The contest was entered by high school juniors and seniors from public, parochial, and private schools in 46 States, the District of Columbia, and the Virgin Islands.

Miss Michels and the other contestants questioned personnel in State employment and State vocational rehabilitation offices, labor unions, and places of employment to find out about the contributions made in their communities by persons with physical disabilities. The other students who were winners in the Idaho State contest were Miss Kathie Brack, of Coeur d'Alene, Miss Deborah Whitman, of Caldwell, and Miss Jane S. Smith, of Boise.

Miss Michels' report, a tribute to the men and women who have not quit although burdened by severe handicaps, also is a tribute to the growing Idaho communities where handicapped persons are recognized as valuable additions to the work force.

It also speaks well of the dedicated persons throughout the State who have given guidance and special training to the disabled citizens—many of them young, returning veterans just starting adult life and careers—so that they are prepared for life as productive members of their communities.

We, in Idaho, are very proud of Miss Michels for her excellent essay on those fine citizens who personify the Gem State pioneering spirit: the determination to succeed no matter what the obstacle.

I look forward to meeting Miss Michels and her teacher, Mrs. Reid, while they are in Washington April 23 and 24 for the President's meeting on employment of the handicapped.

I ask unanimous consent that the entry by Miss Michels be printed in the RECORD.

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

THE DISABLED VETERAN AS A MANPOWER RESOURCE IN MY COMMUNITY

Another day begins at a near-by factory in my community. Machines whirr as each man starts his day's work. One employee, Carl Winger, sits at a wooden table where he makes rubber doormats. His fingers work nimbly as he lays the rubber strips in place and then binds them together. Farther on down the room, Adam Nicholas works at a loom, weaving colorful and attractive throw rugs. On the average, he puts out twelve rugs a day.

Ed Carver, a service station attendant, carries on a lively conversation with a customer as he fills the gas tank and checks the motor. Ed's cheerfulness and dependability make him an asset to the station.

On the outskirts of town a little boy grins happily as Dr. Henry Eidemiller, a veterinarian, hands him a silky Siamese cat that he has pulled through a bad siege of distemper.

While each man has a different job, all of them have two qualities in common. First, they are all handicapped in some way. The doormat maker is blind; the weaver's legs are paralyzed; the station attendant's hand is missing; and the veterinarian's left arm is useless. Second, all are veterans.

These men represent a great number of disabled veterans who have severe handicaps, but who have gone on to conquer them and to become hard-working citizens. Overcoming their handicaps was not easy; rather it was the end-result of continuing effort and untiring attempts to bring themselves to the full workmanship abilities that all possess. The skills disabled veterans have are diversified; they are employed in jobs ranging from a piano tuner to a school teacher, a congressman to a musician, and a corporation executive to a private pilot.

Even though most veterans are, or want to become, self-supporting, money is not always the dominant objective of employment. Often it is a deep desire within the disabled veteran to feel he is contributing to his community the talents and abilities he has to offer. These men will not permit their handicaps to bring them down.

Because of their unyielding enthusiasm, often they perform at higher rates of proficiency than the non-handicapped worker. For instance, in a lumber yard a blind veteran works at a power saw, turning out numerous bundles of wooden stakes. He puts several pieces of wood through the saw at a time. Occasionally a defective piece is used; however, his quick, sensitive, and accurate

fingers detect this error and toss out the faulty wood.

In some respects, a disabled veteran's handicap can turn out to be an asset. The deaf can block out distracting noises, and the fingers of the blind are much more sensitive to errors. Also, because of the positive and ambitious attitudes most disabled veterans have, they are inspiring to their more able-bodied co-workers. All in all, the working disabled veteran, whether he be a factory worker or a self-employed business man, is a great manpower resource and a good investment in my community's future and welfare.

The disabled veteran has a burning desire to succeed. He wants to reach out and to tell the world that "Ability Counts."

EQUITY DEMANDED FOR NORTHEAST'S CONSUMERS

Mr. McINTYRE. Mr. President, last week the Subcommittee on Small Business of the Banking and Currency Committee held 2 days of hearings on the critical problem of No. 2 fuel oil for the Northeastern States.

Members of the Senate and the House of Representatives testified and submitted statements in support of proposals for increased imports of No. 2 fuel oil to alleviate the tight supply situation, reduce consumer prices, and strengthen competition. Several witnesses proposed complete decontrol of No. 2 fuel oil imports; others supported the plan to provide 150,000 barrels per day of No. 2 fuel oil imports to independent deepwater terminal operators in district I, the east coast.

I should like to take a moment to put east coast needs in perspective.

Let us see what 150,000 barrels a day really means.

First, the 150,000 barrels per day of imports that have been proposed represents 1 percent of the refinery output of our Nation.

Second, there are 20 refineries—I repeat: 20 refineries—in our country that produce more than 150,000 barrels per day. Seven of them are in Texas and three in Louisiana. In other words, there are 20 refineries in this country that produce more oil—from that single refinery—than is being asked for all of the east coast.

Third, let us look at some of those individual refineries.

Standard Oil of California has a refinery at El Segundo that produces 200,000 barrels per day.

American Oil has a refinery of 300,000 barrels per day, at Whiting, Ind.

Gulf Oil has a refinery at Port Arthur, Tex., that produces 320,000 barrels per day—that is twice as much as we in the Northeast are asking for.

Mobil Oil has a refinery at Beaumont, Tex., with an output of 330,000 barrels per day and I might add that Mobil led the way with a 1-cent price increase on gasoline 2 weeks ago that is going to cost the American consumer $1 billion per year.

Texaco has a refinery at Port Arthur, producing 310,000 barrels per day.

Humble Oil has a refinery at Baton Rouge, La., producing 450,000 barrels per day. In other words, Humble Oil Co., has one refinery producing three times as much oil as is being sought for the entire east coast.

These figures speak for themselves.

They also demonstrate why we in the Northeast have been shocked and angry at the opposition of the major oil companies and oil producers to proposals for relief for our area.

We do not seek much; only a measure of equity.

But we are determined to get that equity. And we will not rest until the heating oil problem is solved.

I ask unanimous consent to have printed in the RECORD the testimony of Mrs. Bess Myerson Grant, the commissioner of consumer affairs for New York City, before the subcommittee.

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

ABOLITION OF QUOTAS ON THE IMPORTATION OF OIL INTO THE UNITED STATES

(Testimony of Bess Myerson Grant, commissioner of consumer affairs of the City of New York, before the Subcommittee on Small Business of the Senate Banking and Currency Committee, April 6, 1970)

Mr. Chairman, I am pleased to have this opportunity to discuss what may be the single most scandalous instance of exploitation which the American consumer must face in meeting her family's basic economic needs. I refer to the policy of maintaining quotas on the importation of relatively cheap foreign oil, and thereby fixing the prices which consumers must pay at artificially high levels.

In particular, I believe that it is important at this time to call attention to the Administration's apparent decision to scuttle the Report of the President's own Task Force on Oil Import Control. This Task Force was chaired by Labor Secretary George Schultz, and composed entirely of high level appointees of President Nixon himself. The Task Force's Report was prepared on the basis of nine months careful study, and after review of ten thousand pages of written submissions, by an exceptionally distinguished staff under the direction of Professor Philip Areeda of the Harvard Law School. The Report exploded once and for all the myth that oil import quotas serve to protect our national security. It exhaustively documented the fact that the only function of the quotas is to preserve the immense private profits of oil companies and oil investors.

The Task Force's recommendations were hardly radical. Indeed, I could not myself support them except as a necessary and temporary compromise. The Report did not propose the termination of Oil's status as a special object of government largesse. It suggested merely that the Administration alter the *method* of forcing consumers to make annual welfare payments to the industry. Tariffs, rather than quotas, the report demonstrated, could reduce fuel prices for the nation's consumers without jeopardizing the standing of any oil company with Dun and Bradstreet.

But the oil industry doesn't want to substitute tariffs for quotas. Tariffs would illuminate a bit too dramatically the injustice inherent in the sheltered status of oil. Therefore, they might awaken the American people to the need for even more fundamental reform. So Oil registered its opposition. And the Administration, it seems, has reacted accordingly. President Nixon made an implicit public promise not to tamper with the oil import quota system—at least not until after the November elections.

I congratulate this Committee for its courage in holding hearings on this vital question—in the face of the overwhelming pressure that can be brought to bear by an industry with $5 billion in annual revenues at stake. Only by educating the people and giving them the facts can we who care about this issue, convert our individual concern into public concern. Only thereby can we dismantle this system of legalized larceny. Only thereby can we force government to start protecting the people, and stop playing its present role—which is something like that of a cop in a crowd who stealthily picks the pockets of individual citizens and then distributes the proceeds to those hoodlums unable to succeed at the pick-pocket game without official aid.

The scale on which this game of picking the American consumer's pocket as presently played is dazzling. Mayor Lindsay's Commission on Inflation and Economic Welfare gave a conservative estimate that the total annual cost of oil import quotas to New York City's population is $95 million. The President's Task Force stated that each individual New York City family loses nearly $100 each year in excessive payments.

In the aggregate, the oil industry extorts an incredible total of approximately $5 billion each year from consumers across the nation by means of the oil import quota system. Not only do quotas excuse it from the inconvenience of meeting more efficient and less expensive foreign competition. Quotas also shelter the industry's devious price-fixing arrangements which have been created under color of state laws in oil-producing states. Moreover, oil companies even make vast profits from the resale of those amounts of foreign oil which Interior Department regulations allow to be imported under outstanding quotas.

Nearly $1 million is made *every day* from these resale rights. Since the beginning of the oil import quota program in 1959, Standard Oil of New Jersey has gained at least $305 million in this manner; Gulf has made over $290 million; and Standard of California has taken over $265 million. Every penny of these astounding totals rightfully belongs to tens of millions of ordinary families, many of whom have literally lost as much as $1,000 in excess payments for fuel—$1,000 which they could no doubt put to very good use in coping with the ravages of inflation.

There is only one conclusion a fair-minded observer can draw from these facts. The magnates of oil—and the politicians who serve them—have said, "The consumer be damned."

What else is there to say of an Administration which struggles to see that the surtax survives, while it shies away from showing even slight concern about this sacrifice of the consuming family's financial security to a powerful industry's greed?

That constitutes my general response to the state of things with respect to oil quotas. Now, if the Committee will permit me, I would like briefly to note some more specific criticisms of the existing program, which I have developed with the assistance of the staff of the Department of Consumer Affairs and other officials of Mayor Lindsay's Administration.

Oil from Venezuela or the Middle East could be delivered to the U.S. East Coast for about $2.00 a barrel. Oil from Texas costs about $3.90 a barrel on the East Coast. For New York State, these basic figures mean that the cost of the Program this year, 1970, will be almost half a billion dollars. When New England is added in, the cost is over eight hundred million dollars in this year alone. This means that the oil quotas will cost New York and New England almost as much this year as the Federal Government is spending to fight crime in 1970. According to the Report of the President's Task Force, over the next ten years, the extra cost to the nation's consumers of continuing this program will be about 65 billion dollars.

This is a huge, hidden tax on consumers across the nation—not only on those who live in the North—though Northern consumers are most seriously affected. Northern

states' economies receive no oil production taxes and they use oil for heating as well as for industry. Among the Northern states, New York and New England are most heavily taxed, because of their high consumption and great distance from the major producing areas. The Tax is compounded in the Northeast because pipelines, which offer comparatively economical oil and gas transportation, do not reach us. We must rely on U.S.-flag tankers, which increase the risk of pollution and which are approximately twice as expensive as U.S. owned ships under other flags.

A final defect in the system of import restrictions is that it achieves its goal in the most inefficient way possible, by using quotas instead of tariffs. The Task Force makes evident that either approach can yield the same U.S. price for oil. However, quotas make it impossible for small marketers to buy more than a fixed quantity from foreign sellers—an oligopoly can increase prices without worrying the foreigners might come and introduce competitive pricing into the market. Moreover, the quota encourages the state governments, as in Texas, to support prices by restricting the production of the most prolific (lowest cost) fields.

The naive might expect that a tax of this size—far higher than the annual cost of the C-5 and F-111 programs put together—would at least have a defensible reason for being.

Unfortunately, as the Task Force report makes clear, the national defense needs for the oil import program are largely a gleam in the eyes of the oil company PR men. The report points out that even the wholly unreal assumption that the U.S. and Canada receive no oil at all from any foreign country for one year, they would be able to meet all demand for oil by only moderate rationing of passenger car gasoline. The report points out that this contingency—total stoppage of all U.S. and Canadian imports of oil—is difficult to even imagine, short of nuclear war, at which point we would face problems far more serious than lack of gasoline for a Sunday drive.

As for World War II's relevance, the official history of the Petroleum Administration for War points out that rationing was imposed for two main reasons: (a) to conserve rubber tires, and (b) to give the population a sense of sacrifice. Crude oil was never in generally short supply—there were product shortages, but they were caused by lack of tanker transportation to the East Coast. In this connection, it is interesting to note the Task Force's conclusion that wartime tanker shortages, although not likely to be a problem, would actually be *worse* if the import quotas are continued than if they are entirely abandoned.

There are other inconsistencies which makes evident that the real purpose of the program is to protect the incomes of U.S. oil men. For example, oil from Canada is heavily restricted by hitherto secret agreements, even though no one seriously argues that the Canadians, who are equal partners in our air defense system, are a threat to our national security. The managers of the programs have found it possible to make even less rational distinctions: Canadian oil is allowed to come in over land, but may not be shipped over the Great Lakes nor, until this year, to Chicago.

The carefully reasoned conclusion of the Task Force, that the present system is unnecessary for national defense, has not to my knowledge been coherently challeged. I suggest that if one takes seriously the requirement of the Trade Expansion Act of 1962 that the national defense be found to be endangered before import restrictions can be levied, the present program should be considered illegal.

It seems clear, however, that outright elimination of oil quotas is not a realistic goal for this political year. Indeed, even the Cabinet Task Force's proposal that tariffs be substituted for quotas seems unlikely to occur.

Hence, I suggest a further compromise: the extension, in the present District I (which is the Atlantic States) of the present exemption of residual fuel oil to No. 2 fuel oil. As a compromise, it has several advantages. First, No. 2 oil is most widely used in the North, for home heating, and its exemption will therefore benefit the area which is hardest hit by the program. Areas further South and in the Midwest and Northwest have natural gas available, and the South has in any event less severe weather. Secondly, the exemption would not be so large a hole in the dike as to significantly reduce the present level of subsidy to the owners of oil lands. If the additional exemption has any general price effect, it would only offset the gasoline price increases currently being instituted by the industry, following the price leadership of Texaco in this case.

The third benefits of this compromise is that, unlike subsidies to only a part of the distribution chain, i.e., increased quota allocations to independent marine terminals or to Machiasport refiners, it will not simply end up in the pockets of the favored segment. This disappearance of the subsidy occurs when those who effectively set the price, usually the large, integrated oil companies, do not receive any subsidy, and therefore cannot force the price down.

The final benefit of decontrol of No. 2 fuel oil is that the number of sources of supply will be increased. Competition is aided because U.S. refiners of fuel oil will have to look over their shoulder at the price of imported oil when they set prices; this increases the size of the market which oligopolistic forces must control before prices can be artificially increased.

The present program adds to inflation, imposes an illegally discriminatory tax on consumers especially in the Northern two-thirds of the nation, and abets monopoly. At the least, we insist on decontrol of No. 2 fuel oil. By continuing oil import quotas in the face of irrefutable evidence that they serve only to fatten the profits of oil interests, the Administration has applied its special version of the Southern strategy to the cause of economic justice.

Mr. Chairman, the oil import quota system is a five billion dollar annual drain on the American economy. While billions ooze into the tax-sheltered pockets of the oil industry, the average consumer pays an extra $100 each winter to heat his home. Unfortunately, the President is stuck in the primordial politics of petroleum, and Congress is our only hope to clean up the slick.

I hope, Mr. Chairman, that you and the members of your Committee will be able to inform the public and to persuade your colleagues, so that we can begin to turn the tide of pressure and power, and to free this historic chamber of democracy from the domination of Big Oil.

TREATMENT OF PRISONERS OF WAR

Mr. DOMINICK. Mr. President, North Vietnam and the Vietcong in the south continue their cynical and barbarous policy which totally disregard both the letter and the spirit of the 1949 Geneva Convention Relative to the Treatment of Prisoners of War. That convention, which was signed by North Vietnam on June 28, 1957, provides the right of neutral inspection by the International Committee of the Red Cross and for regular mail communication between prisoners and their families. Hanoi has not made even the smallest gesture toward regular repatriation of sick and wounded prisoners despite the number of unilateral releases of sick and wounded North Vietnamese prisoners by South Vietnam. Furthermore, North Vietnam grimly refuses to give any true accounting of the number of prisoners being held. Not only does such action constitute cruel and inhuman treatment of the prisoners being held, it is sadistically cruel to the anguished families who anxiously wait to hear whether their missing serviceman father, son, or husband is dead or captured.

Since the first U.S. Army adviser was captured by the Vietcong in March 1964, the number of U.S. servicemen listed as missing in action or captured in Southeast Asia has grown to a current total of more than 1,400. About 150 of these men have been missing or captured for more than 4 years, and more than 300 of them have been missing for three and a half years, which is longer than any U.S. serviceman was held prisoner during World War II.

Mr. President, the Council of Trustees, Association of the U.S. Army, has adopted a resolution which clearly expresses the anger and outrage felt by most Americans toward North Vietnam and the Vietcong because of their cruel and inhumane treatment of American prisoners of war. I ask that this resolution be printed at this point in my remarks.

Mr. President, six Members of the Senate and six Members of the House of Representatives have joined in sponsoring a bipartisan "appeal for international justice" for American prisoners of war and our men who are missing in action in Southeast Asia. Also joining in this observance will be almost all the veterans' organizations and a great many interested individuals. The observance will be highlighted by a mass rally to be held at Constitution Hall at 8 p.m. on May 1, 1970. I hope that many Senators will join with us on that occasion to show our support for our imprisoned servicemen and our concern for their families.

Very recently, I met with a great many of the families of these men who are from Colorado, and I know that they will welcome this action to show that Americans do care about our missing servicemen, and that we will not tolerate the cruel and cynical actions by the North Vietnamese and the Vietcong toward American prisoners of war.

I ask unanimous consent that a resolution of the council of trustees, Association of the U.S. Army, be printed in the RECORD.

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

RESOLUTION OF THE COUNCIL OF TRUSTEES, ASSOCIATION OF THE U.S. ARMY

The actions of the Hanoi government in its treatment of prisoners of war are both shocking and disgraceful. Up to 1,400 members of our country's armed forces who are missing in action may be held prisoners under circumstances and conditions that are in grave violation of not only the Geneva Convention, but of the principles of human decency itself.

The government of North Vietnam and the

Viet Cong have subjected these honorable fighting men to barbaric and cruel treatment. There is evidence that captives have been miserably fed, provided with inadequate or no medical care, ridiculed and reviled in public, subjected to such outrages as beatings and solitary confinement, and exploited for propaganda purposes.

Hanoi has repeatedly ignored entreaties by our government for the names of men held prisoner. This calculated and cruel omission has had the effect of extending the suffering of the prisoners to their anguished relatives, many of whom do not even know if men now listed as missing in action are alive.

Despite the fact that the government of North Vietnam is a party to the Geneva Convention on the Protection of Prisoners, its leaders have made a mockery of its provisions. They have not only mistreated prisoners but flagrantly violated such primary tenets as allowing neutral inspection of prisons and permitting such basic amenities as the exchange with relatives at home of letters and packages.

Spokesmen for North Vietnam and the Viet Cong have sought to justify their despicable conduct by characterizing our troops as "criminals" while callously refusing to even acknowledge pleas for information and humane care by government officials, congressmen, the American public and the wives of missing men. Nor, apparently, has the fact that our side has treated fairly the some 30,000 North Vietnamese and Viet Cong prisoners of war influenced these cruel jailers to even partially reciprocate.

We condemn this barbaric treatment of American fighting men and their families and strongly endorse the efforts of our government and other organizations and individuals to persuade the government of North Vietnam to live up to the solemn promises it made when it became party to the Geneva Convention and to convince the Viet Cong to do likewise.

ELVIS J. STAHR,
Chairman.

PROPOSED FEASIBILITY STUDY FOR A LAKE TAHOE NATIONAL LAKESHORE

Mr. CRANSTON. Mr. President, this morning hearings were held by the Subcommittee on Parks and Recreation on S. 2208, introduced by the distinguished Senator from Nevada (Mr. BIBLE), which would authorize a feasibility study for a national lakeshore on the Nevada portion of the Lake Tahoe Basin.

Lake Tahoe is one of our truly spectacular national resources. Its clear, icy waters and the breathtaking beauty of the surrounding Sierra Nevada Mountains have attracted great numbers of people to enjoy the recreational facilities of the basin. During some periods in the peak summer months, over 100,000 people can be found there at the same time. This demand has resulted in increased residential and commercial development around the lakeshore. Senator BIBLE's bill is an attempt to preserve the undeveloped areas and I congratulate him for his foresight and his action.

While the bill would limit the study to the Nevada shore, an amendment has been suggested by the Department of the Interior which would expand the study to include the two-thirds of the Lake Tahoe shore which lies within California. This proposal has my support because I believe any feasibility study must take into consideration the potential of the entire basin. I hope the subcommittee will give every consideration to this proposal.

OPEN DUMPING IN LAKE MICHIGAN

Mr. SMITH of Illinois. Mr. President, today President Nixon has transmitted his Great Lakes disposal message, embodying a bold new commitment of Federal funds and energies to prevent open-lake dumping of polluted dredged materials. I welcome the President's message and proposals and congratulate the administration for its "new look" approach to the problems of dredged materials disposal. Those of us privileged to live along the Great Lakes are very much encouraged by this action program, which we feel is long overdue, to prevent further despoilment of a great natural, national heritage.

Mr. President, I take special pride in the President's message, because open-lake dumping in Lake Michigan has been the topic of the President's and my mutual interest for some time. It was, in fact, a principal topic of our discussion when the President traveled to Chicago in February for the historic first meeting of his Environmental Quality Council. Since then, it has been a continuing topic of study and discussion between our respective staffs. I ask unanimous consent that the text of my latest communication to the President on open-lake dumping in Lake Michigan be printed at this point in the RECORD.

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

U.S. SENATE,
Washington, D.C., March 13, 1970.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: This letter has two purposes. First, I want to convey the congratulations and overwhelming support of Illinois citizens for your historic anti-pollution program. Our State, unique in its diverse geography, industry, and agriculture, and abundantly blessed with natural as well as human resources, has a life-and-death concern about pollution problems. Its citizens are drawing new hope for improvement of the quality of life in America from your firm commitment to a better environment. I am very proud to be a Senate cosponsor of all of your legislative proposals on the environment. We in Illinois pledge our continuing support for your great efforts to prevent further fouling of our air, water, and natural resources.

I am also writing to formally alert you to the concern of our citizens about the dumping of polluted, dredged materials into Lake Michigan by the Army Corps of Engineers. Some weeks ago, the Corps announced that it intends to proceed with the open-lake dumping of over 1.5 million cubic yards of dredged materials this year.

Few announcements in the history of this Administration have been as ill-timed. The Corps' statement came only days after your visit to Chicago for meetings on environmental problems and only days before you sent your program on the environment to the Congress. The people of Illinois were appalled by the announcement. Their public officials' reactions ranged from disappointment to denunciation. The Department of the Interior expressed its unreserved disapproval. But the Corps could not be budged. It defended its practice, arguing that dredging was necessary to maintain navigable waterways in and around the Lake and that open-lake dumping was the only available means of disposing of a large percentage of dredged materials.

In the constructive spirit of our meeting on environmental problems in Chicago last month, I offer the following suggestions for resolution of the deplorable impasse, between the people and the Interior Department on the one hand and the Corps of Engineers on the other, that permits the dumping to continue.

I urge you to order the immediate curtailment of all but that Lake Michigan dredging absolutely essential to the maintenance of navigable passageways for carrier vessels and to require the disposal of dredged materials by means other than open-lake dumping to the greatest extent possible.

I also urge you to send the Congress legislation that would halt the open-lake dumping of polluted dredgings for at least a five year period, while a permanent solution to the problem of dredged material disposal is worked out. Such legislation would, of course, require creation of an alternative disposal program for these materials. In my opinion, a program of this nature should include the following features:

Federal assistance to States or non-federal agencies for the acquisition of unused or unusable land, suitable for the construction and operation of dredged materials disposal facilities. Federal assistance in such acquisition could be limited to 50% of the value of the wasteland, contributed either in cash or in the transfer to the State or non-federal agency of Federal land suitable for similar use, or for other public use and benefit.

State or agency acquisition and retention of title to all disposal land and facilities, with power specifically reserved to the State or agency to plan and execute rehabilitation of the facility site, and to use or convey the facility site after its rehabilitation, without penalty or remission of proceeds to the Federal Government.

Federal-State participation in the cost of constructing and maintaining dredged material disposal facilities adequate to receive the volume of materials dredged from the Great Lakes and surrounding waterways during the life of the program. Federal participation could be limited to 50% of the costs involved in erecting, staffing, equipping, and operating the facility, and in its post-usage rehabilitation for public, recreational, or other use.

Federal transportation of federally dredged materials to the disposal facility. Transportation of all other dredged material to the disposal facility by the dredging party, public or private.

Licensing of nonpublic use of the facilities at reasonable fees. Such fees should approximate reimbursement of the Federal and State or agency costs of the nonpublic use in question. Fifty percent of the revenues collected from such licensed usage should be returned to the participating State or agency to assist in retiring its costs of acquisition, maintenance, and rehabilitation of the facility.

Federal and state or agency participation in the administration of the facility, including joint representation on any policymaking body created to guide the facility operations.

Federal operation of the facility.

I am informally advised that such a program might cost the Federal Government fifty million dollars over a five year period or ninety million dollars over a ten year period. Preservation of the Great Lakes for ourselves and our posterity would surely repay our investment many times over. I hope that the Administration will respond to this specific pollution crisis of the Great Lakes with the same commitment reflected in its general environmental program. I stand ready to render any assistance you may request in this effort.

Sincerely yours,

RALPH TYLER SMITH.

Mr. SMITH of Illinois. Mr. President, that letter reflects my own strong anti-

dumping stand and the details of antidumping legislation I proposed to the President. In some ways the President's proposals do not go as far as I had suggested, but I shall be proud to cosponsor the President's bill as a history-making first step, and hope to present some amendments of my own when the legislation is considered in committee. Mr. President, President Nixon's proposals are an implicit recognition of the principle that public works projects, no matter how desirable, must not be permitted to pollute and despoil. They further recognize the sound principle that, if Government aims to eliminate pollution, it should first guarantee that its own activities do not pollute.

The dredging of shipping channels in the Great Lakes is an important factor in the maintenance of a healthy, vital, economic climate in my own State of Illinois. Only today, in a statement prepared for delivery before the Senate Rivers and Harbors Subcommittee, I strongly endorsed the proposed Waukegan Harbor project for Lake Michigan. But my statement also reflected what I feel is a legitimate concern for the ecology of Lake Michigan. I said:

> I am particularly pleased to note that the letter of intent includes the fact that dredgings will be deposited in on-shore disposal areas rather than spilled back into Lake Michigan.

I think my statement reflected the only sound approach to pollution abatement—stop the pollution before it starts. Build into every new project, and older ones as well, positive guarantees against pollution.

I shall continue to pursue this course as future projects come along.

The people of Illinois know the value of Great Lakes commerce to the State's economy. Many of their jobs depend on the shipping and lake-related industries. Yet, they have been and again demanded the cessation of the open-lake dumping of dredged materials—not because they want to see shipping and industry come to a halt in the Great Lakes region, but because they believe that shipping and industry can continue to prosper without continuing to pollute. The people of Illinois look to their public officers to accomplish that goal of progress without pollution by strict enforcement of antipollution regulations. They expect action, not words, directed toward pollution abatement. They insist upon the creation of programs "with the teeth in them"—and the dollars in them—to do the job. They deserve nothing less.

Mr. President, I believe President Nixon's bold new commitment to progress without pollution deserves a similar commitment from each of us. And so today, I am announcing a policy that some may regard as politically naive. I believe it is one I owe my constituents, so many of whom are already engaged in action programs to fight pollution. While others seize upon the popular appeal of an antipollution campaign, mouthing platitudes and exploiting the new rhetoric of pollution, this one U.S. Senator will be taking action. I am today announcing the following commitment as junior Senator from the State of Illinois: From this day on, I shall use my office as Senator to oppose each and every new Federal public works project for the State of Illinois, if plans for those projects do not include an adequate concern for the ecological effects of their execution. In other words, I am serving notice here and now to every State and local government officer, and to every interest group, that RALPH SMITH will do his best to see that no more Federal dollars are spent on new public works projects in Illinois unless those projects include completely adequate safeguards to control pollution and other detrimental ecological effects of the projects. Mr. President, this is no easy stand to take for a man who is searching for all the support he can get in an election year. I believe, however, that time—and my constituents—will prove it a sound one.

STAN PATTY ON ALASKA

Mr. STEVENS. Mr. President, in March 1966, Atlantic Richfield Co. and Humble Oil and Refining began drilling a "wildcat" well tagged Susie Unit No. 1. Susie was drilled to 13,500 feet and, in January 1967, was abandoned as a "dry hole".

Stanton Patty, staff reporter for the Seattle Times, traveled for 3 weeks over 5,600 miles in Alaska to prepare a comprehensive feature for the newspaper about Alaskan oil and its effects on the State.

Delving into Alaska's oil history, Reporter Patty captured the drama which began 3 months after explorers learned the unhappy truth about Susie No. 1. In April 1967, Patty reports:

> The drill rig was dragged north 60 miles to Prudhoe Bay and another exploratory well—Prudhoe Bay Site #1—was spudded in on April 8, 1967. Exactly a year and one week later it struck oil. This was the discovery well. . . . The rush was on.

But with the thrill of discovery came a rush of problems Alaska had not anticipated. Stanton Patty measures the high tension among Alaskans themselves. He describes the people of the terminus city of Valdez as "jubilant but jittery." "This certainly should bring new life to the town," he quotes one resident. "I think it is a good thing. The only thing that bothers me is that there are people in town now we do not know. Used to be, you knew everyone."

Patty recounts the investment of huge sums of money into Alaska—$15,000 a day just to keep a drilling rig going and each rig worth $2.75 million.

His article describes the controversy among legislators and government officials on how to handle Alaska's new economy. Patty accurately describes the drama of drilling; the community problems of Valdez, Alaska; Fairbanks, and Anchorage; the legislature sparring to plan for Alaska's economy and he correctly reads the desperate hope of Alaskans to avoid repeating America's environmental history.

Stanton Patty observed:

> Conservationists are keeping on the pressure so that Alaska can have its oil prosperity and its natural beauty, too.

At a time of environmental crisis, Americans have turned to watch the young State of Alaska cope with development of new industry on the North Slope and handle environmental protection which must accompany industrial growth.

I ask unanimous consent that several articles by Stanton Patty, reviewing both progress and problems in Alaska today, be printed in the RECORD.

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

ACTION'S HOT IN FROZEN NORTH

(By Stanton H. Patty)

(Oil is the magic word today in Alaska, with the vast Arctic plain known as the North Slope is the focal point. Its a story involving billions of dollars in expenditures, and countless controversies. Stanton H. Patty, Times staff reporter, has spent the past three weeks on the scene—from the drilling rigs to the halls of the Legislature. He traveled more than 5,600 miles, using transportation ranging from North Slope cargo planes to trucks on the ice road to the Arctic. Here is his first report.)

PRUDHOE BAY, ALASKA.—The derricks of the drill rigs are like steeples against the pale winter sun.

Men, caked with ice and drilling "mud," labor in temperatures so brutal that exposed flesh freezes in a matter of seconds and metal snaps as if it had no more strength than a matchstick.

Stretching from here to the horizons is the frozen desert they call the North Slope, a tundra prairie the size of Washington State tilting gently to the Arctic Ocean.

This is Prudhoe Bay—one of the most exciting spots on the planet today.

Buried deep under the tundra are billions of barrels of oil and great bubbles of natural gas to help fuel the nation.

High-rolling oil companies paid the State of Alaska more than $900 million last September for leases on 179 tracts on the North Slope. Not all of the bidders were dealt winning hands, but overnight, Alaska suddenly in the chips.

Finding the oil—and then getting it to market—is expensive up here, many times what it would cost in what Alaskans refer to as "the smaller states."

But soon there will be a pipeline four feet in diameter reaching out from Prudhoe Bay to tidewater at Valez 800 miles away across rivers and mountain ranges.

It may be the first of several pipelines. And as the drama continues to unfold, geophysical crews may turn up other petroleum fields in Alaska to rival Prudhoe Bay.

The Prudhoe Bay story began perhaps 400 million years ago when most of the continent was covered with water. Marine animals and plants in the shallow seas died and sank to the bottom.

Over the ages, nature formed layers of sediment and converted the organic matter to oil.

There had been reports of oil seeps in the areas almost a century ago. But the treasure was elusive.

In March, 1966, Atlantic Richfield Co. and Humble Oil & Refining Co. began drilling a "wildcat" well tagged Susie Unit No. 1, Susie was drilled to 13,500 feet and in January, 1967, was abandoned as a "dry hole."

The companies almost gave up the search.

However, the drill rig was dragged north 60 miles, to Prudhoe Bay, and another exploratory well—Prudhoe Bay State No. 1—was spudded in on April 8, 1967. Exactly a year and one week later it struck oil. This was the discovery well.

Then on June 25, 1968, Atlantic Richfield and Humble announced that a second well—Sag River State No. 1—just seven miles away, had found oil. This was the confirmation well.

The rush was on.

ALASKA'S PRUDHOE BAY

(By Stanton H. Patty)

PRUDHOE BAY, ALASKA.—The sharp-edged wind and the temperature had teamed up for a cruel "chill factor" of minus-57 degrees in this men-only land. Gusts swirled puffs of snow across the bleak landscape.

A rigger from Texas, his face mask glazed with grime, said it all in one frosty breath: "It's a helluva place for an oil field."

This is Prudhoe Bay, the birthplace of the North Slope oil boom, 390 miles north of Fairbanks.

No longer a wilderness most of the maps forgot until now.

Tall drilling rigs perforating the tundra miles deep, the comfortable Atlantic Richfield-Humble base camp with modular housing units shipped from Seattle, a busy, ice-coated airfield with its own control tower, a new refinery to produce fuel from North Slope crude for the drills and heavy vehicles, a shallow-water port on the receiving end of the Seattle summer sealift . . .

Prudhoe Bay State No. 1, the historic discovery well that started it all two years ago, is seven miles northeast of the base camp near the shore of the Beaufort Sea.

Just a few paces from the airstrip is an unimposing little building covering a bright-red assembly of pipes and valves they call a "Christmas tree" in oilfield jargon. This is the top of the confirmation well named Sag River State No. 1.

In a way, this already is a producing oilfield.

Atlantic Richfield (ARCO in the trade) is drawing 4,000 barrels of crude oil a day from Sag River State No. 1 to manufacture 1,000 barrels of diesel-like Arctic fuel in its new "topping plant" here. The residue is pumped back into the hole for another day.

The kitchen-clean refinery is so automated that just two men can operate it on a shift.

Before the $2 million plant opened in October, ARCO and Humble had to depend on fuel brought in by air or sea—at costs as high as $125 a ton. Now there is enough production from this operation to sell some to rival companies drilling in the area.

Secrecy is a big part of this business. But the best guess is that 16 or more drills are punching holes in the North Slope today.

Most are exploratory wells, with their gambling owners following up September's auction when the oil companies bid more than $900 million for state oil leases up here.

The ARCO-Humble combine has five rigs at work on the slope. Others reportedly include BP Alaska (a part of British Petroleum), Gulf, Home Oil, Mobil, Union and McCulloch.

Experts say the tempo is certain to increase soon after final approval from the Interior Department for the 800-mile-long pipeline from Prudhoe Bay to Valdez.

They talk in big figures in these parts.

It cost something like $7.5 million to drill the ARCO-Humble discovery well. The 200-man base camp and refinery here had a price tag totaling $10 million.

Each of the Rowan Drilling Co.'s rig and camp units designed to be hauled around by helicopter is priced at about $2.75 million. And it averages $15,000 a day just to keep one of those rigs running.

Ike Huval, 40, a colorful drilling engineer from Texas, has a North Slope map in his office speckled with fluorescent-red dots marking the various well sites.

"Each one of these dots represents about $3 million in spending," Huval said. "That means it already amounts to $60 or $70 million."

When you add the bids the oil companies put on the line in the state lease sale—and the fact that some are sure to be some disappointing dry holes—you are talking high finance. No wonder that some have coined the term "megabucks" to describe the stratosphere spending in the North Slope oil boom.

But the rewards will be high, too, for the lucky ones. The slope already is being termed one of the world's great oil basins. And the curtain is hardly up.

The cold wind sears your face and you ask why anyone would work under such punishing conditions.

The pay is good, that's why. Besides, oil workers are kind of a special breed accustomed to rugged living.

"A man's gotta work someplace," said L. C. Baker, 38, a driller from Oklahoma City. "It's not so bad when you get used to it."

Baker has moved his wife and six children to Anchorage, 600 miles away. He works for four weeks (12-hour shifts seven days a week), then takes off two weeks at company expense.

Survival is something they must think about constantly to stay alive in winter. Frostbite can occur in seconds.

They had chill-factor conditions of almost 100 degrees below zero the other day, but Huval's crew was able to keep working.

"Obviously, your efficiency falls off in cold weather," Huval said. "You have to stop and warm up from time to time. You have to wear gloves and heavy clothing that hinders your movements.

"Imagine having to put a nut on a bolt with mittens on and not being able to take them off."

The rules here go something like this: "No women, no booze, no guns."

Men complain about the weather and being away from their families. But Huval says this is normal.

"I'd be worried if they didn't gripe," he said. "This is how you can tell if they're OK."

Huvals rig is boring a "development well." That means the companies already know there is oil there.

The 177-foot-high rig will drill five or six directional wells from this position, chewing down and sideways by following angles and bearings as a navigator might prescribe.

The rotary drill assembly itself in the hole weighs 230,000 pounds and is 9,000 feet down in clay and shale. It takes 7½ hours or so just to hoist this much gear to the surface to change bits and get started again. That happens every 24 to 30 hours.

ARCO and Humble are taking pains to protect the ecology of the North Slope.

The drilling rigs are placed atop gravel pads five to seven feet thick as insulation for the permafrost. Even the dike-like roads are built on gravel fills. The Prudhoe Bay base camp has a sewage-treatment plant said to be as modern as any city's.

Among the visitors this day was Gerald Ganopole, an Anchorage geologist who is chairman of the Alaska chapter of the Sierra Club.

Ganopole had harsh words for exploratory crews that scarred the tundra at times, but praised what he saw at Prudhoe Bay.

"The companies that have production here are making a very sincere effort to minimize their impact," he said. "But it still takes very close regulation, which the state isn't set up to do yet.

"Oil is one industry that can be nearly compatible with the environment, unlike mining or forestry. "If properly done, you really don't have to know it is there."

Now you drive across the ice of the Beaufort Sea to another drilling site seven miles from camp. This one is different: It is an ARCO-Humble exploratory well—in search of oil—being drilled on a confidential or "tight hole" basis.

On the shore you pass by the new camp owned by PAC, the Seattle tug and barge firm. PAC and Puget Sound Tug & Barge Co., in a joint venture called Arctic Marine Freighters, carried out the spectacular sealift from Seattle to Prudhoe Bay last summer and will be back this year.

The towering cranes that offloaded the cargo are at rest now, like frozen sculptures. Wipe the snow from the small barges that were sunk purposely to provide a pier and you uncover names such as "Lemming," "Arctic Fox" and "Ptarmigan."

Wind drifts heaps of snow across the ice trail as you approach the "wildcat" well. On the drill floor, struggling, silent men, working in rhythm, are changing a bit. Their coveralls are smeared with ice and drilling mud. The cold is bitter and biting. The sun is gone after a brief stay.

Like the man said:

"It's a helluva place for an oil field."

"ICE HIGHWAY" GETS THE JOB DONE

(By Stanton H. Patty)

FAIRBANKS.—They call it the ice road. And some other things, too.

It begins 81 miles north of here at the old mining town of Livengood and courses north for 420 difficult miles over frozen rivers and mountain passes to Sagwon in the heart of the North Slope oil country.

"Ice Road" is something of a misnomer. What it is is a winter trail, a bulldozed path for trucks through the wilderness paved with ice, snow and ruts.

It is a slow, tortuous route—and the target of conservationists who poke fun at it as a "ditch" or "canal" after spring breakup closes the road. But the truckers, pleased with the chance to get a piece of the action in the North Slope cargo haul, say the road is doing exactly what it was designed for.

Except for lack of maintenance by the state in one 30-mile stretch (which is being corrected), they have no complaints.

Officially, this is the Walter J. Hickel Highway.

Named by Gov. Keith H. Miller for Interior Secretary Hickel, who ordered the pioneering road to the oilfields opened late in 1968 when he was Alaska's governor.

(They say there are times, especially when conservation forces are criticizing the highway, that Hickel wishes the honor had gone to someone else.)

The state built the road last winter in a crash program that cost something like $766,000. It opened in March and closed a month later, as anticipated, when the spring thaw arrived and water began flowing over the reinforced ice bridge across the Yukon River. In the meantime, the truckers managed to move 7,400 tons of freight to the Arctic in a race with the warming weather.

Conservationists weren't the only critics. There were charges that the road cost the state about double its estimate and the rest of the funds had to be diverted from highway-maintenance funds for other areas.

Governor Miller said in September that the route would not be reopened this winter. There was not enough money.

However, the trucking industry and Fairbanks itself applied pressure and in November Miller announced he was ordering a "partial" reopening, as far as Bettles. This is Beyond The Yukon River and halfway to the North Slope.

Truckers and contractors joined forces with the state to help with the job. And by January 15 the first trucks were rolling north.

The reason for the urgency: Contractors needed the ice road to move in fleets of heavy equipment for the $100 million access road north of the Yukon they will build for the giant TAPS pipeline to carry North Slope oil to market. A junction near Bettles is their staging area for the The Big Road job.

In fact, several of the contractors (at this writing still nervously awaiting a federal

permit to build the TAPS road) agreed to reopen the ice road north from Bettles to Sagwon, if the state would maintain it. The state agreed and the Legislature recently approved a supplemental appropriation of $250,000 for this work.

The Hickel Highway will disappear next month—perhaps forever.

By next winter, the TAPS road—a permanent, all-weather road—may be open all the way to Prudhoe Bay on Alaska's rooftop.

The pipeline-support road is being constructed to state-highway standards and according to Interior Department stipulations for guarding the permafrost-floored environment. Eventually, it will be turned over to the state.

That is the background.

It is 9 o'clock now on a black, chilly night in Fairbanks. Time for another truck to move out.

The driver is Pard Richards, 47, an Alaskan for 23 years and a trailblazer on the ice road. He works for Weaver Brothers, Inc., one of the major trucking firms in this area. Richards was in the first convoy to Sagwon last year, right behind the bulldozers, and piloted the first truck to Bettles this year.

Tonight's trip to the Bettles area will be his fifth in the past 12 days. The circuit takes about 48 hours.

Pard stacked cartons of "groceries" into the cab of his big Kenworth cabover tractor and started the diesel. There are no cafes or sleeping accommodations ahead—not even communications facilities.

The cargo on the trailer is a construction-camp housing unit weighing 12,000 pounds. Pard also is carrying spare parts and extra fuel to help other trucks along the way, if needed.

"A nice light load," "Hardly enough to hold us down. We should be able to go like the dickens."

It was 9:40 p.m., when the dark-green truck pulled out of the Weaver Brothers yard and turned onto the Steese Highway toward a speck called Fox. There, amid the tailing piles left by gold dredges long ago, the route branches to Livengood and the ice road.

Slender birch trees formed an aisle in the headlight beams. The moon glowed like a silver dollar. From the hill, the lights of growing Fairbanks twinkled in the distance.

"It's great country," Pard said. "I'm sure not planning to leave."

Beyond Fox, Pard maneuvered across the frozen Chatanika River. Moonlight shimmered on the ice, pointing the way.

Later, at the Tolovana River, the temperature dropped suddenly. Richards turned up the heater.

"This is always a cold spot," he said.

The time was 1:10 a.m., when Pard stopped atop a steep grade above almost deserted Livengood to wrap chains on the truck tires.

Now the Hickel Highway.

From now on, the trucker is mostly on his own. It is lonely, magnificent country. The sign warns truckers to carry survival gear.

The truck growled through the darkness, jiggling on the icy "washboard" surface of the narrow trail.

"There has been a lot of exaggeration about how much damage the road is doing to the country," Richards said. "It's a good road—and good for Alaska.

"This is creating jobs, bring cheaper fuel to flying operators in the bush and opening up a vast area everyone will be able to enjoy."

But Richards is a conservationist, too.

"I'd like to see this kept as a wildlife preserve," he said. "I'm all for conservation, but I don't understand those who oppose every development that comes along."

Pard stopped at 4:15 a.m., to loan a chain to another truck—the first he had met all night—that was limping along with a heavy bulldozer on its trailer.

An hour later he parked on the side of the ice road to catch a nap, sleeping in the driver's seat. Outside there was no sound but the north wind.

FABLED YUKON RIVER MARKS ACTUAL BEGINNING OF HICKEL HIGHWAY

(By Stanton H. Patty)

NORTH OF THE YUKON RIVER.—It stretched out ahead at sunrise, a band of white fringed with a wall of dark spruce.

"There it is—the Yukon!" Pard Richards said.

The Yukon, that fabled path to yesterday's gold fields that summons up names like Klondike, Fortymile, Circle and Nome.

This is where the Hickel Highway, the winter truck road to the black gold of the Arctic, really becomes an "ice road." Line of stakes across the frozen Yukon form a slender corridor to the other side.

Richards guided his big Weaver Brothers truck from Fairbanks onto the river and started across cautiously.

"Ice may be unsafe, cross at your own risk," warned the sign at the entrance.

But the ice was solid. Erling Nesland, from Fairbanks and his Indian helpers had built the "ice bridge" for the Yukon crossing well.

Nesland, formerly of Kent, was on the north bank of the river this frosty morning to see how the invisible span was holding up to the heavy parade of truck traffic.

"I figure it will be good to about April 10 or so when the thaw takes it out," he said.

Strings of spruce and cottonwood logs across the river in three tiers and laced with 7,000 or so green willow poles form the bridge. Water pumped from the river and poured over the network, freezing and covering the foundation to a thickness of four feet. The river continued to freeze downward under the bridge and now there is 68 inches of ice for the trucks.

The crossing is six miles upriver from Stevens Village, where Nesland recruited his workers.

After a cup of coffee with Nesland, Pard continued north with his cargo, a camp-housing unit for one of the crews that will help build the access road for the TAPS pipeline on the North Slope.

Destination: Four Corners, a junction near the community of Bettles. Round trip from Fairbanks is 440 miles and about 48 hours.

It was an exquisite morning with bright sunshine and a powder-blue sky. Solitary game trails were pressed into fresh snow across the lakes and streams.

No sign of civilization, not even a passing truck for hours. Just Pard Richards and his truck winding and bumping through the silent white wilderness.

Yet, spaced out somewhere on the road, were more than 50 such trucks hauling construction equipment north and returning to Fairbanks for more. All are trying to beat the spring-breakup deadline that will turn the winter highway into a useless quagmire.

Past hot springs painting the trees and bushes with lacy patterns . . . a crippled truck, like a broken toy, waiting to be towed home . . . the desolate, moonscape floor of the Kanuti Flats owned by the caribou and the wolf where a jabbing wind toppled a truck . . . the steep grade into the Koyukuk Valley with the panorama of the Brooks Range far beyond to the north . . . a stop for lunch as Richards warmed cans of food on the truck's engine . . .

"Some country," Pard said appreciatively during the break.

It was 2:45 p.m. now. Pard had left Fairbanks at 9:40 last night and so far had mapped only two hours or so.

The truck rumbled forward again through the valley. The sun was almost gone.

Then company—at the state's highway-maintenance camp at Fish Creek. It would be good to visit with someone and have a cup of hot coffee.

Loren Lindsoe, a maintenance man from North Pole, a town near Fairbanks, was in the mess hall. He has been home twice since November.

"Sure, I miss my family," he said. "But this is my job."

The wind was building and snow began blowing across the road as Pard passed a red sign marking the Arctic Circle. Whoever lettered the sign forgot to put one "c" in Arctic, but didn't seem important.

Snowing harder now. Visibility was dim as the truck crossed the Jim River. Then up the last hill to the junction at Four Corners where Pard was to deliver his load.

"I have a house for you," Pard told John Johnson, the Weaver Brothers ramrod here. "And now I think I'll take a sleep."

Bone-tired, Pard stretched out on a cot in Johnson's room to rest until midnight. The time was 7 p.m.

Right at midnight, Pard was up. He washed his face and headed for the mess hall. He seemed fresh and ready to start back to Fairbanks.

Other drivers, mostly newcomers from the "lower 48", were sitting around a table comparing notes and cursing the Arctic.

"Nobody back home would believe this," one said with a Texas drawl.

Outside, diesels snorted as the junction area filled with trucks. It looked like a wartime staging area. More material, more muscle, for getting that North Slope oil out of the frozen ground.

Just before 1 a.m., Pard was on his way home, toting another tractor on his long trailer.

A storm was moving snow across the trail with clouds of powder swirling in the wind. In the headlights, the snow was a blinding curtain of white tracers.

THOSE DARING CARGO FLIERS

(By Stanton H. Patty)

FAIRBANKS.—The word came from the radio operator in the trailer-house office alongside the Fairbanks airport.

"Prudhoe weather is better."

The flight crew hurried through a curtain of falling snow to the Hercules transport plane, stripped in and began the litany of the pre-take-off check list.

Ahead, unless the weather suddenly turned sour again, was another cargo flight to Prudhoe Bay, a hot spot of the North Slope oil rush.

Routine—yet involving some of the most dangerous flying anywhere because of the still-primitive navigational aids on the Slope and foul weather.

The North Slope is dotted with airstrips. Inside the batter-thick overcast at any time may be coveys of light planes, big freighters like this four-engine Hercules, helicopters and a miscellany of others ranging from old C-46 transports to executive jets.

They can't see each other. There is no radar control on the Slope. Collision danger is great.

Yes, flying weather has "improved" at Prudhoe in the past few minutes.

But that still means snow, a 1,500-foot ceiling, perhaps one mile of visibility and below-zero temperatures.

All the pilot will have to "home in" on is a low-frequency radio beam at Prudhoe as he drops the "Herc" through the overcast toward the icy runway.

This is an Alaska Airlines Hercules, one of the workhorse aircraft in the incredible North Slope airlift that has hauled in everything from oil drills to fresh eggs for the oil companies.

The crew members are from the Seattle area:

Ron Clarke, pilot; Drew Roddy, co-pilot, and David Knutson, flight engineer.

Clarke, with movie-star features and grey-

ing, close-cropped hair, is the veteran. He has been with Alaska 21 years, flying the DEW Line up here as far back as 1959 and even piloting the "Hercs" in Vietnam. Roddy, a chemist who would rather fly than be chained to a laboratory job, has been flying the North Slope run for two years.

Just a few weeks ago, all three were taking one of these planes into Nigeria for Biafra-relief operations organized by the International Red Cross.

They ferried the Alaska-based "Herc" to England and then began carting trucks from there to Nigeria on shuttle runs. Interior Airways, another of the major Slope carriers, had a Hercules in Africa at the same time.

Today's cargo is 39,000 pounds of drill pipe and miscellaneous supplies.

They started the turboprop engines. The propwash blew showers of fluffy snow off the plane.

"Alaska 920—you are cleared to Prudhoe Bay," the Fairbanks towers said.

Clarke taxied to the end of the runway and called for "Max power." The Hercules gathered speed and lifted off with ease over Fairbanks.

Climbing toward the assigned altitude of 20,000 feet, the plane bored through the snow that was powdering Fairbanks into blue sky and sunshine.

Prudhoe is 380 miles ahead.

Below now, the looping, frozen outline of the Yukon River and the arrowhead peaks of the Brooks Range that divides the North Slope and the interior country.

Clarke relaxed for a few moments and talked about what he termed the "archaic" flying conditions on the Slope.

"The airways are a lot better than last year, but it's still terrifying sometimes," he said.

"There is nothing like this in the United States any more. What it amounts to is basic instrument flying in high-performance aircraft. It's no place for newcomers."

The main problem is that the Federal Aviation Administration cannot install the needed "nav-ids" at private airports—and all of the fields on the Slope now are in that category.

State of Alaska officials hope to improve things soon by taking over one of the oil-company airstrips, called Deadhorse, and turning it into a public airport.

"We are well aware of the problems," Harold Strandberg, the state's public works commissioner, said, "and we're going to get moving just as soon as we can."

One reason for speed: The North Slope airlift is certain to increase in tempo as soon as the federal permit is issued for construction of the 800-mile-long TAPS pipeline.

There was a busy counterpoint of radio chatter as the Hercules roared on toward Prudhoe Bay . . . voices from the cockpits of commercial jetliners on the polar route to Europe; other planes above the Slope.

Now the descent into Prudhoe through the blind overcast. The altimeter needles unwound swiftly.

High-tension time in "Alaska 920's" flight deck. Landing gear down. Concentration on the instruments. Teamwork. What other aircraft may be near by?

The plane broke out of the overcast low over the tundra.

Clarke's eyes were locked on the radio compass Roddy was calling out landmarks and altitudes.

"Drill rig on the right."

"There's the strobe."

The "Herc" streaked over the blinking strobe lights at the end of the 5,500-foot runaway and settled smoothly on the ice at 180 miles an hour.

It was a cold, bleak scene. Another world.

Moments later another Hercules touched down. It had been up there, somewhere, with "Alaska 920."

Quickly, an oil-company truck backed up to the "Herc's" cargo hatch and winched out the load of drilling pipe. It was snowing, hard.

Soon the plane was climbing through the "soup" again toward Fairbanks. In the bright world above the Slope it seemed to the surfing home atop the sudsy summits of the clouds.

Then the long descent into Fairbanks through canyons of sun-dappled clouds and into snow again.

"Alaska 920, you're clear to land," the tower said.

The Hercules rolled back to its parking place and opened its doors for another load.

"Still two more trips to go today," Clarke said. "Just routine."

TOWN THAT WOULDN'T DIE HAS NEW REASON FOR LIVING

(By Stanton H. Patty)

VALDEZ, ALASKA.—Six years ago Owen Meals scuffed through the sad wreckage of what had been Valdez and made a decision.

"Dammed if we're going to be run out by an earthquake," he said. "I'm staying."

Stay he did—and brought his town back to life.

Valdez had been all but destroyed in the Good Friday earthquake of March 27, 1964. At least 31 persons died when a massive submarine landslide sucked the city dock into the bay. This was twice the death toll of any other Alaskan community belted by the quake and tidal waves. Structural damage in Valdez was estimated at 90 per cent.

Families began drifting away. It looked as if Valdez was to become an instant ghost town.

But Owen Meals had a plan.

Back in gold-rush days his father, Andrew Jackson Meals, and the senior Meals' mining partner, George C. Hazelet, had staked out the site for a town on the solid bedrock of Mineral Creek four miles to the northwest.

Owen brought together the heirs and arranged to give the long-vacant property to those Valdez residents who would stay and rebuild. The state added to the site—and a new Valdez was born.

Slowly, the second Valdez began taking shape. Pioneer businesses run by men like John Kelsey, George Gilson and others gambled by rebuilding their stores and offices.

But Valdez, the historic transportation gateway to the interior, did not even have steamship service any longer. It was a city without any real economy. How long could it survive?

Meanwhile, a drama that would change Alaska's fortunes forever was unfolding at Prudhoe Bay on the North Slope, 800 miles north of little Valdez: The discovery of a great Arctic oil basin.

There had to be a way to move the billions of barrels of oil to market, perhaps a pipeline.

Quietly, the Valdez business leaders went to work.

Valdez, they told the oil companies, would be the ideal place for a pipeline terminal. The sheltered, deep-water, ice-free port was the best in Alaska.

Then they waited for the verdict.

It came last May 28, when Gov. Keith H. Miller announced that the Trans Alaska Pipeline System had selected Valdez for its tidewater terminus.

Suddenly, the quake-battered city that wouldn't die had become Alaska's Cinderella community.

Owen Mills, 78, who started building his "dream house" on a hilltop in the new city long before the TAPS announcement, smiled with satisfaction.

"I guess this will put us on the map—for good," he said.

The TAPS terminal here, with berths for five or more supertankers, looks like a sure thing now. However, the Interior Department still has not issued the permit that will enable the pipeline construction to begin.

Valdez is jubilant, but jittery.

Nobody believes it will happen, yet there is always that outside chance that the pipeline could be detoured to another Alaskan port. Or, if the permafrost problems are too severe, it could skip Alaska altogether and be built across Canada.

"It's getting so seeing is believing," a nervous waitress said.

Despite the suspense, there already is enough to see here that points to a golden future for Valdez.

The pipeline company has clearly something like 120 acres on the TAPS terminal site. This is where the oil-storage tanks will stand. Japanese ships are delivering miles of 48-inch-diameter pipe for the TAPS artery. Speculators have tied up virtually all of the available land in the city.

Chances are, TAPS-related spending will approach $200 million in the immediate area. The population will jump, almost overnight, from the present 1,200 to maybe 3,000 persons as construction workers pour into Valdez.

"The effect could be overwhelming," Mayor George Gilson said. "We are doing everything possible to be ready for it."

The TAPS terminal is at Jackson Point, on the south shore of Valdez Bay. This is directly across the bay from the new city and near the end of a mountain-rimmed fjord that has water 100 feet deep at low tide where the tankers will berth.

Sections of steel pipe for the pipeline itself began arriving here September 13. This was just three days after the North Slope oil-lease auction that presented the state with a $900 million windfall.

The pipe is off-loaded on the new city dock (which has been leased to TAPS) and is hauled to an immense storage yard near the old town. From here, much of the pipe is trucked 362 miles north to Fairbanks by way of the Richardson Highway to await installation on stretches leading from there.

Soon, they say, a fleet of 65 trucks will be involved in the Valdez pipelift. The 40-foot lengths, weighing 5 tons apiece, are carted away four sections at a time.

The scene is spectacular, with acre upon acre of pipe stacked like Paul Bunyan's cordwood on the field near the old airstrip where long-ago bush pilots such as Bob Reeve and Owen Meals used to fly. Probably 150 miles or so of pipe is piled here right now.

There is history all around.

Next door to the TAPS terminal are the remnants of Fort Liscum, a Signal Corps post built during the gold rush and closed since 1925. In its final descent, the pipeline will drop toward Valdez through Keystone Canyon, the scene of a celebrated gun battle in the early days when two factions brawled over a railroad route.

Valdez-born John T. Kelsey, manager of the Valdez Dock Co., remembers that it was greed that lost that railroad for Valdez. It went instead to rival Cordova, 50 miles away.

"We are all on guard against greed," Kelsey said. "We are determined that history will not repeat itself."

Deserted Old Valdez is a forlorn place these days. Owen Meals rarely goes back.

The wind sighs through empty streets. Pioneer Hall tips on its foundation, perhaps to tumble down in the next storm. The waterfront strip is raw and ugly, just as it was after that terrible earthquake six years ago this month that almost killed Valdez.

Meals and his wife, Nancy, would rather think about their dream house and their dreams for the new Valdez.

The future never looked better.

LITTLE VALDEZ AMBITIONS TO BE "BIGGEST" AND BEST IN ALASKA

(By Stanton H. Patty)

VALDEZ, ALASKA.—Soon this may be the "largest" city in Alaska.

Ambitious Valdez is taking steps through annexation to boost its size from 11½ square miles to a grand total of 275.

No, Valez does not have delusions of grandeur.

This picturesque community will be the site of the TAPS pipeline terminal from the North Slope. To keep order, the city wants control of the terminal area and the deep-water port where the supertankers will call.

"We expect 1,200 ship arrivals and departures in the first year alone," Mayor George Gilson said. "We want to prevent chaos and to preserve the ecology and the beauty of the area. TAPS wants this, too."

The city already has created a port commission to begin advance planning. When completed, the five-pier TAPS terminal will be the largest of its kind on the Pacific Coast and one of the biggest in the world.

Gilson, 53, a native of Valdez, is one of those plucky merchants who bet on the new Valdez after the devastating 1964 earthquake. The old town was abandoned when a new site four miles away was made available through the generosity of the heirs of two pioneer families.

"About half of us made the move—the rest left," Gilson recalled. "I overbuilt tremendously, and now circumstances are bailing me out. It was a pure gamble."

Some of the things that make small-town life pleasant here will vanish when the TAPS construction begins. But Gilson and most of the others are convinced it will be for the best.

"This is an exciting thing," he said. "There are going to be many benefits like a better curriculum in the schools, more recreational facilities and things like that."

Ironically, Gilson's father the late John W. Gilson, came here in 1906 to recoup losses from another earthquake—in San Francisco. Valdez was on the trail to the gold fields then, and the senior Gilson established a mercantile business and bank that survived the Alaskan earthquake through his sons.

John T. Kelsey, 49, is another of those Valdez-born sparkplugs who helped win the TAPS decision for their town. Kelsey, a partner in the Valdez Dock Co., is chairman of the port commission and immediate past president of the Alaska State Chamber of Commerce.

"I think this is going to be great for Valdez," Kelsey said.

"This activity can give us the things we don't have that a community needs to function properly. There isn't even a drug store here now, for example."

Kelsey's was the first business to "move over" to the new townsite after the 'quake.

"Things were at a very low ebb," he said. "We all had serious reservations as to whether there would be sufficient business to make this a successful city.

"We all borrowed heavily from S. B. A. (the Small Business Administration). The rest of it was that old Alaskan spirit—guts. Now TAPS is turning the corner for us."

Kelsey is looking beyond the immediate construction boom, toward the Valdez that will remain when the terminal is in operation.

Tankers mean tugs, longshore work, machine shops and more. These, in turn, mean more permanent families and an expansion of essential community services.

There is talk of a "wrapping plant" here, in addition to the terminal, to coat the pipe sections with preservative and insulation before the pipeline is installed. That could be a useful building for a new business when the construction period ends.

And there is certain to be work to enlarge the pipeline's initial capacity. What about another pipeline some day soon for natural gas? Perhaps even a refinery and petrochemical complex?

"The future looks terrific," Kelsey predicted.

Miss Helen Long, president of the Chamber of Commerce, said there is understandable nostalgia about the changes TAPS will bring to Valdez, but believes it will be "for the general good."

"Most of the people are forward looking," she said.

The big question now is when the TAPS project will begin. Valdez is tense while waiting for the Interior Department to issue the long-delayed construction permit.

"When it does happen, we need to be on top of the situation instead of trying to catch up," Miss Long said.

"And we hope it will be private enterprise that provides the facilities for the influx of people. We feel we can accomplish more, faster, this way."

Dave Kennedy, operator of Kennedy's Air Service, talked enthusiastically about the boom ahead for remarkable Valdez as he piloted one of his helicopters over the storage yard heaped with acres of TAPS pipe shipped from Japan.

"Anything has its good and bad, but I think this is going to be good for our area," Kennedy said.

"Did you ever see anything like this? Fantastic, isn't it?"

A visitor replied that it was difficult to comprehend the magnitude of TAPS—the greatest privately financed construction project in history.

"None of us here can fully understand it either," Kennedy said. "It just staggers the imagination."

Kennedy, 49, moved here from Pennsylvania. He is another who decided to stay with Valdez after the Good Friday earthquake.

Dale Cutler, formerly of Seattle, the well-liked city manager, is doing what he can to insure tidy planning for Valdez' growth.

The population here likely will swell from today's 1,200 or so citizens to 5,000 or 6,000 during the TAPS construction. Cutler will be pleased if there is a base of 3,000 when it is all over.

"We want to hold tight, for orderly growth—rather than have a fast climb and then a fast drop," Cutler explained.

"The idea is to try to develop permanent industries, based primarily around the port and transportation. Anything else, such as petrochemicals, strictly speculation at this time, would be the cream if they happen."

In addition to the TAPS terminal and the unexcelled natural port, Cutler is talking about assets such as scenic Valdez's recreation and tourism potential, marine research, the fishing industry, and the highway to the interior.

There also is talk of extending the airport to accommodate jets. Valdez is served by two air-taxi lines now from both Anchorage and Cordova with daily service.

Bill Wyatt is another who had unshakeable faith in Valdez while aftershocks of the 1964 earthquake still were jolting this town.

In December 1966, long before oil was found on the North Slope. Wyatt went into debt and opened his new 38-unit motel, the Wyatt House. Why did he stay?

"This was my home, that's why," he says.

Then there is Owen Meals, 78, the pioneer who arranged for the new townsite so that Valdez would not die. They call him the man who saved Valdez. But he wants no praise.

The kindly, arrow-erect old-timer, who has lived here since 1903, would rather discuss the paved streets, the street lights, the striking new buildings, the gutsy people of New Valdez.

The lofty mountains around Valdez were aflame with the rays of the setting sun as Meals talked. A lone fishing boat chugged home from Prince William Sound through the jade-green waters of Valdez Arms.

Meals looked across the bay to the spot beneath the mountain slopes where the TAPS terminal will blossom before long.

"This certainly should bring new life to the town," he said. "I think it's a good thing.

"The only thing that bothers me is that there are people in town now we don't know. Used to be, you knew everyone . . .'

POLITICIANS ARGUE ABOUT HOW TO SPEND

(By Stanton H. Patty)

JUNEAU.—The governor has his office on the third floor of the plain Capitol building on the hill. The Legislature meets on the second floor.

Between the two is a battlefield strewn with political ambitions—and a question Alaskans never had to worry about before.

What to do with $900 million?

The State they said was too poor to be a state 11 memorable years ago when Alaska's star was pinned to the Flag suddenly is flush with oil money—with more to come.

That $900 million—actually $900,041,605.34—is the amount the State of Alaska collected last September in bonus bids the oil companies paid to lease 164 tracts on the North Slope.

It was the largest such auction in petroleum-industry history and handed the elated state a cash windfall amounting to about $3,158 for each of its 285,000 residents.

Most of it is invested now in United States Treasury securities, earning the state $181,000 a day in interest. The rest is in 13 Alaska banks to help ease the shortage of loan money.

To give you an idea of how much $900 million is, the entire state budget for this fiscal year is a "mere" $155 million.

So, now, the $900 million questions:

How much should be saved? How much should be spent? For what? Who should manage the money?

Oh, there is no shortage of ideas for getting rid of the money. There have been suggestions like building a bridge to Siberia or a monorail to the Arctic.

But the deadly serious fact is that while the $900 million is a blessed bonanza, it won't solve all of Alaska's problems.

It would take several times that amount just for Alaska to catch up with other states in such things as schools, water and sewer systems, housing, hospitals and highways.

Alaska, with about one fifth of its population—the natives—residing in widely scattered villages, has the worst poverty in America. Besides, taxes and the cost of living are higher in Alaska, especially in the remote areas where families can ill afford soaring prices. The welfare burden is terrific.

Meanwhile, the news about the North Slope oil wealth has cooled Congress on programs Alaska needs. The fiction throughout the country is that "Alaska had it made." It isn't so.

Then there is the issue of the native land claims, probably the most serious question facing the state. Alaska's 55,000 Eskimos, Indians and Aleuts are seeking a fair settlement for relinquishing their aboriginal rights to millions of acres the state and various industries want.

It appears likely now that the state will have to contribute to the land-claims package before Congress will approve any settlement. The amount being discussed for state participation is at least $50 million.

Another vital question is how soon the state can count on receiving royalties and severance taxes from actual oil production on the North Slope.

Originally, it looked as if the Arctic oil would begin flowing to market in 1972. Now, however, because of possible delays in building the giant TAPS pipeline, it may be as

far away as 1974. And the pipeline certainly will not be operating at full capacity in the beginning.

It is this kind of quiz game that worries Gov. Keith H. Miller and the 60 members of the Sixth Legislature as they debate the fate of the $900 million.

Now add politics.

That is a major theme in the orchestration for this year's legislative session—in its 70th day today.

Miller, who succeeded Interior Secretary Walter J. Hickel last year as governor when Hickel joined the Nixon cabinet, faces a tough campaign this year to win the office on his own. He is a Republican.

The Legislature is replete with candidates, announced and unannounced, for such offices as governor, secretary of state (lieutenant governor), United States senator and United States representative. (You really do need a program to sort out the politicians and to interpret what they say.)

In the meantime, the Legislature itself is a hybrid creature featuring combat and strange love feasts.

Democrats have the majority in the House. But, in fact, a coalition of seven dissident Democrats led by Speaker Jalmur M. Kerttula, of Palmer, and the 18 Republicans control this body. Republicans run the State Senate under the leadership of Brad Phillips, from Anchorage.

"The sinful seven," critics say of the straying Democrats who helped form the House alliance last year. The coalition members could care less about name-calling. They are confident—and they are in charge.

What about the $900 million?

Governor Miller's position is that at least $500 million of it should be placed in a permanent fund not subject to appropriation. There would be a referendum in the fall for voters to second the motion.

Under Miller's plan, the $500 million would earn interest while 5 per cent of the fund's total market value would be withdrawn each year to be spent for general purposes. The governor also would create a new Treasury Department and an investment-advisory committee to oversee the fund. Professional money managers would be hired to help "maximize" the return.

"It would be a growth fund, with a growth factor that could be 10 to 15 per cent a year," Miller said. "This would assure that not only this generation, but future generations of Alaskans, would benefit from this windfall.

Miller, a shy man who has grown increasingly sure of himself after a shaky start last year when he had to face the Legislature as a new governor with no time to prepare his own programs for the session, remains calm as the debate swells one floor below.

"They can't have it both ways," he said of the legislators.

"They can't say I'm not spending enough money and that I'm being extravagant at the same time."

Miller has proposed a $242 million budget for the next fiscal year, a jump of 57 per cent from the present year. He says it provides for the "basic needs" legislators are talking about in spending programs that would tap the $900 million.

That is a healthy increase, but it certainly is not an extravagant budget, he said.

The Legislature is not "buying" the governor's program intact. This is frustrating especially for the three cabinet members who form the State investment Committee.

"They (the legislators) are chopping our bill all to hell," one committee member said. "They want to get control of the money."

George A. Morrison, revenue commissioner and committee chairman, said the state is making about 7.56 per cent on its investments from the $900 million. That is more than $68.2 million a year in interest.

By law, the state is limited to investing its money in United States securities or depositing it with banks backing the deposits with 100 per cent collateral. But this can be changed for a higher return.

Serving with Morrison are Walter L. Kubley, commerce commissioner, and Thomas K. Downes, commissioner of administration. A few weeks ago, the investment committee made a nation-wide tour to obtain "the best thinking" of leading bankers and investment brokers.

"They said our concept is terrific," Morrison said. "They were highly enthusiastic.

"If the growth is 15 per cent and we take out 5 per cent a year from the permanent fund, the $500 million in that fund will be $1 billion in 7½ years."

But the Legislature may have other ideas.

LEGISLATURE REFUSES TO BE RUBBER STAMP

(By Stanton H. Patty)

JUNEAU.—The presence of Wally Hickel still is felt here.

Alaska's state constitution vests the governor with authority to make him perhaps the most powerful in the nation. Walter J. Hickel made use of it in vigorous, free-swinging style during his brief tenure as governor.

Now, more than a year after Hickel's departure from Alaska to become secretary of the interior, things are changing. The Legislature is flexing its muscles like never before since statehood.

That is the unspoken theme in the sizzling debate here about what to do with the $900 million from last year's North Slope oil-lease windfall.

Who is going to call the spending signals—the governor or the legislators?

"Part of this stems from the fact that Wally Hickel pushed us too hard—and we reacted to it," said Jalmur M. Kerttula, speaker of the Alaska House of Representatives.

"Wally was a very forceful man and this has been good for us. We were docile, but not any more. We are not antagonistic toward the present administration, but we are not going to be a rubber-stamp group again.

"We have been a very weak part of the check-and-balance system. From now on, there is going to be a continuous upgrading of the Legislature."

Kerttula, a Democrat from Palmer, in the Matanuska Valley, is the leader of the House coalition of seven dissident Democrats and 18 Republicans that wrested control from the Democratic majority last year. There was a fight between Kerttula and Representative Charles Sassara, of Anchorage, for the speakership. Kerttula won.

Gov. Keith H. Miller has hired topflight national firms as consultants to make recommendations for handling of the oil bonaza. The Legislature went out and hired equally competent consultants for itself.

Miller had bills introduced providing for $500 million of the oil money to be placed in permanent fund. The Legislature is writing some bills of its own.

That is the pattern.

Kertulla predicts there will be a permanent savings fund, but not through a constitutional amendment that would make it inviolate, as the governor proposes.

"This is a large state, with many needs," he said.

Rather than locking up all of the money in investments, Kertulla wants part of it used for things like a fisheries-development program and in filling urgent needs ranging from school construction to hospitals. Another possibility is a state development bank that could use some of the money for loans to spark worthy projects that could create more payrolls.

"This way," he said, "we would get the economic development and the interest both."

"I believe this will be the most productive legislative session since the first following statehood. And it will be responsible in every way."

State Representative Clem Tillion, from Halibut Cove, second-ranking Republican in the House, is pessimistic.

"The $900 million should be long-term loan capital—but it's going to be all blown away within the next years, I'm afraid," he said. "We are dipping into fairly steeply this year. Now, just normal growth will chew it up.

"Most politicians look no further than the next election. A good politician is judged by what he brings home to his district."

Some legislators are criticizing Tillion as a spendthrift. He is the prime sponsor of a bill that would grant a $250-a-month pension to oldtimers who have resided in Alaska for at least 25 years.

Tillion genuinely wants to help the pioneers (many of whom have to leave Alaska to stretch their retirement income), but says this program also is a way to "hang onto some of the $900 million so it can't be spent on all sorts of things."

"Anything left in the general fund will just disappear," he said.

Representative R. R. Borer, Cordova Republican, praised the governor's proposed budget, but struck out at what he called "Santa Claus" programs in the Legislature.

"The governor's budget funds many areas of need that have existed in the state for a long time," Borer said, "I believe he has put together an excellent package for all areas.

"It isn't all things to all people, but it is a giant stride in the right direction."

Borer said there is a tendency among some legislators "to want to cut up this pie in the sky" through big spending programs, but he believes things will work out "fairly well" in the end.

Senator Jay S. Hammond, Senate Republican majority leader from Nabnek, had this comment:

"I never knew $900 million could look so small."

The oil bonanza "will erode fast" unless this Legislature exercises considerable restraint, Hammond said. The $900 million could be pared to $250 million by 1972, just for funding programs in Miller's proposed budget—programs that will grow and be more costly, Hammond said. And if North Slope oil is not flowing in volume by 1972 (which is not likely) the state then will be low on money.

"I thought at first we were well to do, but we're not," Hammond said. "The needs are comparatively much greater."

Senator Brad Phillips, Anchorage Republican and Senate president, said "as much as possible" of the $900 million should be preserved.

"The $500 million permanent fund proposed by the governor is not adequate," he said. "I'm going to start at $900 million and they're going to have to push me off of this position."

Phillips was critical of Governor Miller, a fellow Republican, for "spending everything" from the interest being earned from investments of the $900 million in Miller's budget—and for putting forth additional programs without funding.

"The Legislature has the basic responsibility for this money," Phillips asserted, "and we're not going to abrogate it. We're not going to be a rubber stamp."

Representative Gene Guess, Anchorage Democrat and chairman of the Legislative Council, branded Miller's budget as "phony."

"He's not preserving the $900 million, as he says he is," Guess said. "It's a pretty thin veil and it's just not going to wash."

Guess said he is "very confident" that $500 million or more will be saved for a permanent fund, but he is looking to a special monetary-policy committee which he chairs in the House, to recommend the final policy decisions. There is a similar committee in the Senate.

While bent on saving money, Guess said that the state must move on a parallel course to spend some of the oil revenue on problems that have been "waiting for years."

"It would be folly to sit here with $900 million and watch our educational system fall below par, for example," he said. "We will come up with our own programs."

Representative Bill Ray, Juneau Democrat and chairman of the House Finance Committee, is opposed to having a $500 million untouchable permanent fund.

"There is no reason why the $900 million should be inviolate," Ray declared. "We should take care of the problems of the state.

"This was an unexpected windfall. When that oil comes on stream, we are going to have money like this all the time."

Ray favors programs that will provide greater opportunities, from schools to sanitation, for natives and other "bush" residents. There also must be some revenue sharing with hard-pressed, local governments, he said.

"I just can't see the value of a permanent fund," he said. "It would be like burying your money in a tin can and walking around in the snow in tennis shoes instead of buying what you need."

State Representative Joe McGill, Dillingham Democrat and chairman of the House Resources Committee, said a portion of the oil money should be spent for resources development to create jobs.

"We can create jobs for ordinary people in Alaska, instead of just new state-government jobs," McGill said. "We should spend what is needed to put this state on its feet. It will pay off in the long run."

McGill is opposed to having the bulk of the money invested outside Alaska in spite of the higher return it may bring.

"It would be a lot better to invest it up here in a resources-development loan fund," he said. "Then it would circulate in Alaska and create jobs here.

"And a lot of money needs to be spent in upgrading the villages and the village schools."

Senator Robert H. Ziegler, Ketchikan Democrat and chairman of the Senate's special monetary committee, called the governor's budget "extravagant."

"Once you go into the principal," Ziegler said, "then it becomes a question of where do you stop and who determines the priorities.

"I'm going to fight to keep it from being invaded. I'm playing it for the long haul, for my kids and everybody else's kids.

"We've done without for 100 years. If we can do without for another three or four years (when the state should be collecting richly in oil severance taxes and royalties from North Slope production) we're home free.

"I'd like to see all of the $900 million invested in a permanent fund—and that will be my recommendation."

Senator Joe Josephson, Anchorage Democrat and a candidate for the United States Senate seat held by Republican Ted Stevens, had harsh words for Governor Miller.

"It is clear from the governor's own budget that he can't keep the $900 million intact. There is some real sleight-of-hand in that budget.

"The notion that the money is inviolate cannot be taken seriously. It's not consistent with his own spending proposals.

"There just isn't any leadership from the governor—no cohesive overview of Alaska's problems. Our constitution provided for a strong executive, but, unfortunately, it did not anticipate Keith Miller."

The Governor, meanwhile, goes on working calmly in his office one floor above the legislative chambers. If he is worried, it doesn't show.

The $900 million question is the focal point of bitter controversies to be sure. But it sure beats the way it used to be up here, when Alaskans were wondering how to find another dime.

POLLUTION'S DANGERS HAUNT FISHERMEN, CONSERVATIONISTS

(By Stanton H. Patty)

CORDOVA, Alaska.—Harold Z. Hansen is haunted by a recurring nightmare.

It goes something like this:

Supertankers laden with North Slope oil from the TAPS pipeline terminal at Valdez are moving through Prince William Sound. There is an accident. A major oil spill annihilates an entire salmon cycle. . .

It could happen—and Hansen is convinced that the state government is not taking adequate measures to prevent it.

Hansen, 60, a former Alaska legislator, is executive secretary of the Cordova District Fisheries Union. He is an outspoken and respected spokesman for his industry.

Prince William Sound is one of Alaska's most important salmon nurseries. Not to mention other resources such as the rare sea otters, clams and countless varieties of sea birds.

Gem-like Cordova on Orca Inlet depends on the fishing industry for virtually all of its livelihood. There is real concern here as the Arctic oil boom almost 1,000 miles away roars in an unstoppable crescendo that will touch every part of Alaska.

Cordova is not alone.

There are worried fishermen from Cook Inlet, where there already have been oil leaks from offshore drilling and underwater-pipeline operations, to salmon-rich Bristol Bay, where legislation may block future oil-lease sales.

The recent case in the Kodiak area is adding fuel to the controversy. Hundreds of miles of shoreline there have been smeared with globs of oily ballast dumped by unidentified tankers.

Showdowns between the two big industries are coming.

It is not that Hansen and his kind want to halt the oil developments. They want Alaska to prosper.

'But just as important as oil is protection of the environment for this important fishing industry we already have," Hansen said.

"We believe the governor (Keith H. Miller) is being evasive. He doesn't have any real plan. We have tried to get information from him, but he won't deal in specifics."

The governor disagrees. He told The Times his administration is "on top of this situation."

Miller has established an environmental division within the State Health and Welfare Department and is asking the Legislature to fund a staff of specialists for the new division.

Presently, the pollution-prevention responsibility rests with the departments of health and welfare, fish and game, and natural resources. The environmental division is to coordinate this work for all three agencies.

There also is a joint federal-state contingency plan designed to "minimize" the effects of oil spills. This plan was developed by the governor's Oil Pollution Task Force and was used in the recent Kodiak episode.

Hansen is not impressed.

"Governor Miller has not told us anything of real significance," he said. "We want to know exactly what is planned to protect this area from pollution.

"Prince William Sound is especially vulnerable. Most salmon in this area have as their spawning and development habitat that area between the low and high-tide limits. This is where the floating petroleum would be deposited.

"We have a lot at stake—renewable resources here valued at $5 to $10 million a year, just in the Sound.

"If the wind and tide conditions were such, just one of those big tankers loaded with 250,000 barrels of oil could wipe out a whole salmon cycle if it were to wreck and spill its load.

"And recent spills demonstrate that there is nothing available to deal effectively with such a disaster. Supposing we do have such an oil spill in the Sound—what then?

"I'm not only thinking of fish. I am interested in the trees, the birds and the bees—the whole thing. We have much to lose."

He also said that even if a tanker spill spared some of the salmon it still would "wreck" the economy of his area.

"The processors here would be in an uneconomic position immediately," said Hansen. "Some would have to close up and the fishermen would be more broke than they are now."

Prince William Sound supports more than 700 commercial fishing vessels, Hansen said. The count includes salmon gillnet and purseine boats and crabbers.

The union official recommends:

1. A requirement that can be enforced to ensure that tankers enter port at Valdez (and elsewhere) with ballast still aboard. The ballast then would be pumped into shore tanks at the terminal.

2. A state patrol, financed by the oil industry, to conduct surveillance of tankers while they are traveling to and from the Alaskan terminals.

3. Experienced ship pilots placed aboard the tankers to guide them in and out of the Sound. The pilots would be empowered as agents of the state environmental agency.

4. A high-level state agency, removed from the regular administrative departments, charged with protection of the environment. It should have the governor's support, but be given freedom to act and to direct the various departments in this field. The agency must be funded "relative to its importance."

5. A declaration by the state that it does assume "the fullest degree of responsibility" for guarding the environment.

"TAPS has disclaimed any responsibility for the oil transportation once it reaches the end of its pipeline," Hansen said. "So, who has the responsibility?

"There can be penalties, yes, but no fine is going to undo the damage that can be done.

"We're not saying the oil shouldn't be developed, but this pollution threat is such an important thing for today and for the people of Alaska who will come after.

"This is the last bastion of wilderness left to the United States. The South 48 hasn't been able to handle its problems. We still have a chance here."

And so it goes throughout Alaska these days . . .

Billions are being spent to develop the long-hidden North Slope oilfields while geophysical crews search for still more oil and gas basins. Communities like Fairbanks, Anchorage and Valdez are swelling with new payrolls and new problems. In Juneau, sparring legislators are trying to figure out what to do with the oil money. And conservationists are keeping on the pressure so that Alaska can have its oil prosperity and its natural beauty, too.

It is a new age in Alaska—Act I of an epic that will leave yesterday's gold rush as only a colorful preface.

JUDICIARY COMMITTEE TESTIMONY OF ALEXANDER BICKEL IN OPPOSITION TO DIRECT ELECTION

Mr. ERVIN. Mr. President, at the Judiciary Committee hearings this morn-

ing, Prof. Alexander M. Bickel, of Yale Law School, presented many sound arguments against electing our President by the direct election method.

On April 24, 1970, the Judiciary Committee will begin the consideration of proposals to reform the electoral college. Shortly thereafter, the Senate will have these matters before it. I hope that all Senators who are now leaning toward direct election will read Professor Bickel's statement before they vote on this matter. When a change of such great magnitude is before the U.S. Senate, it is certainly the wiser course of action to listen and study the remarks of those constitutional experts who are warning us of the dangers in attempting such a violent change in our method of electing the President as the direct election method.

In his statement, Professor Bickel strongly supports my proposed amendment to reform the electoral college, Senate Joint Resolution 191, which is identical with what he calls the Katzenbach proposal. He feels it is the best way to reform the electoral college without placing the presidential election machinery of this country in turmoil.

Mr. President, I ask unanimous consent to have printed in the RECORD the statement of Alexander M. Bickel before the Committee on the Judiciary on April 15, 1970.

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

STATEMENT OF ALEXANDER M. BICKEL

I am most grateful for the opportunity to appear here, at the Committee's invitation, to discuss the question of reforming or abolishing the Electoral College. In my judgment, the proposal for abolition raises issues of the utmost importance to the structure of our democratic politics.

The movement to abolish the Electoral College is motivated in part by fear that the College will malfunction. We are told continually that we have been playing Russian roulette. Sooner or later, it is said, an election under the present system will end in deadlock, and then the system will let some third-party candidate be the king-maker. We may find ourselves, in such circumstances, with a weak President, beholden to his Warwick; an unrepresentative President whose legitimacy, and hence effectiveness, would be gravely impaired. And in any event, even aside from the possibility of deadlock, which is said to have been narrowly averted in 1968, the Electoral College may give us a minority President, who had fewer popular votes than the candidate he defeated by a majority of Electoral-College votes. We are told that the legitimacy of such a President would also be impaired.

These fears are greatly exaggerated. Even though it does not foreclose regional minor-party candidacies, the Electoral College, as I shall show further, constitutes a strong deterrent to minor-party candidacies in general. Chiefly for this reason, it has not failed to produce a winner since 1824. So it did even in 1876. There was a winner then; the prize was simply taken from him. As for minority Presidents, the Electoral College no doubt makes them theoretically possible. But only once in our history did it give us a minority President, and only under like circumstances could it do so again. The time it happened was in 1888, when Cleveland and Benjamin Harrison came within 100,000 popular votes of each other. We got a minority President out of the election of 1876, but as I have indicated, it wasn't the Electoral College that gave him to us. Other, more manipulative factors produced him. And 1824 was an instance, not of the emergence of a minority President from the operation of the Electoral College, but of deadlock.

Even though quite exaggerated, these fears are not groundless. But they do not justify abolishing the Electoral College. That is the point about them. They have been drummed into us relentlessly, so as to induce a vast over-reaction.

The fear of deadlock and minor-party Warwicks can be stilled simply and definitively by a perfecting amendment that would do the following: (1) Abolish the electors as physical entities and theoretical free agents, providing instead that a state's electoral vote be automatically cast for the winner of a majority or plurality of the popular vote in that state; and (2) in the event that no candidate obtains a majority of the electoral vote, have a joint session of Congress choose a President by a majority of the individual votes of the members. Such a perfecting amendment was offered by the Johnson Administration, and bears the name, colloquially, of former Attorney General Katzenbach.

Other ways of breaking a deadlock are possible, but we must remember that, by definition, there can be no fully satisfactory resolution of a deadlock. Popular election neither avoids deadlock nor resolves it more satisfactorily than would the Katzenbach amendment. It is sheer illusion, a willful suspension of disbelief, to pretend that there is no deadlock when a popular election produces a winner with under 50 percent of the total vote, and with a plurality of, perhaps, 25 or 50 or 100 thousands out of 70 million. That is deadlock, as much deadlock as when there is no absolute majority in the Electoral College. To resolve it by letting the candidate who has a 50-thousand-vote plurality win is no less arbitrary, no less unsatisfactory—in my judgment more unsatisfactory—than to have a joint session of Congress make the choice. All methods of resolving deadlock, all methods of making a choice when there is no clear popular one, are arbitrary, and all that is needed is settlement in advance on one sensible and well-understood method. That is all that is needed, and that is all that is possible.

What I have just said about deadlock applies as well to the fear that the present system may produce a minority President, as it did in 1888. Historical experience demonstrates that the system is at all likely to do so only when the margin by which the popular vote is won or lost is so narrow that the result amounts to deadlock. The remote possibility remains, to be sure, that the Electoral College will put in office a President who lost the popular vote by a meaningful margin. It is a possibility belied by all our history and by everything we understand about the workings of our politics in our own day, but it remains, in theory, a risk. If there were no other considerations in play, it might be as well not to run even this tiny, theoretical risk. But other considerations are in play. They are important, and only a rigid and doctrinaire attachment to a pure theory of majoritarianism can cause us to disregard them, as the proponents of the popular election do choose to disregard them.

The first of these very important considerations is this: The Electoral College is a safeguard of the two-party structure of our politics, a crucial factor in maintaining the dominance of two and only two major parties, which has prevailed through most of our history. The fruit of the two-party system is a politics of coalition and accommodation, stability of the regime, and governments that are centrist and moderate.

The Electoral College makes it impossible for a third-party candidate to have any sort of impact, to entertain any hopes of deadlocking the election and thus putting himself in a good bargaining and king-making position, unless he has a strong regional base. Without such a regional base, his popular vote will not register in the Electoral College. Hence all he can hope to do is spoil the election for one or the other major candidate, but on election day and after, he counts for nothing. Even 20 percent or more of the popular vote can result in no or very few electoral votes. In 1912, when the major candidates, properly speaking, were Theodore Roosevelt and Woodrow Wilson, William H. Taft had 23.3% of the popular vote, and 8 electoral votes. In 1924, Robert M. LaFollette the Elder had 16.6% of the popular vote, and he carried Wisconsin. In 1948, Governor Strom Thurmond, as he then was, had a regional base, and Henry Wallace did not. Both men got 2.4% of the popular vote, but Mr. Thurmond had 39 electoral votes—31 more than Taft in 1912, with his 23.3%—to Henry Wallace's none. This is how the Electoral College deals with minor party candidacies that aim for national support. It deters them most effectively. Popular election, on the other hand, would invite them. And it would do so without in any way deterring the regional candidacies that are possible now.

In order not to put plurality Presidents with weak mandates in office, the popular election proposal provides for a run-off in the event that no candidate achieves 40 percent of the popular vote. With or without a regional base, one strong minor-party candidate, or several weaker ones together, would stand an excellent chance of keeping anyone from getting 40 percent. Thus minor-party candidates would come into a strong bargaining position in the period between the first election and the run-off. This constitutes—not to put too fine a point on it—an open and notorious, an irresistible invitation to run.

Candidates like Eugene McCarthy or Nelson Rockefeller gave little thought in 1968 to making an independent race after they had lost the nomination, because a popular vote of even as much as 25 percent could well have left them with no electoral votes at all, and hence with many millions of dollars and endless time and energy expended in vain. But under a system of popular election, every consideration that brought forth these candidates in 1968, or that would bring forth issue-oriented candidates for the nomination at any time, would with equal and even greater force propel them into the general election.

I think it altogether probable that under a system of popular election the situation would be as follows: The run-off would be, not an occasional occurrence, but the typical event. The major party nomination would count for much less than it does now, would count, in truth, for about as much as the State Democratic Committee designation of candidates for governor and senator in New York counts this year, and might even eventually begin to count against a candidate. There would be little inducement to unity in each party at or following the conventions. Coalitions would be formed not at conventions, but during the period between the general election and the run-off. All in all, the dominant position of the two major parties would not be sustainable.

This sort of unstructured, volatile multiparty politics may look more open. So it would be—infinitely more open to demagogues, to quickcure medicine men, and to fascists of left and right. It would offer, no doubt, all kinds of opportunities for blowing off steam and for standing up uncompromisingly for this or that cause, or passionately for one or another prejudice. But people who think that our democracy would become more participatory fool themselves. Weaker, yes. More participatory in any real

sense, no. While men continue to take varying positions on issues, compromise and coalition remain unavoidable. The only question is when and how coalitions are formed and compromises take place. Coalitions are now formed chiefly in the two-party conventions, which are relatively open and accessible, and can certainly be made more so. In a multi-party system, the task of building coalitions will be relegated to a handful of candidates and their managers in the period between the election and the run-off. The net result will simply be that the task will be performed less openly, and that there will be less access to the process. Governments will be weaker, less stable and less capable than our governments are now of taking clear and coherent actions. Where multi-party systems have been tried, they have been found costly in just these ways, and they have scarcely yielded the ultimate in participatory democracy or good government. Nor have they lasted.

Another major feature of the Electoral College system which is worth preserving, and worth even taking some risks to preserve, is that the system counterbalances and thus cures the inevitable under-representation of the large states in Congress, while at the some time requiring a sectional distribution of the vote that elects the President, thus making possible combinations that also give an advantage to the smaller states. This is just a long way of saying that the genius of the present system is the genius of a popular democracy organized on the federal principle. The Founders of this Republic saw, as Walter Lippmann has written, using Edmund Burke's phrase, that the constitution of a state is not a "problem of arithmetic." The Founders thought of the people, Mr. Lippmann continues, "as having many dimensions in space, in time, in weight, in quality. . . . The American founders sought to represent this many-sided people and they thought of the people's will as an equilibrium of its many elements. . . . And so in their practical arrangements they sought to make the government as nearly representative as possible of the many facets of the popular will, of the people acting as citizens of local communities, acting as citizens of regions, of states, of the nation, acting with remembrance of the past, acting as they felt at the moment, acting as they would feel after fuller consideration. . . . The founders sought to approximate a true representation of the people by providing many different ways of counting heads." (Walter Lippmann, *The Good Society*, pp. 253–54.)

Now formally, of course, the Electoral College is malapportioned in favor of the small states, because it assigns to each state as many electoral votes as that state has Congressmen and Senators, and each state has two Senators regardless of its size, and gets one Congressman even if it is a good bit smaller than any single Congressional district in a larger state. If each state's electoral vote was divided—precisely or roughly—in proportion to the popular vote cast for each candidate in each state, the malapportionment would become quite real, and would have considerable effect. But the practice for nearly a century and a half has been to cast the electoral vote of each state by the unit rule. Under these conditions, the malapportionment in favor of the small states is for the most part only apparent, not in fact real. This is so because even a small popular majority or plurality in a state gains for a candidate that state's entire electoral vote, which, in turn, means that to carry New York, or Illinois, or California, or Texas by 50,000 or even 5,000 popular votes is to win a much larger block of electoral votes than could be won by getting large popular majorities in any number of smaller states.

The system is, therefore, in effect malapportioned in favor of the large industrial states, in which party competition is vigorous, and which generally swing by small percentages of the popular vote. Not only that, but the system is in effect malapportioned in favor of cohesive interest, ethnic or racial groups within those large states, which often go nearly en bloc for a candidate, and can swing the state and its entire electoral vote. Recently, Mr. John F. Banzhaf, III, has demonstrated all this mathematically—or at least expressed it mathematically. That means, I suppose, that we may now be sure it's true, although most students of the American political system have long known it to be true anyway. This insight, at any rate, has long governed the strategy of Presidential campaigns and the decisions of the nominating conventions, and has in our day resulted generally in an orientation of the Presidency toward an urban constituency.

It overstates the matter, however, to maintain that the Presidency is thus given an invariable liberal, or even urban, political and ideological cast, or that different strategies are impossible. Other groups than those that have been dominant in the past generation may seize the balance of power in the large industrial states, use it to other ends, and orient the Presidency in a different direction than that to which we have become accustomed. The point I make is merely that the Electoral College opens up for cohesive groups in large industrial states a possibility of influence that they would not otherwise have. It holds out no guaranty that the influence will always be effective. Indeed, combinations remain conceivable which would make the malapportionment in favor of smaller states very real. Circumstances are imaginable in which small shifts of popular votes in a group of small states, combined with equally small shifts in at least one large state, could swing the election. In 1960, small shifts of popular votes, totalling no more than 11,000 in New Mexico, Hawaii and Nevada, as well as in Illinois and Missouri, could have put Mr. Nixon in office. The possibility of such a decisive role falling to a group of small states is in my judgment remote. But it exists. There is, moreover, a symbolic value in play for the small states, since the Electoral College, on its face, confirms the federal system and the equality, if only partial, of all states, large and small.

The seeming paradox, embodied in the Electoral College, of a system which offers the possibility of disproportionate influence both to cohesive groups in the large states and to the small states—this paradox should not seem strange in this chamber, for it is embodied also in the Senate itself. The at-large popular election of Senators means that in the big industrial states cohesive groups can have disproportionate influence in the election of Senators, just as under the Electoral College system they can have disproportionate influence in the election of the President. For this reason, the Senate has in recent years had a more urban and liberal orientation than the House. Yet at the same time, of course, the Senate is the place of disproportionate influence for the small states, being malapportioned in their favor in far greater measure than the Electoral College.

As is evident, I favor the Katzenbach perfecting amendment, and otherwise the retention of the Electoral College system as it has worked effectively and beneficially for a century and a half. I wish to say, however, that if put to a choice between the popular election proposal and the Federal System Plan recently suggested by Senators Eagleton and Dole (S.J. Res. 181), I would unhesitatingly favor the latter. In between, so to speak, my preference actually would be for a modification, or if you will, a reshuffling, of the Federal System Plan.

It would seem to me possible to begin by providing that the President and Vice-President shall be those candidates who have obtained both a majority or plurality of the nation-wide popular vote and a majority of the Electoral-College vote, the latter to be counted automatically by states as in the Katzenbach proposal. Such a provision would describe, of course, what has in fact happened in every election since 1888, and indeed in every honest election since 1824. But it would concede a point to those who are apprehensive about the possibility of minority Presidents.

Contingencies, possible malfunctions, would remain. If the winners of a majority or plurality of the popular vote should fail also to win a majority of the Electoral-College vote, the distributive principle of the Federal System Plan might be called into action. The winners of the nation-wide popular vote, it might be provided, as in the Federal System Plan, would be elected President and Vice-President if they also won the popular vote in states containing more than 50% of the voters in the election, or in more than 50% of the states. This formula would indicate an adequate base of support distributed over the various regions of this vast country, and in its two alternatives it would also preserve some advantage to the large industrial states, while at the same time retaining the possibility of combinations that give an advantage to the smaller states. If this formula should also fail to elect a President, I would simply have the deadlock resolved, in accordance with the Katzenbach proposal, by a joint session of Congress.

Let me conclude, however, by repeating that my first preference is the present system as perfected by the Katzenbach proposals. There is a strong and legitimate drive in the country for reform in the direction of a more participatory democracy. But reformers who want to open up the system to more participation will find that they have achieved nothing if they abolish the Electoral College. They should direct their attention and their innovative energies at the nominating conventions, at problems of campaign financing, at the federal administrative structure and the remoteness and increasing centralization of city, state and federal government, and if I may say so without giving offense, at Congress. Illusory reforms are not only pointless. They are worse than none at all, for they are calculated to defeat the very expectations they raise.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business?

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

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

The assistant legislative clerk proceeded to call the roll.

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

The ACTING PRESIDENT pro tempore (Mr. METCALF). Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore (Mr. METCALF). Is there further morning business? If not, morning business is concluded.

DISTRICT OF COLUMBIA METROPOLITAN AREA TRANSIT ACT OF 1969

The ACTING PRESIDENT pro tempore (Mr. METCALF). The Chair lays before the Senate the pending business which the clerk will state.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 1814) to provide for public ownership of the mass transit bus system operated by D.C. Transit System, Inc., to authorize interim financial assistance for the company pending public acquisition of its bus transit facilities; and for other purposes.

The Senate resumed the consideration of the bill.

Mr. EAGLETON. Mr. President, last evening, when the bill was laid before the Senate, I made my opening statement on the general background of the bill and its necessity at this time. I send to the desk some technical amendments and ask unanimous consent that the amendments be agreed to en bloc, and that the committee substitute amendment as amended be treated as original text for the purpose of further amendments.

Mr. WILLIAMS of Delaware. Mr. President, what are the technical amendments?

The ACTING PRESIDENT pro tempore. The clerk will state the technical amendments.

The ASSISTANT LEGISLATIVE CLERK. On page 7, line 3, strike "1969," insert "1970."

On page 15, line 20, strike "Maryland," insert "Virginia."

On page 15, line 21, strike "Virginia," insert "Maryland."

On page 18, line 9, after "District of Columbia" insert "Metropolitan Area."

On page 20, line 6, strike "or," insert "of."

The ACTING PRESIDENT pro tempore (Mr. METCALF). Without objection, the amendments will be considered en bloc.

Mr. EAGLETON. May I explain the amendments?

Mr. WILLIAMS of Delaware. Yes.

Mr. EAGLETON. The Senator is reserving his right to object?

Mr. WILLIAMS of Delaware. Yes.

Mr. EAGLETON. If I can explain the amendments, in order to clear up any misapprehension the Senator may have, they are mainly typographical and printing errors. Additionally, the bill was originally considered by the District of Columbia Committee in 1969, and 1 year having elapsed, there has been some necessity for changes in dates, and so forth.

Mr. WILLIAMS of Delaware. It does not extend the authority beyond that as intended in the original bill; is that correct?

Mr. EAGLETON. That is correct.

Mr. WILLIAMS of Delaware. I thank the Senator.

The ACTING PRESIDENT pro tempore (Mr. METCALF). The question is on agreeing to the amendments en bloc.

The amendments were agreed to en bloc.

The ACTING PRESIDENT pro tempore (Mr. METCALF). The committee amendment in the nature of a substitute, as amended, is open to amendment.

Mr. WILLIAMS of Delaware. Mr. President, under the bill what are the price and the terms upon which we would buy this property?

Mr. EAGLETON. Will the Senator kindly repeat his question?

Mr. WILLIAMS of Delaware. Under the bill what would be the terms and the prices to be paid as proposed to be paid for this property?

Mr. EAGLETON. There is no specific price to be paid as proposed to be paid subject to the condemnation process, with litigation ensuing in the district court. Appraisers would be selected on both sides and the case would be tried before a jury which would render its verdict.

Mr. WILLIAMS of Delaware. I notice that it says that the purchase price would provide for an assumption by the Government of all outstanding obligations, labor-contract, or pension-fund obligations. I understand that the transit company is delinquent in its payments to the pension fund. Would that mean that we would be taking over such contingent liabilities as the pension fund, outstanding mortgages, and all other contingent liabilities of the organization?

Mr. EAGLETON. In the condemnation process, when the case has been submitted and tried before a jury, a valuation is put on the assets of the company, including its goodwill, if any, its going market value, and so forth. That figure is then offset by any liabilities, by any debts which the company owes. For instance, this company owes $400,000 to the District of Columbia for track removal which it has failed to pay. Also included would be any other liabilities or money that the company may owe the pension fund, or bus manufacturing firms, the electric company, and so forth.

Mr. WILLIAMS of Delaware. Did they file a financial statement with the committee for the last year or two? What is the financial situation of the company? How much money do they owe? My understanding is that they have practically drained the assets of the company. I wonder whether we are proposing to buy a shell.

Mr. EAGLETON. Mr. President, to answer the question of the Senator from Delaware (Mr. WILLIAMS), I should like to supply him with this information. Shortly after the time Mr. Chalk entered the picture, back some dozen years or so ago, when he acquired the company from Mr. Wolfson, his debt equity ratio was 4 to 1. At the time hearings were held in the spring of 1969, his debt equity ratio was 24 to 1. In the hearings the WMATC regulatory commission indicated the aforementioned ratio for utilities were financially hazardous.

Mr. WILLIAMS of Delaware. Financially what?

Mr. EAGLETON. Financially hazardous, which I take to mean precarious. Also in the hearings, if the Senator has a copy on his desk, pages 57 through 68, as of March 31, 1969, we list there the accounts payable of the D.C. Transit Co. which totals $3,511,856.96. They are listed item by item.

Mr. WILLIAMS of Delaware. At what page?

Mr. EAGLETON. Starting on page 57 of the hearings. I think the Senator has the report.

Mr. WILLIAMS of Delaware. These are the current liabilities?

Mr. EAGLETON. As of that date—March 31, 1969.

Mr. WILLIAMS of Delaware. Does this include contingent liabilities to the pension fund?

Mr. EAGLETON. As of the time mentioned, March 31, 1969, it did include contingent liabilities for the pension fund—as of that date.

Mr. WILLIAMS of Delaware. How much was that?

Mr. EAGLETON. It was $2.3 million. Those contingent liabilities were then paid back. The company is now into a new crisis, with new figures and new obligations to that same pension fund.

Mr. WILLIAMS of Delaware. I understand that going back to the time when Mr. Chalk took over the transit company the company had a liability to pay for taking up the streetcar tracks in the city and had provided a reserve for that purpose. As I understand it, Congress relieved the company of a substantial part of the responsibility of removing the tracks, and the company was able to pass that money out as a distribution to the stockholders. But the company still has some liability remaining as to the tracks.

Mr. EAGLETON. It is $400,000, as I understand.

Mr. WILLIAMS of Delaware. The company was required to take up the tracks, but when they were abandoned the company was relieved of that obligation.

Mr. EAGLETON. I take what the Senator has said as being accurate. Frankly I do not know of any relief granted on the track removal liability. All I know is that the company owes $400,000.

Mr. WILLIAMS of Delaware. I notice that Mr. Chalk refers to a tremendous loss of revenue from the loss of the track system. The company did not lose it. The company was liable and was relieved of that liability.

I want to make certain that we are not going to pass out a bonanza to the company, because when we speak of buying this operation I am wondering what there is to sell. Mr. Chalk has a franchise, yes; but that franchise carries with it the responsibility of serving the community. I do not think he has the financial ability now to enable the company to serve the community; therefore, the Government would be buying nothing. If he has a franchise, I think it would be well to say, "All right, use it, but serve the community without any further assistance from the Federal Government. Serve it with the money you have."

With this present high debt ratio I think it is a case of his having milked the company dry of its assets and now he wants to sell an empty shell to the Government. He is coming here on his hands and knees. I have no patience with him. He has been getting a free ride from the Government long enough. Now let him pay his way on his own transit company.

Mr. EAGLETON. I think there is some merit in what the Senator from Delaware has just observed. I invite his attention to page 42 of the hearing record.

The properties that were spun off from the D.C. Transit—listed there are properties with a fair market value of $5,978,000. Let us round it off to $6 million. That amount was siphoned out, milked out, or at least spun off from the company and otherwise disposed of or put in other companies.

I am not certain what Mr. Chalk has to sell to a private operator or what we have to condemn. There is a theory of law that the growing market value should include goodwill. "Goodwill" has some kind of price tag.

Mr. WILLIAMS of Delaware. Goodwill is based upon the earning prospects of that goodwill. And the earning prospects of that goodwill in this instance do not exist. It is operating at a loss. Therefore, it carries a negligible value, rather than a plus value.

Mr. EAGLETON. Mr. President, goodwill does not carry with it the same meaning it has with respect to people running for public office. If Mr. Chalk were to try to submit his goodwill to any purchaser, it would have a negligible value, in my opinion.

I guess there are other assets of this company. The charter probably has a value, although it is a speculative value. It is revokable by Congress. The value would also include the buses as well as other tangible assets. I assume that he has a few paper clips left. All of these facts will be gone into before the condemnation jury. Incidentally, there is a five-man jury in this jurisdiction, which is not the case in Missouri. The jury would deliberate and come back with a verdict of x dollars, which verdict of course is appealable by either side if it is deemed to be inappropriate.

Mr. WILLIAMS of Delaware. The goodwill item of any corporate balance sheet is usually based upon some earning factor of that company. The goodwill item with respect to this company would be zero for bookkeeping purposes. The charter could have the prospect of earnings if there were earnings potential. But the potential is for a loss. And that is the whole basis of his inability to operate. He has milked the company dry of its assets. He does not have the assets in the company that he should have. Whoever would take the charter with the obligation to provide the service would be confronted with further losses. The goodwill has a minus factor.

I want to make it clear that my questions, although they are somewhat critical, are not directed to the Senator from Missouri, the manager of the bill. Some of this is past history.

The Board here in the District which has had jurisdiction over this agency has been unnecessarily lenient, I think, in allowing him to withdraw these funds from the corporate structure, something he could not have done without their approval.

Mr. EAGLETON. Mr. President, I wholeheartedly subscribe to the statement of the Senator from Delaware.

Mr. WILLIAMS of Delaware. I think they should be subject to criticism for many of their decisions. My estimate of their business judgment is very small.

Mr. EAGLETON. Mr. President, again, I wholeheartedly subscribe to the statement of the Senator from Delaware. I think that WMATC, the regulatory commission, has been altogether too permissive insofar as the Chalk operation is concerned.

I would like to comment further on the question of value—and I think this might be of interest to the Senator from Delaware, because this has not been previously divulged. I think we have to be 100 percent candid on the floor of the U.S. Senate.

Back in 1968 there were some discussions between Mr. Chalk and WMATA, the operating agency that will in due course operate Metro. WMATA had an appraisal of the D.C. Transit made in 1968. The estimate of the worth of the company at that time was something in the neighborhood of $5 million.

We tried to find out from Mr. Chalk, when he appeared before the committee, what he thought the company was worth.

Mr. Chalk is an intriguing witness. He likes to speak, but not to answer questions. If one reads all of his testimony, one will find that he rambles and never gets to the point.

The best information I could get from him was that he thinks the company is worth something like $60 million—give or take lots of millions of dollars.

There is quite a cleavage between what WMATA thinks the company was worth in 1968 and what Mr. Chalk thinks it is worth today.

Mr. WILLIAMS of Delaware. Mr. President, if he thinks the company is worth so much today it means that his assets have increased tremendously. Perhaps we could have a rate reduction; that is, if he really believes he is making money and if he really believes he has doubled or tripled the value of the company. But he has already taken out 10 times as much in the form of dividends as his original investment, and we are now told he has tripled the value of the company.

I wonder if we should not let him continue with the operation of the company and have a rate reduction. But let us face it—this company has been milked of its assets, and it is losing money.

Mr. EAGLETON. Mr. President, in a momentary fit of pique, I would be willing to go along with that proposition. However, the people who would suffer the most would not be the Senator from Delaware, the Senator from Missouri, or Mr. Chalk.

The people who would suffer would be those who have to ride the buses by virtue of their economic status and lack of other modes of transportation. Many people have to ride public service facilities.

Quite frankly, in view of the present events, we will not have the company operating, in my humble judgment, for too much longer under the present operator.

Mr. WILLIAMS of Delaware. That is the point. And the moment the present owner stops operating under the present charter we take it over for nothing because he would have lost his charter and lost all rights to it.

We do not have to buy it. That is what I am saying. With that charter goes a responsibility. His threat that, "If you do not buy this and pay my prices I will stop operating and people will be left to walk," has no effect because once that happens we can take it over immediately; we can collect the damages on it and make him pay his bills as well. I am not concerned with that kind of threat. It is a two-way sword. If he reads his charter—and I am sure he has—he will find in that agreement that franchise is in effect during the life of the charter but only as long as he renders the services. The moment he stops rendering service to the city he forfeits all rights. He is not bluffing anyone at all. The Government does not have to buy his equipment, nor do we have to assume his obligations.

For example, in 1958 after he took over the transit company had a property within the city which they sold. The commission gave them permission to sell it. Capital Transit sold it at a net price of $1,266,605.

Mr. EAGLETON. What piece of property is the Senator referring to? Does the Senator have it identified? We have some listings in the report and hearing record by addresses. Does the Senator know what specific piece of property?

Mr. WILLIAMS of Delaware. Yes, I have it here. It was sold to the city in December 1958. The Redevelopment Land Agency bought it and paid D.C. Transit System, of which Mr. Roy Chalk was president, $1,266,605 for the property. I am sorry, but the address is not given here. I do not see it.

Mr. EAGLETON. That is sufficient. That clarifies it.

Mr. WILLIAMS of Delaware. The Redevelopment Land Agency of the District bought this property and paid this price for it.

Mr. President, I ask unanimous consent that excerpts from a report furnished by the District of Columbia Board in support of my point be printed in the RECORD at this point.

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

2. In December, 1958 the Redevelopment Land Agency paid the D.C. Transit System, Inc., of which Mr. O. Roy Chalk is President, $1,266,605, not $3.5 million, for Transit System property within this site. Other property was purchased from the D.C. Transit System, Inc., at the same time, bringing the total payment to the System to $3,320,000, but this other property has no bearing on the site under discussion.

The lease to Chalk House West, Incorporated, a wholly-owned subsidiary of the D.C. Realty and Development Corporation was executed on July 6, 1962. The lease specifies an annual rental of $43,221.33 or 6% of the fee value of the land referred to under Item 4 of the enclosed statement, namely $720,355.56, and is for a term of 99 years, with certain provisions for purchase of the fee prior to termination of the lease.

Mr. WILLIAMS of Delaware. Mr. Chalk could pass this money out to the stock-

holders in the distribution. He liquidated that part of the assets, and without reducing his obligation this was apparently passed on to the stockholders.

But more interesting, apparently the Redevelopment Land Agency did not really need this property even though it had bought it, because it was rezoned and the valuation reduced to $767,000 and then it was immediately leased to Chalk House West, Inc., a wholly owned subsidiary of the D.C. Realty Development Corp., for $43,221.33 a year under a 99-year lease. He could invest the $1,266,605 received from the sale at 6 percent and get an annual income of nearly $75,000. He has his money and the use of his property on these extremely lenient terms. Why?

I say again that I am wondering if the time has not come when Mr. Chalk should start working for a living. I think it is time for him to stop riding on the backs of taxpayers. I know he is a great guy and puts on a great show, but the taxpayers are paying the bills. I want to make sure we are not here today starting a poverty program for Roy Chalk or a special relief bill for him. Personally I think we should hold up this matter and get a real look at his latest financial statement that was filed. He does have to file such statements. I think it will be found he has a zero factor in net worth and that he should pay the Government for taking it over rather than us buying it.

Mr. EAGLETON. Mr. President, once again I find myself in substantial agreement with the comments of the distinguished Senator from Delaware.

The deal to which the Senator referred as between the Land Redevelopment Agency and Mr. Chalk was, at the very least, a shoddy undertaking by a governmental agency.

Not that the Senator from Delaware needs more fuel for his engine, but there is another point that has not been made. Back in the crisis No. 1 stage, in early 1969, when this pension fund matter was brewing—as it is again today, and we will call that crisis No. 2—not only was Mr. Chalk delinquent in making his employer contribution to the fund, but also he was holding up employee contributions to the fund.

Mr. WILLIAMS of Delaware. The Senator is correct.

Mr. EAGLETON. He had the use of the employees' money while he was holding it up. As the Senator from Delaware knows—and he is an expert on the money market—there is nothing greater on this earth than to have the free use of someone else's money. One cannot lose. It seems that Roy Chalk's whole experience has been the free use, as it were, of other people's things and money. Back in crisis No. 1, he even held up employees' funds. He kept their hard-earned pay. He would not even turn that over to the fund.

So, there is a good deal in what the Senator from Delaware says. But I must disagree with his penultimate conclusion. Yes, it would be nice to "sock it to" Mr. Chalk; and yes, it would be nice, all things being equal, if this company which has such questionable value could be written off as a cipher, and a different operator, public or private, could come into the picture. However, as I pointed out earlier, and as I must reiterate, it is not just Chalk against the U.S. Senate that is the issue today. It is Chalk, the operator, and it is thousands and thousands of residents of the Washington metropolitan area who, not by choice or by inclination, but by necessity, are obliged to use the D.C. Transit System to get to and from work. A prolonged shutdown of this operation would mean that these people would be the ones to suffer most. That is why I must ultimately disagree with the Senator from Delaware when he suggests that we do nothing. In my opinion—and I cannot take an oath on this because the Senator knows when you submit a case to the jury no one can guarantee what the jury will do—a trial jury would hear all these facts and matters which the Senator from Delaware and the Senator from Missouri have pointed out, and it would not put an inflated market value on the D.C. Transit Co. as a going concern.

Mr. WILLIAMS of Delaware. Mr. President, I agree completely that we cannot lose sight of the fact that those who are the passengers of the transit company are the first consideration. I would make this point. There would only be a prolonged shutdown if the District of Columbia Board which has some responsibility, or Congress, or both, would be negligent in meeting this problem head on, whenever it happened. If Mr. Chalk decided he was not going to render services we should cancel his contract and call on him to pay his obligation. Either he renders the service or he forfeits the charter.

Mr. EAGLETON. He would have the privilege of testing out the efficacy of a cancellation. His lawyer would probably advise him it would be invalid. But where would we be while this thing was going through a long and tortuous court testing? What would happen to the riding public?

Mr. WILLIAMS of Delaware. I think there are other considerations. When does this charter run out? It is not a perpetual charter, is it?

Mr. EAGLETON. It is a 20-year charter. It was issued in 1956 and runs out in 1976.

After the first 7 years of the charter, which would have been back in 1963, there was a clause which gave Congress the right to cancel without damages.

Mr. WILLIAMS of Delaware. That is correct. So we can cancel that charter without damage being paid at any time, and right now.

Mr. EAGLETON. That is the reading of the franchise. I think it would be so interpreted by a court of law. But Mr. Chalk, of course, would have the right to litigate it and take it through the appellate process. But I wonder what would happen to the company, in terms of bus riders, while all this was going on. That is what troubles me.

Mr. WILLIAMS of Delaware. We can handle that. I do not think the Government should cancel the charter unless it has cause. But if he stops service as a result of the financial situation, as he threatens he may do if we do not buy it, we would not only have a right under the charter but a cause which would be upheld in court, to take it over and provide the service.

I do not see why we have to pay a man who just does not have anything to sell us. He just does not have anything to sell but a lot of unpaid bills and heavily mortgaged equipment.

Mr. EAGLETON. I should point out that under the bill before us, S. 1814, the charter of D.C. Transit would be canceled 1 day before we acquired it. Therefore, under the theory of this bill, there is no value for the charter per se because it is canceled the day before we acquire it. He gets no value for the charter document.

Mr. WILLIAMS of Delaware. What does he sell?

Mr. EAGLETON. He sells his buses. He sells his other tangible assets and his "goodwill."

Mr. WILLIAMS of Delaware. How much does he owe on the buses? Under what terms were they bought?

Mr. EAGLETON. At the time of our hearings, about a year ago this time, he owed about $10 million to $12 million on the buses. They are with him on a consignment basis.

Mr. WILLIAMS of Delaware. He owed $10 million to $12 million on the buses?

Mr. EAGLETON. Yes.

Mr. WILLIAMS of Delaware. Assuming the Government bought this property, the Government would be assuming not only the obligation of $4 million to $5 million in current liabilities which the Senator enumerated before, but we would also assume liens on the buses. How many million dollars did the Senator say?

Mr. EAGLETON. Ten million to $12 million on the buses.

Mr. WILLIAMS of Delaware. Ten million to $12 million still owed on the buses.

I doubt very much that the buses if they were put on the market would bring $10 million to $12 million. The Senator is well aware of how fast they depreciate, particularly in the earlier years.

So what we are taking over is not an asset but an obligation. I will be frank with the Senator. I am not sure, but that if the Government is to operate this as a transit system we would not be better off canceling his contract and buying our own buses. Are we to pay $10 million to $12 million liens on these old buses to operate the system? Why take over a lot of old equipment that Chalk has not been taking care of and assume all his obligations just to bail him out so he will not have to pay the bills himself?

Mr. EAGLETON. On reexamining the hearing record, I find that I did not give the correct figures to the Senator. I am quoting Mr. Chalk in the hearing record, where he points out the money owed on the buses is $15 million to $18 million.

Mr. WILLIAMS of Delaware. Fifteen to eighteen millon dollars? That is worse

still and emphasizes why this whole transaction needs further study.

Mr. EAGLETON. Yes.

Mr. WILLIAMS of Delaware. Then it is worse.

Mr. EAGLETON. Yes. The picture gets darker as the clock ticks on.

Mr. WILLIAMS of Delaware. What would be the value of the new buses? Based on the manner in which Mr. Chalk is meeting his other obligations chances are he is more delinquent now than he was last year when these figures were given.

Mr. EAGLETON. In glancing through the record, I cannot give the Senator, as of today, any kind of good "ballpark" estimate of the market value of the rolling stock at that time.

The rolling stock of D.C. Transit is not the most decrepit, in my opinion. One of my cities, I think, wins the dubious accolade. Kansas City, Mo., has the most horse-and-buggy operation in terms of rolling stock.

So there would perhaps be some realistic or substantial market value for the rolling stock. I do not think it would all end up as solid waste disposal.

Mr. WILLIAMS of Delaware. I do not think so, either. I agree with that. Many of the buses are modern. But the point is that with $15 million or $18 million we could buy many new modern buses. The point is that he owes on this equipment, and it is second-hand equipment. Second-hand equipment is not new equipment. I wonder if that is not a high value for that second-hand equipment.

Let us face it; assuming the second-hand equipment is worth only $10 million, if we take the operation over, we are obligated to take over the $15 million or $18 million obligation, because when we take it over we also take over the obligations; that is an immediate loss. I am wondering if the payments on the buses are not more than they are worth today.

Those are some of the contingencies that bother me. What bothers me is not whether we buy an asset for x dollars but whether we are buying a liability which can be many millions of dollars more than it is worth on the market. Is it not almost a situation where Roy Chalk should owe the Government in order to get us to assume his liabilities?

Mr. EAGLETON. In answer, let me respectfully say that one point the Senator from Delaware is overlooking in his very able presentation of the financial picture of this company is that there is some positive or plus value, in my judgment, to the going-concern value of an operation. The Senator from Delaware seems to be premising his argument on the assumption that this company would "go under" in the sense that there would be some buses sitting on parking lots, there would be some electric typewriters at the main office, there would be, hither and yon, other tangible assets. However, no buses would be running. The drivers would be dismissed. They would get employment either in other cities as drivers or in other endeavors. All the assets of the company would be dispersed.

It would be an arduous and tremendous task, be it by a private company or by a Government authority, to start from the bottom up, from the word "Go," a brandnew bus system. It is more than merely acquiring air-conditioned buses and electric typewriters. There is a going-concern value that includes trained busdrivers and other trained personnel of experience and talent, who might be scattered to the four winds if the company went defunct and stayed defunct for some period of time.

So I think it is too narrow a vision to regard this company as just an assemblage of physical things on four wheels.

Mr. WILLIAMS of Delaware. I agree with the Senator. That would be a plus factor in evaluating the assets of this company. I agree that there would be an asset value to whoever succeeded in the takeover operation. At the same time, the Senator is aware of the fact that in the marketplace the valuation that is put on the securities of any company—for example, listed and unlisted securities—does take into consideration not only the book value of the company but also the earning or loss potential of the company. The result is that if it is a profitable company with a long-range profit promise it will sell above the book value, and very properly so. On the other hand, if it is a company in a situation such as this company is in, which has a short-term lease—even the value of the 20-year charter runs out in 1976—then that plus the factor of a weak financial situation would have to be taken into consideration. The ability to stay in business only the next 6 years should also be taken into consideration as a factor in the profit or loss potential during this period.

All of those are minus factors. So in this instance, even if there were a book value it would sell below the book value.

That is true in many of our corporations today. One does not necessarily buy or sell taking the book value as representing what it is worth.

I do not think that there is much, if any, net worth here. I ask the Senator as the manager of the bill this question: Is is the intention that all of these negative factors be taken into consideration in the appraisal and that if there is no book value, he be paid nothing?

Mr. EAGLETON. I think many of the points the Senator has ably spelled out are relevant, pertinent, and evidentiary matters that can and should be presented to the five-man jury at the time this case is tried so as to determine the value of this company.

It could well be that it is worth zero, or, as the Senator has hinted, maybe Chalk owes us something to take it off his hands. But I think these are all matters that should go before the jury, and the five "good men and true" should render their judgment.

To make one other point: We were informed by the General Motors Corp. that in order to assemble a fleet of buses, both new and used, comparable to the existing Chalk fleet, would take about 5 years. That is, assuming that the company went defunct and some of the buses were sold to Kansas City, some went to Miami, and they were scattered all over the place, and we then had to start anew. It would take about 5 years to assemble a fleet, according to GMC, comparable to the Chalk fleet.

Mr. WILLIAMS of Delaware. What did GMC say they would cost new, assuming they were being bought new?

Mr. EAGLETON. I am sorry, I do not have a new-cost figure.

Mr. WILLIAMS of Delaware. We should have that, and perhaps if they are so valuable GMC would be glad to take these buses back for the $18 million still owed.

I respect General Motors as well as any other company, but it has an incentive here to build up the value, because it has $15 million or $18 million owed it on the buses, and one would not expect this company to say they are not worth that much. If the Government is to buy them we would expect General Motors to support a high valuation so that the Government would be willing to pay off the debt.

I would be interested in knowing just what the cost per bus is and how many buses he has. I think those are points of information we should have. If it were my company and I had sold these buses and somebody owed me $15 or $18 million I would want to think they were worth every bit of that money. It would be to my interest. But the buyer should make his own appraisal.

We are on the other side of this issue, and I would be interested in knowing what they actually cost in the first place. Maybe we would want to let General Motors have this bargain.

Mr. EAGLETON. I am sorry; we do not have that in our files.

But let me emphasize this: I concur in what I take to be the general thrust of the remarks of the Senator from Delaware, that insofar as evaluating the worth of this company at anywhere from zero dollars upward only those items that actually have some value whether it be buses or other things, should be what the District of Columbia government pays; plus—and I cannot state an exact dollar price tag on this—there is a value, I believe—going-concern value—insofar as these trained employees are concerned, to which I have previously alluded.

Mr. WILLIAMS of Delaware. I would go along with all but the last part of the Senator's statement. I would not concur that Roy Chalk has any asset value that he can sell to the Government regarding the rights of the employees. I recognize that factor, but I think he has forfeited whatever asset value exists as to employee relationship, and I am not willing to pay him for that. The Government could hire these men, and I expect could keep their salary scales a little more current and their pension funds a little more solvent.

We have to be sure we do not overlook that if we should buy this company we would be assuming this $15 or $18 million, or whatever it may be today, outstanding on the buses. We assume that liability. We also assume the contingent liability on the pension funds. We assume all of the many current installment

obligations which may be outstanding on the typewriters the Senator has mentioned, or any of the other equipment.

I personally recognize that there is some merit to the suggestion before us. I think we should meet the situation as to how this transit system should be operated. But I am not willing to vote for the bill until I can see a balance sheet of the company together with the listed assets and the contingent liabilities, which is not here. I think Mr. Chalk has a responsibility to put that on the line, and I think that we, as Senators who are approving the matter, have a responsibility to look at it and see to just what extent there is anything here to sell.

I know that back home in the little business I operated my brothers and I would never sit down and decide we were going to buy *x* piece of property and state our intentions in public before we had agreed on a price. No; even if we had already decided we wanted to buy it we would say, "Let us sit down and negotiate the amount."

Under this bill we do all but fill in a blank check. I do not have respect enough for Mr. Roy Chalk to give him a blank check to fill in on the U.S. Government.

By the way, who are these five men who will make this decision?

Mr. EAGLETON. A panel drawn just as in a regular jury panel in the district court made up of veniremen. There are challenges for cause, peremptory challenges, with the regular voir dire examination, the same as with any other jury, except that in this instance it is a five-man jury rather than a 12-man jury.

Mr. WILLIAMS of Delaware. I ask this question as one who has great respect for the jury system: Are they drawn just the same way as a regular jury for a criminal trial?

Mr. EAGLETON. A jury for the trial of a damage suit or of a criminal felony case. A cross section of the community.

Mr. WILLIAMS of Delaware. Again I emphasize my respect for the jury system. But in evaluating a company such as this we are dealing in a highly technical situation. Can the average man from the streets come in and evaluate this transaction with all of its ramifications, contingent liabilities, and so forth? That is the point I am asking. Can they, or could a couple of slick lawyers confuse them to the point where they will end up saying, "Mr. Chalk says it is worth $60 million; the Government says it is worth zero; we will split the difference and give him $30 million," when in reality we do not owe anything?

I am not saying this as any reflection on the jury system, but we are dealing with a highly complex situation here, the balance sheet of a corporaton, which almost takes an accountant to understand. Can we, with all due respect, just pull five men off the street in Washington and let them put a valuation on this and fill in this blank check for this operation?

Should we not get an evaluation established in advance and then approve it? I mean, could there not be some final approval by Congress? What would happen if we came back here with a $20 million valuation on this system when, as I understand, Mr. Chalk originally only put up a little over a half a million dollars to start with?

Mr. EAGLETON. That is all the cash he put into it.

Mr. WILLIAMS of Delaware. He put in a half a million dollars, and he has drawn out of it about $5 or $6 million annually, has he not?

Mr. EAGLETON. Something in that neighborhood, yes.

Mr. WILLIAMS of Delaware. He has milked the company and drawn out about 10 times as much as his original investment, leaving nothing but a hollow shell, and now he claims that it is worth $40 or $50 or $60 million. That is absurd.

I think we ought to have the answer as to what we are going to pay beforehand. I just wonder if we cannot handle this in a different manner than by just passing the bill and saying, "Go buy it; pull five men in off the street, split the difference with Roy Chalk, and buy it." This financial transaction goes far beyond that with me.

Mr. EAGLETON. Mr. President, if I may, I would like to point out to the Senator these matters:

In the report on this bill, starting at page 26, appendix II, is the heading "Data Relating to Financial Condition of D.C. Transit, Inc." I think the Senator will find, beginning with page 26 and continuing for an abundant number of pages thereafter, pertinent financial information that might partially, if not totally, satisfy his question in that regard.

I specifically direct the Senator's attention to page 28, table I—"12 months period ending February 28, 1969, adjusted." This table itemizes the operating revenues—passenger, school fare, subsidy, charter, and so forth—and the operating revenue deductions, and gives some indication of the cash intake and outflow of the Chalk operation during that period.

On the very important question that the Senator raises about what happens in the jury trial if the District government claims that it is worth zero or a half million dollars and Chalk claims that it is worth $60 million and the five jurymen say, "Split the difference."

The Senator from Delaware asks me, "Would we not be left holding the bag for $20 or $30 million or some figure that is outlandish?" Under existing law in the District of Columbia, if such an outlandish verdict were brought in, the Mayor of Washington may reduce the judgment within 20 days of the time it has been returned.

Further, there is a second or additional check on this. In order for the judgment to be paid, even if some people were so foolishly motivated as to want to pay such an outlandish judgment, the appropriation process of Congress comes into play. This judgment cannot be paid unless Congress at a later date—with hearings, of course, and free opportunity to debate—appropriates the specific amount of whatever that judgment might be.

I think there are two checks: The Mayor can cut the judgment, and Congress can have a further check on it through the appropriation process.

Mr. WILLIAMS of Delaware. The Senator is correct in that. But our previous experience with the District Board in holding the line has not been very satisfactory, because the boards have approved Mr. Chalk's milking this company, taking its assets out rather than holding them in the company and using them for the purpose of rendering a public service. And this is a public service operation. It was started based on a charter that was granted to the company originally on the assumption that it would agree to render a public service. The money that went into the company was accrued as a result of fares paid by the riders.

It is true that, as in a private enterprise system, the rules were that they were expected to earn and pay a reasonable rate of return on the invested capital. I would go along with that. They should be allowed to do that. On the other hand, it is not a reasonable rate of return when we consider that in the past 10 years they have approved the payment to the stockholders of approximately 10 times the original investment. That is not reasonable in any rate of return for a public authority. So they have already exceeded that. As a result they now have a company that is nearly insolvent and not earning money.

Personally, I am not going to support the argument that we just approve a bill to buy it and come back later with the price. It is true that Congress may accept or reject the court verdict. But I am not too sure that once the court condemned the property and set a valuation on it Congress would be in a position to reject it. Even so, it would be more embarrassing to do it then than now.

I think that on an operation such as this we ought to be able to reach an analysis of what we and others think is the valuation that should be placed upon it, and that cannot be done without examining the financial statements of the company, or at least the most recent one. We are operating here in a situation where there is no financial statement accompanying the proposed legislation—that is, I have not seen one yet. That is what we need if we are going to make an intelligent decision on this bill. Otherwise I am going to vote against it.

Mr. EAGLETON. First, there is further financial information with respect to the D.C. Transit, Inc., at pages 211, 212, and 213 of the hearing record.

Second, let me say that we will get for the Senator from Delaware, if he would like to have it, a copy of the 1968 appraisal to which I have made previous reference, at which time WMATA had the value of D.C. Transit in the neighborhood of $5 million.

Mr. WILLIAMS of Delaware. I would like to see that. In addition, I would like to see the balance sheets, the actual fi-

nancial statement as to the assets of this company, so that we can reconcile that with the debts. I am not willing to accept the fact that we have a million-dollar company when it is really just a shell. I want to know what is to be included as the various assets. What are the obligations?

Mr. EAGLETON. His financial statements, such as they may be, are on file with WMATA, the regulatory agency. I assume he has some obligation to publish the shareholders' statement to the stockholders.

Mr. WILLIAMS of Delaware. It is something we could get without infringement of his rights to secrecy.

Would the Senator be willing to lay this bill aside until we can get those reports?

Mr. EAGLETON. We are not trying to play hide-and-seek with these reports.

Mr. WILLIAMS of Delaware. I know that.

Mr. EAGLETON. We have struggled with this matter for a considerable period of time. I know that the Senator from Delaware is an extremely gifted man on matters relating to finance, money, and so forth, and is far more expert in this area than I.

However, based on thorough consultation with the District of Columbia government, consultation with WMATA, which is an agency of some financial significance, and based on such other advice we have had, we believe the bill is in proper shape to move forward today. We are in a time of incipient crisis.

I cannot apologize, and would not attempt to apologize, for the past sins of WMATA, the overly indulgent regulatory body that permitted Mr. Chalk to milk this company and did not exercise the proper oversight. I would not apologize for it. Mr. Chalk has milked the company, as the Senator has pointed out. He has milked it, to the detriment of the riding public.

But the past is past. We cannot either undo it or rewrite it. It is done with, and it is not a very pleasant or happy past picture. But here we are today, on April 15, 11 days prior to a time when there may be a strike. I do not like operating at the trigger of a gun. But all I know is that if there is a long, protracted strike, as there was here in 1956, when Mr. Chalk's predecessor, Mr. Wolfson, was operating the company——

Mr. WILLIAMS of Delaware. Mr. Wolfson was another man that took the taxpayers in the District for a ride with the consent of the same board.

Mr. EAGLETON. But if a strike does go forward with the length and intensity of the 1956 strike, the people—I repeat, the people—will suffer. I have the notion that Mr. Chalk is an agile enough man that he usually emerges on top. Senators will be able to get to work in their private automobiles, but the people will be left holding the bag. Those who will suffer will be the long-suffering, riding public.

If we had the luxury of time on our hands, if we had the luxury of just being able to take a long, long reflective look at this matter, perhaps there is another way to approach it. But we do not have the luxury of time.

Mr. WILLIAMS of Delaware. The Senator mentioned the strike deadline. Just what is involved in that potential strike threat? Why is it coming to a head on that date and does this bill do anything to change it? What is the conflict there?

Mr. EAGLETON. There is no strike prohibition in the bill in the sense that, if it were to go to the House, and even if the House were to approve it very quickly, there is nothing in the bill that says a strike is outlawed. It shows the bus operators, the union, the locals, which have been continuously at loggerheads with Mr. Chalk about their pension fund where—as I pointed out earlier, he has not only held up his payment to their fund but also their money that goes into the same fund—that there will be a new lease on life for them with a new operating agency, that they will no longer be at the dangerous and not so tender mercies of one, O. Roy Chalk, that maybe they will get a fair shake.

Mr. WILLIAMS of Delaware. I recognize that, and I agree with the union members who are fearful of this situation and can understand the position they are taking. But what is their position? Their position is that Mr. Chalk, in violation of a court order, has not made his agreed payments to the union pension fund. If he had a contract to make these payments, he should be made to do that. I think it is time for Mr. Chalk to be reminded that the courts have authority over him; that he is not a superman. I do not believe that we in Congress have to tremble because he says, "I am not going to pay the union, and there will be a strike; so you had better buy my company."

Yet his dillydallying, his failure to pay the union, his use of their money without interest, which is a valuable factor, may very well cause him to think he will get away without having to pay the union at all. Perhaps he thinks that he will sell the transit company and that the new transit authority will take over all its obligations.

He may use this method to agitate the union members, but I say, let us call his bluff. I can understand the concern of the union members about it. They are threatening to strike, and my guess is that Mr. Chalk thinks that this will scare Congress into buying the property. He wants us to give them assurance of a Government guarantee of their pension fund in order to avoid a strike.

Mr. Chalk owes this money under a contractual obligation that he made with the union, and I understand the courts have directed him to make the payment. I think he should be held in contempt of court. If some court has enough backbone—and I think that some courts need a little backbone these days—to take the same action with Mr. Chalk as was taken with Governor Kirk in Florida, and said, "You are under a fine of $10,000 until you comply with the court order," I venture to say that we would not have a strike in the District of Columbia.

I say, let us enforce such an order with Mr. Chalk. If he is under orders to pay that money let him pay it. If there is a union walkout here because he has not paid the union funds, which I can understand, let us call Mr. Chalk to account. Let him know that he is not quite so big as the U.S. Government, even though I am sure he has a pretty good opinion of himself.

Mr. GRIFFIN. Mr. President, I associate myself with what the Senator from Delaware has been saying, particularly his comments regarding the indication by the Federal judge with respect to Governor Kirk, of Florida, that if he did not comply with the orders of the court, he would be fined so much money a day.

I find it difficult to understand why other Federal judges in other situations involving the enforcement of the laws of the United States have not used that particular approach.

I am thinking in terms of flagrant violations of the law that Federal Government employees cannot strike and that leaders or organizations of Federal employees cannot even advocate the right to strike. Since that approach was very effective with respect to Governor Kirk, it seems to me it should be used in other situations, such as the one the Senator from Delaware is referring to today.

Mr. WILLIAMS of Delaware. That method was used effectively several years ago against the United Mine Workers in a strike that was called by John L. Lewis. He was faced with a continuing accumulation of a fine of $50,000 per day, and the miners suddenly decided that they could go back to work.

I venture to say that if we had a judge handling this case with O. Roy Chalk where after he has been told to put the money in the pension fund or have a fine levied of $5,000 or $10,000 per day against his personal liability as long as he failed to comply with the court order, the money would have been there.

I do not think we have to pass a bill to buy his company in order to keep the transit system operating just because he will not comply with a court order. I am not too sure that that is not part of Mr. Chalk's plan, that he can scare Congress into buying his company, otherwise there will be a strike.

I am not criticizing the union members for their concern about this delinquency. They should be concerned. It is very important to the union that the pension fund be kept solvent. I agree with them on that, and I support them. But I say let us get the court to enforce the order. We do not have to buy his company. Maybe this bill should be held up, say until next Monday, and then get these financial reports and look them over so that we can pass a little better judgment as to what we think the company is worth. I am not trying to delay the bill unduly, but I think that something should be done toward at least examining these financial statements.

Mr. EAGLETON. Mr. President, as I have said on more than one occasion, I am in substantial agreement with many of the comments the Senator from Delaware has made with respect to the operation of this company and its questionable financial history through the years. I am not a member of the O. Roy Chalk fan club. I know that the Senator from Delaware is not a member nor is the Senator from Michigan. In fact, I

think it is one of the smallest fan clubs in the United States. But where I disagree with the Senator from Delaware is this: Even assuming the company has been milked—and it has been; assuming the regulatory agency that had jurisdiction over its operations has been overly indulgent—and it was overly indulgent; assuming that the pension fund has been improperly handled so far as Mr. Chalk is concerned, to the detriment of the employees of the company—and it has; assuming the fact that Mr. Chalk has a grossly exaggerated opinion of what his company is worth, and what its goodwill is—which, in my judgment, is negative; assuming all of these things, it still does not take away from the fact that we are here in the Senate, on April 15, and I think the busdrivers of the company have gone about as far as they can go.

They went through this thing a year ago, when he was holding up even their own money which had been taken out of their paychecks.

Mr. WILLIAMS of Delaware. Which was a violation of the law. We need a judge who would enforce the law.

Mr. EAGLETON. Finally he came up with the employee money and even later came up with his own money. But they go through this thing with Mr. Chalk every year. I think they need some help. I think the bus riders of the District of Columbia and the metropolitan area need some help. We need to get rid of Mr. Chalk. It will be a better community without him operating this vital facility. We also have got to give time for the House of Representatives to act. This is April 15. They have to have time to give attention to the bill and, therefore, I must disagree with the ultimate suggestion of the Senator from Delaware to delay this matter further.

The committee has had this bill before it for a year. There have been extensive hearings. I think that now is the time to press on. The question of the value of this company will certainly be thoroughly negotiated. And if no agreement is had, there will be a thorough presentation before a jury. The Mayor of the District of Columbia, if he does not like the jury verdict, does not have to go along with it. Under the law previously mentioned, the Mayor would have 20 days in which to cut the verdict.

The U.S. Congress would have a second look at it. If Congress thinks the figure is outlandishly high, it does not have to appropriate the money.

What we do today is not in any sense final or not subject to review. It is subject to review and further checks and balances down the road. There are ample checks and balances in my judgment.

Thus, I would suggest that we could go foward with this measure today.

Mr. PERCY. Mr. President, if the Senator would yield, I do not think that time is of such essence in this case that a matter of a few days could not be afforded if those few days reveal information vital to the Senate in analyzing and determining an equitable solution to the problem. Perhaps the information asked for by the Senator from Delaware is available.

I do not know the opinion of the Senator from Missouri as to what the information would reveal and how pertinent that material would be in respect to any fair appraisal, whether the request of the Senator from Delaware is unreasonable, or whether that information should not have been furnished in the first place in order for us to properly appraise this legislation.

Mr. EAGLETON. Mr. President, no request from the Senator from Delaware is ever unreasonable because he is a man that is very knowledgeable on financial matters. When he makes a request for financial information, we want to oblige him.

I repeat to the Senator from Delaware that starting on page 26 of the report there appears the following, "Appendix 2. Data Relating to Financial Condition of D.C. Transit, Inc." Thereafter in many pages we have the dollar amounts listed and they paint a financial picture of the operating revenue and other pertinent financial matters of the D.C. Transit, Inc. On page 49 is listed the appropriate rate structure.

Mr. PERCY. I have looked in vain for the very elementary financial statements that would be required, a series of balance sheets from the time of the takeover of this company until the present time, so that we could appraise and analyze what has happened to this company.

Mr. EAGLETON. They are in the record on page 211.

Mr. PERCY. I found some summaries, but I could not trace the history of the movement of all of these accounts from one year to another in detail to determine how we finally ended up with a negative net worth figure.

Mr. WILLIAMS of Delaware. We cannot trace them in the committee report. I do not say that if we had the financial statement we would not come up with the same answer.

Mr. PERCY. Mr. President, if we are going to play hide and seek on this matter, we ought at least to have some information available so that we would know where to look.

I know that I would never make a private investment on such skimpy information. And I try to spend even more prudently public funds.

Perhaps the committee itself has gone into this matter in detail. Perhaps it has analyzed all of these accounts. However, I should think that when the distinguished Senator from Delaware, on whose judgment so many Members of the Senate rely, feels that he cannot make a judgment on the basis of the available information and might therefore cast a negative vote when he does not want to impede the progress of the committee, we should be afforded a few more days' time.

I understand that the committee has been grappling with a tremendously difficult problem. But could not the request of the Senator from Delaware be met within a reasonable period of time, say, 24 or 48 hours? That would enable the Senator from Delaware and other Senators to analyze the report and form a judgment which, if it is favorable, I am certain would carry more weight than is the case at present.

Mr. WILLIAMS of Delaware. Mr. President, I am not trying to delay Senate action. I have always advocated the Senate's right to take action whether I agree with it or not. I would be willing to agree that—this being Wednesday—we could get those financial reports and they could be analyzed by the end of this week, or by Monday we could be ready to make a decision.

So far as I am personally concerned, I could give a quick yes-or-no answer on that basis. But I cannot do it on the information we now have available. As the Senator from Illinois mentions, if one were making a private investment in a company he certainly would examine all such factors. We are suggesting here an investment for the American taxpayers.

To be frank with the Senator, I thought sure that this fiancial information would have been brought before the committee and analyzed. It should have been available.

I do not criticize the committee. I do not want the Senator from Missouri to misunderstand me. I realize that something like this is rather complex, and maybe I am overly cautious, but this is a long-range transaction and a lot of money is involved.

Perhaps I am attaching undue importance to these points. But those are the points I would want to have information on before making a judgment on whether or not to invest.

Mr. EAGLETON. Mr. President, I assure the Senator from Delaware and the Senator from Illinois that we are not trying to play hide and go seek or ring around the rosy or any other games.

As far as I am concerned, I am trying to get this measure passed by the Senate. We can then let the House begin to grapple with it. Perhaps some day we can unload O. Roy Chalk.

For specific answers, I refer the Senators to the hearing record. On page 211 of the record is contained a chart of "D.C. Transit System, Inc., history of retained earnings, August 15, 1956–December 31, 1968."

On that page is listed the net operating income or loss of the D.C. Transit, Inc.

Second, we have a balance sheet and other pertinent figures as of November 30, 1969, which includes part of the fare case pending before WMATA, which is available because it is a public agency and those are public records.

Third, at the request of the Senator from Delaware last Thursday, this bill was laid over until today so that he could consider the matter further. Six days later, the Senator from Delaware requests that it be laid over for an additional 5 days.

Mr. WILLIAMS of Delaware. Mr. President, I agree with the Senator from

Missouri that it was at my request that the bill be held over to today. Frankly, I could not conceive of the bill having been reported without some of this information being before us. The balance sheet figures in the report to which the Senator refers are only extracts from the balance sheets.

Mr. EAGLETON. They are extracts from the balance sheets. The Senator is correct.

Mr. WILLIAMS of Delaware. I cannot make a considered judgment on the basis of that limited information. I cannot make a decision by just examining these extracts from the balance sheets.

For example, at no point do I see the contingent liabilities to which we referred earlier in the debate regarding the buses.

Certainly under the law Mr. Chalk has to file for his stockholders at least and every year for the Treasury Department a consolidated balance sheet with all of these answers contained on it. They have to be itemized, and that is what I would like to see.

Mr. EAGLETON. In the bill we are not trying to set a price tag on this company. All we are doing in the bill is setting up a procedure or a method of approach. If the purpose of the bill were to establish a definitive, exact price for D.C. Transit, the Senator from Delaware would be eminently correct. It would be necessary to look at balance sheets and appraisals, such as was mentioned were made in 1968 to WMATA. It would be necessary to have a wealth of data beyond the 312 pages of the hearings before us.

But we are not here today to determine what the net worth of the company is. It may be worth nothing; it may be worth a "zillion" dollars. But that is not what we are here to determine today. We are to determine what is the mechanism by which a judgment can, in due course, be made in a court of law, with appraisers having been appointed on both sides. We are not here to establish a precise dollar value. If we were, I would have no disagreement with the Senator from Delaware.

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

Mr. EAGLETON. I yield to the Senator from Illinois.

Mr. PERCY. My question pertains to the 1969 operating conditions and the December 31 balance sheet. Has the distinguished Senator from Missouri that information available? It is not in the printed hearings; at least I cannot find it.

Mr. EAGLETON. There is not, either in the printed hearing record or in the report, a verbatim reproduction, per se, of the balance sheet. There are extrapolations or compilations from the balance sheet. The complete balance sheet as of November 30, 1969, is on file at the Office of WMATC, the regulatory agency.

Mr. PERCY. Is that information available for 1969?

Mr. EAGLETON. The figures for 1969 are not available because, I am told, the balance sheet has not been finally audited. But the previous balance sheet was for the 12 months ended February 28, 1969, and appears on page 28 of the committee report.

Mr. PERCY. I am simply asking whether the company is filing an income tax return as of midnight tonight. If it is, it must, therefore, be filing it on the basis of some sort of audited statement.

The company shows an operating loss for only 1 year. It has made a profit of over $1 million. It had an operating loss of $290,000 in 1968. I think it would be pertinent to whatever we do or to whatever legislative record is made during the course of the debate to know what happened in 1969.

Mr. EAGLETON. Why?

Mr. PERCY. Did this company operate in a loss or a profit position in 1969?

Mr. EAGLETON. I will answer the Senator's question by asking the Senator some questions. I ask the Senator to assume anything he wants to assume. Assume that as of the taxable year in question they operated at a gigantic profit, that they operated at no profit, or that they operated at a gigantic loss; or I ask the Senator to make any other assumption between those bizarre and ridiculous extremes. Of what relevance is that to the determniation we are to make today with respect to the mechanism by which a judgment in due course can be made in a court of law? Of what validity to that determination are these figures? What bearing would it have on whether or not this case should be tried in a court of condemnation by a five-man jury?

Mr. PERCY. We are being asked for remedial legislation because apparently the company is in a distress condition. Why is it in this distress condition and does the distress condition which was pointed out as of December 31, 1968, exist as of December 31, 1969?

I would hope information is available, and I assume that the company is filing returns tonight like any other corporation. Is it not pertinent to have that information available so we will know if a distress situation has gotten worse, whether the situation has started to turn up, or maybe that they made a profit last year? This is tremendously pertinent because this is legislation authorizing the sale or purchase of this company.

This is the chance we have to establish values as to whether we do think there is a ball-park figure as to the value, and the profit or loss of the company is a very pertinent point.

I wish to reiterate that I recognize the problem and I appreciate what the committee is trying to achieve, most of which I am in agreement with. However, I do not think the request of the Senator from Delaware is unreasonable. As a matter of fact, I am somewhat ashamed that as I quickly glanced over the material I cannot really vote on this situation until I have the latest financial figures which should be available. Maybe we could make this determination in a couple of hours. It might be possible to analyze the financial statements during the lunch hour. We would like to have a little time, but if there is an emergency I would be glad to take the lunch hour and sit down with the financial people to see if by the end of the day we could not move ahead. I do feel there is a lack of information available at this time.

Mr. WILLIAMS of Delaware. Mr. President, I concur with the Senator from Illinois. I am not as optimistic, however, as the Senator is in believing that we could sit down during the lunch hour and review these financial statements, but we could do it without undue delay.

For example, there is on this page to which reference is made the item of "Net operating income." This may or may not be net after all depreciation, but what type depreciation are they taking? Are they taking accelerated depreciation or straight line depreciation? All of these factors have to be taken into consideration. Again the report states that interest is not included in this figure. To what extent is this a net operating income or loss? What I want to see is the net income reported on tax returns. We would be interested in the net revenues, the transit fares on a day-to-day operation, but are they taking into account the depreciation charges. There are many, many unanswered questions as far as I am concerned.

I want to make clear that in asking these questions I am not in any way critical of the Senator from Missouri. He has been most frank and cooperative, and I appreciate very much the tolerant position he has taken in trying to answer these questions. They are questions that have disturbed me personally, and I would like to have them answered before we vote.

But I am going to be guided by his decision. If the Senator wishes to push this matter to a vote today I am not going to object. I will, however, make a motion to recommit until we get the information, and if that fails, I will vote against the bill. If the Senator wants a decision today I am not going to object to his getting a vote. I have never tried to block the will of the Senate just because it is different than mine. I am, however, expressing my position and why I am disturbed at this lack of adequate information. I would be reluctant to make a commitment to buy a pig in a poke.

Mr. EAGLETON. Mr. President, I thank the Senator for his kind words. I know his inquiries are based on sound motives and deep sincerity.

I briefly repeat what I said before in answer to the Senator from Delaware. There are two points. The Senator from Delaware did ask that this bill be laid over for 6 days. It was. That was ample time for inquiries to be made of any agency for any reports. Second, what we are talking about in this bill is a procedure for acquiring a total transit system of the entire area. No mention has been made of that fact, and I guess I am a little silly in bringing it up now because it

may open the box further; but there are other transit companies involved in this bill, as well. There are one or two companies in Virginia, and there is one company in Maryland. We are talking about the potential acquisition of the totality of the bus transportation in the Washington metropolitan area stretching out into the suburbs of Virginia and Maryland.

I do not know whether any one of them is worth $1, 50 cents, or whatever it might be. I say it is not relevant to what we are trying to accomplish today and that is to set up the mechanism by which a judgment can be made to establish the price of acquisition. If the price is shown to be too high, Mayor Washington would not have to pay it and Congress would not have to appropriate it.

The decision here is in no way definitive of nor does it finalize what Mr. Chalk is going to receive. It only starts the process by which we can unload O. Roy Chalk, which I think would be agreed to unanimously by the Senate. At least we can give the House 11 days before the potential strike in which to take some meaningful action thereon.

Mr. WILLIAMS of Delaware. Mr. President, we are not voting on unloading Roy Chalk. If we were it would have been easy to have taken that vote quite a while ago. What I want to be sure is that in getting rid of him we do not have to pay him more than he is worth, because in my opinion he does not have anything of real value here to sell. At least I would want to see the financial statements.

Mr. President, I am not going to pursue this further. I gather that the Senator would rather push this measure to a decision here today. With that thought in mind I suggest the absence of a quorum. I will want a yea-and-nay vote on the motion to recommit the bill.

The PRESIDING OFFICER (Mr. STENNIS). The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. WILLIAMS of Delaware. Mr. President, I move that the bill, S. 1814, be recommitted.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are requested. There is not a sufficient number of Senators present.

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

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

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

Mr. WILLIAMS of Delaware. Mr. President, I ask for the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. EAGLETON. Mr. President, I am ready for a vote.

The PRESIDING OFFICER. The motion is that the bill be recommitted. The yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. KENNEDY. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Indiana (Mr. BAYH), the Senator from Idaho (Mr. CHURCH), the Senator from Connecticut (Mr. DODD), the Senator from Mississippi (Mr. EASTLAND), the Senator from Arkansas (Mr. FULBRIGHT), the Senator from Montana (Mr. MANSFIELD), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Minnesota (Mr. MONDALE), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), and the Senator from Georgia (Mr. RUSSELL) are necessarily absent.

I further announce that the Senator from Virginia (Mr. BYRD), and the Senator from Washington (Mr. MAGNUSON) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) is absent on official business as observer at the meeting of the Asian Development Bank in Korea.

The Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The Senator from Massachusetts (Mr. BROOKE), the Senator from Kansas (Mr. DOLE), the Senator from New York (Mr. GOODELL), and the Senator from Ohio (Mr. SAXBE) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Texas (Mr. TOWER) is detained on official business.

If present and voting, the Senator from South Dakota (Mr. MUNDT), and the Senator from Texas (Mr. TOWER) would each vote "yea."

On this vote, the Senator from Utah (Mr. BENNETT) is paired with the Senator from Massachusetts (Mr. BROOKE). If present and voting, the Senator from Utah would vote "yea" and the Senator from Massachusetts would vote "nay."

The yeas and nays resulted—yeas 39, nays 39, as follows:

[No. 133 Leg.]

YEAS—39

Aiken	Griffin	Packwood
Allen	Gurney	Pearson
Allott	Hansen	Percy
Baker	Holland	Schweiker
Boggs	Hruska	Scott
Cannon	Jordan, N.C.	Smith, Maine
Cook	Jordan, Idaho	Smith, Ill.
Cooper	Long	Sparkman
Cotton	McClellan	Stennis
Curtis	McGee	Talmadge
Dominick	Miller	Thurmond
Fannin	Montoya	Williams, Del.
Fong	Murphy	Young, N. Dak.

NAYS—39

Bellmon	Hartke	Pastore
Bible	Hatfield	Pell
Burdick	Hollings	Prouty
Byrd, W. Va.	Hughes	Proxmire
Case	Inouye	Randolph
Cranston	Jackson	Ribicoff
Eagleton	Javits	Spong
Ellender	Kennedy	Stevens
Ervin	Mathias	Symington
Gore	McCarthy	Tydings
Gravel	McIntyre	Williams, N.J.
Harris	Metcalf	Yarborough
Hart	Moss	Young, Ohio

NOT VOTING—22

Anderson	Eastland	Mundt
Bayh	Fulbright	Muskie
Bennett	Goldwater	Nelson
Brooke	Goodell	Russell
Byrd, Va.	Magnuson	Saxbe
Church	Mansfield	Tower
Dodd	McGovern	
Dole	Mondale	

Several Senators requested the regular order.

The PRESIDING OFFICER. The Senate will be in order. This is a close vote.

On this vote, the yeas are 39 and the nays are 39, a tie vote. The motion to recommit is rejected.

What is the pleasure of the Senate?

Mr. HOLLAND. Mr. President, I think that the vote that has just been had shows the reasonableness of the request of the Senator from Delaware that a little time be given to see if two very important objectives can be attained.

I completely approve of the first of those objectives: Let us find out whether the courts can and will exercise appropriate jurisdiction over the present owner of the public utilities that are affected by this bill, as the court should exercise that jurisdiction. I think it is important for us to know just what can be done in that connection. The amount in default on the employees' retirement fund should be paid.

Second, I thought that the Senator from Delaware was completely within his rights and on the reasonable side in requesting that a little time be given to see the recent facts, available only today, as I understand it, as to the last year's operation of this utility. Was it profitable or otherwise?

The PRESIDING OFFICER (Mr. BIBLE). The Senate will be in order.

The Senator may proceed.

Mr. HOLLAND. Mr. President, so far as the Senator from Florida is concerned, he does not even know Mr. Chalk. He holds no brief for him whatever. Some of the things the Senator from Florida has seen in the press which are attributed to Mr. Chalk, he certainly does not approve. At the same time, he does not like to be put in the position of having to vote for public ownership and operation of a utility, rather than ownership and operation by a private competitive industry, without having all the facts. The Senator from Florida would like to have the time, as already requested by the Senator from Delaware, to have those facts, and he is somewhat surprised that this bill has been called up without having facts which are so easily attainable.

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

Mr. HOLLAND. I am glad to yield to the Senator from Mississippi.

Mr. STENNIS. I thank the Senator for yielding.

Mr. President, I have no interests in and no special knowledge of this bill. I know that Senators work hard on these matters. It is a thankless job to work on that committee. But I did hear the argument. It happened to be my time to serve as presiding officer, and I noted that very few Senators could be present to hear the argument.

As I understand, the Senator from Delaware has asked for some additional information that is very vital to this question, as did the Senator from Illinois. But most of the debate I have heard was about Mr. Chalk. I do not know Mr. Chalk. If I have ever seen him, I did not know he was the man. But I doubt that he is the real issue in this matter. In fact, I do not believe he is.

I am reminded of one of Aesop's fables, in which the beef cows decided that their enemy was the butcher, and they conspired to destroy all butchers. But the fox, who was wiser than the rest, suggested. "The butchers aren't your enemies. Your real enemy is the appetite of the people for beef steak."

I do not believe that this problem is altogether Mr. Chalk. I was once a member of the District of Columbia Committee, and we had trouble before Mr. Chalk ever got here. I believe that this involves a subsidy and would involve a rather large one.

Every Senator is entitled to all the facts he thinks he needs, and that is why I voted for the motion. I do not believe that, prosperous as this city is, we ought to get into a matter hastily that is going to call for a large subsidy. I do not believe the people of Seattle or the people of Atlanta or anyone else ought to be taxed to defray the cost of transportation in a system in Washington.

So, until we know more about this matter, I think we ought to let the Members who are vitally interested in it, who know more about finance than I do, have an opportunity to get the facts.

I urge the Senate to send this matter back for some reasonable time, not to try to kill the bill, but to get these facts before the Senate.

The PRESIDING OFFICER. The Senator from Florida has the floor.

Mr. HOLLAND. I thank the Senator from Mississippi for his comment, which is entirely along the line that the Senator from Florida was following.

I think we are entitled to more facts. I am not one of those who want to vote for public ownership and operation, as contrasted with operation by private enterprise, without having all the facts. I have on occasion voted for public ownership and operation when I thought I had all the facts and they justified such a vote.

I do know from some former experience that the public utility here has not always been treated reasonably. The Senator from Florida, at an earlier time, years ago, offered a bill for a very small subsidy for the carrying of schoolchildren by this utility, and it was turned down because of the unpopularity of the then owners of the utility. Later, a much more generous bill along the same line was passed, and that was made even more generous in recent times. So the Senate has not always been consistent in its attitude on this matter and has not always treated the local utility in a way that was reasonable.

Knowing that fact, and believing that some information is withheld which is completely necessary, the Senator from Florida, with all respect for Senators who are doing an unasked for job on the District of Columbia Committee, thinks that we should have those facts before we are asked to vote for public ownership and operation.

Mr. President, I have noticed for a good time what public ownership and operation in the great city of New York has brought on there by way of all kinds of political troubles and social troubles and other troubles. I have noticed in my own State, where we have had some public operation and some competitive private enterprise operation, that the latter has generally been the much more acceptable.

Without knowing Mr. Chalk and certainly without holding any brief for him, because I have not appreciated some of the things that have been attributed to him by the press, I would want a complete, clear record presented before I am asked to vote for public onwership and operation as contrasted with a private operation, which, apparently in every year but one, shown by the record of the committee and its report, has been a profit making operation. My own feeling has been, from some of the things I have heard, that perhaps it has been even more profitable than the figures show.

Without trying to get into that at this time, I think the Senate should have a complete picture before we vote upon this. I think to have it insisted that we vote upon it without that complete showing is a mistake from every standpoint. I simply want to make it clear why I voted for the recommittal and with a complete and open mind as to what I would do later, when we had the whole of the facts, because the time may be reached when we should have public ownership and operation, but I do not want to cross that bridge until I have all the facts. If I am forced to cross it today, I shall merely vote no, because I do not like public ownership and operation unless it is completely necessary, in the public interest, and shown to be necessary.

Mr. MURPHY. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I intended to yield the floor, but I am glad to yield to the Senator from California.

Mr. MURPHY. I thank the Senator from Florida for yielding to me. I wish to associate myself with his remarks. I think that, once again, his wisdom is obvious here. We have had very little time to study this matter. I say there is no advantage to the general welfare merely to transfer the problem to the taxpayers, even though it be a problem we do not fully understand.

I think that the Senator from Delaware, as usual, is very wise in suggesting that we have more time and more information on this subject, and I had hoped the bill would be recommitted. Now, without binding myself, I am afraid that I will be forced to vote against the bill, which might be unfortunate, but I will have to vote against the suggestion of public ownership which, as has been pointed out by my distinguished colleague from Florida, with so little information, should be a matter of the last resort. This is a matter where the problem is not really solved. The trouble is not dissipated. It is still there. We just transfer it to the taxpayers, and I think the taxpayers of this country are generally overloaded already.

I think maybe much fuller information on this entire matter would be in order, and I congratulate my distinguished colleague from Florida for stating this, and thank him for yielding this time to me.

Mr. HOLLAND. I thank my distinguished friend from California very warmly for his comments. I am perfectly willing to yield for questions, but otherwise I intend to yield the floor, and I shall do so.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Does not the Senator mean on the committee amendment?

Mr. EAGLETON. On the entire bill as amended because that was already ordered, I believe.

The PRESIDING OFFICER. Amendments have been agreed to. The Chair is advised by the Parliamentarian that the question should be on the committee substitute as amended.

Mr. EAGLETON. I move adoption of the committee substitute.

The PRESIDING OFFICER. The question is on agreeing to the committee substitute as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. 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. EAGLETON. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. LONG). The question is on final passage of S. 1814.

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 New Mexico (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), the Senator from Connecticut (Mr. DODD), the Senator from Mississippi (Mr. EASTLAND), the Senator from Montana (Mr. MANSFIELD), the Senator from Wisconsin (Mr. NELSON), and the Senator from Georgia (Mr. RUSSELL) are necessarily absent.

I further announce that the Senator from Virginia (Mr. BYRD) and the Sena-

tor from Washington (Mr. MAGNUSON) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON) would vote "yea."

Mr. SCOTT. I announce that the Senator from Utah (Mr. BENNETT) is absent on official business as observer at the meeting of the Asian Development Bank in Korea.

The Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The Senator from Massachusetts (Mr. BROOKE), the Senator from Kansas (Mr. DOLE), the Senator from New York (Mr. GOODELL), and the Senator from Ohio (Mr. SAXBE) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Michigan (Mr. GRIFFIN) and the Senator from Texas (Mr. TOWER) are detained on official business.

If present and voting, the Senator from South Dakota (Mr. MUNDT), and the Senator from Texas (Mr. TOWER) would each vote "nay."

On this vote, the Senator from Massachusetts (Mr. BROOKE) is paired with the Senator from Utah (Mr. BENNETT). If present and voting, the Senator from Massachusetts would vote "yea" and the Senator from Utah would vote "nay."

The result was announced—yeas 48, nays 34, as follows:

[No. 134 Leg.]

YEAS—48

Allott	Hartke	Moss
Bayh	Hatfield	Muskie
Bellmon	Hollings	Pastore
Bible	Hughes	Pearson
Burdick	Inouye	Pell
Cannon	Jackson	Prouty
Case	Javits	Proxmire
Cooper	Kennedy	Randolph
Cranston	Mathias	Ribicoff
Dominick	McCarthy	Spong
Eagleton	McGee	Stevens
Fulbright	McGovern	Symington
Gore	McIntyre	Tydings
Gravel	Metcalf	Williams, N.J.
Harris	Mondale	Yarborough
Hart	Montoya	Young, Ohio

NAYS—34

Aiken	Gurney	Schweiker
Allen	Hansen	Scott
Baker	Holland	Smith, Maine
Boggs	Hruska	Smith, Ill.
Byrd, W. Va.	Jordan, N.C.	Sparkman
Cook	Jordan, Idaho	Stennis
Cotton	Long	Talmadge
Curtis	McClellan	Thurmond
Ellender	Miller	Williams, Del.
Ervin	Murphy	Young, N. Dak.
Fannin	Packwood	
Fong	Percy	

NOT VOTING—18

Anderson	Dole	Mansfield
Bennett	Eastland	Mundt
Brooke	Goldwater	Nelson
Byrd, Va.	Goodell	Russell
Church	Griffin	Saxbe
Dodd	Magnuson	Tower

So the bill (S. 1814) was passed.

The title was amended so as to read: "A bill to provide for public ownership of the mass transit bus system operated by D.C. Transit System, Inc.; and other private bus transit companies engaged in scheduled regular route operations in the Washington metropolitan area to authorize interim financial assistance for the D.C. Transit System, Inc., pending public acquisition of its bus transit facilities; and for other purposes."

Mr. EAGLETON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. KENNEDY. Mr. President, I move to lay the motion on the table.

The motion to lay on the table was agreed to.

UNSOLICITED CREDIT CARDS

Mr. KENNEDY. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 733, S. 721.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 721) to safeguard the consumer by requiring greater standards of care in the issuance of unsolicited credit cards and by limiting the liability of consumers for the unauthorized use of credit cards, 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 proceeded to consider the bill which had been reported from the Committee on Banking and Currency with amendments on page 2, line 10, after the word "requested", strike out "in writing" and insert "and received"; on page 3, after line 4, strike out:

SEC. 2. Section 105 of the Truth in Lending Act (82 Stat. 146) is amended by inserting "(a)" before "The Board" and by adding at the end thereof a new subsection as follows:

"(b) The Board shall prescribe regulations governing the conditions under which card issuers may issue credit cards which the cardholder has not requested in writing. Such regulations shall prescribe minimum standards to be followed by all card issuers in checking the credit worthiness of prospective cardholders in order (1) to protect consumers against overextending themselves with credit obtained through the use of unsolicited credit cards, and (2) when the card issuer is a bank insured by the Federal Deposit Insurance Corporation, to safeguard the safety and soundness of the bank."

SEC. 3. The Truth in Lending Act (82 Stat. 146) is amended by adding after section 131 the following section:

And, in lieu thereof, insert:

SEC. 2. (a) The Truth in Lending Act (82 Stat. 146) is amended by adding after section 131 the following sections:

"§ 132. Issuance of credit cards

"No credit card shall be issued except in response to a request or application therefor. This prohibition does not apply to the renewal of any accepted credit card issued after the effective date of this section or to the renewal of any credit card issued prior to such effective date if the card issued prior to such date was issued in response to a request or application therefor. Such prohibition applies to the renewal of any other credit card the first time such card is renewed after the effective date of this section, but does not apply to any subsequent renewals thereof.

On page 4, at the beginning of line 12, strike out "132" and insert "133"; at the beginning of line 13, insert "(a)"; on page 5, line 9, after the word "such", strike out "information.", and insert "information."

"(b) In any action by a card issuer to enforce liability for the use of a credit card, the burden of proof is upon the card issuer to show that the use was authorized or, if the use was unauthorized, then the burden of proof is upon the card issuer to show that the conditions of liability for the unauthorized use of a credit card, as set forth in subsection (a), have been met.

"(c) Except as provided in this section, a cardholder incurs no liability from the unauthorized use of a credit card."

(b) The table of contents of chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following:

"132. Issuance of credit cards.

"133. Liability of holder of credit card."

And on page 6, at the beginning of line 1, change the section number from "4" to "3"; so as to make the bill read:

S. 721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 of the Truth in Lending Act (82 Stat. 146) is amended by redesignating subsections (j), (k), and (l) as subsections (p), (q), and (r), respectively, and by adding after subsection (i) the following:

"(j) The term 'adequate notice', as used in section 132, means a printed notice on any credit card issued to a cardholder, or on each periodic statement setting forth the account of a cardholder, which is set forth clearly and conspicuously, in accordance with regulations prescribed by the Board, so that a person against whom it is to operate could reasonably be expected to have noticed it and understood its meaning.

"(k) The term 'credit card' means any card, plate, coupon book or other credit device existing for the purpose of obtaining money, property, labor, or services on credit.

"(l) The term 'accepted credit card' means any credit card which the cardholder has requested in writing *and* received or has signed or has used, or authorized another to use, for the purpose of obtaining money, property, labor, or services on credit. A renewal credit card shall be deemed to be accepted if it is issued within one year after a prior card has been paid for or used. A new credit card issued in substitution for an accepted credit card as a result of a change in the corporate structure or ownership of a card issuer shall be deemed to be an accepted credit card.

"(m) The term 'cardholder' means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.

"(n) The term 'card issuer' means any person who issues a credit card.

"(o) The term 'unauthorized use', as used in section 132, means a use of a credit card by a person other than the cardholder who does not have actual, implied, or apparent authority for such use and from which the cardholder receives no benefit."

SEC. 2. (a) The Truth in Lending Act (82 Stat. 146) is amended by adding after section 131 the following sections:

"§ 132. Issuance of credit cards

"No credit card shall be issued except in response to a request or application therefor. This prohibition does not apply to the renewal of any accepted credit card issued after the effective date of this section or to the renewal of any credit card issued prior to such effective date if the card issued prior to such date was issued in response to a request or application therefor. Such prohibition applies to the renewal of any other credit card the first time such card is renewed after the effective date of this section,

but does not apply to any subsequent renewals thereof.

"§ 133. Liability of holder of credit card

"(a) A cardholder shall be liable for the unauthorized use of a credit card only if the card is an accepted credit card, the liability is not in excess of fifty dollars, the card issuer gives adequate notice to the cardholder of the potential liability, the card issuer has provided a method whereby the user of the credit card can be identified as the person authorized to use it, the unauthorized use occurs before the cardholder has notified the card issuer that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise, and the card issuer has taken such action, after being so notified by the cardholder, as is reasonably designed to advise those merchants or others with whom the credit card is likely to be used of the possibility that an unauthorized use thereof may occur. For the purposes of this section, a cardholder notifies a card issuer by taking such steps as may be reasonably required in the ordinary course of business to provide the card issuer with the pertinent information whether or not any particular officer, employee, or agent of the card issuer does in fact receive such information.

"(b) In any action by a card issuer to enforce liability for the use of a credit card, the burden of proof is upon the card issuer to show that the use was authorized or, if the use was unauthorized, then the burden of proof is upon the card issuer to show that the conditions of liability for the unauthorized use of a credit card, as set forth in subsection (a), have been met.

"(c) Except as provided in this section, a cardholder incurs no liability from the unauthorized use of a credit card."

(b) The table of contents of chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following:

"132. Issuance of credit cards.

"133. Liability of holder of credit card."

SEC. 3. The amendments to the Truth in Lending Act made by this Act shall become effective upon the expiration of six months after the enactment of this Act.

THE CREDIT CARD CRAZE

Mr. PROXMIRE. Mr. President, according to the Federal Reserve Board, at the end of February 1970, there was approximately $15 billion outstanding in so-called plastic credit. This is credit obtained by consumers from banks, stores, oil companies, and other business enterprises, the credit line usually being activated by the simple presentation of a little plastic card.

Until recently this "plastic credit" had been allowed to run rampant and the American public was flooded, literally inundated, with unwanted and unsolicited credit cards. A short time ago the Federal Trade Commission issued an order or trade regulation prohibiting the distribution of all unsolicited credit cards by retailers, oil companies, and all other creditors except common carriers and banks.

The bill now before us, Mr. President, S. 721, through an amendment to the Truth in Lending Act prohibits banks, retailers, and others from distributing unsolicited credit cards, limits the cardholder's maximum liability to $50, and places the burden of proof squarely on the card-issuing institution.

Why is this legislation so necessary? Perhaps some examples of the abuses of unsolicited credit cards are in order. There is the case of a man who applied for a credit card. The application was reviewed and rejected. Later the same man received an unsolicited credit card from the same company that had turned down his credit card application.

Another man who liked more than a moderate amount of liquor was both surprised and delighted to receive an unsolicited credit card in the mail. Like a shot he was off to the neighborhood tavern and managed over a short period to drink up on credit over $400 worth of alcohol before his distraught family realized how he was able to pay for his drunken habits.

These are but two examples of the abuses to which creditor institutions the unsolicited distribution of credit cards. There are many others. Heads of households have been less than pleased to receive credit card bills for purchases made by dependents on unsolicited credit cards sent directly to spouses and even to children.

Though unsolicited credit cards do not have to be used by the recipient, the temptation to do so is very great. And no wonder; look what one can do with a little plastic card—you can fly now, have a full vacation and pay later, get the car fixed, and finance a myriad of other personal services, stay in the finest hotels, eat in the best restaurants, enjoy top entertainment, or purchase almost any other commodity imaginable. Even things like charitable contributions can be handled by credit cards, and recently several banks announced that their credit cards could now be used to pay taxes. The plastic credit revolution is upon us in full force. The era of the plastic card economy is fast approaching.

That a credit card economy is on the horizon should be sufficient impetus to make us realize that we must eliminate the present chaos in the distribution of these cards. The bill we are considering, Mr. President, encourages creditors to adopt careful and controlled criteria for screening and selecting their credit card customers. By prohibiting the unsolicited distribution of bank credit cards, S. 721, encourages creditors to reestablish sound lending and credit rating procedures in selecting applicants for their credit cards. Careful selection of credit card applicants based on solicited applications reduces the risks of mail theft inherent in random mass mailings and lessens the possibility that the cards will fall into criminal or unauthorized hands.

Recent press reports indicate there has been an unusual amount of credit card theft and unauthorized use of credit cards in the Washington, D.C., area. Banks in Washington have stopped sending credit cards in the mail and some larger stores are complaining that credit card losses are running from 37 to 50 percent higher than a year ago. Businessmen feel most of their stolen credit problems come from cards being taken from the postal system on mass mailings.

The indiscriminate mass mailing of credit cards often puts the cards in the hands of the very consumers who can least resist the uncontrollable urge to spend money they do not have and cannot afford to lose; the prohibition of unsolicited credit cards will protect these consumers from getting too deeply into debt. To many of these people it is like rubbing Aladdin's lamp. One can rub it and almost anything that is wanted appears.

In addition to prohibiting the distribution of unsolicited credit cards, the bill limits the credit cardholder's liability to a maximum of $50 and in cases of dispute places the burden of proof on the issuing institution.

I have discussed the credit card economy in general and the fact that the consumer now has about $15 billion in plastic debt. But by far the fastest growing form of credit is the bank credit card. As of February 28, 1970, a report from the Federal Reserve Board estimates that there is $2.384 billion in outstanding credit on bank credit cards. But, though bank credit cards do not yet represent an overwhelming percentage of the outstanding consumer credit, the startling fact is that in 2½ years the banks' percentage of the credit card market more than doubled. In 1967, the banks had 7 percent of the market; in 1970 the banks' percentage of the market has risen to over 15 percent. In just 32 months—from June 30, 1967, to February 28, 1970—outstanding credit on bank credit cards rose from $800 million to $2.384 billion.

In September 1967, 197 banks had credit card plans; by December 1968, 510 banks were in the field; and as of June 1969, 699 banks offered credit cards.

Of the 300 million credit cards now thought to be in consumer hands, it has been estimated that about 100 million are bank credit cards representing about 50 million accounts. The Comptroller of the Currency's recent report indicates there are about 10.5 million active, national bank credit card accounts. This would represent over 20 million cards.

Bank losses on credit card loans in the first half of 1967 were eight times as great as losses on other consumer loans. In that period banks lost $12.5 million on credit card loans for a loss ratio of about 2 percent. On all other consumer loans in the same period bank losses ran about one-fourth of 1 percent.

In spite of such loss figures, the banks like credit cards. The reason is obvious. In addition to the approximately 5 percent discount the banks get from the business enterprise, the banks also earn up to 18 percent annual interest on the money they loan the cardholder. Moreover, the cardholder's line of credit can easily be reactivated without the effort of coming to the bank and filling out forms and the odds are favorable that the cardholder will activate his credit several times a year.

It is quite possible that banks are diverting funds into the credit card lending area that otherwise might be used to finance home loans or small business ventures. This tends both to dry up the available credit and drive up the interest rates in these areas.

For a banker, the credit card is good business because the rate of return is so great and the prospects are excellent

that banks will continue to increase their share of the credit card market.

The reforms proposed in my bill, Mr. President, will in no way impede the development of the credit card business. The bill merely encourages creditors to refrain from adopting a shotgun approach in acquiring credit card accounts. Banks claim that in order to induce merchants to accept their card they must show a high number of credit cards in circulation; and they contend that only through unsolicited distribution of credit cards can they get the necessary volume. I question the relevance of this argument. In their overwhelming haste to get into the credit card business, banks or other creditors should not be given carte blanche authority to impose additional burdens on the consumer. I find it hard to believe a business cannot be built up by following sound and orderly procedures.

The bill before us eliminates what is known in the trade as "the negative premailer." Using this device creditors can indiscriminately compile lists of names from their own customers, from credit bureaus, from other general lists or name sources, and even from the phone book and send the unsuspecting consumer a letter saying he is one of the chosen few who will receive a credit card within a certain period unless he takes the initiative and returns a form saying he does not want it. In such a case the burden is on the consumer to either say he does not want the card or destroy the card when it arrives.

Under the terms of this bill creditors can still use any list of potential customers and mail the unknown consumers letters saying they are among the chosen few who have been selected to receive credit cards. But the consumer will have to initiate the positive act of completing an application and returning it to the bank before the bank can send him a card. This is known as the "positive premailer" because unless the consumer takes some positive action he will not receive a credit card. The burden is no longer on the consumer to act if he does not want a credit card. He can ignore the letter or throw it away without worrying about receiving an unwanted credit card.

Let us look at the effects of the elimination of unsolicited credit cards.

The general public will no longer have the burden of refusing or disposing of an unwanted credit card. And families already burdened with debt will not be tempted to spend beyond their means and incur more indebtedness.

They are almost impossible to burn. It requires quite a grip to cut them with scissors. It is a puzzle to know what to do with them. If these cards are lost, the risk is there that that person's credit rating will be ruined. All this will be eliminated if the bill is enacted into law.

The consumer will also be relieved of the psychological burden of thinking he might somehow be responsible for the fraudulent use of his unwanted card; and the risk that the consumer's credit rating could be ruined is substantially less.

Elimination of the unsolicited credit card reduces the likelihood that a family member will get a card without the knowledge of the head of the household. And the possibility of card theft from the mails and fraudulent use is considerably reduced.

I consider receipt of an unsolicited credit card an unwarranted invasion of privacy and I am pleased that S. 721 will help protect the American people in a small way at least against additional encroachment on its privacy.

A very important feature of the bill before us, Mr. President, is that it limits the cardholder's liability for the unauthorized use of a credit card to a maximum of $50. If the cardholder notifies the card issuer that an unauthorized use of his card may occur because of loss, theft, or any other reason before the fraudulent use actually occurs, the cardholder is not liable for any loss. The cardholder is not liable for any debts unless he "accepts" the card by requesting and receiving it or uses it, or authorizes another person to use it. Furthermore, unless the card issuer clearly notifies the cardholder of his potential liability and unless the card contains some means through which the user can be identified as the legitimate, authorized cardholder, the cardholder has no liability at all.

In line with the provision limiting the consumer's liability to $50 under any set of conditions, S. 721 places the burden of proof of establishing the cardholder's liability on the issuing institution. The creditor will now have to prove that the use of the card in question was, indeed, authorized, or show that all conditions for the cardholder's liability exist if the use was not authorized.

A most compelling argument for the speedy passage and enactment of this legislation is that the uncontrolled and unsolicited distribution of credit cards helps stimulate inflation at the very time we are supposedly trying to curb it. The use of credit cards encourages easier credit and helps encourage a spending psychology among those very people who can least resist the urge to buy and who can least afford to overextend themselves. This is particularly true of unsolicited credit cards which indiscriminately find their way to people who are poor credit risks and have difficulty managing their personal finances.

Dr. Pierre A. Rinfret, the eminent economist put it this way:

> The evidence is overwhelming that unsolicited cards bearing unlimited liability to the recipient have caused numerous personal tragedies. They have also involved some banks in credit management policies of doubtful soundness, to say the least. As for the techniques to be used in preventing these developments, I would support: (1) no issuance without a signed, affirmative response to a prior solicitation; (2) renewal of existing cards on identical terms; (3) zero liability to the recipient.

Testimony at the hearings indicated that unsolicited bank credit cards contributed heavily to personal bankruptcies. In a recent 6-month period, 17 percent of those filing for bankruptcy in the eastern district of Tennessee owed money on bank credit cards almost all of which were unsolicited. In many instances, the few hundred dollars of additional debt incurred through use of the unsolicited bank credit card was sufficient to force the consumer into bankruptcy. The cost of these bankruptcies was borne by other creditors as well as by the banks which issued the unsolicited credit cards that triggered the bankruptcies. In fact, the average loss of other creditors was seven times as great as the loss to the banks.

The Chief of the Bankruptcy Division of the Administrative Office of the U.S. Courts, Mr. Royal Jackson, stated at the hearings that he favored prohibiting unsolicited credit cards as one means of helping reduce the level of consumer bankruptcies.

The hearings also brought out the fact that the National Federation of Independent Business, representing 272,000 firms, polled their members and found that 4 out of 5 favored complete prohibition of unsolicited credit cards. Most of the businessmen polled believed that "credit should be granted only to those who ask for it and have demonstrated they will make good on their obligations." Many businessmen were alarmed at the magnitude of consumer credit and feared the economic consequences if there were too great an increase in uncollectable debts. The unfortunate experience of credit card losses in the Washington, D.C., area that I described earlier indicates that the worst fears of these businessmen are being substantiated in actual fact.

But the long run implications of unlimited credit card growth may be even more serious than the immediate inflationary impact, personal bankruptcies, business losses, and crime. If credit cards stimulate consumer purchases as many retailers obviously believe, then the unchecked growth of credit cards can increase the public's propensity to consume and decrease the supply of savings. This could have an especially adverse impact upon the mortgage market which depends heavily upon consumer savings as a source of mortgage credit. If we weaken our traditional habits of thrift through the continued growth of credit cards, we may not be able to finance the housing we will need over the next decade. This point was underscored by Secretary Romney in recent testimony before the House Banking Committee when he warned of a pending capital shortage and the need to curtail other areas of credit demand, such as credit cards.

Many representatives of the banking industry expressed concern that imposition of a ban on the distribution of unsolicited credit cards at this juncture would create an unfair competitive advantage for those banks with existing credit card plans. It was argued that it would be extremely difficult if not impossible for a new bank to break into the market if it could not mass mail unsolicited cards. This, bank spokesmen argued, would create a monopoly for those banks already in the field and would unfairly upset the balance of our competitive free market system.

This argument, I think, was most strenuously urged by witnesses who op-

posed the bill in the committee. In fact, it was the one that seemed to tip the balance, at one point, in the administration's view, when they seemed to switch from opposing unsolicited distribution of credit cards to favoring it.

Though one can dispute the persuasiveness of this argument, S. 721 meets the problem squarely by requiring that the first renewals of all unsolicited credit cards after this law is enacted can only be sent out in response to a request or application. This provision does not effect subsequent renewals of the originally unsolicited card. Thus, banks who broke into the credit card market through the use of unsolicited cards can only renew these cards through solicited applications; and banks attempting to break into the credit card business will not even be placed at a theoretical disadvantage because they have to solicit applications.

Mr. President, I hope I have made it abundantly clear why I urge prompt passage of this bill, which uniquely protects the consumer while at the same time it encourages creditors to reestablish sound practices in distributing credit cards. The Truth in Lending Act itself was a milestone in consumer protection legislation and clearly helped establish consumer interests as a major congressional concern. The present bill constructively strengthens the credit card section of Truth in Lending.

And neither can we overlook the spin-off results this measure will have helping control inflation, reduce mail theft, and eliminate the credit card black market. Prompt Senate approval and enactment of this legislation is clearly in the national interest.

Mr. President, I now send to the desk three amendments to S. 721. At the proper time, I shall ask that these amendments be considered en bloc.

For the information of the Senate, the first amendment would amend the definition of a card issuer to include not only the person who issues the card, but also any agent of the issuer. This is intended to prevent any possible circumvention of the act by an issuer setting up a subsidiary or intermediary for the purpose of issuing credit cards.

In addition, the revised definition would include a merchant honoring a bank credit card insofar as the merchant was an agent of the bank in the extension of credit. Thus, the burden of proof which is required of the card issuer under section 133(b) would apply to the merchant as well as the bank, should a merchant bring suit against a consumer. I believe this amendment will strengthen the act and provide the consumer with a greater degree of protection.

The second amendment would make it clear that $50 limitation on liability would not apply if the consumer had a lesser liability under other applicable law or under this agreement with the card issuer.

A few States have passed legislation limiting the consumer's liability for the unauthorized use of credit cards. It is probable that additional State legislation will be enacted from time to time. The State of Massachusetts limits the consumer's liability to $100. The State of Illinois limits the consumer's liability to $75 in the case of a card with a signature panel and to $25 in the case of a card with no signature panel. It is possible that the States may wish to go beyond the Federal legislation and reduce the consumer's liability to less than $50. Under my amendment this would become possible without running counter to the requirements of the Federal law.

A number of card issuers also have entered into agreements with consumers to limit their liability to a specified amount. For example, one large New York bank limits the consumer's liability to $25. Under my amendment it would be clear that in such a case the consumer's liability of $25 would not be altered by the Federal legislation.

The third amendment in the group I have sent to the desk would change the effective date of the legislation. The bill as reported by committee would become effective in 6 months. Under my amendment, section 132 which prohibits the unsolicited distribution of credit cards, would become effective immediately upon enactment; and section 133, which limits the consumer's liability to $50 would become effective in 3 months following enactment.

I believe it is particularly important to reduce the period of time which creditors would have to send out unsolicited credit cards. Under the committee bill, it is possible that credit card issuers could flood the country with unsolicited credit cards during the 6-month period following the bill's enactment. Such an effort to beat the deadline might very well be reminiscent to the Oklahoma land rush. Certainly the act should not set up an incentive to creditors to mail out unsolicited credit cards in a last-ditch effort to get in under the wire.

Mr. President, I believe these three amendments will substantially strengthen the bill and make it more effective for the consumer. I recommend to the Senate that they be adopted.

Mr. President, it is my understanding that my amendments are not in order until the committee amendments have been agreed to.

The PRESIDING OFFICER (Mr. LONG). The Senator is correct.

Mr. PROXMIRE. I shall not ask for action on the amendments now.

I would like, before I yield to the Senator from New Hampshire, to compliment the distinguished Senator from New Hampshire for his leadership on this bill. Senator MCINTYRE, I think, deserves a great deal of the credit for the bill. He offered two amendments in committee which substantially strengthen the bill. As a matter of fact, it was his amendment that went to the heart of the problem by prohibiting the unsolicited distribution of credit cards and by shifting the burden of proof to the credit issuer for the misuse of credit cards.

My bill as originally drawn was not as strong a bill as it was after the Senator from New Hampshire had amended it. I was delighted and proud to support the amendments of the Senator from New Hampshire, but he took the initiative and should have credit for it. He has demonstrated that he is an effective champion of the consumer by his very constructive amendments to the bill.

Mr. McINTYRE. I thank the distinguished chairman of the subcommittee, my good friend the Senator from Wisconsin.

I wonder if the Senator would respond to a few questions that might be of further interest in the way of legislative history.

The first question is, What is the usual true annual interest rate on consumer credit cards?

Mr. PROXMIRE. Of course, it does vary, but as I understand it, the usual or the typical rate is 18 percent. That is the true annual rate, 18-percent interest. In other words, if a person does not pay up within 30 days, the rate begins to run at the 18-percent annual rate.

Mr. McINTYRE. Does this include the discount on the reimbursement to the participating merchants?

Mr. PROXMIRE. It does not, no.

Mr. McINTYRE. That would run to what?

Mr. PROXMIRE. The discount is typically 5 percent, and if all purchasers paid up within a month, that 5 percent could be multiplied by 12, and therefore would be a 60-percent rate; but, of course, there is a cost involved. It would not be a net profit to the bank, but it would be at a 60-percent rate.

Mr. McINTYRE. Does the Senator know whether any studies have been made to show whether and to what extent the enormous expansion of consumer credit cards in recent years may have contributed to the present inflationary spiral? The Senator alluded to this in his statement, but he may wish to expand on it further.

Mr. PROXMIRE. There was a lot of testimony on this point, pro and con. Some witnesses felt it was not a big factor.

I think it has contributed in several ways. For example, the amount involved in credit-card sales now is $15 billion a year, and this is high velocity credit. This is credit that turns over very rapidly.

It seems to me that when you have $15 billion more of demand, in our economy, then it undoubtedly does have a significant effect on inflation, especially when it is rising at a rapid rate. That $15 billion is the estimated level now. It has gone up rapidly. As I have pointed out, bank credit particularly has increased rapidly, and I think it has had a substantial effect.

However, I think the effect it is likely to have in the next few months or years could be a great deal more than it has had thus far, because, as I say, it is expanding very rapidly.

Mr. McINTYRE. Is there any evidence that the high return on consumer credit cards has caused banks to channel an undue proportion of their funds into this area, to the detriment of other capital needs such as housing or small business?

Mr. PROXMIRE. Yes, I think so. A number of businessmen have complained about this, as the National Federation of Businessmen has pointed out, in a poll,

by a 4-to-1 margin. And after all, when you think about it, when you think of $15 billion forced into this area at a time when we have a tremendous shortage of funds and the supply of credit is limited, there is no question but that this is one of the factors in making less money available for housing, for example, and making that which is available available only at a higher price, thus creating higher interest rates.

Mr. McINTYRE. I thank the Senator from Wisconsin. Now, Mr. President, with the permission of the Senator, I ask unanimous consent that I may have the floor in my own right.

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

Mr. McINTYRE. Mr. President, I commend the Senator from Wisconsin (Mr. PROXMIRE) for his fine statement and for his excellent leadership in this field. It has been a real privilege for me to work with him on this important legislation, which I fully endorse.

Mr. President, the legislation before us today has come through a long and sometimes painful evolutionary process and its enactment is urgently needed if we are to solve the problems and cure the abuses which have arisen as a result of the tremendous and rapid growth of the credit card industry.

Under the able chairmanship of the Senator from Wisconsin, the Subcommittee on Financial Institutions began an inquiry into credit card plans in October 1968. The subcommittee's hearings indicated that there was a need for legislation in this field. Accordingly, in January 1969, the Senator from Wisconsin introduced S. 721 with myself and nine other Senators as cosponsors.

The purpose of the legislation was twofold: First, to provide regulations for the issuance of so-called unsolicited credit cards, which had not been requested by the intended recipient, and second, to limit the liability of cardholders for unauthorized use of cards which might be lost, stolen, or otherwise go astray.

The liability provisions aroused little controversy. However, the subcommittee's hearings revealed a wide divergence of opinion on how to deal with the problem of unsolicited cards. The bill as originally proposed did not place any prohibition on the mailing of unsolicted credit cards, but merely authorized the Federal Reserve Board to issue regulations governing the conditions under which such cards could be issued, including minimum standards for checking the credit worthiness of prospective cardholders.

At one extreme, some witnesses, including those from the Federal Reserve Board and the associations representing major card issuers, took the position that no legislation was necessary. On the other hand some witnesses, representing the consumer point of view, expressed the opinion that no credit card should be issued except in response to a full-blown application. Most of the remaining witnesses, including a representative of the President's Committee on Consumer Interests, advocated some form of restriction which would prohibit completely unsolicited cards, but would not require a full application.

As a result of the hearings, I became convinced that there was need for a simpler, more direct, and more effective approach to the problem of unsolicited credit cards than the one proposed in the bill, and one which would not interfere unduly with the card issuers right to determine whom he considers credit worthy. Consequently, I offered an amendment which would prohibit the mailing of a credit card except in response to a request or application. This provision was designed to prevent the mailing of completely unsolicited cards but to permit the use of the so-called positive premailer, whereby a card issuer may send a letter offering to issue a card upon receipt of a request, without going through the complete application procedure.

I felt that this amendment was necessary for several reasons:

First. The unrestrained mailing of unsolicited credit cards appears to be inflationary in a number of respects. The widespread expansion in the availability of consumer credit brought about through use of this technique may lead to impulse buying and increased consumer debt, thereby contributing to the present inflationary spiral. In this connection it seems significant that there were sizable increases in both the total outstanding consumer debt and the outstanding balance on bank credit cards last year.

Since unsolicited credit cards may be issued with little or no checking of credit worthiness, this practice will almost certainly result in increased defaults and perhaps bankruptcies. This will in turn lead to higher rates on insurance against bad debts which will undoubtedly be passed on to the consumer in the form of higher prices.

In view of the tremendous expansion of bank credit cards through the use of unsolicited mailing, small retailers may have little choice but to become participants in such plans. However, the bank in reimbursing the retailer for merchandise purchased on such plans may discount it, by as much as 2 to 6 percent. Again, this amount will undoubtedly be passed on to the consumer in the form of higher prices.

Second. The mailing of unsolicited credit cards invites theft and fraud, and exposes consumers to unnecessary threats against their solvency and credit standing. Such cards bear a computer account number and lack only a signature to validate them. Therefore any card which is misdirected or stolen from the mail may be used by anyone gaining access to it. Since the intended recipient is unaware that the card has been sent, he has no way of protecting himself against theft and use of such cards.

Third. Most of the individual witnesses who appeared before the subcommittee regarded the mailing of unsolicited cards as an invasion of privacy because an account was established in their name which required a positive action on their part to erase.

The major argument advanced in opposition to the prohibition on unsolicited cards was that it would provide an unfair competitive advantage for those card issuers who had already gained a foothold in the business through use of the unsolicited device. In order to minimize any such advantage, the final version of the amendment extended the prohibition to first renewals of any cards which were previously issued on an unsolicited basis. The amendment was adopted by the committee in this form.

I understand that the Senator from New Jersey (Mr. WILLIAMS) intends to offer a further amendment which would exempt from the requirement to obtain a request for renewal, those credit cards which although originally unsolicited, have been accepted through use by the recipient. I have no objection to this amendment because it leaves intact the prohibition on mailing of any new unsolicited cards and would still require that a request be obtained for the renewal of any existing unsolicited cards which the recipient has not accepted through use or otherwise validated. Therefore, it does not violate the original purpose which I set out to accomplish; namely, to stop the flow of unsolicited credit cards to persons who have not asked for and may not want them.

The committee also adopted another amendment I offered, the purpose of which was to make clear that whenever there is a question of unauthorized use of a credit card the burden of proof shall be upon the card issuer rather than the cardholder. Although the bill as originally proposed limited the liability of a cardholder for unauthorized use to $50 in the case of an accepted card and zero, in the case of an unaccepted card, the cardholder still had the burden of proving that the use was in fact unauthorized. This could entail loss of time from work, legal fees, and possibly a permanent blight on one's credit record.

I understand that there are some further perfecting amendments which the committee intends to offer or accept.

Mr. President, this important legislation is long overdue. However, its rapid enactment was made even more essential by action of the Federal Trade Commission earlier this month in issuing proposed regulations concerning the mailing of unsolicited credit cards. The proposed FTC regulations contain virtually the same prohibitions and requirements as my amendment, supplemented by the proposed amendment of the Senator from New Jersey (Mr. WILLIAMS). However, there is one important exception—the FTC regulations do not apply to banks, although they have been among the heaviest users of the unsolicited mailing device. Since the FTC regulations would apply to all other credit card issuers, except banks and common carriers, failure to pass this legislation would create a very serious unfair competitive situation.

Moreover, the FTC regulations do not contain the important limitations on cardholder liability for unauthorized use of credit cards. Although these provisions have been relatively noncontroversial, they constitute an integral part of the pending legislation and their enactment is equally important as that of the prohibition on unsolicited mailings.

Mr. President, in conclusion I would like to commend again the Senator from Wisconsin (Mr. PROXMIRE) for taking the lead in providing protection to the consuming public in this vital area. I urge my colleagues to join in this effort by passing this important legislation.

Mr. WILLIAMS of New Jersey. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. Unless the amendment is an amendment to one of the committee amendments, no amendment is in order until we have had an opportunity to act on the committee amendments.

Mr. WILLIAMS of New Jersey. I will withhold it.

Mr. PROXMIRE. Mr. President, may we act on the committee amendments?

The PRESIDING OFFICER. The question is on agreeing to the committee amendments. The clerk will report the first committee amendment.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the committee amendments be considered en bloc.

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

The question is on agreeing to the committee amendments en bloc.

The amendments were agreed to.

Mr. WILLIAMS of New Jersey. Mr. President, I now offer my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

On page 2, line 13, beginning with "A" strike out all through the period in line 18.

On page 4, line 3, beginning with "This" strike out all through the period in line 11 and insert in lieu thereof the following: "This prohibition does not apply to the issuance of a credit card in renewal of, or in substitution for, an accepted credit card."

The PRESIDING OFFICER. The Senator's amendment is to amend the committee amendment which has already been agreed to, and thus would only be in order by unanimous consent. Does the Senator ask unanimous consent?

Mr. WILLIAMS of New Jersey. I do.

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

The question is on agreeing to the amendment of the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. Mr. President, I offer this amendment for myself and the Senator from Alabama (Mr. SPARKMAN), the Senator from Utah (Mr. BENNETT), the Senator from Texas (Mr. TOWER), the Senator from Massachusetts (Mr. BROOKE), the Senator from Illinois (Mr. PERCY), the Senator from New York (Mr. GOODELL), and the Senator from Oregon (Mr. PACKWOOD).

The measure before the Senate today has a most laudable purpose—the prohibition of the issuance of unsolicited credit cards. I wish to express my greatest commendation to the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from New Hampshire (Mr. MCINTYRE) for their most essential and worthy work which has led to the bill before us today. I am in full accord with the objectives of the proposed legislation, and I wholeheartedly support this consumer protection measure.

However, under this bill existing credit cardholders who have in the past affirmatively accepted their original cards either by applying for them, signing them, or using them would be required to fill out applications and make an affirmative reacceptance the first time their cards expire. In my opinion, this burdensome requirement would serve no useful purpose.

I am, therefore, offering an amendment which would permit accepted credit cards to be renewed without new applications being made.

Many credit cards are issued without expiration dates and would not be subject to the renewal provisions contained in S. 721. This would have the effect of encouraging all credit card issuers to use this type of card in order to avoid the inconvenience and confusion caused by the requirement of affirmative reapplication. The result would be the exact situation which this bill was intended to prevent—a lack of continued supervision of the credit worthiness of the cardholder. It would discourage the main method by which issuers can control the unwise use of credit cards by the consumer. The abandonment of this type of credit supervision should not be encouraged.

By adopting my amendment we can avoid the unnecessary confusion and inconvenience which S. 721 would inflict upon both the users and issuers of credit cards. As the bill is now written, an existing credit cardholder must make a specific affirmative request for renewal the first time that his charge plate expires.

We all know that most cardholders are unaware of specific expiration dates. As a matter of business practice, credit worthy consumers are routinely supplied with renewed cards when their old ones expire. These consumers have throughout the years relied on the issuer to automatically send them new cards before the expiration date. S. 721 unless amended would end this practice. Specific requests from the cardholder would be required as a matter of law.

Obviously, many cardholders through inadvertence alone would neglect to make such requests. They would, therefore, find themselves holding and attempting to use expired credit cards. The initial discovery of this predicament would probably occur the first time the consumer attempts to use his expired card; after first having ordered goods or services. The resulting embarrassment to the individual can easily be avoided without a lessing of the bill's consumer protection provisions by the adoption of my proposed amendment.

This amendment would also cover situations where an issuer, because of a change in its corporate structure or because new services are being offered, issues a substitute card for one which has been accepted and is currently outstanding. In these instances, cardholders should not be required to go through the further inconvenience of reapplication.

Clearly my amendment would not permit the issuance of unsolicited credit cards. Consumers who have not applied for cards would be fully protected. This amendment only covers those cases where the card has been requested, or where the consumer signs the card, or uses it. In these instances we should not unduly interfere with well established mutually satisfactory business relationships between card issuers and users.

Undue burdens should not be placed on the many millions of American consumers who now use credit cards. My amendment will prevent this unintended burden and I urge its adoption.

Mr. PROXMIRE. Mr. President, the Senator from New Jersey has made a persuasive and strong case for the amendment. I must say that he has also lined up support for his amendment, on both sides of the aisle. People on the committee have told me that they favor the amendment, that they think it is wise and makes sense.

Mr. President, at this point may I ask for the yeas and nays on final passage of the pending bill.

The PRESIDING OFFICER (Mr. CRANSTON). Is the request sufficiently seconded?

The yeas and nays were ordered.

Mr. PROXMIRE. Mr. President, I have a hard time understanding the logic behind the amendment which would permit creditors to renew unsolicited accepted credit cards without a specific request from the consumer. The position taken by the committee on this issue was sound and should be outlined for the benefit of the Senate.

During the hearings on S.721, commercial banks opposed a prohibition on unsolicited credit cards. One of the chief arguments used by commercial banks was that those banks who had already sent out unsolicited credit cards would enjoy an unfair competitive advantage over those banks and other creditors who had not yet entered the credit card business. The committee attempted to remedy this problem by requiring that creditors who sent out unsolicited credit cards prior to the legislation would have to obtain the consumer's request before a renewal card could be mailed out. In this way, the firms already in the business would be required to play by the same rules applied to the firms not yet in the business.

It seems to me this provision is entirely fair and reasonable. It meets one of the principle objections raised by commercial banks themselves.

It has been argued that the automatic renewal of unsolicited credit cards is really an attempt to save the consumer the time and trouble of requesting a renewal himself. This is indeed an interesting argument. I am not aware of any consumer groups who have urged such an amendment. On the other hand, I am aware of a number of commercial banks who are eagerly supporting the amendment.

As a practical matter, compliance with the committee bill would be quite simple and would not burden the consumer with redtape. In order to solicit the acceptance of a renewal card a creditor need only include a statement on the consumer's monthly bill to the effect that the card will expire within a few months and that if the consumer desires it to be re-

newed he could do so by merely checking a box. Thus, this amendment would merely do very little for the consumer. It would not save him time or trouble—but it would tend to preserve the competitive condition which existing credit card issuers already have.

To the extent the competitive advantage enjoyed by existing issuers is significant, the amendment would tend to insulate these creditors from effective competition. On the other hand, if there never was anything to the anticompetitive argument to begin with, then the amendment is probably innocuous. Thus, the Senate has the problem of selecting from two inconsistent and contradictory arguments advanced by commercial banks. I personally would be inclined to retain the committee language as agreed upon. Nevertheless, I recognize that a number of senior members of the committee on both sides of the aisle genuinely and sincerely feel that this amendment is proper and in the public interest. For that reason, I will agree to accept the amendment with reluctance.

Mr. McINTYRE. Originally, as I said in my statement, the principal argument against banning unsolicited credit cards arose from the fact that by doing so we would give a strong competitive advantage to those already in the business. I have indicated that, generally, I do not feel that the amendment goes to the heart of what we are trying to do in banning unsolicited cards; but I agree that I must go along with it.

However, I would like to lay to rest one point, which I believe the chairman of the subcommittee is aware of, too. If we take a bank which has sent out 12,000 unsolicited credit cards, 4,000 of which have been accepted or validated in some manner, it would mean that when the time came for renewal of the cards, under this amendment, if adopted, the holders of the 4,000 accepted or validated cards would not be required to get to the so-called premailer—the card that goes out saying, "We are delighted your credit is so good. We would like you to check off the enclosed by mailing the card indicating your desire to have a renewal of the credit card," we would eliminate that for the 4,000 I mentioned.

Mr. WILLIAMS of New Jersey. That is exactly right. The 4,000 would automatically be renewed. They have been accepted by the user.

Mr. McINTYRE. Would the Senator agree that the 8,000 not accepting the card in any way would all be subject to the——

Mr. WILLIAMS of New Jersey. Prohibition.

Mr. McINTYRE. Full impact of this bill?

Mr. WILLIAMS of New Jersey. Exactly.

Mr. McINTYRE. I invite the attention of the Senator from Wisconsin to part of the hearings we had, in which the Senator will recall that we had a very fancy envelope presented to us—a red, white, and blue envelope—which said, in large letters, "Valuable credit card enclosed." And then we found the solicitation, where it extended the invitation, "If you bring this credit card to the local gasoline station, the department store, or what have you, we will be happy to reward you with six new beautiful steak knives," for example. The Senator from Wisconsin remembers that, does he not?

Mr. PROXMIRE. I remember it very well. It had a kind of "thieves take notice" on the envelope. Anyone could steal it, knowing that there was a valuable traffic in credit cards. There is a value on credit cards of up to $200 per card. It seemed to me to be most unfortunate. I remember it very well.

Mr. McINTYRE. Mr. President, I should like to go into the definition we have in the bill where we talk about the term "accepted credit card" and define it to say, "any credit card which the card holder has requested and received or has signed or has used, or authorized another to use, for the purpose of obtaining money, property, labor, or services on credit."

Calling that to the attention of the Senator from Wisconsin, it would be my idea that with respect to the situation we have just discussed in which there was a notification that a valuable credit card is inside, and that if one takes it to his local gasoline station, he will receive six steak knives, and if the recipient were to take it down to the station and pick up the six steak knives and the card was presented for that purpose, he would not become an accepted credit-card holder under this definition. Is that the understanding of the Senator from Wisconsin?

Mr. PROXMIRE. That would be my understanding; yes.

Mr. McINTYRE. He would not be buying anything on credit.

Mr. PROXMIRE. The Senator is correct. Unless he uses it, it seems to me he would not be considered to be liable.

Mr. McINTYRE. I thank the Senator. That is my opinion, also. According to the definition on page 2 of the bill, lines 9, 10, 11, 12, and 13, unless it is for the purpose of obtaining money, property, labor, or services on credit, he would not be an accepted credit cardholder.

Mr. PERCY. Mr. President, I should like to comment on the amendment offered by the Senator from New Jersey.

The committee bill as reported required that before a renewal card could be issued to a person presently holding an accepted, unsolicited credit card, a positive request must be received from a person to whom the renewal card was to be issued. The provision was included in the committee bill to avoid an inequity. Since the bill prohibited issuance of unsolicited credit cards, in order not to strengthen the competitive advantage which is now held by firms which have already issued credit cards over those which have not yet become involved in a credit card program, it was decided that any presently outstanding unsolicited credit card could not be renewed without a positive solicitation. The positive solicitation would then be comparable to a positive solicitation by a firm just starting a credit card program.

The approach proposed by the minority but rejected by the committee would have avoided this conflict in that we would have allowed unsolicited credit cards but only under a set of conditions which would have protected consumers. We now have a difficult decision regarding renewal of presently outstanding cards. Neither alternative is completely satisfactory. I would prefer that any legislation dealing with unsolicited credit cards not penalize those who have refrained from sending unsolicited credit cards while giving advantage to those who have. If sending of unsolicited credit cards is decided by the Congress to be undesirable, it seems strange for us to increase the advantage held by those who have done the very thing we decide is improper, while making it more difficult for others, who have refrained from doing so, to enter the credit card business.

Requiring that no renewals of unsolicited credit cards could be made without a positive request by the present cardholder, could have serious effects on firms which are presently in the credit card industry. Many credit card issuers have issued unsolicited credit cards in the past during the development of their programs but presently issue credit cards only upon solicitation. Others have issued both solicited and unsolicited credit cards over a period of time, and many of these firms are unable to distinguish between those cards which were solicited and those which were unsolicited. The requirements of section 132 of the committee bill would not only disrupt the orderly renewal and increase the costs of renewing all presently outstanding unsolicited credit cards but would also disrupt the renewal and increase renewal costs of many outstanding cards which were originally solicited by the holder. I fail to see any reason why an individual who has been using a credit card over a period of time should be required to request a renewal card whether the original card was solicited or unsolicited, and I feel that most holders of such cards would be annoyed by such a procedure.

It seems to me that the use of a card indicates that a person does desire a card and could be so considered. If one follows this line of reasoning, it does not make too much sense to say that an individual who is presently using a credit card may not have it renewed and thus continue that use without sending in a separate request for a renewal.

Of the two alternatives possible under a bill which bans the sending of unsolicited credit cards, I believe that it is better not to create the problems which would arise for consumers and for present credit card programs under the committee bill as now drafted. As a followup of our minority views, an amendment was drafted to take care of this problem. The Senator from New Jersey on the committee, Mr. WILLIAMS, was also interested in such an amendment. In order to assure that this was not a partisan issue, we have joined with him in his amendment and are pleased that it is acceptable to the manager of the bill.

It should be noted that the amendment offered by Senator WILLIAMS does not allow indiscriminate renewal of all unsolicited credit cards. It allows only the renewal of cards which have been accepted by the cardholder. An accepted

card is one which has been requested and received or signed or used. In practice, a firm which has issued an unsolicited card does not know that it has been accepted unless it has been used. As I stated earlier, the fact that the card is used indicates that the holder desires that it be renewed.

The minority supports the amendment.

Mr. HATFIELD. Mr. President, I support the amendment under discussion to Senate bill 721.

Mr. President, when the report was printed on S. 721, the unsolicited credit card bill, I studied the various provisions of the bill to assess the degree of consumer protection afforded by the bill and to see the problems to the banks and retail businesses affected by the bill.

I believe the bill, as drafted and supported by the majority of the committee, imposes restrictions on banks which are not balanced by an equal or greater degree of consumer protection.

After conversations with Senator BENNETT and the minority staff of the Banking and Currency Committee, I studied the amendments which have been offered to the committee bill and those which will be offered by Senator PERCY.

Mr. President, I will support these amendments.

If the amendments pass, the bill still will contain many worthwhile measures of consumer protection. It will help stem what many see as a growing problem.

If the amendments are not accepted, the harsh restrictions, which are aimed at the banks and not the consumers, will have serious effects in financial circles while adding little to consumer protection.

Mr. President, before we act on this, we should remember and reflect on the role played in our country's development by banks as we assess the impact of these restrictions. Historically, banks in Oregon have been the source of loans to farmers, laborers, and small businessmen. Banks have provided a vital force in our State's economic growth.

The banking community also has been a source of pride to the Oregon public in other areas. If it were not for our State's banking interests, many worthwhile projects of statewide importance would have been impaired. The Oregon public has benefited from worthwhile civic activities undertaken by the banking community.

Banks in Oregon have been providing credit to the Oregon consumer public for many years. They provide expertise in complex issues of consumer credit to the public.

The effects of this bill, without any amendments, should be viewed in this light. The degree of consumer protection should be weighed against the degree of hardship on the banks.

When the bill is examined, with the amendments, the public is still protected. Nearly everyone admits that abuses have occurred in the use of credit cards. Some of this abuse can be traced to the practices of issuing unsolicited credit cards. As amended, the bill corrects these abuses.

If the amendments are not accepted, the harsh restrictions, which will do little to add elements of consumer protection will have serious effects in financial circles.

In my study of the bill and the proposed amendments, I spoke with Mr. Virgil E. Solso, president of the Oregon Bank and president of the Oregon Bankers Association. I asked him to poll his members and to notify me of sentiment through the Oregon banking community regarding S. 721 and the proposed amendments. As you might surmise, they support the amendments, and I ask unanimous consent that a telegram from Mr. Solso expressing the sentiments of Oregon bankers be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. HATFIELD. I hope my colleagues who are interested in the practical effects of this bill will check on its effects in their home States. I think they will find the sentiments much as I did.

I ask unanimous consent that a letter from Mr. Robert Elfstrom, chairman of the board of directors of the Commercial Bank, be printed in the RECORD.

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

THE COMMERCIAL BANK,
SALEM, OREG., *March 19, 1970.*

Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR HATFIELD: In my telephone call of this morning I mentioned to you the importance of having S721 amended so that it would, (1) permit the use of negative pre-mailers and (2) permit substitute or renewal cards to be issued without application. It is the policy of our particular bank that if a card has not been used within one year's period that it would not be reissued unless requested. However, we would be in favor of also using a pre-mailer on any card that had not been used within one year.

As I pointed out in my telephone conversation this morning, this bank has just entered the charge card business within the past six months as have a number of other small banks in Oregon. I am sure you know that the two statewide banks, namely, U.S. National Bank of Oregon and the First National Bank of Oregon, have been in the charge card business for the past several years and have saturated the State of Oregon with their cards.

The bill in its present form would make it most difficult for our particular bank to compete with the existing programs of the two statewide banks and would prevent other small banks here in Oregon from ever entering the program. In fact, it would probably necessitate the withdrawal of small banks who have entered the program very recently from the credit card business. While I am speaking for our own bank, I have been assured that what I have mentioned has the support of the smaller banks here in Oregon. Your support in having the present bill amended to cover the conditions mentioned would be very much appreciated.

Sincerely yours,

R. L. ELFSTROM,
Chairman, Board of Directors.

EXHIBIT 1

PORTLAND, OREG., *April 7, 1970.*

Senator MARK O. HATFIELD,
Washington, D.C.:

As president of the Oregon Bankers Association I support your stand on the Proxmire bill, SB721, relative to the mailing of credit cards. I have talked to other bankers in the State of Oregon about the bill and the amendments which you discussed in detail with me. They agree and join in my support of your stand.

VIRGIL E. SOLSO,
President, Oregon Bank.

LAOTIAN REFUGEE SITUATION

Mr. HATFIELD. Mr. President, I would like to bring to the attention of the Senate a problem which, I believe, needs not only the attention of this body, but also the attention of the entire American public, because I do not believe there is sufficient knowledge about this matter, at least that I have read in the press or in any part of the news media, nor have I heard it brought to the attention of the Senate before.

I think it should be understood at this time that there is serious malnutrition and the lack of sufficient food faces at least 70,000 to 100,000 Laotian refugees fleeing from northern Laos. The U.S. Department of State, through the Agency for International Development, is currently without sufficient funds to transport needed foodstuffs to Laos offered by volunteer organizations. Protein deficiency and severe malnutrition is anticipated unless emergency relief supplies are provided immediately. I trust that the American public conscience will recognize the impending tragedy of this situation. We could face another Nigerian-type crisis when the facts are brought to light.

Reports of this tragic condition have been received from various volunteer agencies operating in Laos. World Vision, Inc., an interdenominational Christian missionary and relief agency, first contacted me last week with reports from their personnel in Vientiane. I have since been in contact with that group and with officials in the State Department and AID in order to verify the seriousness of the situation. AID has estimated a total of 200,000 refugees in Laos, and has confirmed the need for high protein foodstuffs. Both AID officials in Laos and the Laotian Government have underscored the need of receiving these goods. The precarious fate of thousands of Laotians should arouse our concern and disturb our conscience as a nation and as individuals.

I remind Senators that the entire population of this country in Southeast Asia is only 2,825,000 people. In other words, almost 8 percent of the total population is now in a refugee status.

AID has been supplying rice and other minimal food requirements to these refugees where possible. However, these meager supplies do not seem to be fully adequate to meet the needs of thousands of homeless and hungry Laotians. At this time it appears that AID does not have the financial reserves to furnish transportation costs to ship large amounts of liquid nutrients and foodstuffs obtained by World Vision for Laotian relief. There are available for transportation to Vientiane over 1 million cases of liquid and powdered nutrients. In addition there are large guarantees of other needed foods,

vitamins, and medical supplies. All these items will be greatly needed during the next 2 to 3 months for these refugees and for hospitals and dispensaries in Laos. But all this is useless unless we obtain the funds to transport the supplies to Laos.

It is inconceivable to me that a government that can spend millions of dollars to destroy life in Southeast Asia would be unable to provide sufficient funds to alleviate human suffering in the same area.

Funds from AID for volunteer agencies to ship relief supplies were depleted earlier this year. World Vision recently appealed to AID for additional money to be made available because of the emergency situation. I trust that this will be possible, and I appeal to the State Department and to our Government to provide adequate funds for transporting additional supplies to this stricken area.

The turmoil in Southeast Asia continues to thoroughly disrupt the lives of those that make this area of the world their home. Our national concern must be focused upon the plight of these people, who because of increased hostile action are forced to abandon their homes and flee to safety.

I would like to point out that many of these people fled because we urged them to leave because of increased bombings we instituted in the Plain of Jars and other places that related to these people.

We have seen, repeatedly, the tragic results of human life that is subjected to gross food shortages; it is the young children that suffer first, and that suffer permanently because of protein deficiency. Those that survive face lifelong mental and physical impairment. We cannot allow this to be another such tragedy. These food supplies are desperately needed by thousands. The next 2 to 3 months will be crucial for the lives of these refugees. We must have funds now.

In addition to urging AID to provide adequate funds, I also issue a plea to concerned citizens for their support. Public funds have always played an essential role in supporting the work of volunteer relief agencies. Now, such support is needed all the more desperately. I urge interested citizens to contact World Vision, Inc., at 919 West Huntington, Monrovia, Calif., for specific information and donations, or to contact my office personally. I shall continue to be in close contact with AID and their attempts to secure funds to transport the supplies already acquired by World Vision.

I refer also to a report printed in the April 14 edition of the New York Times and I ask unanimous consent that it be printed in the RECORD.

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

AID SEEKING FOOD FOR LAOS REFUGEES

WASHINGTON, April 13.—The Agency for International Development is trying to get funds to ship relief food to tens of thousands of Laotians driven from their homes by warfare.

An official of the agency said today that American reports from Laos indicated there were 200,000 refugees fleeing north and northeast Laos in the face of increased Pathet Lao and North Vietnamese activity. He said that malnutrition was widespread among the refugees, although they were not dying of starvation.

World Vision, an interdenominational church relief service, said that its personnel in Vientiane estimated there were 70,000 to 100,000 refugees from fighting around Sam Thong and Long Tieng, southwest of the Plaine des Jarres.

Dr. Larry Ward, director of the organization's overseas relief effort, said 20 per cent of those displaced might die from malnutrition in several months if they did not receive more food.

Howard Kresge, executive director of A.I.D.'s advisory committee on voluntary foreign aid, explained today that the agency has spent all of the $5-million in funds appropriated this year for the shipment of private relief goods. But he said the agency would be asking for an additional $500,000 in Federal funds and was trying to find out if there was any unexpended money to distribute to various relief organizations.

Mr. PERCY. Mr. President, I wish to commend the distinguished Senator from the great State of Oregon for his usual very careful and considered understanding and attitude toward a very great human problem.

Mr. KENNEDY. Mr. President, I want to commend the distinguished senior Senator from Oregon for bringing to the Senate's attention today the deteriorating situation among refugees in Laos.

The Senator is performing a unique service in pointing out some recent developments, which are following the earlier Vietnam pattern, in underscoring our Government's insensitivity and lack of priority to the vast human need produced by continuing conflict in all of Indochina—including Cambodia, Mr. President, where the press reports today that the bodies of hundreds of Vietnamese civilians are floating down the Mekong River in the southeast part of that country.

In the case of Laos, it is incredible that our Government finds the funds and wherewithal to mount up to 600 air sorties a day, but seems incapable of providing the meager humanitarian needs of refugees often deliberately generated by our bombing.

As chairman of the Judiciary Subcommittee on Refugees, I share the Senator's deep concern over the vast humanitarian dimensions of the mounting war in Indochina.

On March 12, I addressed a letter of inquiry to Secretary of State Rogers because of the subcommitee's concern about disturbing field reports involving refugees and civilian war casualties in Laos. Earlier this week—after inexcusable delay—I received the Department's response to my questions. In all candor, Mr. President, I do not feel the response to the questions I submitted to the Secretary are fully responsive, in light of press reports and other information available to the subcommittee.

There is, I feel, a continuing tendency on the part of this administration to underplay the seriousness of war related civilian problems in Laos, even though the movement of refugees apparently plays a very significant role in our overall strategy. There are even indications that we have deliberately set about to remove all population from Pathet Lao areas—at whatever cost, I might add. I find this and the subsequent disregard for humanitarian needs appalling for a nation such as ours.

Mr. President, to complete my remarks, I ask unanimous consent to have printed at this point in the RECORD a press release I issued earlier today and a sanitized version of the Department of State's answer to my letter of March 12.

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

SENATOR KENNEDY RELEASES DEPARTMENT OF STATE DOCUMENT ON WAR RELATED CIVILIAN PROBLEMS IN LAOS

Senator Edward M. Kennedy, Chairman of the Judiciary Subcommittee on Refugees, said today "the problem of refugees and civilian war casualties in Laos is fast approaching a serious crisis. The situation not only symbolizes the increasing level of military activities throughout this battered country, but also a growing involvement of the U.S. in all phases of this mysterious war."

Senator Kennedy said: "Our national interest does not lie in the continuation of our involvement in this war. It does not lie in an apparently deliberate policy to generate hundreds of thousands of refugees, whom we are finding difficult to handle in terms of simple humanitarian need—let alone strategic objectives. It does not lie in tens of thousands of civilian war casualties, a situation which our government now admits is serious and getting worse. It does not lie in the further destruction of the countryside in Laos, Cambodia or Vietnam.

"Rather, it lies in the urgency of immediate efforts by our government to end the violence in Vietnam through serious political negotiations, and to reaffirm no U.S. military involvement in Cambodia or a broader involvement in Laos."

Senator Kennedy's comment was made in releasing a sanitized response to his March 12 letter to Secretary of State Rogers on war related civilian problems in Laos.

Senator Kennedy said: "the answers to the questions submitted to the Secretary are not fully responsive in light of press reports and other information available to the Subcommittee. We hope to clarify the situation in hearings within the very near future."

HIGHLIGHTS OF RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY OF STATE WILLIAM ROGERS BY SENATOR EDWARD M. KENNEDY, CHAIRMAN, JUDICIARY SUBCOMMITTEE ON REFUGEES

1. The total number of refugees, according to official statistics, is approximately 204,000. The intensified fighting in Laos since Feb. 1, 1970, accounts for fifty percent of the refugee population.

2. Population movement in Laos is now directly and, for all practical purposes, exclusively linked to the war and the movement of troops.

3. The current situation regarding civilian war casualties is judged to be "serious and getting worse."

4. Many thousands of refugees are suffering from malnutrition and other diseases caused by their displacement and compaction into resettlement areas.

5. Two major civilian evacuations have occurred since the first of the year, both attributable to intensified military activities. A third major movement is currently underway in Sam Thong and Long Tieng involving up to 80,000 persons.

6. The Royal Lao Air force is used to bomb only what appear to be significant enemy positions; they are never committed to "area"

bombing. RLAF strike policies are not controlled by Americans.

7. Americans do not make decisions to evacuate or move refugees. The U.S. decision to assist in refugee movement comes only when the Royal Lao Government requests (1) one of the five USAID Area Coordinators to assist in minor refugee movements, or (2) the U.S. Ambassador for major movements.

8. Although the refugee relief program is officially a joint program, the U.S. has assumed virtually all operational and funding responsibility.

9. A substantial increase in funding for refugee relief will be required because of recent military actions. Since 1955, only $29 million has been spent on direct refugee relief projects. This does not include health projects, totaling more than $13.5 million, the extensive commodity import program, and the USAID air support program, of which 60% has been allocated to refugees.

10. Among the refugees, there is an attitude that the central government in Vientiane is far removed from plans for their assistance and protection, but that local officials are responsive.

CIVILIAN VICTIMS OF THE WAR IN LAOS: RESPONSE TO QUESTIONS SUBMITTED TO SECRETARY OF STATE WILLIAM ROGERS BY SENATOR EDWARD M. KENNEDY, CHAIRMAN, JUDICIARY SUBCOMMITTEE ON REFUGEES, APRIL 14, 1970

(NOTE.—Sections of this statement have been deleted at the request of the Department of State on the ground that such deletions are in the interests of national security.)

1a. What is the history of the refugee movement and civilian war casualties in Laos?

Shortly after the signing of the Geneva Agreements on Indo-China in 1954, Hill Tribes people began moving southward from the northernmost provinces of Laos: Phong Saly, Houa Khong, northern Luang Prabang, and Houa Phan. The greater portion of these refugees moved into Xieng Khouang Province and to the central and southern areas of Luang Prabang Province. The refugees then moving southward had to depend for the most part on meager help from relatives along the way, and Lao villages in the areas to which they had fled. The Royal Lao Government (RLG) provided what it could—also from meager resources—and some U.S. government-sponsored relief was provided through private humanitarian organizations.

In 1959, a predecessor organization of the Agency for International Development (A.I.D.) opened a refugee office in Vientiane to assist the RLG to cope with the problems and human needs of some 40,000 refugees who had fled their homes by that time. This began a series of cooperative programs between the two governments involving organization, development of procedures, and material assistance to displaced people.

There were large refugee movements in Laos in 1961–1962 as a result of the Kong Le Coup and the occupation of the Plain of Jars and certain areas of Sam Neua Province by Neutralist-Pathet Lao forces. About 70,000 people were displaced to hill areas south of the Plain of Jars and west and southwest of Sam Neua City.

With the signing of the 1962 Geneva Accords, a cease fire was arranged and the RLG found itself host to approximately 125,000 people who had moved to areas under RLG control. By this time, organization and procedures had been developed to provide relief and support to refugees. The support provided, then as now, consisted of rice, salt, blankets, mosquito nets, cooking utensils, hand tools, vegetable seeds and medicines. Often such commodities, now as then, must be flown to some of the refugee groups, because of the remoteness of where they live, and lack of security for surface transportation, where such transportation is physically possible. Rice and salt continue to go to the refugees until they can become self-sufficient. The length of time that this takes depends on the time of year that the refugees moved from their home villages. If they are at their new site before the planting season is over, that is to say about June 15, they will have their own rice supply in four or five months, but if they arrive much after that, they will have to be supplied rice for a year or more.

The level of aided refugees remained approximately static from 1964 to 1968 at about 30,000 people per year receiving assistance. In late 1967 and 1968 the number of North Vietnamese Army (NVA) units in Laos began to be increased, and since then military action in Laos has intensified. There has been a parallel rise in the displacement of people, in civilian casualties, and in civilian diseases. Refugees in Laos currently number approximately 204,000 persons.

1b. What have been the overall principal causes for this flow of people and the occurrence of civilian war casualties?

Population movement in Laos is now directly and, for all practical purposes, exclusively linked to the war and the movements of troops. When mass civilian movement takes place, it expresses a desire of the people to live in the enclaves or large areas controlled by the RLG where relief food and medical care are available, in contrast to the semi-famine known at times in the Communist-controlled zones, where there is in addition bombing and forced labor. Some of course, do not move. As a rule, however, the greater number choose to move, rather than live under the Communists. Many of these have already committed themselves to the government side in the war and fear Communist reprisals, or are involved in clan feuds that have followed the lines of the war, and which give them reason to fear strengthened power in the hands of their adversaries. Others fear the Lao and American bombing of the Communist zones. Probably the most important group of reasons for fleeing stems from the poverty and harsh social organization of the Communist "liberated zones" in wartime. Life in these areas has come to consist of compulsory long distance porterage duty, heavy rice taxes in the face of rice shortages in the villages, conscription of all able bodied men for labor or fighting, separation of families, and tight movement controls and social surveillance. For these reasons, a great part of the people of Sam Neua, Xieng Khouang and Luang Prabang Provinces gathered into the zones of protection around RLG military posts when these dotted the northern and eastern parts of Laos. As these government posts have been snuffed out in the last few years by the NVA, particularly since the autumn of 1967, those who lived around them wanted to come out to friendly territory, and have generally done so.

In propaganda on the subject of refugees the Lao Patriotic Front (LPF) maintains that the government kidnaps the refugees, and the refugee centers and resettlement areas are concentration camps and prisons. There seem, in fact, to have been only rare and isolated cases of coercion, and the LPF allegation that the government is seizing, or capturing and transporting by force the Communists' population base is not true. It appears that even attempts at coercion are not the RLG practice. Military and civilian officials, directly and by informational activities such as leaflets, do tell people that they will find food, medical care, and eventually land if they migrate, and sometimes encourage them to do so.

The recent trend has been for populations to move, rather than to stay, when the territory where they live is about to come under NVA/LPLA control, and this now seems to be general practice. In the circumstances which usually attend refugee moves, if the community considering moving and its civilian and military leaders are hesitant or in any sense divided, the choice is usually between coming out on the one hand, and, on the other hand, staying in to help keep up some degree of local armed resistance to Communist administration. Villagers do not normally want to stay and simply live under LPF/NVA control.

The Communist forces have been observed, considerably more frequently of late, to take military measures such as surrounding villages and leaving no exist, or firing on refugee foot columns, to prevent the escape of people from their influence.

In summary, the prospect of food, medical aid and land on the one hand, and corvee labor, hunger and bombing on the other, suffices to draw people spontaneously toward RLG territory. Many travel long distances unassisted on foot even under hostile fire or sniping, to reach government protection.

2a. What is the current number of refugees in Laos?

[Deleted.]

2b. What percentage of this number is attributable to the intensified military activities of recent weeks and months?

The refugee status of about 50 per cent of the current people is attributable to intensified fighting since February 1, 1970.

2c. Are other causes involved?

In earlier periods, for example in 1963 and 1966, some displacements resulted from overcrowded conditions and natural disasters such as floods, but such causes do not account for any significant part of the current refugees.

2d. Where are the refugees located today, and from where have they come?

As of mid-March, the approximately 204,000 refugees being supported by the U.S. programs in Laos were located in the following places:

(1) 45,000—located in the area north and along the western perimeter of the Plain of Jars in Xieng Khouang Province (Bouam Long, Ban San Pha Kha, Phu Cum, Muong Soui, Xieng Dat complex). These refugees came from (a) areas northeast of the Plain of Jars, (b) Ban Ban area, (c) Na Khang/Houa Muong, (d) the northwestern sector of the Plain of Jars, and (e) from the border area between southern Houa Phan and Xieng Khouang Provinces.

(2) 78,000—located in the Sam Thong/Long Tieng complex and south of it. These people came from northeastern Luang Prabang Province (Houei Tong Kho, Phou Saly, Houie Thong), the Plain of Jars and Sam Neua Province. They are now dispersing, along with other population newly taking flight, in a southwesterly direction from the towns of Sam Thong and Long Tieng, which are under Communist attack.

(3) 20,000—located in Nam Thouei in Houa Khong Province. These people have come mostly from the Muong Sing/Nam Tha area near the China border in northern Houa Khong.

(4) 5,000—located in Luang Prabang. They have come from Nam Bac in northern Luang Prabang, and southern Phong Saly Province.

(5) 2,000—located in the Nam Tan/Nam Phuy area, Central Sayaboury Province. They are from Xieng Khouang, and Muong Sai and Muong Houn in Luang Prabang Province.

(6) 16,000—located in the Vientiane Plain (Ban Keun, Ban Thalat, Thadeua). They were evacuated from the Plain of Jars in early February.

(7) 28,000—located in Paksane Town, Borikhane Province. They are from the Ban Done, San Sok, Muong Moc areas to the north and east of Paksane.

(8) 2,500—located near Savannakhet and Thakhek towns. These people are from the Ho Chi Minh Trail area.

(9) 3,500 located near Pakse. They are from the Ho Chi Minh Trail area.

(10) 1,000—located in Saravane town which is a relatively safe haven, but is completely surrounded by Communist con-

trolled territory. They are from the Ho Chi Minh Trail area, and the immediate vicinity of Saravane.

(11) 3,000—Attopeu. From the Ho Chi Minh Trail area. Like Saravane, this provincial capital is completely surrounded by hostile territory.

2e. What information has been compiled on tribal and ethnic composition of the refugees, their age span, sex, etc?

Not a great deal of information has been compiled on this subject. Up to last year most of the refugee groups were made up of the members of numerous minority tribes in Laos, e.g. Meo, Lao Theung, Khamu, Yao, Lave, and Souie. Recently both lowland and upland ethnic Lao groups have been forced from their homes along with the tribes people. The present refugee population is composed of about 40 percent Meo, 30 percent Lao Theung, 20 percent Lao, and 10 percent other persons. The groups consist mainly of old men, women, and children ten years and under, with a marked scarcity of military age men. This is the normal distribution pattern for refugees in Laos.

2f. What attitudes do the refugees have toward the Royal Laotian Government?

The present attitude of refugees toward the RLG varies appreciably between the major ethnic groups, that is to say between the Hill Tribes and the Lao.

(1) Hill Tribes: During the early 1950's and 1960's, there was a feeling of resentment toward the government. This attitude stemmed from the ethnocentric feelings characteristic of most of the peoples of Southeast Asia, as well as from the fact that few tribal groups had representation in the government. There were practically no Hill Tribes people employed as civil servants by the government. Today there are civil servants from several minority groups, and animosity has diminished. The Lao officials have made a decided effort to understand the Hill Tribes People, and have been successful in improving mutual relations.

(2) Deleted.

Among the refugees in general, there is an attitude that the central government in Vientiane is far removed from pleas for assistance and protection, but that the local RLG officials are responsive. The basic reason for this contrast is the lack of effective communication or transport links between the government in the capital and government at the village level.

3a. To what extent does the evacuation of civilian population groups, for whatever reason, contribute to the generation of refugees?

In this paper, no difference exists between the terms evacuee and refugee. All persons who leave their homes because of NVA/LPLA pressures and move, with or without government assistance, to areas where they can receive needed government aid, are considered refugees. The kind and amount of aid provided to refugees does not depend on how or why they moved from insecure areas, but rather on their needs.

3b. What have been the number and places of evacuation during the intensified military activities of recent weeks and months?

3c. What is the total population involved in these evacuations?

Two major evacuations, both attributable to intensified military activities, have been completed so far in 1970. A third major movement is currently going on. The first occurred between January 5–14 when increased enemy pressure, including interdiction of their land routes south, necessitated air evacuation of 8,115 refugees from the vicinity of Houei Tong Kho in southwestern Sam Neua Province principally to the area around the Nam Ngum Dan (7,715 persons), now under construction in Vientiane Province.

The second evacuation occurred between February 5–10, when the imminence of enemy offensive action necessitated air evacuation of 13,840 refugees from the Plain of Jars to an area in the Vientiane Plain between Ban Keun and Vientiane City.

The third movement, involving possibly up to 80,000 people, the great majority of whom already are in refugee status, is going on in the withdrawal of parts of the civilian population from Sam Thong and Long Tieng, two major Xieng Khouang sites now in an area of active fighting.

3d. What are the justifications and objectives for these evacuations?

Deleted.

3e. Who is responsible for making the initial decision on evacuation?

3f. Who is responsible for implementing the evacuations?

One, some or all of the inhabitants of a locality decide they wish to move, there are basically three levels of decision making in the conduct of evacuations, depending on (1) magnitude, (2) immediate cause, and (3) time. When danger from enemy action is sufficiently imminent, a decision is made on the spot by the lowest echelon of leadership (for example, local military commanders, and village or canton civil chiefs), and people begin to move, usually in numbers no greater than 300–1,000. Where numbers are somewhat larger, generally from 1,000 to 5,000, decisions are taken by the provincial governor, and the military commander of one of the five military regions in Laos. The greatest bulk of refugee movements fall into this category. Central government officials in Vientiane are normally not directly involved in making these decisions because of the time distance factors, but are kept informed by provincial governors. In the case of large movements where impending danger from military actions can be anticipated sufficiently in advance, the decision is made at the highest levels of government. In the case of the movement in February of refugees from the Plain of Jars to Vientiane, for example, the decision was made by the Prime Minister.

Thus, Americans do not make decisions to evacuate or move refugees. The American decision to assist in refugee movements, when requested by the RLG as described above, is made (1) by one of the five USAID Area Coordinators, in the case of minor movements, or (2) by the Ambassador with the advice of his country team, in the case of major movements. For the Plain of Jars refugees, the request for assistance was made in writing to the USAID Director by the Secretary of State for Social Welfare, and the decision for the U.S. to give such assistance was made by the Ambassador after consultation with the country team.

American assistance in evacuation, when agreed upon, normally means airlifting by one of the contract air companies, and liaison help between aircrews, local authorities and the refugees which is provided by the USAID Refugee Relief Branch officers, who in general speak Lao.

3g. What are the mechanics of evaluation?

If an area must be evacuated by air, and there remains sufficient time, provincial officials assisted by USAID assemble the evacuees by canton or village to await aircraft. When the refugees disembark at their relocation site, a census is taken which forms the basis for necessary assistance, such as rice, medical attention, innoculations, blankets, and kitchen utensils. Evacuations by foot are usually carried out through the village leaders and the local military commanders. If the destination point is several days walk, the refugees are invariably accompained by the men of their community who are members of local army units. Rice drops are made to the evacuees along their route of march. In emergency evacuations, local military commanders call for immediate help and any aircraft (RLG, USAID, USAF) that can be made available is used.

4a. Are search and destroy, "H & I" fire, free fire zones, clear and sweep, and similar concepts and tactics—all of which are associated with the history of allied military activities in South Vietnam—also used in Laos?

4b. Who is responsible for implementing these concepts and tactics?

4c. What role is played by American personnel?

The war in Laos is vastly different from the one in Vietnam and it can be misleading to draw parallels between them, except for the obvious fact that the North Vietnamese are heavily engaged in both.

ROYAL LAO GOVERNMENT MILITARY ACTIONS AND CONTROLS

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The NVA/LPLA of course value the presence of Lao civilians both as a manpower source, and possibly as a shield from attack. In spite of the most careful planning by the RLG, there is no doubt that on occassions civilians are killed by both sides when combat is engaged in areas where civilians are located. In most cases refugees have anticipated the battles and have moved out before they actually occurred. This most recently happened when civilians moved out of Sam Thong and Long Tieng.

The Royal Lao Air Force aircraft, by their very nature, are used only against known or presumed enemy positions and/or in support of Royal Lao Forces in combat. The dispersion of RLAF aircraft throughout Laos and the relatively limited ordnance they can carry mean that their use is carefully husbanded. They are never committeed to "area" bombing but only to what appear to be significant enemy positions. Civilians become involved when Pathet Loa and North Vietnamese forcibly detain villagers in an area to provide them with a shield and logistic support. RLAF strike policies are not controlled by Americans.

U.S. MILITARY ACTIONS AND CONTROLS

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U.S. airstrikes in Laos are divided into two categories. One is the interdiction effort carried on in the Loa panhandle against the Ho Chi Minh Trail. At their inception, these airstrikes did produce refugees but the rugged mountainous area of the Ho Chi Minh Trail (and for that matter much of North Laos) has always been sparsely populated.

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4d. To what extent does the application of these concepts and tactics in Laos contribute to the generation of refugees and the occurrence of civilian war casualties?

Studies of refugee attitudes undertaken by the RLG and USAID have shown that no single reason operated to cause a Lao, of whatever ethnic background, to leave his place of habitual residence and move elsewhere, and it has not proven possible to categorize refugees or casualties as having been created by any specific technique of battle. Most of the reasons for movement are directly attributable to the war and to the fact that certain areas of Laos have been fought over scores of times and have changed hands literally twice a year since 1964.

Most Lao wish to get to a place where they can raise their rice with some assurance that they will be able to harvest it. This assurance cannot be provided in areas where battles are raging. It cannot be assured when rice supplies are subject to requisitioning by North Vietnamese and LPLA forces. It cannot be assured when the Lao peasant himself is subjected to periods of forced labor by NVA/LPLA. It cannot be assured when civilians are being subjected to bombing or shelling from either side. Most Lao civilians learn very quickly that bombing necessarily follows the North Vietnamese. But they also know that life under the NVN is difficult in any event. It is therefore not surprising that the Lao move to Government areas to avoid the Vietnamese.

5a. What policy guidelines and practical instructions, on the care and protection of the civilian population, govern the military

activities of American and other personnel in Laos?

5b. Have the guidelines and instructions been implemented satisfactorily?

Instructions have been issued to American personnel in Laos in their liaison with RLG military and other officials to attempt to insure that RLG forces exercise every precaution to protect the civilian population. The same is true of air activities. These guidelines are being followed.

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A Forces Armees Royales (FAR) civic action program exists and is being intensified but its effectiveness varies from region to region depending on the interest shown by the local commander. In areas where it is pursued seriously, benefit does derive from medical treatment and other assistance provided by FAR teams.

6a. Describe the organization, content and objectives of the Laotian refugee program.

6b. What are the responsibilities, functions, number and location of American Government personnel involved in the program?

6c. Which United States Government agencies and offices do they represent?

6d. Which United States Government agency or office bears the overall responsibility for American involvement in the refugee and related programs, both in the field and in Washington?

The refugee relief program is administered under the terms of a Project Agreement between the U.S. and the RLG. This agreement provides that the basic necessities of life (e.g., food, clothing, medicine, seeds, tools) will be furnished to persons uprooted by the war and temporarily unable to care for themselves, and assists them in relocating to areas where they can become self-supporting.

While this is a joint program, the U.S. has assumed virtually all operational and funding responsibility for it. The RLG lacks trained personnel to operate such a program and simply cannot afford the expense of meeting the needs of a wartime refugee situation. With the exception of some local personnel costs, the RLG contribution consists mainly of land grants and labor.

The RLG refugee activities are conducted by the Ministry of Social Welfare whose field staff includes one northern representative located in Luang Prabang, one southern representative located in Pakse, and a lower level representative named for each province. These officials generally cooperate well with each other and with their counterpart U.S. representatives.

The A.I.D. bears overall responsibility for American relief to the refugees and related programs, both in the field and in Washington. USAID, the A.I.D. Mission in Laos, operates and administers the American component of the refugee assistance program with a staff of thirteen Americans, nine of whom are stationed in the field. The responsibilities and functions of this staff include: liaison with RLG refugee, administrative and military officials, coordination of all U.S. relief activities in their areas of responsibility; requisition and purchase of supplies; reception and distribution of food and other commodities; scheduling of air drops of food and supplies; and reporting of refugee movements.

Other USAID personnel such as Area Coordinators and Community Development workers on occasion also contribute to the refugee effort although this is not their primary responsibility.

7. Assess the attitudes and capabilities of the Royal Lao Government for the care and protection of the civilian population.

The capacity of the RLG to protect and care for its civilian population without outside aid must be judged in the light of the country's underdevelopment. By itself, the RLG would have almost no resources to deal with problems as large as those generated by a modern war of the present scale on its territory. The government's personnel, in such a case, like all its funds and equipment would have to be drawn from the population of perhaps two million persons in the RLG zone, probably 75% illiterate and with a per capita income of about 70 dollars.

Deleted.

Regular officers of the Lao local administration system (the Ministry of the Interior), or the Army often have been the greatest help to refugees. They have key power of decision in many cases. (See 3e and f above.) The Governor of Xieng Khouang Province, who is also the traditional prince of his area, has exercised his functions with particular energy and distinction toward a population which has contained a high percentage of refugees. Many of the lower echelon, popularly selected RLG leaders, that is to say, the village headmen and the canton chiefs, have become refugees themselves, but by continuing to exercise leadership have kept their villages organized while in movement and relocation, and thus made a major contribution to all concerned. A refugee officer of long experience recently made the comment that he was continually amazed and impressed by the degree of social organization and coherence which the Lao government and people in Xieng Khouang Province have maintained through years of war chaos and movements of refugees involving a great proportion of the province's total population.

Certain prominent Lao political figures, particularly from the northeast, have conducted private refugee aid efforts. Although there may have been political motives in these cases, such actions were constructive and showed genuine concern. In Vientiane, an unofficial public Lao committee to help refugees and victims of the war has for several years raised funds for refugees and casualties by seeking donations of money and goods, and through social activities but this has not resulted in a major source of needed financial resources to deal with the problem.

The problem of protecting the civilian population from terrorism in Laos has fortunately never approached the intensity of this problem in South Vietnam. Although there are kidnappings, killings of local government officials, and ambushes along the route structure, the Lao in rural areas even under only nominal RLG control feel relatively secure and have been able to count on whatever government forces may be in the area to react to terrorist or larger raids.

8a. Describe the role and contribution of private voluntary agencies and other private organizations in the refugee and related programs?

Voluntary agencies and other private international organizations have been accredited for many years in Laos and are assisting the refugee cause. They contribute welfare, educational, food and medical assistance to refugees.

8b. What are the names of these private agencies and organizations?

The following agencies are accredited to the RLG: the Catholic Relief Service (CRS), the Asian Christian Service (ACS), World Vision (WV), Seventh Day Adventist (SDA), the Asia Foundation and the Oxford Family Group (OXFAM). Also working in Laos are two missionary groups of long standing: the Christian and Missionary Alliance (Protestant), and the Oblate Mission (Catholic). (Members of the International Voluntary Services, an organization under contract to A.I.D. in Laos, have participated in refugee work.)

8c. What is the number and location of their personnel?

All the above agencies are based in Vientiane but have some assigned field personnel. Their total non-local personnel are: CRS, four; ACS, nine; WV, two; SDA, none as yet; Asia Foundation, one; OXFAM, one ex-officio.

8d. What is their relationship to the United States mission in Laos and our Government generally, and to the Royal Laotian Government?

There is only one agency directly connected to the U.S. Mission—the Catholic Relief Service, in its capacity as U.S. agent for Food For Peace (PL 480) programs. This organization and each of the others has made its own working arrangements with the Royal Lao Government.

9a. What is the current situation relating to civilian war casualties?

Serious and getting worse, although we do not have meaningful figures. The number of civilian casualties (killed, missing, wounded) is unknown, as Laos has never been able to develop an operating reporting system. Canton and district records of families which have been displaced are sent to the offices of the provincial administration and may or may not be transmitted to the central government. Hospital records were kept during the past five years at Sam Thong, but these are not now available, due to the rapid evacuation of this site on March 17. As a very rough indication of the volume of casualties, partial statistics covering the calendar year of 1969 for civilians treated in USAID-supported facilities throughout Laos show 1,864 hospital admissions and 1,810 treatments in dispensaries or by combat medics. These figures are for all treatments and not limited to war-related wounds or illnesses.

They do not include treatments given in over 125 field-type dispensaries for minor wounds and illnesses, nor civilians treated in RLG facilities not run in association with USAID. The totals of such cases would amount to many more thousands of treatments and admissions. Nor do they reflect the increased mortality and illness in the civilian population which has resulted from displacement and compaction of people fleeing the contested areas. Malnutrition and various diseases are widespread.

9b. What provision is made for their treatment and care?

USAID and the RLG have developed since 1963, the Village Health Program to provide medical support to paramilitary personnel and their dependents, and refugees generated by military action. Personnel in this program are drawn from indigenous peoples, most of whom have to be taught to read and write Lao before entry into the training programs. Presently there are now 125 medical facilities of varying degrees of sophistication in support of the civilian and military population in the contested areas. Both civilians and military are treated within the same system for maximum utilization of scarce medical personnel. Presently patients flow from outlying dispensaries and from frontline RLG combat medics to receiving stations manned by more qualified medical auxiliaries who refer those cases outside their competence to base hospitals manned with the most qualified medical personnel available: Lao doctors, both military and civil, and American (USAID) medical advisors.

10a. Defined in fiscal years, what is the total United States contribution in funds and kind to the refugee and related programs since the beginning of American involvement in Laos?

10b. What is the statutory base for these contributions, and to which governmental agencies and offices have they been appropriated?

The U.S. contribution in economic assistance funds to the refugee relief project

through Fiscal Year 1970 is $29.1 million. This breaks down as follows:

Fiscal Year:	Obligation ($000)
1970	[1] 3,436
1969	[2] 2,117
1968	3,433
1967	4,315
1966	4,112
1965	4,550
1964	2,277
1963	2,367
1962	1,793
1955–61	700
Total	29,100

[1] Estimate only. A substantial increase may be required due to recent military actions.

[2] Includes $545,000 Contingency Funds (CF), statutory authority for which is in Section 451(a), Foreign Assistance Act of 1961, as amended.

This funding, with the exception indicated for FY 1969, is exclusively from Supporting Assistance (SA) funds, statutory authority for which is in Sections 401 and 402, Foreign Assistance act of 1961, as amended. Both the CF and SA funds are appropriated to the A.I.D.

The foregoing figure does not include air support costs. A substantial portion of the USAID air support program in Laos is attributable to such refugee needs as air drops of foodstuffs, transport of emergency medical and housing supplies and other materials, and evacuation. Although it is not possible to attribute a precise dollar amount of these costs to refugee relief, we estimate that from fiscal years 1962–1970 about $29 million—approximately 60% of the total USAID air support costs in this period—have supported the refugee program. With the exception of a small amount of CF in the early years, this is all from SA funds.

In addition to the above contribution, the USAID Public Health Development project, which provides for medical training of selected persons and for medical treatment of persons on a countrywide basis, also contributes to refugee relief. Again, it is not possible to determine the precise dollar amount of the Public Health Project funds attributable to refugee relief, but we estimate that about 50% of the funding either directly or indirectly benefits refugees. Obligations for this project from fiscal years 1964–1969 totalled $13.5 million. Of this total, $5.3 million have been Technical Assistance funds appropriated to the A.I.D., statutory authority for which is in Sections 211 and 212, Foreign Assistance Act of 1961 as amended; $130,000 have been Contingency Funds, and $8.1 million have been Supporting Assistance funds.

The statutory authority for the U.S. in-kind contribution to refugee relief is in Title II of the Agricultural Trade Development and Assistance Act of 1954, (PL–480), as amended. Commodities are provided through a government-to-government program which began in FY 1967. This breaks down as follows:

Commodity	Fiscal year— 1967	1968	1969	[1] 1970	[1] 1971
Cornmeal (million/tons)	3,730	4,500		1,500	3,000
Bulgur wheat (million/tons)	2,030	1,040		200	500
Vegetable oil (million/tons)	150	200		35	70
Wheat soya blend (million/tons)				35	70
Cotton cloth (meters)		385,000	200,000		200,000
Cost, include transportation (thousands of dollars)	$1,193	$1,352	$112	$251	$660

[1] Estimate.

Before FY 1967 there was no direct in-kind refugee relief program on a government-to-government basis. However, most of the PL 480, Title II commodities (e.g. bulgur wheat, rolled wheat, flour blended food products) provided to Laos through the Catholic Relief Service (CRS) since 1957 has gone to refugees. From its inception in FY 1957, through FY 1970, this CRS program has provided to Laos a total of 12,527 metric tons of commodities, valued at about $3.5 million.

10c. What is the budget request for fiscal year 1971?

The proposed FY 1971 budget request for refugee relief is $3.2 million.

10d. What difficulties and problems currently exist to impede program objectives?

The greatest difficulty facing achievement of program objectives is the inability to forecast with precision the numbers of refugees and amount of funds required during any future period. It is known that refugee movements will follow from any military action initiated by either side. It is possible to predict with reasonable accuracy the extent of refugee movements that can be expected from planned RLG-initiated military actions, and the amount of funds required to care for these refugees. It is impossible, however, to predict Communist-initiated military actions sufficiently in advance for planning purposes. Hence, the Mission is constantly faced with events that call for urgent action and for funding requests that could not have been foreseen.

UNSOLICITED CREDIT CARDS

The Senate continued with the consideration of the bill (S. 721) to safeguard the consumer by requiring greater standards of care in the issuance of unsolicited credit cards and by limiting the liability of consumers for the unauthorized use of the credit cards.

The PRESIDING OFFICER. The question is on agreeing to the pending amendment offered by the Senator from New Jersey (Mr. WILLIAMS).

The amendment was agreed to.

Mr. LONG. Mr. President, I send to the desk an amendment as follows:

On page 5, line 18, after the period strike the quotation mark and add the following new section:

It shall be unlawful to use the credit card of another without authorization. Whoever in a transaction affecting commerce uses a credit card without the authorization of the holder shall, upon conviction thereof, be punished by imprisonment for a term not to exceed one year or fined a sum not to exceed $1,000, or both."

Mr. President, I have discussed this matter with the distinguished manager of the bill. It seems to me that the fine work he has done on this measure should be accompanied by a provision making it a Federal crime to use without authority the credit card of another.

While some States have undertaken to outlaw this type transaction, I do not know whether it has been outlawed in the District of Columbia and whether it has or not we will, from time to time, have need of the use of the authority and the instrumentality of the Federal Government to punish those who without authority use credit cards of another.

This is a very small penalty suggested here of a fine not to exceed $1,000 or imprisonment for not to exceed 1 year, or both. I hope that would be adequate, but it is certainly better than nothing with regard to people who have been stealing credit cards and using them in a way that amounts to theft.

As the Senator so well pointed out, in view of the fact credit cards are becoming one of the principal means to obtain credit in buying things, obtaining services, and so forth, I would very much hope the Senator would go along with an amendment to make it unlawful under Federal law for one to use the credit card of another without authorization.

It may be this matter needs some refinement, and, if so, I hope that could be worked out in conference with the House.

Mr. PROXMIRE. I am very inclined to accept this amendment, because I think it has a great deal of merit. The Senator has made a strong case, in that the cards are distributed through the U.S. mails and cross State lines. It is impossible for the States to police this matter.

However, we have had no hearings on this question. It is a serious matter to provide criminal penalties. There is a bill pending before the Judiciary Committee on this very matter. The Department of Justice has not had an opportunity to give us its opinion on it. So I am somewhat reluctant. But, as the Senator has pointed out, if there are shortcomings in this approach, they can be considered thoroughly in conference.

I would like to yield to the Senator on the minority side (Mr. PERCY) to see what his reaction is to the amendment of the chairman of the Finance Committee, who points out, very properly, that there should be a Federal penalty for the unauthorized use of credit cards, since it is a kind of Federal instrumentality.

Mr. PERCY. Mr. President, I would like to give a quick response. I think there is a great deal to be said for the position taken by the Senator from Louisiana. I feel it could be a Federal crime, probably, is misuse a credit card in this way. My only problem is that I would have liked very much to have a reaction from the Justice Department. I would have liked to have the benefit of some testimony and hearings on it and to know more what the consequences would be and what the cost of supervision would be.

A rather major point has been raised. We have not had the benefit of being able to give it our considered judgment. It is so important an issue that I rather hesitate to give an impulsive judgment on it.

Mr. LONG. Mr. President, it seems to me it is axiomatic that if we are going to do anything in the credit card field, this should be the starting point.

Here are some credt cards that I carry in my pocket. I carry them because I have use of them. Here is a travel card. When I use it, as I do frequently, I am in commerce; and even if I am in intrastate commerce, people who travel on airlines cross States lines. The whole transaction is in interstate commerce. Half the time a reservation is made in Charlotte, through their computer process. Here is a BankAmericard. I have not used

it in the city where the bank is. When one is traveling around the countryside and wishes to buy some gasoline or obtain some other service——

Mr. PROXMIRE. That is a California bank.

Mr. LONG. It was issued in California initially. I use it in interstate commerce, as most people do.

Here is a credit card issued, I assume out of New York, or it could be out of Houston, by the Humble Oil Co. Here is a Hertz credit card. It will be used most often by those landing at airports. Here is a credit card for the use of my telephone. When I use it I am placing long-distance calls.

All credit cards of this type should be protected. In many instances there are States where such a credit card is not protected. Actually, somebody should prosecute and put in jail people who steal credit cards and use them without authority. It seems to the Senator from Louisiana that this type of credit should be protected. It may be that the Justice Department does not want to bother with this matter, but as soon as we put a few of these thieves in jail, and the press gives it adequate publicity, I think the unauthorized use of credit cards will come to an end.

The Senator has very well pointed out that when someone is issued a credit card and someone else uses it without his authority, then the holder, not having used the card, has all the credit run out against him, whereas it would not have started in the first place if the thief had not used the credit card without authority. That being the case, punishment should be provided for someone who uses a credit card either under false pretenses or as a matter of outright theft.

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

Mr. LONG. I yield.

Mr. PERCY. I think the protective devices of the bicameral system are such that, even though we have not had hearings, the amendment will go to the House, the House can then hold hearings—and I trust the House will hold hearings on this very important point of the Senator from Louisiana—and we will have an opportunity in conference of sitting with the House Members, having had the benefit of hearings on this point that they would have had.

So with that in mind, I feel the minority would not have any objection.

Mr. PROXMIRE. Mr. President, I hope that there is not any misunderstanding here. I am not going to make a statement that will preclude the possibility of our proceeding to conference on the basis of a bill the House has already passed. If that were done, the House could not conduct hearings on this particular issue.

I shall be glad to write to the Justice Department today and have an opportunity to have the views of that department, and also to the Senator from Mississippi (Mr. EASTLAND), to have the views of the Judiciary Committee. I do not know whether they have views or not. If they do, we would like to have them, so we will be prepared, with respect to this bill, to know whether this matter is subject to hearings in the House.

Mr. LONG. Mr. President, those of us on the Finance Committee are completely accustomed to having amendments offered on a bill that goes beyond the jurisdiction of the committee.

Mr. PROXMIRE. That is why I have said what I have.

Mr. LONG. We do all we can to keep such amendments from those bills. In fact, very often, they are put on those bills in spite of our efforts. In a revenue bill, it is in order to offer any amendment except one that is a constitutional amendment.

In my judgment, there is a considerable amount of jurisdiction in the Committee on Banking and Currency, anyway, with regard to protecting the credit structure of this country. That is involved here. The Senate committee has that responsibility. This particular revision simply makes it unlawful to use a credit card without authority. I hope it will be taken to conference.

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

Mr. LONG. I yield.

Mr. McINTYRE. What happens if the husband and wife were having marital difficulties and the wife used her husband's credit card and he asserted that it was an unauthorized use of that card? Would the wife take the risk of going to jail?

Mr. LONG. I seriously considered that with respect to all relatives—and in conference this matter could be considered—we would not involve ourselves; that we would exclude from the provisions of the act unauthorized action by a spouse or anyone who was a direct descendant or ascendant or immediate member of a family.

We have the situation every day where a wife is supposed to exceed authorized spending. Those clashes, which occur from time to time, are looked on in the law as more of family disputes than crimes. Many times, when a husband is in a quarrel with his wife, from whom he is estranged, he is accused of kidnaping children. There often are cases in which a husband accuses a wife of taking something she is not supposed to have, or vice versa.

I would have no objection to accepting an amendment to this proposal, if the Senator wanted to prepare such an amendment; but I think the type of situation I have in mind should be outlawed.

Mr. SPARKMAN. Mr. President, will the Senator yield to me briefly so that I may present the Prime Minister of Denmark?

Mr. LONG. I yield.

VISIT TO THE SENATE BY HILMAR BAUNSGAARD, PRIME MINISTER OF DENMARK

Mr. SPARKMAN. Mr. President, we are honored today to have with us in the Senate Chamber the Prime Minister of Denmark, the Honorable Hilmar Baunsgaard. He is now in the rear of the Chamber, and I hope Senators will take the opportunity to greet him. [Applause, Senators rising.]

In this connection, I ask unanimous consent to have printed in the RECORD at this point a brief biographical sketch of the Prime Minister.

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

HILMAR TORMOD BAUNSGAARD

Hilmar Baunsgaard, 50, has been Prime Minister since 1968. He served previously as spokesman for the Radical Liberal Party in Parliament.

Baunsgaard is a former businessman and Minister of Commerce. A strong proponent of foreign aid, Baunsgaard is concerned by the problem of poverty in underdeveloped countries. He supports Danish entry into the Common Market, but because of trade considerations he predicates this action on Britain's admission. He favors an increased role for NATO in encouraging East-West detente.

The Prime Minister knows the United States through business connections and visits.

Baunsgaard drinks moderately and smokes cigarettes. He is a soccer fan. He reads social novels (especially Steinbeck), and also enjoys Westerns and mysteries. Under the influence of his wife, Baunsgaard has acquired a taste for opera and ballet, and he sometimes paints in his spare time. He keeps in shape with light calisthenics and long walks. The Prime Minister speaks English. The Baunsgaards have a married daughter.

RECESS

Mr. KENNEDY. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and (at 2 o'clock and 40 minutes p.m.) the Senate took a recess subject to the call of the Chair.

Thereupon, the Prime Minister of Denmark was greeted by Senators in the rear of the Senate Chamber.

The Senate reconvened at 2:42 o'clock p.m., on the expiration of the recess, when called to order by the Presiding Officer (Mr. CRANSTON).

UNSOLICITED CREDIT CARDS

The Senate continued with the consideration of the bill (S. 721) to safeguard the consumer by requiring greater standards of care in the issuance of unsolicited credit cards and by limiting the liability of consumers for the unauthorized use of the credit cards.

Mr. LONG. Mr. President, in view of the fact that the Senate has already agreed to the committee amendment, as in the previous instance, it would be necessary to ask unanimous consent to amend the bill at that point. I ask unanimous consent that my amendment be in order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PROXMIRE. Mr. President, have we acted on the Long amendment?

The PRESIDING OFFICER. No; the Senate has not. The question is on agreeing to the amendment of the Senator from Louisiana.

The amendment was agreed to.

Mr. PERCY. Mr. President, in this session of Congress we have been taking an in-depth look at consumer protection problems.

One of the biggest problems is with unsolicited credit cards.

These cards are flooding the mails and the mailboxes. People who do not want them are receiving them and, when these cards are misdirected, or stolen, innocent people sometimes find themselves charged with large debts in an account they did not even know they had.

Today we have before us a bill which will regulate the mailing of credit cards and limit the liability for cards that are misused.

Consumers should not have to fear liability for credit cards they did not request and do not want, and I believe this bill will allow them the freedom from that fear and provide certain other necessary consumer protection steps.

Mr. President, when this bill to regulate or prohibit the issuance of unsolicited credit cards was before our committee, the minority members of the committee developed an alternative proposal which would not prohibit the issuance of unsolicited credit cards. Some of us felt that the proper approach to the problems brought about by unsolicited credit cards was not to ban them entirely but to identify each of the problems and work out solutions to them. We felt that, through such an approach, we could provide greater protection to cardholders while retaining the right of card issuers to send out cards without prior authorization from the intended recipient.

The hearings which we had on this issue gave us an opportunity to gather information on which a reasonable solution could be based. We found no evidence that unsolicited credit cards contribute to an overextension of debt more than any other method of extending credit. We also found that unsolicited credit cards do not result in greater inflationary pressures than other methods of extending credit.

In fact, it has been my observation that credit cards are a great protective device for individuals in these days of a high incidence of street crime, by making it unnecessary for indivduals to carry as much money with them as heretofore, before the advent of credit cards.

Moreover, we found that many of the abuses which occurred during the development of credit cards in earlier years are not a common practice today. We did find, however, that some consumers found the receipt of unsolicited credit cards annoying.

Some felt that they were being encouraged to expand their debt against their will. Some credit card recipients felt they had a liability for purchases made on a card they had not accepted. In addition, some parents might incur an unwanted liability when their children who are minors received unsolicited credit cards.

We tried in the committee to work out an approach specifically designed to meet the problems, knowing that it would be a difficult task. The majority of the committee did not accept our approach. Following committee action, the Federal Trade Commission promulgated regulations prohibiting the distribution of unsolicited credit cards by business establishments under the Commission's jurisdiction. Since our approach would have allowed the issuance of unsolicited credit cards under certain conditions, a combination of our bill and the Federal Trade Commission regulations would have destroyed the comparability we were seeking to retain between all types of businesses issuing credit cards. Instead of pressing for our alternative, therefore, we decided it would be more helpful to consumers and industry to suggest improvements in the bill reported by the committee.

In our minority views, we discussed several problems in the committee bill which needed to be corrected. After the bill was reported, the committee staff continued its efforts to work out language which would be acceptable to all members of the committee. I am happy to say now that we have been able to reach an agreement which embodies amendments to correct most of the problems we discussed in our minority views.

The amendment already offered by the Senator from New Jersey and accepted by the Senate took care of one of the major problems.

The committee bill removes all liability from a cardholder for unauthorized use of the card unless the card issuer has given adequate notice to the cardholder of his potential liability. The potential liability under the bill would be a maximum of $50, which is a lower maximum than exists at the present time under most card programs. We agree that such notice should be given and are sure that card issuers will give such notice promptly, but we do not agree with the bill's requirement that it be given either on the credit card or on each periodic statement. All outstanding credit cards could not be replaced within the time allotted in the committee bill. Moreover, some accounts are inactive and a periodic statement would not be sent in the ordinary course of business. In order to make the bill more practical and workable, we drafted an amendment providing that any printed notice sent to the cardholder in which the facts are clearly and conspicuously set forth would meet the requirement of adequate notice to the cardholder. It is my understanding that the manager of the bill and other members of the committee are willing to accept this amendment.

The committee bill required that in order for cardholders to have any liability after the effective date of the bill, all cards outstanding must have a method whereby the user of the card could be identified as a person authorized to use it. We agree that new cards issued either as renewal cards or as original cards should meet the standard of a means whereby the user can be identified as the person authorized to use it. In order to avoid difficulties for cardholders as well as card users, we believe that this provision should not take effect for new cards until 90 days after the bill is enacted. The alternative which was rejected by the majority of the committee contained such a requirement. The manager of the bill, Mr. PROXMIRE, has offered an amendment to that effect which I believe should be supported.

As we stated in our views, I feel that all cards should have a means of identification within a reasonable period of time. The committee bill would require such a means of identification as a prerequisite for the $50 liability 6 months after enactment. The amendment offered by the bill manager would reduce that time to 90 days. We have drafted an amendment providing that all outstanding cards have a means of identification not later than 1 year after the effective date of the section or a total of 15 months after the enactment of this legislation in order for cardholders to have any liability for unauthorized use. I understand that this amendment is acceptable to the manager of the bill.

The committee bill required that a card issuer must take steps to notify those merchants and others with whom the credit card is likely to be used of the possibility that an unauthorized use thereof may occur if he has been so notified by a cardholder who has lost his card or has had it stolen. If such a procedure is not established, the cardholder would have no liability even though he did not notify the issuer that his card has been lost or stolen. We see no reason for this provision. Once the cardholder notifies the issuer that his card has been lost or stolen, he retains no liability for misuse which may occur after that notification. It does not add any protection to the consumer to require that a card issuer set up a procedure to notify all of those with whom the credit card is likely to be used.

If the issuer finds that it is to his advantage to set up such a procedure and thus reduce his own liability for misuse, he should do so, and many card issuers do have such a system. On the other hand, if he finds that the setting up of such a procedure is more expensive than the likely loss from the misuse of cards, I do not see why the Federal Government should force him to set up such a system. Since this requirement provides no additional benefit to the credit-card holder, we have drafted an amendment to delete it from the bill and understand that it is acceptable to the manager of the bill and other members of the committee.

I will send to the desk the amendments which I have thus far discussed and will ask that they be accepted en bloc as amendments to the committee amendments. In addition to the amendments which I have offered for myself and other members of the committee, and the amendment which Senator WILLIAMS has offered and in which I joined, Senator PROXMIRE has offered several amendments. Those offered other than the one making section 132 effective upon enactment were part of the approach proposed by the minority but rejected by the committee. I support them and am not aware of any opposition to them from other minority members. I believe that making section 133 effective 90 days after enactment of the bill will create no problem.

Making section 132, which prohibits the distribution of unsolicited credit cards, effective immediately upon the enactment of this act could create some problems for firms which have been working on an unsolicited-credit-card

program but which have not yet issued the cards. It is difficult to take care of this problem, however, without creating an additional equally serious problem.

If a time period is established during which unsolicited credit cards can be issued after the enactment of the bill, it would provide an incentive for all who are interested in setting up a credit-card program to flood the country with unsolicited credit cards. We do not want such a result.

I hope that those who have expended time and effort already in setting up a credit-card program based on the issuance of unsolicited cards will be able to complete that effort before the bill is enacted even though such a completion may require a speedup in their program. I hope that no firm now considering the establishment of a credit-card system will take the risk of planning such a program on the basis of unsolicited credit cards.

On behalf of the minority, Mr. President, it is my view that the bill before us, as amended by the amendments agreed to today, is as fair and equitable a bill as we can work out at this time. On behalf of the Senator from Utah (Mr. BENNETT), the Senator from Texas (Mr. TOWER), the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. GOODELL), the Senators from Oregon (Mr. PACKWOOD and Mr. HATFIELD), and myself, I send to the desk a series of amendments, which I understand are acceptable to the manager of the bill, and which I ask be considered en bloc as amendments to the committee amendment, as amended.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the amendments of the Senator from Illinois be permitted to be considered at this time, despite the fact that we have heretofore agreed to the committee amendments, and these are in part, amendments to the committee amendments.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendments will be stated.

The bill clerk read the amendments, as follows:

On page 1, beginning with line 7, strike out all through line 5 on page 2, and insert the following:

"'(j) The term "adequate notice", as used in section 133, means a printed notice to a cardholder which sets forth the pertinent facts clearly and conspicuously so that a person against whom it is to operate could reasonably be expected to have noticed it and understood its meaning. Such notice may be given to a cardholder by printing the notice on any credit card, or on each periodic statement of account, issued to the cardholder, or by any other means reasonably assuring the receipt thereof by the cardholder."

On page 4, line 17, beginning with "the card" strike out all through the comma in line 19, and insert the following: "the card issuer has provided the cardholder with a self-addressed, pre-stamped notification to be mailed by the cardholder in the event of the loss or theft of the credit card, and".

On page 4, line 2, beginning with ", and" strike out all through "occur" in line 3, on page 5.

On page 5, line 3, after the period insert the following: "Notwithstanding the foregoing, no cardholder shall be liable for the unauthorized use of any credit card which was issued on or after the effective date of this section, and, after the expiration of 12 months following such effective date, no cardholder shall be liable for the unauthorized use of any credit card regardless of the date of its issuance, unless (1) the conditions of liabilty specified in the preceding sentence are met, and (2) the card issuer has provided a method whereby the user of such card can be identified as the person authorized to use it."

Mr. PROXMIRE. Mr. President, I commend the Senator from Illinois and the other minority members of the Senate committee and the full committee for their cooperation in this matter. I know they have felt very strongly about the issue, and have held distinct reservations about it. I think the amendments represent substantial and constructive improvements to the bill. I have some reservations about some of the provisions but on the whole, I believe they are practical and workable and will enable the credit industry to comply more readily with the provisions of the act.

The first amendment would permit creditors to disclose to consumers their potential liability in a separate statement. Under the committee bill, this disclosure would have to be made either on the face of the card or on the monthly periodic statement. The amendment by Senator PERCY would permit a third option of disclosing the consumer's liability on a separate statement.

It is my understanding that under the language, the Federal Reserve Board would still have the authority to write rules and regulations concerning the type of notice to be provided and the manner in which it is disclosed.

I feel the consumer would be better informed if his potential liability were disclosed on the card or on the monthly periodic statement. Nevertheless, the committee bill limits the consumer's liability to $50, hence the need for periodic disclosure is considerably less than it has been in the past.

The second amendment contains a valuable new requirement that the issuer provide the consumer with a stamped, self-addressed notification form which the consumer can use to notify the company of the card's loss or theft. This should make it substantially easier for consumers to provide the card issuer with prompt notification. I believe it will benefit both the consumer and the credit card issuer.

The third amendment offered by the Senator from Illinois would delete the requirement that the card issuer take reasonable steps to notify the merchant of a loss of a card as a condition for imposing the $50 liability on the consumer. It is my understanding that virtually all creditors have some procedure for reducing the acceptance of unauthorized credit cards, hence this provision would be of little practical effect. Moreover, the bill limits the consumer's liability to $50, hence the creditor would have even more incentive to take effective action to notify merchants of a card's loss or theft in order to reduce possible losses.

The fourth amendment would give credit card issuers with outstanding credit cards an additional 12 months to provide a means of identification on the card as a condition for imposing the $50 liability on the consumer.

This is, I think, a very practical, sensible, and realistic recognition of what the credit card loser is up against, unless this bill is passed. I understand the purpose of this amendment is to permit existing cardholders to replace their outstanding cards in a reasonable and orderly manner. I think it is an excellent amendment, and I am happy to support it, as well as the others.

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

Mr. PROXMIRE. I am happy to yield to the Senator from Florida.

Mr. HOLLAND. I have not had an opportunity to examine these amendments submitted en bloc by the Senator from Illinois. I want to be very sure that they do not prevent the full operation of the amendment of the Senator from New Jersey (Mr. WILLIAMS), and others, under which new credit cards could be issued unsolicited to holders of outstanding credit cards. Is there anything in this amendment which would interfere with the operation of that amendment?

Mr. PROXMIRE. No. I am glad that the Senator from Florida brings that issue up, because it was obscure, I think, before. I want to reassure him that there is nothing at all in the Percy amendments which would affect in any way the operation of the amendment of the Senator from New Jersey (Mr. WILLIAMS).

Mr. HOLLAND. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. The question is on agreeing to the amendments, en bloc, of the Senator from Illinois (Mr. PERCY).

The amendments were agreed to.

Mr. PROXMIRE. Mr. President, earlier today I sent to the desk three amendments, which I then described. I shall briefly reiterate what they would do.

The first amendment would amend the definition of a credit card issuer to include not only the person who issues the card, but also any agent of the issuer. This amendment was intended to prevent any possible circumvention of the act by setting up a subsidiary or intermediary for the purpose of issuing credit cards.

The second amendment would make it clear that the $50 limitation on liability would not apply if the consumer had lesser liability under any other applicable law, or there was an agreement with the card issuer.

This is because some States have a liability limit of $25 and some banks have a liability limit of $25.

The third amendment would change the effective date of the proposed legislation. The bill as reported by the committee would become effective in 6 months, and my amendment provides that section 132, which prohibits unsolicited distribution of credit cards, would become effective immediately upon enactment;

and section 133, which limits the consumer's liability to $50, would become effective in 3 months following enactment.

The reason for the immediate effect of the proposed legislation is so that there would not be a flood of issuance of credit cards in the next 6 months. It would be an invitation for those who had not issued credit cards on an unsolicited basis before to get into the act in a hurry.

I think that these three amendments, which have been discussed in detail with the minority, are practical and desirable.

I ask unanimous consent that these amendments be considered en bloc and that they be considered without a point of order against them in spite of the fact that they amend the committee amendments which previously have been enacted upon.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

The clerk will state the amendments.

The bill clerk read as follows:

On page 2, line 24, before the period insert the following: ", or the agent of such person with respect to such card".

On page 3, line 1, strike out "132" and insert "133".

On page 5, after line 16, insert the following:

"'(c) Nothing in this section imposes liability upon a cardholder for the unauthorized use of a credit card in excess of his liability for such use under other applicable law or under any agreement with the card issued."

On page 5, line 17, strike out "(c)" and insert "(d)".

On page 6, strike out lines 1 through 3, and insert the following:

"SEC. 3. The amendments to the Truth in Lending Act made by this Act become effective as follows:

"(1) Section 132 of such Act takes effect upon the date of enactment of this Act.

"(2) Section 133 of such Act takes effect upon the expiration of 90 days after such date of enactment."

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

The amendments were agreed to.

Mr. BYRD of West Virginia. Mr. President, I ask for third reading.

The PRESIDING OFFICER. 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. SCOTT. Mr. President, I support the objective of S. 721, a bill to safeguard the consumer by requiring greater standards of care in the issuance of unsolicited credit cards. I believe it to be in the best public interest to do this by limiting the liability of consumers for the unauthorized use of credit cards.

We are in the midst of a credit revolution. Plastic credit—the present vogue, has taken hold and has swept across the country often leaving some very sad situations in its wake. Future reoccurrences must be dealt with today.

I have no quarrel with legitimate businesses and banks wishing to drum up some additional trade. It is in the best spirit of the free enterprise system. Nor do I quarrel with the consumers who use their credit wisely. My gripe is with the indiscriminate dispersal of tons of plastic cards showered upon unsuspecting consumers. Even worse, there are no assurances whatever that these credit cards will actually be used by the person for whom they were intended.

S. 721 is designed to curb some of the more flagrant abuses. Primarily, it will limit the consumer's liability for a lost or stolen card to not more than $50. I believe this to be reasonable.

Hearings on the bill showed that some credit card recipients felt they had a liability for purchases made on a card they had not accepted. Issuers of credit cards do not always specifically inform prospective card holders of their limited liability.

In addition, some consumers find the receipt of unsolicited credit cards annoying. There is a feeling that these cards represent an invasion of privacy. Moreover, recipients of unsolicited credit cards sometimes feel that they were being encouraged to expand their debt against their will. All in all, I believe that most of the fears will be alleviated with the passage of S. 721, and I urge its prompt enactment.

Mr. BYRD of West Virginia. Mr. President, Senate passage of S. 721, the unsolicited credit cards bill, will be a landmark step in the continuing effort of Congress to provide the American consumer with proper protection from unknowing financial loss. I support this worthwhile legislation.

What the bill does is to prohibit the issuance of unsolicited credit cards. Furthermore, it will limit to not more than $50, the liability a consumer will incur for lost or stolen credit cards. This legislation, which has received widespread support, will leave a firm imprint in the area of consumer protection; yet, for those who are prudent, the credit card will still be a welcome convenience. The intent of this bill is not to prohibit the use of credit cards. It merely provides for greater safeguards against misuse for both the consumer and the credit card industry.

When the Senate considered the Truth in Lending Act of 1967, I voted for its passage. I felt that it was significant and timely legislation. Today, we are considering two new sections which will broaden the purpose of the Truth-in-Lending Act, and will give many families additional protection against unexpected financial disaster.

Mr. President, I am pleased to say that the bill we are considering today is truly a victory for the consumer. Presently, existing Federal law does not impose any restrictions on the unsolicited mailing of credit cards. Once again, Congress has responded to the needs of the man-on-the-street, the middle- and low-income groups, the consuming public.

Unfortunately, "buy now and pay later" has become an integral part of our way of life. Millions of persons, as a result, buy beyond their means with credit cards. But bills do not disappear, and the happy accoutrements of the modern 20th century become the unpaid balances at the end of the month. Already over 200,000 consumers a year are forced into bankruptcy, and this number is increasing daily.

Mr. President, what the bill does is to help restore the basic concept of sound consumer credit to our economy. To have credit is to enjoy a reputation for integrity and honesty. Credit makes possible the purchase of goods pending the receipt of income; it enables people with an excess of funds to, in essence, lend the surplus to others for better utilization. A man's ability to obtain credit used to rest on the fact that he had an excellent reputation or possessed property which, under the law, could be seized if he defaulted in payment of his debts. While I am definitely for availability of credit so that more Americans can fulfill their human needs and live in comfort, I am opposed to the current irresponsible mass marketing of credit cards.

I cannot help thinking what effect the continued unchecked marketing of unsolicited credit cards would have on our economy. As John Stuart Mill wrote in 1848 in his "Principles of Political Economy":

> Credit given by dealers to unproductive consumers, is never an addition, but always a detriment, to the sources of public wealth. It makes over in temporary use, not the capital of the unproductive classes to the productive, but that of the productive to the unproductive.

Mr. President, Congress has the responsibility of maintaining a sound national economy, especially when we are confronted with rampant inflation. We must seek ways to stabilize our economy. While the use of credit, and credit cards, has long been a major factor in our economy, the introduction of mass mailings of unsolicited credit cards has had a profound and adverse influence.

According to the report of the Senate Committee on Banking and Currency which accompanied this bill, a survey by the Federal Reserve Board showed that the amount of credit outstanding on bank credit cards doubled from $800 million in December 1967, to $1.7 billion in June of 1969. In addition, the Federal Reserve Board found that many banks, which started credit card plans during the last 2 years, send their cards out on an unsolicited basis. The mass mailing of credit cards has a significant influence on the high level of interest we have today.

In June 1969, it was estimated that almost $13 billion of outstanding debt was owed by all credit-card holders. This, in itself, illustrates the fact that plastic credit, at its current growth rate, will have a tremendous economic influence on the Nation. Credit will continue to be one of the most valuable assets a man will be able to possess. But it should be earned, not given. It should be respected, not abused. The unrestricted mailing of unsolicited credit cards encourages some consumers to spend way beyond their means and to impair their credit rating. Unlimited credit-debt beyond repayment—can only bring financial ruin for

the individual, and in the end, the country. The more we buy, the less we put into savings. The smaller the amount of available savings through lending institutions, the higher will be the rate of interest on home purchases and other essentials.

Mr. President, the bill does not take away credit cards from anyone, nor does it prohibit banks from marketing their cards in a responsible fashion. It says nothing about the 18 percent a year interest which many credit card users have to pay. Instead, the bill merely provides additional safeguards for the person who receives an unordered credit card in the mail. A new and burdensome rsponsibility has befallen him, for he must either take the time to properly destroy the card, or the time to prove his innocence should the card be used illegally.

Credit cards are here to stay, and could well be the vanguard of the end of currency. In any events safeguards must be provided. The merchant, the banker, and the consumer must all be protected. This legislation is an important step toward this goal.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. KENNEDY. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Idaho (Mr. CHURCH), the Senator from Connecticut (Mr. DODD), the Senator from Mississippi (Mr. EASTLAND), the Senator from Montana (Mr. MANSFIELD), the Senator from Minnesota (Mr. MCCARTHY), the Senator from Wisconsin (Mr. NELSON), the Senator from Georgia (Mr. RUSSELL), and the Senator from Texas (Mr. YARBOROUGH) are necessarily absent.

I further announce that the Senator from Virginia (Mr. BYRD) and the Senator from Washington (Mr. MAGNUSON) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. MAGNUSON), the Senator from Connecticut (Mr. DODD), the Senator from Montana (Mr. MANSFIELD), and the Senator from Texas (Mr. YARBOROUGH) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Utah (Mr. BENNETT) is absent on official business as observer at the meeting of the Asian Development Bank in Korea.

The Senator from Arizona (Mr. GOLDWATER) is absent on official business.

The Senator from Massachusetts (Mr. BROOKE), the Senator from Kansas (Mr. DOLE), the Senator from New York (Mr. GOODELL), and the Senator from Ohio (Mr. SAXBE) are necessarily absent.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Maryland (Mr. MATHIAS) and the Senator from Texas (Mr. TOWER) are detained on official business.

If present and voting, the Senator from Utah (Mr. BENNETT), the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. GOODELL), the Senator from South Dakota (Mr. MUNDT), and the Senator from Texas (Mr. TOWER) would each vote "yea."

The result was announced—yeas 79, nays 1, as follows:

[No. 135 Leg.]

YEAS—79

Aiken	Hansen	Packwood
Allen	Harris	Pastore
Allott	Hart	Pearson
Baker	Hartke	Pell
Bayh	Hatfield	Percy
Bellmon	Holland	Prouty
Bible	Hollings	Proxmire
Boggs	Hruska	Randolph
Burdick	Hughes	Ribicoff
Byrd, W. Va.	Inouye	Schweiker
Cannon	Jackson	Scott
Case	Javits	Smith, Maine
Cook	Jordan, N.C.	Smith, Ill.
Cooper	Jordan, Idaho	Sparkman
Cotton	Kennedy	Spong
Cranston	Long	Stennis
Curtis	McClellan	Stevens
Dominick	McGee	Symington
Eagleton	McGovern	Talmadge
Ellender	McIntyre	Thurmond
Ervin	Metcalf	Tydings
Fannin	Miller	Williams, N.J.
Fong	Mondale	Williams, Del.
Fulbright	Montoya	Young, N. Dak.
Gravel	Moss	Young, Ohio
Griffin	Murphy	
Gurney	Muskie	

NAYS—1

Gore

NOT VOTING—20

Anderson	Eastland	Mundt
Bennett	Goldwater	Nelson
Brooke	Goodell	Russell
Byrd, Va.	Magnuson	Saxbe
Church	Mansfield	Tower
Dodd	Mathias	Yarborough
Dole	McCarthy	

So the bill (S. 721) was passed, as follows:

S. 721

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 103 of the Truth in Lending Act (82 Stat. 146) is amended by redesignating subsections (j), (k), and (l) as subsections (p), (q), and (r), respectively, and by adding after subsection (i) the following:

"(j) The term 'adequate notice', as used in section 133, means a printed notice to a cardholder which sets forth the pertinent facts clearly and conspicuously so that a person against whom it is to operate could reasonably be expected to have noticed it and understood its meaning. Such notice may be given to a cardholder by printing the notice on any credit card, or on each periodic statement of account, issued to the cardholder, or by any other means reasonably assuring the receipt thereof by the cardholder.

"(k) The term 'credit card' means any card, plate, coupon book or other credit device existing for the purpose of obtaining money, property, labor, or services on credit.

"(l) The term 'accepted credit card' means any credit card which the cardholder has requested *and received* or has signed or has used, or authorized another to use, for the purpose of obtaining money, property, labor, or services on credit.

"(m) The term 'cardholder' means any person to whom a credit card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a credit card to another person.

"(n) The term 'card issuer' means any person who issues a credit card, or the agent of such person with respect to such card.

"(o) The term 'unauthorized use', as used in section 133, means a use of a credit card by a person other than the cardholder who does not have actual, implied, or apparent authority for such use and from which the cardholder receives no benefit."

SEC. 2 (a) The Truth in Lending Act (82 Stat. 146) is amended by adding after section 131 the following sections:

"§ 132. Issuance of credit cards

"No credit card shall be issued except in response to a request or application therefor. This prohibition does not apply to the issuance of a credit card in renewal of, or in substitution for, an accepted credit card.

"§ 133. Liability of holder of credit card

"(a) A cardholder shall be liable for the unauthorized use of a credit card only if the card is an accepted credit card, the liability is not in excess of fifty dollars, the card issuer gives adequate notice to the cardholder of the potential liability, the card issuer has provided the cardholder with a self-addressed, prestamped notification to be mailed by the cardholder in the event of the loss or theft of the credit card, and the unauthorized use occurs before the cardholder has notified the card issuer that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise. Notwithstanding the foregoing, no cardholder shall be liable for the unauthorized use of any credit card which was issued on or after the effective date of this section, and, after the expiration of twelve months following such effective date, no cardholder shall be liable for the unauthorized use of any credit card regardless of the date of its issuance, unless (1) the conditions of liability specified in the preceding sentence are met, and (2) the card issuer has provided a method whereby the user of such card can be identified as the person authorized to use it. For the purposes of this section, a cardholder notifies a card issuer by taking such steps as may be reasonably required in the ordinary course of business to provide the card issuer with the pertinent information whether or not any particular officer, employee, or agent of the card issuer does in fact receive such information.

"(b) In any action by a card issuer to enforce liability for the use of a credit card, the burden of proof is upon the card issuer to show that the use was authorized or, if the use was unauthorized, then the burden of proof is upon the card issuer to show that the conditions of liability for the unauthorized use of a credit card, as set forth in subsection (a), have been met.

"(c) Nothing in this section imposes liability upon a cardholder for the unauthorized use of a credit card in excess of his liability for such use under other applicable law or under any agreement with the card issuer.

"(d) Except as provided in this section, a cardholder incurs no liability from the unauthorized use of a credit card.

"§ 134. It shall be unlawful to use the credit card card of another without authorization

"Whoever, in a transaction affecting commerce, uses a credit card without the authorization of the holder shall, upon conviction thereof, be punished by imprisonment for a term not to exceed one year or fined a sum not to exceed $1,000, or both."

(b) The table of contents of chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following:

"132. Issuance of credit cards.

"133. Liability of holder of credit card."

SEC. 3. The amendments to the Truth in Lending Act made by this Act become effective as follows:

(1) Section 132 of such Act takes effect upon the date of enactment of this Act.

(2) Section 133 of such Act takes effect upon the expiration of 90 days after such date of enactment.

The title was appropriately amended.

Mr. KENNEDY. Mr. President, I move

that the vote by which the bill was passed be reconsidered.

Mr. BYRD of West Virginia. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of West Virginia. Mr. President, I have been asked by the able senior Senator from Virginia (Mr. BYRD) to announce that, had he not been unavoidably absent today, he would have supported the Williams' amendment which permits credit card holders to renew unsolicited credit cards which have been accepted by consumers, and he would also have voted in the affirmative on final passage of the bill.

S. 3720—INTRODUCTION OF BILL TO PRESERVE, FOR PURPOSES OF STUDY AND RESEARCH, CERTAIN NEWS AND PUBLIC INTEREST PROGRAMS

Mr. BAKER. Mr. President, I rise to introduce legislation to provide that the Librarian of Congress shall obtain and preserve nationally televised evening news programs and such other nationally televised programs as the Librarian determines to be of substantial public interest. The purpose of the proposal is to insure that the national evening news programs, a unique record of the historic events of our time, will not be forever lost to the country.

Today the Library of Congress keeps on file either copies or microfilm of every edition of all great newspapers and magazines in the country. No such record is kept on what appears nightly to 40 million Americans on the national news programs. I propose that this enormous vacuum be filled.

On August 5, 1968, Vanderbilt University in Nashville, Tenn., began compiling videotapes of the evening news telecasts of the three major television networks. In addition, the university also begin taping occasional special news programs such as the Republican and Democratic National Conventions. Vanderbilt undertook this project at the instigation of Mr. Paul Simpson, an alumnus and resident of Nashville, who became concerned because there was no permanent preservation anywhere in the country of these news telecasts, not even by the networks themselves. This project was begun after a committee appointed by distinguished university Chancellor Alexander Heard realized the widespread impact that these programs have on the American people and determined that the country was losing forever this record of the events of our time as well as a prime source for research by psychologists, sociologists, political scientists' and economists. The university believes that for a history-making and history-conscious nation the present oversight is an anachronism of considerable proportions.

In short, Vanderbilt undertook and is continuing this project because the university believes it to be in the public interest that a permanent record of this information be maintained. A primary objective of Vanderbilt is to demonstrate that a national agency could and should take over the task.

To this end, I believe that Congress should direct the Librarian of Congress to maintain an updated file of tapes of every national evening news show. Once master tapes of news telecasts are secured, the Library could produce "subject matter tapes" dealing with a particular subject during a given period of time. These subject-matter tapes would be used for purposes of study or research only and would permit, for example, a scholarly investigation of developments over a period of time with regard to the war in Vietnam or what effects television had on a third-party presidential candidate.

The cost of this program should rightly be borne by the Federal Government. The Library of Congress has prepared a cost estimate indicating that there would be an initial nonrecurring equipment cost of $250,000 and an additional annual cost of $162,100. In my judgment, the benefits of obtaining and preserving this material would be well worth this investment.

Mr. President, as I have mentioned, currently every great newspaper in America files editions with the Library of Congress. It is long past time that similar procedures are established for filing the tapes of national news—which is having an ever-increasing impact on American public opinion. It is through the medium of television that many great issues have been brought before the American people, and it is on the national news that the great debates of our time are being carried out.

For all these reasons I am hopeful that the Congress will enact this measure to direct the Librarian of Congress to undertake this project that Vanderbilt University has demonstrated to be both feasible and desirable.

I send the bill to the desk and ask that it be appropriately referred.

The PRESIDING OFFICER (Mr. SCHWEIKER). The bill will be received and appropriately referred.

The bill (S. 3720) to preserve, for purposes of study and research, nationally televised news and public interest programs, introduced by Mr. BAKER, was received, read twice by its title, and referred to the Committee on Rules and Administration.

RESOLUTION OF TENNESSEE STATE HEALTH PLANNING COUNCIL ON PRESIDENT NIXON'S ENVIRONMENTAL PROPOSALS

Mr. BAKER. Mr. President, the State health planning council was created in 1967 by act of the General Assembly of the State of Tennessee and is constituted as required under the provisions of Public Law 89–749. Its members are appointed by the Governor of Tennessee for the purpose of advising the State agency administering health planning functions. It has come to my attention that on February 16, 1970, the State health planning council passed a resolution on President Nixon's environmental proposals as envisioned in his message to the Congress of February 10. I ask unanimous consent that the text of the resolution be printed in the RECORD.

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

RESOLUTION ON AMORTIZATION OF POLLUTION CONTROL FACILITIES

Whereas, the Congress, in its deliberations on the Tax Reform Act of 1969, expressly recognized that a significant portion of the burden of pollution control must be borne by private industry, with private industry being asked to make investment which is in part for the benefit of the general public; and

Whereas, in that Act Congress provided a rapid 5-year amortization deduction for certified pollution control facilities placed in service after 1968 and before 1975, in plants which were in operation before 1969; and

Whereas, it is believed that this significant, meaningful tax relief will encourage placing pollution control facilities in many existing plants in Tennessee;

Now, therefore, be it resolved by members of the Tennessee Health Planning Council, that the Congress be commended for enacting this progressive, healthful legislation; and

Be it further resolved that a copy of this Resolution be sent to the Honorable Wilbur Mills, Chairman of the House Ways and Means Committee, to the Honorable Russell Long, Chairman of the Senate Finance Committee, and to all the members of Congress from Tennessee.

RESULTS OF A POLL CONDUCTED BY REPRESENTATIVE EVINS

Mr. BAKER. Mr. President, a distinguished colleague from Tennessee, the Honorable JOE EVINS, a Member of the House of Representatives from the Fourth Congressional District, recently conducted a poll on various issues in that district. The Fourth Congressional District is composed of the counties of Anderson, Campbell, Cannon, Clay, Coffee, Cumberland, DeKalb, Fentress, Grundy, Jackson, Morgan, Overton, Pickett, Putnam, Roane, Scott, Smith, Van Buren, Warren, White, and Wilson.

I ask unanimous consent that there be printed in the CONGRESSIONAL RECORD some of the results of that survey.

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

RESULTS OF OPINION POLL

Eighty percent (10,071) favored the President's plan of gradual withdrawal of American troops from South Vietnam with the South Vietnamese assuming an increasingly greater share of combat responsibility while 13 percent (1,637) were opposed and 7 percent (881) expressed no opinion.

Sixty-nine percent (8,686) were opposed to immediate withdrawal from Vietnam while 17 percent (2,140) were in favor and 14 percent (1,763) listed no opinion.

Sixty percent (7,554) were opposed to continuing the policy of high interest rates and sharp reductions in domestic programs such as aid to education, health and welfare, and rural water district programs, among others, as a means of controlling inflation while 24 percent (3,021) favored the present policy and 16 percent (2,014) gave no opinion.

Sixty-six percent (8,309) were in favor of price and wage controls in the battle against inflation with 23 percent (2,895) against and 11 percent (1,385) giving no opinion.

Seventy-seven percent (9,694) favored a system of revenue sharing of Federal funds with the states with a certain percentage of each year's Federal income being returned to the states to be distributed by the state governments to municipalities and counties

with 13 percent (1,637) opposed and 10 percent (1,258) with no opinion.

Fifty-six percent (7,050) favored setting requirements to assure that revenue sharing funds would be expended for worthwhile programs and projects while 36 percent (4,532) were in favor of turning over the Federal funds to the states with no Federal standards for their use.

Forty-seven percent (5,917) were in favor of a professional volunteer army and the complete elimination of the Selective Service System with 41 percent (5,161) opposed and 12 percent (1,511) with no opinion.

Forty-four percent (5,539) were in favor of further reforms of the Selective Service System, eliminating deferments based on college enrollment and hardship situations while 43 percent (5,413) were against and 13 percent (1,637) gave no opinion.

Fifty-six percent (7,050) were opposed to changing the postal system with the operation of the Post Office taken out of the hands of the United States Post Office Department and the Congress and placed under the jurisdiction of a private corporation while 39 percent (4,910) were in favor and 5 percent (629) gave no opinion.

Eighty-nine percent (11,204) were in favor of increased Federal expenditures to control steadily increasing pollution of our environment such as air and water pollution with 9 percent (1,133) opposed and 2 percent (252) giving no opinion.

Sixty-six percent (8,309) were in favor of legislation providing for tax credits to business and industry for locating or expanding plants in rural areas and small towns while 28 percent (3,525) were opposed and 6 percent (755) gave no opinion.

Fifty-four percent (6,798) were in favor of substantial reductions in the space program while 38 percent (4,783) favored the continuation of the space program at present levels.

Eighty-five percent (10,701) were in favor of increased Federal appropriations to strengthen state and local law enforcement agencies and reduce the crime rate in the country with 10 percent (1,259) against and 5 percent (629) giving no opinion.

Seventy-two percent (9,064) were opposed to changing the welfare system with a minimum income of $1,600 guaranteed to all families at an increased cost to the Federal Government of $5 billion per year while 21 percent (2,644) favored the plan and 7 percent (881) gave no opinion.

Seventy-four percent (9,316) were in favor of automatic increases in Social Security tied to the cost of living index with 21 percent (2,644) opposed and 5 percent (629) giving no opinion.

Fifty-nine percent (7,428) were opposed to continuing the Foreign Aid program while 28 percent (3,525) were in favor and 13 percent (1,636) gave no opinion.

RECOMMITTAL OF H.R. 9477 TO THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. KENNEDY. Mr. President, on behalf of Senators JACKSON, HATFIELD, and METCALF, I ask unanimous consent that the bill (H.R. 9477) to provide for the disposition of judgment funds of the Confederated Tribes of the Umatilla Indian Reservation be recommitted to the Committee on Interior and Insular Affairs with instructions to report the bill back no later than May 1, 1970.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object——

Mr. HATFIELD. Mr. President, would it be the intention of the leadership to take this matter up as a regular matter on the calendar as quickly thereafter as possible?

Mr. KENNEDY. It would be the intention of the leadership to take it up at the earliest possible opportunity.

Mr. METCALF. Mr. President, I was prepared when this measure came up to ask for the same action, that the bill be recommitted for further hearings. I am derelict in that I did not participate in the hearings. But I would like to have further information on the bill.

I assure my friends, the Senator from Oregon and the Senator from Massachusetts, that after hearings have been held and after the presentation, whatever the committee decides to do, I will acquiesce in that action.

Mr. HARRIS. Mr. President, reserving the right to object, would the Senator state again when the committee is to report the bill back?

Mr. KENNEDY. The committee would be instructed to report the bill back no later than the 1st of May.

Mr. HARRIS. Mr. President, is there some particular reason why the bill would have to be reported back? I am very interested in the matter myself.

Mr. METCALF. Mr. President, I am not sure there should be 100 percent per capita payment in this matter of the Indian claim provision. There are provisions for industrial development, per capita development, on the Indian reservation that would go against almost 100 percent per capita payment.

I feel that some of this money should go into the development of scholarships, hospital provisions, tribal council programs, and so forth; $4 million has already been given and 100 percent per capita payments for the Umatilla Tribe.

There was an Ernst & Ernst report on an industrial development. It has not been completely considered by the committee. I would like to have it presented to the committee, in addition. But again I say that if this additional information is not adequate and is not sufficient, I will not hold up the matter further. I did not want to debate the bill at this time.

Mr. HATFIELD. Mr. President, I would like to add to the comments made by the Senator from Montana (Mr. METCALF) that, as the sponsor of the bill, a fund is provided in this bill for educational purposes. The fund is $200,000 for the benefit of the Indians.

I would further point out that the Umatilla Tribe have talked and voted on the instructions to the Subcommittee on Interior Affairs of the Committee on Interior and Insular Affairs. This was the result of their poll both on and off the reservation. The total number of votes taken favored accepting this on a per capita of about $1,500 per person.

Consequently—we will argue this in committee again—I feel that this is the will and the desire of the Indians themselves. That is the reason I sponsored the bill.

I defer to the Senator from Montana. I am happy to work out this arrangement with him. If he feels that an additional 2 or 3 weeks would be important for his supporting the bill, I am willing.

I point out that there is an item of $200,000 for the Indians, according to the Indian claims settlement that was provided.

Mr. HARRIS. Mr. President, reserving the right to object, I appreciate what has been said by the Senator from Oregon whose statement I support.

I believe the bill which has been reported does reflect clearly the views of the tribe itself and should be speedily passed. It has been delayed for too long. However, based upon what the distinguished Senator from Montana has said, it might be faster to accede to this procedure.

Consequently, I will not now object to the request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

REVISED ORGANIC ACT OF THE VIRGIN ISLANDS AMENDMENTS

Mr. KENNEDY. Mr. President, I move that the Senate proceed to the consideration of calendar No. 712, S. 1148.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 1148) to amend the revised organic act of the Virgin Islands.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs with an amendment in the nature of a substitute and from the Committee on Agriculture and Forestry with amendments.

The amendment of the Committee on Interior and Insular Affairs are as follows:

Strike out all after the enacting clause and insert:

"SECTION 1. The College of the Virgin Islands and the University of Guam shall after the effective date of this Act be considered land-grant colleges established for the benefit of agriculture and mechanic arts in accordance with the provisions of the Act of July 2, 1862, as amended (12 Stat, 503; 7 U.S.C. 301–305, 307, 308).

"SEC. 2. In lieu of extending to the Virgin Islands and Guam those provisions of the Act of July 2, 1862, as amended, supra, relating to donations of public land or land scrip for the endowment and maintenance of colleges for the benefit of agriculture and the mechanic arts, there is authorized to be appropriated to both the Virgin Islands and Guam the sum of $3,000,000 each. Amounts appropriated under this section shall be held and considered to have been granted to the Virgin Islands and Guam subject to the provisions of that Act applicable to the proceeds from the sale of land or land scrip.

"SEC. 3. The Act of August 30, 1890, as amended (26 Stat. 417; 7 U.S.C. 322–326), is, further amended—

"(1) by striking the words 'and Territory' wherever they appear and substituting in lieu thereof the words ', Puerto Rico, the Virgin Islands, and Guam';

"(2) by striking the words 'and Territories' wherever they appear and substituting in lieu thereof the words ', Puerto Rico, the Virgin Islands, and Guam';

"(3) by striking the words 'or Territory'

wherever they appear and substituting in lieu thereof the words ', Puerto Rico, the Virgin Islands, or Guam';

"(4) by striking the words 'or Territories' wherever they appear and substituting in lieu thereof the words ', Puerto Rico, the Virgin Islands, or Guam'; and

"(5) by striking the words 'or Territorial' where they appear.

"SEC. 4. Section 22 of the Act of June 29, 1935, as amended (49 Stat. 439; 7 U.S.C. 329), is further amended—

"(1) by striking the words 'and Puerto Rico' wherever they appear and substituting in lieu thereof the words ', Puerto Rico, the Virgin Islands, and Guam';

"(2) by striking the figure '$7,800,000' and substituting in lieu thereof the figure '$8,-100,000'; and

"(3) by striking the figure '$4,320,000' and substituting in lieu thereof the figure '$4,-360,000'.

"SEC. 5. The Act of March 4, 1940 (54 Stat. 39; 7 U.S.C. 331), is amended—

"(1) by striking the words 'and Territories' wherever they appear and substituting in lieu thereof the words ', Puerto Rico, the Virgin Islands, and Guam';

"(2) by striking the words 'or Territories' wherever they appear and substituting in lieu thereof the words ', Puerto Rico, the Virgin Islands, or Guam'; and

"(3) by striking the word 'State' wherever it appears in the third proviso of that Act and substituting in lieu thereof the words 'State, Puerto Rico, the Virgin Islands, or Guam'.

"SEC. 6. Section 207 of the Agricultural Marketing Act of 1946 (60 Stat. 1091; 7 U.S.C. 1626), is amended by striking the period at the end of the section and adding the following words: ', and the term "State" when used in this chapter shall include the Virgin Islands and Guam.'

"SEC. 7. Section 3 of the Act of May 8, 1914, as amended (38 Stat. 373; 7 U.S.C. 343), is further amended by redesignating subsection (b) as paragraph (1) of subsection (b) and adding a new paragraph (2) to subsection (b) to read as follows:

"'(2) There is authorized to be appropriated out of money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1971, and for each fiscal year thereafter, for payment to the Virgin Islands and Guam, $100,000 each, which sums shall be in addition to the sums appropriated for the several States of the United States and Puerto Rico under the provisions of this section. The amount paid by the Federal Government to the Virgin Islands and Guam pursuant to this paragraph shall not exceed during any fiscal year, except the fiscal years ending June 30, 1971, and June 30, 1972, when such amount may be used to pay the total cost of providing services pursuant to this Act, the amount available and budgeted for expenditure by the Virgin Islands and Guam for the purposes of this Act.'

"SEC. 8. Section 10 of the Act of May 8, 1914, as amended (supra), as added by the Act of October 5, 1962 (76 Stat. 745; 7 U.S.C. 349), is amended by striking the words 'and Puerto Rico' and inserting in lieu thereof the words ', Puerto Rico, the Virgin Islands, and Guam'.

"SEC. 9. Section 4 of the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a-3), is amended by striking the period at the end of the first sentence thereof and adding the following language: ', except that for the fiscal years ending June 30, 1971, and June 30, 1972, the matching funds requirement hereof shall not be applicable to the Virgin Islands and Guam, and sums authorized for such years for the Virgin Islands and Guam may be used to pay the total cost of programs for forestry research.'

"SEC. 10. Section 8 of the Act of October 10, 1962 (76 Stat. 807; 16 U.S.C. 582a-7), is amended by striking the period at the end thereof and adding the words ', the Virgin Islands and Guam.'

"SEC. 11. Section 1 of the Act of August 11, 1955 (7 U.S.C. 361a-361i), is amended by striking the period after the second sentence and adding the words, 'Guam and Virgin Islands,' and deleting 'and' between the words 'Hawaii and Puerto Rico.'

"SEC. 12. Section 3 of the Act of August 11, 1955 (7 U.S.C. 361a-361i), is amended by redesignating subsection (b) as paragraph (1) of subsection (b) and adding a new paragraph (2) as subsection (b) to read as follows:

"'(2) There is authorized to be appropriated out of money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1971, and for each fiscal year thereafter, for payment to the Virgin Islands and Guam, $100,000 each, which sums shall be in addition to the sums appropriated for the several States of the United States and Puerto Rico under the provisions of this section. The amount paid by the Federal Government to the Virgin Islands and Guam pursuant to this paragraph shall not exceed during any fiscal year, except the fiscal years ending June 30, 1971, and June 30, 1972, when such amount may be used to pay the total cost of providing services pursuant to this Act, the amount available and budgeted for expenditure by the Virgin Islands and Guam for the purposes of this Act.'

"SEC. 13. With respect to the Virgin Islands and Guam, the enactment of this Act shall be deemed to satisfy any requirement of State consent contained in laws or provisions of law referred to in this Act."

The amendments of the Committee on Agriculture and Forestry are as follows:

On page 5, line 18, after the word "to", where it appears the second time, strike out "both the Virgin Islands and Guam the sum of $3,000,000 each", and insert "the Virgin Islands the sum of $714,000 and to Guam the sum of $1,019,000."; in line 24, after the word "land", strike out "script" and insert "scrip."; on page 6, after the word "amended", strike out "(26 Stat. 417; 7 U.S.C. 322-326), is", and insert "and the related portion of the Act of March 4, 1907 (26 Stat. 417; 34 Stat. 1281, 1282; U.S.C. 7 322-326) are"; on page 7, line 4, after the word "figure", strike out "$4,360,000" and insert "$4,324,-400;" at the beginning of line 21, strike out the word "chapter" and insert "title"; on page 8, line 1, after the word "adding", strike out "a new paragraph (2), and insert "new paragraphs (2) and (3)"; in line 16, after the word "this", strike out "Act." and insert "Act.

"(3) Four per centum of the sums appropriated under paragraph (2) for each fiscal year shall be allotted to the Federal Extension Service for administrative, technical, and other services provided by the Service in carrying out the purposes of this section.";" on page 9, line 16, after the word "of", where it appears the second time, strike out "August 11, 1955" and insert "March 2, 1887, as amended"; in line 19, after the word "adding", insert "a comma and"; in the same line after the word "and", insert "the"; in line 22, after the word "of" where it appears the second time, strike out "August 11, 1955" and insert "March 2, 1887, as amended"; on page 10, line 1, after the word "adding", strike out "a new paragraph (2) as", and insert "new paragraphs (2) and (3)"; and in line 16, after the word "this", strike out the word "Act." and insert "Act.

"(3) Three per centum of the sums appropriated under paragraph (2) for each fiscal year shall be allotted to the Secretary of Agriculture for administrative, technical and other services provided by the Service in carrying out the purposes of this section."

So as to make the bill read:

S. 1148

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

SECTION 1. The College of the Virgin Islands and the University of Guam shall after the effective date of this Act be considered land-grant colleges established for the benefit of agriculture and mechanic arts in accordance with the provisions of the Act of July 2, 1862, as amended (12 Stat. 503; 7 U.S.C. 301-305, 307, 308).

SEC. 2. In lieu of extending to the Virgin Islands and Guam those provisions of the Act of July 2, 1862, as amended, supra, relating to donations of public land or land scrip for the endowment and maintenance of colleges for the benefit of agriculture and the mechanic arts, there is authorized to be appropriated the Virgin Islands the sum of $714,000 and to Guam the sum of $1,019,000. Amounts appropriated under this section shall be held and considered to have been granted to the Virgin Islands and Guam subject to the provisions of that Act applicable to the proceeds from the sale of land or land scrip.

SEC. 3. The Act of August 30, 1890, as amended, and the related portion of the Act of March 4, 1907 (26 Stat. 417; 34 Stat. 1281, 1282; U.S.C. 7 322-326) are further amended—

(1) by striking the words "and Territory" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, and Guam";

(2) by striking the words "and Territories" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, and Guam";

(3) by striking the words "or Territory" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, or Guam";

(4) by striking the words "or Territories" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, or Guam"; and

(5) by striking the words "or Territorial" where they appear.

SEC. 4. Section 22 of the Act of June 29, 1935, as amended (49 Stat. 439; 7 U.S.C. 329), is further amended—

(1) by striking the words "and Puerto Rico" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, and Guam";

(2) by striking the figure "$7,800,000" and substituting in lieu thereof the figure "$8,100,000"; and

(3) by striking the figure "$4,320,000" and substituting in lieu thereof the figure $4,324,400".

SEC. 5. The Act of March 4, 1940 (54 Stat. 39; 7 U.S.C. 331), is amended—

(1) by striking the words "and Territories" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, and Guam";

(2) by striking the words "or Territories" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, or Guam"; and

(3) by striking the word "State" wherever it appears in the third proviso of that Act and substituting in lieu thereof the words "State, Puerto Rico, the Virgin Islands, or Guam".

SEC. 6. Section 207 of the Agricultural Marketing Act of 1946 (60 Stat. 1091; 7 U.S.C. 1626), is amended by striking the period at the end of the section and adding the following words: ", and the term 'State' when used in this title shall include the Virgin Islands and Guam."

SEC. 7. Section 3 of the Act of May 8, 1914, as amended (38 Stat. 373; 7 U.S.C. 343), is further amended by redesignating subsection (b) as paragraph (1) of subsection (b) and adding new paragraphs (2) and (3) to subsection (b) to read as follows:

"(2) There is authorized to be appropriated out of money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1971, and for each fiscal year thereafter, for payment to the Virgin Islands and Guam, $100,000 each, which sums shall be in addition to the sums appropriated for the several States of the United States and Puerto Rico under the provisions of this section. The amount paid by the Federal Government to the Virgin Islands and Guam pursuant to this paragraph shall not exceed during any fiscal year, except the fiscal years ending June 30, 1971, and June 30, 1972, when such amount may be used to pay the total cost of providing services pursuant to this Act, the amount available and budgeted for expenditure by the Virgin Islands and Guam for the purposes of this Act.

"(3) Four per centum of the sums appropriated under paragraph (2) for each fiscal year shall be allotted to the Federal Extension Service for administrative, technical, and other services provided by the Service in carrying out the purposes of this Section."

SEC. 8. Section 10 of the Act of May 8, 1914, as amended (supra), as added by the Act of October 5, 1962 (76 Stat. 745; 7 U.S.C. 349), is amended by striking the words "and Puerto Rico" and inserting in lieu thereof the words ", Puerto Rico, the Virgin Islands, and Guam".

SEC. 9. Section 4 of the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a-3), is amended by striking the period at the end of the first sentence thereof and adding the following language: ", except that for the fiscal years ending June 30, 1971, and June 30, 1972, the matching funds requirement hereof shall not be applicable to the Virgin Islands and Guam, and sums authorized for such years for the Virgin Islands and Guam may be used to pay the total cost of programs for forestry research."

SEC. 10. Section 8 of the Act of October 10, 1962 (76 Stat. 807; 16 U.S.C. 582a-7), is amended by striking the period at the end thereof and adding the words ", the Virgin Islands and Guam."

SEC. 11. Section 1 of the Act of March 2, 1887, as amended (7 U.S.C. 361a-361i), is amended by striking the period after the second sentence and adding a comma and the words, "Guam and the Virgin Islands," and deleting "and" between the words "Hawaii and Puerto Rico."

SEC. 12. Section 3 of the Act of March 2, 1887, as amended (7 U.S.C. 361a-361i), is amended by redesignating subsection (b) as paragraph (1) of subsection (b) and adding new paragraphs (2) and (3) to subsection (b) to read as follows:

"(2) There is authorized to be appropriated out of money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1971, and for each fiscal year thereafter, for payment to the Virgin Islands and Guam, $100,000 each, which sums shall be in addition to the sums appropriated for the several States of the United States and Puerto Rico under the provisions of this section. The amount paid by the Federal Government to the Virgin Islands and Guam pursuant to this paragraph shall not exceed during any fiscal year, except the fiscal years ending June 30, 1971, and June 30, 1972, when such amount may be used to pay the total cost of providing services pursuant to this Act, the amount available and budgeted for expenditure by the Virgin Islands and Guam for the purposes of this Act.

"(3) Three per centum of the sums appropriated under paragraph (2) for each fiscal year shall be allotted to the Secretary of Agriculture for administrative, technical and other services provided by the Service in carrying out the purposes of this section."

SEC. 13. With respect to the Virgin Islands and Guam, the enactment of this Act shall be deemed to satisfy any requirement of State consent contained in laws and provisions of law referred to in this Act.

Mr. MOSS. Mr. President, the territories of the Virgin Islands and Guam are the only remaining areas of the United States which do not have the advantages of a land-grant college. This bill remedies the situation, and ends a long-standing inequity.

Its passage here by the Senate today, and then, I hope, promptly by the House of Representatives, will not only give each of the colleges substantial lump-sum endowment grants, but by bestowing land-grant status on them, will make each of them eligible in the future for grants for teaching, extension work, forestry research, experiment stations, and other programs.

The endowment grant to the University of Guam would be $1,019,000, and the endowment grant to the College of the Virgin Islands would be $714,000. But upon enactment of this bill, each college would become eligible for annual grants of nearly $400,000.

A measure to give land-grant status to these two schools has been pending before the Congress for some time. I introduced a bill in the 90th Congress, but it was not considered, and so I introduced the bill again in this Congress. It was referred in each instance to the Senate Committee on Interior and Insular Affairs, on December 8, 1969, it was favorably reported to the Senate by the Interior Committee. It contained an authorization of $3 million for an endowment grant to each of the colleges. This figure was determined by the Interior Committee members to be fair in view of the fact that both colleges are isolated, and would be more likely to draw a larger number of students, per capita population, than mainland colleges, where most students have a number of colleges to choose from within reasonable distances from their homes.

The bill was pending on the calendar, awaiting action, when the chairman of the Senate Agriculture Committee (Mr. ELLENDER) asked unanimous consent that it be referred for further consideration to the Agriculture Committee. I was not on the floor when this action took place, nor was I advised.

The members of the Agriculture Committee reduced the $3 million endowment grant to $1,019,000 in the case of Guam, and $714,000 in the case of the Virgin Islands. I do not intend to make a fight here on the Senate floor today to restore the funds, because the bill has been too long delayed as it is, but I hope that the other body will restore them. I have conferred a number of times with officials of both colleges, and I am convinced that the larger endowment fund is deserved in each instance, and would be well spent.

I make this statement understanding full well that the endowment grants included in the bill as reported by the Senate Agriculture Committee have been computed in the same manner and on the same ratio basis to population as those awarded the District of Columbia and Hawaii when similar land-grant college bills for them were passed in the 90th Congress.

The important point here, today, however, is that passage of this bill will be a great step toward providing college instruction in agriculture, mechanical arts and the other disciplines in which land-grant colleges excel to the students of Guam and the Virgin Islands. In the past, students from both places seeking such specialized careers have had to apply for admission to States with land-grant colleges, and to pay out of State tuition when, and if, they could be admitted. This has been both uncertain and expensive for them, and it is time that they had the same opportunities other citizens do to get the training of their choice in their own territories.

I hope therefore, that the bill, S. 1148, will be passed today without further delay.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the committee amendments of the Committee on Agriculture and Forestry be agreed to en bloc and that the committee substitute of the Committee on Interior and Insular Affairs, as amended, be treated as original text for the purpose of further amendment.

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

Mr. TALMADGE. Mr. President, there is a typographical error in the amendment of the Committee on Agriculture and Forestry on page 6, line 4, of S. 1148. "U.S.C. 7" should read "7 U.S.C." and, in behalf of the committee, I send to the desk an amendment and ask that the amendment be modified accordingly.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. On page 6, line 4 change, "U.S.C. 7" to "7 U.S.C.".

The PRESIDING OFFICER. Without objection the amendment is agreed to.

Mr. TALMADGE. Mr. President, the amendments recommended by the Committee on Agriculture and Forestry to the amendment recommended by the Committee on Interior and Insular Affairs to S. 1148 are purely of a technical nature, designed to make the bill accomplish its purpose and to provide treatment for Guam and the Virgin Islands generally on a parity with that accorded the States. The amendments are fully explained at pages 3 through 10 of the report of the Committee on Agriculture and Forestry. They are as follows:

First, the Committee on Interior and Insular Affairs recomended grants under section 2 in lieu of land in the amount of $3 million each for Guam and the Virgin Islands which, that committee said, approximated "on a ratio basis the amount provided the State of Hawaii." The correct amount on this basis is $1,019,000 for Guam and $714,000 for the Virgin Islands. The method of computing these figures is shown in footnote 3 of the table on page 17 of the report of the Committee on Agriculture and Forestry. This treatment will provide Guam and the Virgin Islands with greater annual income than most States obtain from the similar grants which have been received by them. An investment of $1,019,000 at 7 percent will furnish Guam about $70,000 per year; while an investment of $714,000 at 7 percent will furnish the Virgin Islands about $50,000 a year. If Senators will look at the table

on pages 6 and 7 of the report of the Committee on Agriculture and Forestry, they will see in column (4) the income received in fiscal 1968 by each State from the similar grant received by it. The income accorded Guam and the Virgin Islands is far in excess of the $9,115 obtained by the State of Louisiana, and is considerably in excess of the $36,375 obtained by the State of Utah. Guam and the Virgin Islands would receive many times the $2,505 received by Delaware.

It should be obvious that these grants should be at least reduced to amounts commensurate with the similar grants accorded Hawaii and the District of Columbia, and the amendments of the Committee on Agriculture and Forestry would do this.

Second, the Committee on Interior and Insular Affairs relied on a representation of the Department of the Interior that a $40,000 increase in additional funds under the Bankhead-Jones Act for apportionment on a population basis would result in Guam and the Virgin Islands receiving an additional $20,000 each. As indicated by the letter on page 9 of the report of the Committee on Agriculture and Forestry, this representation was incorrect. All but $4,400 of the $40,000 increase would go to other States, which was not the intention of the Committee on Interior and Insular Affairs. The amendments of the Committee on Agriculture and Forestry would correct this by providing for an increase of $4,400, which is about the amount Guam and the Virgin Islands would receive on a population basis and, with an increase of the total amount to be apportioned by this amount, these grants can be made to Guam and the Virgin Islands without reducing the share of any State.

Third, at present portions of the funds authorized for grants to States for cooperative extension work and for experiment stations are allotted to the Department of Agriculture. On the recommendation of the Department of Agriculture, the Committee on Agriculture and Forestry has proposed amendments making similar provision with respect to the funds authorized by the bill for these purposes.

The remainder of the amendments of the Committee on Agriculture and Forestry make corrections in spelling, punctuation, and the citations of acts and parts of acts.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLOTT. Mr. President, has the motion to agree to the committee amendments en bloc been agreed to?

The PRESIDING OFFICER. The Senator is correct. It has been agreed to, and the substitute amendment as amended has been agreed to.

Mr. MOSS. Could we have third reading?

Mr. ALLOTT. No. The Senator from Colorado is not ready for third reading.

GUAM: TAX HAVEN FOR FOREIGN CORPORATIONS

Mr. President, during the last few days of the second session of the 10th Guam Legislature, a bill was enacted authorizing the exemption of manufacturers of malted fermented beverages who manufacture such beverages in Guam from the levy of the excise tax of 2 cents per 12-ounce bottle and of the levy of the 4-percent gross receipts tax. This bill was signed into law by Governor Camacho of Guam and it became Public Law 10-115. Mr. President, I ask unanimous consent that the text of the bill, bill No. 418, of the 10th Guam Legislature, second regular session, be printed in the RECORD at this point.

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

BILL NO. 418—SUBSTITUTE BILL BY COMMITTEE ON TRADE AND TOURISM

An act to amend subsection .0104 of section 19541, the first paragraph of section 19560, and section 19562 of the Government Code of Guam and to add a new subsection 3 to section 53577 of said code to exempt locally manufactured alcoholic beverages from the excise and gross receipts taxes

Be it enacted by the people of the Territory of Guam:

SECTION 1. Subsection .0104 of Section 19541 of the Government Code of Guam is hereby amended to read as follows:

".0104. *Provided,* That a manufacturer or producer, other than a manufacturer of soft drinks or of alcoholic beverages, engaging in the business of selling his products to manufacturers, wholesalers, or licensed retailers, shall not be required to pay the tax imposed in this Act for the privilege of selling such products at wholesale. Nor shall any such manufacturer or producer, other than a manufacturer of soft drinks or of alcoholic beverages, be required to pay the tax imposed in this Act for the privilege of selling products for delivery to the purchaser outside of Guam."

SEC. 2. The first paragraph of Section 19560 of the Government Code of Guam is hereby amended to read as follows:

"SEC. 19560. Excise tax on alcoholic beverages. An excise tax is imposed upon all alcoholic beverages (except alcoholic beverages manufactured in Guam) sold in Guam by manufacturers, manufacturer's agents, rectifiers, or wholesalers, or sellers of alcoholic beverages selling alcohol beverages with respect to which no tax has been paid within areas of which the Federal Government exercises jurisdiction at the following rates."

SEC. 3. Section 19562 of the Government Code of Guam is hereby amended to read as follows:

"SEC. 19562. Alcoholic beverages to which excise tax not applicable. The tax is not imposed upon any alcoholic beverage specifically mentioned in subdivision (a) to (f), inclusive, of Section 19561, nor to any alcoholic beverage manufactured in Guam."

SEC. 4. A new Subsection 3 is hereby added to Section 53577 of the Government Code of Guam to read as follows:

"(3) All taxes now levied by virtue of Subchapter B, Chapter 6, Title XX of the Government Code of Guam, known as the Gross Receipts Tax, shall be abated for a period up to ten (10) years from date of issuance of a qualifying certificate therefor, and as long as said certificate is in force and effect, provided that the gross receipts on which such tax shall be abated have been derived from the sale of alcoholic beverages manufactured in Guam by the manufacturer thereof and that such manufacturer has qualified and continues to qualify for a qualifying certificate covering such manufacturer."

SEC. 5. This Act is an urgency measure.

Mr. ALLOTT. Mr. President, in addition to these tax concessions, the Guam Economic Development Administration has also granted a forgiveness of 75 percent of income tax for 20 years and a forgiveness of 100 percent of the real property taxes for 10 years. Real property taxes in Guam are 3 percent of the assessed valuation and the assessed valuation is based at 35 percent of the appraised value.

Mr. President, this is not a large bill, as bills go, and as they come before the Senate.

The Senator from Colorado has been interested for a long time in the tax situation with respect to various U.S. territories, and particularly the Virgin Islands, Puerto Rico, and Guam.

For this reason I felt compelled to put a "hold" on this bill until such time as we could have an opportunity to discuss the situation on the floor and determine where the United States was going with relation to these territories.

Income taxes are based upon the Federal tax law. In other words, the Federal tax code is adopted for the territory of Guam, except that, all taxes collected are paid into the Guam Territorial Treasury and none are paid into the Federal Treasury. In addition, income taxes withheld from Federal and military employees in Guam are rebated to the territorial treasury, quarterly.

It is very important that this be explained and understood. This fact with respect to Federal income taxes is true also of the other two territories I have named, those other two territories being the Virgin Islands and Puerto Rico, although technically Puerto Rico is not classified as a territory any more; it is really a commonwealth.

In each of these places we give practically all of the grant privileges to the citizens of these territories that a citizen of the United States has. However, in Guam they collect—not the IRS, but their own collectors—Federal income taxes. That is true in the Virgin Islands. It is true in Puerto Rico. That money is paid into the respective treasuries of those three places. Not a penny of that money ever finds its way into the Federal Treasury to help support the grant-in-aid programs that the people in this country provide to those particular places to try to help them along economically.

In other words, we have a situation in which all of the Federal income tax raised in those areas is paid directly into those territorial treasuries. On the one hand, we tax ourselves here in the United States to give them the benefit of money and innumerable grant-in-aid programs of one kind or another. On the other hand, the taxes that they raise by way of Federal income taxes do not contribute one penny to those aid programs.

The justification for these tax concessions is to induce industry to locate in Guam. This, of course, is an appropriate interest of the government of Guam and the Guam Economic Development Authority has been authorized to grant income and real property tax concessions to other industries who are willing to lo-

cate in Guam. The difficulty is that these two new tax concessions are discriminatory in that they are not being granted to new industry generally. The San Miguel Brewery is the recipient of these tax benefits, but they are not granted to new industry generally in Guam. So it is a clear-cut case of tax preference for one company.

As Senators who have served in the Pacific know, San Miguel operates a major brewery in the Philippines. I am informed that the Guam subsidiary is presently owned by Neptunia Ltd., a Hong Kong corporation, and that substantial shareholders of Neptunia are U.S. citizens.

I am informed that San Miguel plans to construct a $3.5 million brewery facility on the strength of these tax concessions. The tax concessions will permit San Miguel to recover their capital investment in 7 to 9 years.

Just imagine being able to come in and start a new business and make a very large capital investment in that business, and being able to recapture the investment in 7 to 9 years.

With this amortization period in mind, consider the tax benefits granted, not generally to new business coming in to Guam—which we would all like to see and which would help them become self-supporting—but to this one business:

First. Forgiveness of 75 percent of income tax for 20 years;

Second. Total exemption from real property taxes for 10 years;

Third. Total exemption from the gross receipts tax for a period of 10 years, "from date of issuance of a qualifying certificate therefore, and as long as said certificate is in force and effect" in other words, until the Guam Legislature, I presume, decided to revoke the certificate.

Fourth. Total exemption from the 2 cents per 12-ounce bottle of beer excise tax, with no time limitation.

I believe that the excise tax exemption, particularly, is discriminatory against goods manufactured in the United States and marketed in Guam. It should be noted that U.S. corporations doing business in Guam are treated as foreign corporations and a 30-percent foreign corporation tax is imposed upon such U.S. corporations. So here again is a discriminatory tax made against the very citizens of the United States who, in turn, are subsidizing the territory of Guam.

Guam is a recipient of grants of funds from the U.S. Federal Government under a great variety of programs, yet none of the taxes collected in Guam go to help support the Federal Government. As an example, Guam received $6,065,235 in 1969 from a variety of grant-in-aid programs. In addition, Guam received $6,402,000 from the Federal Treasury under the Guam Rehabilitation Act.

Mr. President, I ask unanimous consent that a tabulation of the various grant-in-aid programs as found on pages 45 and 46 of the 1969 Annual Report of Guam to the Secretary of Interior be printed in the RECORD at this point.

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

Government of Guam—General fund revenue statement fiscal year 1969 (partial)

Grants-in-aid:	
School operation and maintenance	$1,233,824
Expansion and development of expansion	24,914
Vocational education	114,605
Crippled children services	238,920
Vocational rehabilitation	95,550
Public health services	610,981
Professional personnel in the education of handicapped children	39,302
Maternal aid child health services	155,018
Public assistance	559,325
Fish and wildlife restoration	22,256
Civil defense	19,056
Elementary and secondary education	302,565
Manpower training and development program	22,348
Basic adult education	26,379
Upward Bound	45,730
Work study program	46,187
Appropriated receipts:	
MDTA—Stenographer	17,847
ESEA—Title I	28,876
ESEA—Title III	229,932
ESEA—Title VI-A	60,000
Public Law 88-452—Follow-through state technical assistance	4,927
Appropriated receipts:	
Public Law 85-926—Education of handicapped children	50,000
VEA—1963	54,000
Public Law 81-815—School Construction	903,710
HEA—1965—Title I	33,534
HEA—1965—Title III	150,000
HEA—1965—Title V, part (s)D	10,000
HEFA—Title I	21,005
NDEA—English for speakers of other languages	3,960
EOA—1964—Title II	48,374
Nurses Training Act—1964	318,179
State Technical Services Act—1965	25,000
National Foundation on the Arts and the Humanities	4,400
National Endowment for the Arts	30,909
Library Services and Construction Act—Title II	58,324
Commercial Fisheries Research and Development Act	20,500
Federal agricuture extension services	15,000
P.H.S. Act—Title VI—Hospital and medical facilities	328,942
Older Americans	73,000
Private sources	17,856
Subtotal	6,065,235
Rehabilitation Act	6,402,000
Total	12,467,235

Mr. ALLOTT. It should also be noted—and I am sure this will raise more than a few eyebrows, and I am sure it will raise a few hackles—that $8,874,476 of income tax collected from military personnel stationed in Guam was paid into the Guam Territorial Treasury by the U.S. Treasury.

They not only retained in Guam, for their own use, subject solely to the disposition of the Guam Legislature, all of the Federal income taxes which are collected there—not by IRS agents from the United States, but by their own collectors—but they also retained almost $9 million of Federal income taxes collected from the military personnel stationed by the United States in Guam.

Mr. President, the bill before us provides for the further contribution of Federal funds to Guam. It provides land-grant status to the University of Guam. Personally, I would have no objection to this except that I find it difficult to authorize further grants-in-aid to a jurisdiction which discriminates against U.S. corporations in its taxing policies. Particularly when it is the taxes of those U.S. corporations which help support the grant-in-aid program.

Mr. President, this bill was reported out of the Committee on Interior and Insular Affairs, and, as the distinguished representative of the Committee on Agriculture and Forestry has suggested, it was thereupon referred to that committee because it is a measure that would affect land-grant colleges, and land-grant colleges receive their money under the Morrill program.

I would point out that in the bill before us, we would endow two schools, the College of the Virgin Islands with the sum of $714,000, and the University of Guam with the sum of $1,019,000.

To keep the matter somewhat in perspective, I must recall, for the benefit of the Senate, that after Hawaii was admitted to statehood, she had no lands under which she could make a selection under the Morrill Act, and so Congress appropriated to Hawaii $6 million in lieu of the benefits which other land-grant colleges have obtained under the Morrill Act.

In my view the time has come for the Congress to take a long hard look at the tax arrangement which we have with the territories. This is underscored by the fact that I have been unable to secure an up-to-date copy of the Government Code of the Territory of Guam in the city of Washington. I have attempted to acquire it at both the Department of Interior and the Library of Congress and so far as I have been able to determine the latest information concerning the legislative enactments of the territorial legislature is the 1964 cumulative pocket supplement to the 1961 Revised Government Code of the Territory of Guam.

The chairman of the committee (Mr. JACKSON) has indicated that early hearings will be scheduled upon S. 3155, a bill to clarify the application of the tax on the transfer of funds to a U.S. corporation from a Guam subsidiary. I believe that it would be appropriate to conduct a thorough investigation and review of not only Guam's taxing policies, but also the provisions of the organic act under which such discriminatory taxing practices as I have discussed today are permitted to occur.

According to a tabulation in the 1969 Annual Report of Guam's Washington representative, Federal expenditures in Guam for fiscal year 1969 amounted to $174,404,028.

Mr. President, I ask unanimous consent that the tabulation appearing on page 35 of the 1969 Annual Report of Guam's Washington representative be printed in the RECORD at this point.

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

APPENDIX "A"—SUMMARY OF FEDERAL EXPENDITURES IN GUAM, FISCAL YEAR 1969

Department or agency	Financial assistance programs (grants, loans, etc.)	Other expenditures (salaries, direct payments, etc.)	Total Federal expenditures
Departments:			
Agriculture	$417,198	$40,000	$457,198
Commerce	3,000	163,400	166,400
Defense	18,000	143,635,000	143,653,000
Health, Education, and Welfare	6,893,563		6,893,563
Housing and Urban Development	2,359,800		2,359,800
Interior	10,024,167	293,800	10,317,967
Justice	146,345	269,329	415,674
Labor	355,200	40,000	395,200
Post Office		1,163,800	1,163,800
State			
Transportation		4,920,352	4,920,352
Treasury		9,056	9,056
Independent agencies:			
Office of Economic Opportunity	$603,749	$42,300	$646,049
National Aeronautics and Space Administration		1,600,000	1,600,000
Foundation on the Arts and the Humanities	35,309		35,309
Selective Service		55,221	55,221
Small Business Administration	95,300	68,000	163,300
U.S. Civil Service Commission		586,939	586,939
Veterans Administration		463,000	463,000
Judiciary: U.S. District Court of Guam		102,200	102,200
Total	20,951,631	153,452,397	174,404,028

Note: Itemized listings and an explanation of expenditures by program and activity appear on pp. 36 through 62.

Mr. ALLOTT. It is most difficult in my opinion, to justify the treatment of U.S. corporations as foreign corporations and on the other hand to grant discriminatory tax concessions to foreign corporations which provide no tax support for the grant-in-aid programs Guam so eagerly pursues and receives. The Senate Interior Committee should review in depth its policies with regard to the territories.

I am led to believe, Mr. President, that when we consider the bill I have just mentioned, we will go into this matter more fully.

Mr. TALMADGE. Mr. President, will the distinguished Senator from Colorado yield?

Mr. ALLOTT. I am happy to yield.

Mr. TALMADGE. I have listened with interest to the Senator's remarks, and I dare say there is some merit in the argument that he makes that the territories do escape the tax burdens that the States carry, and receive many of the benefits of statehood nevertheless.

That is a matter, in my judgment, for the determination of the appropriate committees that may have jurisdiction. The Senator has stated that the Committee on Interior and Insular Affairs would look into the matter carefully, and I can assure the Senator that, pursuant to whatever jurisdiction the Committee on Finance may have, we would be happy to consider it also.

I would point out, however, that the subject matter of the bill that is pending before the Senate does not relate to the wisdom or lack of wisdom of the taxing policies involving the territories. That is a matter, I think, that ought to be considered in separate legislation.

Mr. ALLOTT. I thank the Senator, and of course he is entirely correct.

But, on the other hand, we are appropriating an amount here which is another grant-in-aid to the Territory of Guam, and I am sure that the Senator will agree with me that there is no more appropriate place to discuss it than upon this particular bill.

Mr. TALMADGE. I agree that it is entirely appropriate for discussion at any time, but I think to try to legislate on the matter would be something that ought to be considered in the context of a bill relating to that subject, after appropriate hearings before the appropriate committee having jurisdiction.

Mr. ALLOTT. The Senator is correct; and when we get to this other matter, I think probably there may be features of it that will have to be referred to the Committee on Finance, of which the Senator is a distinguished member.

However, I feel very strongly that the discussion we have had here today is entirely appropriate. I think it is entirely related to the subject matter of this bill, and that is the reason I have brought it up today.

I think it might be interesting to read, from one of the documents I have inserted in the RECORD, the subjects of some of the grants-in-aid.

They include school operation and maintenance, expansion and development of education, vocational education, crippled children's services, vocational rehabilitation, public health services, professional personnel in the education of handicapped children, maternal aid, child health services, public assistance, fish and wildlife restoration, civil defense, elementary and secondary education, manpower training and development program, basic adult education, Upward Bound, work-study program, and from there on down, about 20 more headings. They will all appear in the RECORD, Mr. President.

The purpose of my discussion today is to make a record on this issue, because, for some reason or other, either because it has not been known or for some other reason—I think basically because these places are far away from us, and it is not generally known—no one seems to have taken a particular interest in it. I think it is time for us to take an interest, and particularly I think it is time for us to take an interest in these grant-in-aid programs in support of these places, when the people there do not pay $1 to the Federal Government of the United States in taxes. Particularly is this true when the territories discriminate against U.S. corporations which are paying the very taxes which produce these grant-in-aid programs for them, and from which they benefit so greatly.

Mr. President, I yield the floor.

Mr. MOSS. Mr. President, I think there is much merit in what the Senator from Colorado has said, but I agree with the Senator from Georgia that it is not a part of the bill which we are considering.

The policy of the U.S. Government has heretofore been set as to whether taxation should be remitted directly into the treasuries of the territories and the Commonwealth of Puerto Rico, instead of into the Treasury of the United States. We might wish to reconsider that. We might be properly concerned about some tax privileges that have been extended.

But what we are focusing on today, and what I hope we will now dispose of, is also a general policy of the United States, of providing a land-grant college system, so that the same type of vocational agricultural instruction is available in all of the States and in the territories of the United States.

We have extended it to the Commonwealth of Puerto Rico. The only areas left unassisted as I have pointed out, are the two in the bill before us today. I, therefore, hope we can pass this measure and get that part done, and then go on, at an appropriate time, to consider the issues the Senator from Colorado has raised.

The PRESIDING OFFICER. 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.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1148) was passed, as follows:

S. 1148

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

SECTION 1. The College of the Virgin Islands and the University of Guam shall after the effective date of this Act be considered land-grant colleges established for the benefit of agriculture and mechanic arts in accordance with the provisions of the Act of July 2, 1862, as amended (12 Stat. 503; 7 U.S.C. 301–305, 307, 308).

SEC. 2. In lieu of extending to the Virgin Islands and Guam those provisions of the Act of July 2, 1862, as amended, supra, relating to donations of public land or land-scrip for the endowment and maintenance of colleges for the benefit of agriculture and the mechanic arts, there is authorized to be appropriated to the Virgin Islands the sum of $714,000 and to Guam the sum of $1,019,000. Amounts appropriated under this section shall be held and considered to have been granted to the Virgin Islands and Guam subject to the provisions of that Act applicable to the proceeds from the sale of landscrip.

SEC. 3. The Act of August 30, 1890, as

amended, and the related portion of the Act of March 4, 1907 (26 Stat. 417; 34 Stat. 1281, 1282; 7 U.S.C. 322–326) are further amended—

(1) by striking the words "and Territory" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, and Guam";

(2) by striking the words "and Territories" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, and Guam";

(3) by striking the words "or Territory" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, or Guam";

(4) by striking the words "or Territories" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, or Guam"; and

(5) by striking the words "or Territorial" where they appear.

SEC. 4. Section 22 of the Act of June 29, 1935, as amended (49 Stat. 439; 7 U.S.C. 329), is further amended—

(1) by striking the words "and Puerto Rico" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, and Guam";

(2) by striking the figure "$7,800,000" and substituting in lieu thereof the figure "$8,100,000"; and

(3) by striking the figure "$4,320,000" and substituting in lieu thereof the figure "$4,324,400".

SEC. 5. The Act of March 4, 1940 (54 Stat. 39; 7 U.S.C. 331), is amended—

(1) by striking the words "and Territories" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, or Guam"; and

(2) by striking the words "or Territories" wherever they appear and substituting in lieu thereof the words ", Puerto Rico, the Virgin Islands, or Guam"; and

(3) by striking the word "State" wherever it appears in the third proviso of that Act and substituting in lieu thereof the words "State, Puerto Rico, the Virgin Islands, or Guam".

SEC. 6. Section 207 of the Agricultural Marketing Act of 1946 (60 Stat. 1091; 7 U.S.C. 1626), is amended by striking the period at the end of the section and adding the following words: ", and the term 'State' when used in this title shall include the Virgin Islands and Guam."

SEC. 7. Section 3 of the Act of May 8, 1914, as amended (38 Stat. 373; 7 U.S.C. 343), is further amended by redesignating subsection (b) as paragraph (1) of subsection (b) and adding new paragraphs (2) and (3) to subsection (b) to read as follows:

"(2) There is authorized to be appropriated out of money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1971, and for each fiscal year thereafter, for payment to the Virgin Islands and Guam, $100,000 each, which sums shall be in addition to the sums appropriated for the several States of the United States and Puerto Rico under the provisions of this section. The amount paid by the Federal Government to the Virgin Islands and Guam pursuant to this paragraph shall not exceed during any fiscal year, except the fiscal years ending June 30, 1971, and June 30, 1972, when such amount may be used to pay the total cost of providing services pursuant to this Act, the amount available and budgeted for expenditure by the Virgin Islands and Guam for the purposes of this Act.

"(3) Four per centum of the sums appropriated under paragraph (2) for each fiscal year shall be allotted to the Federal Extension Service for administrative, technical, and other services provided by the Service in carrying out the purposes of this section."

SEC. 8. Section 10 of the Act of May 8, 1914, as amended (supra), as added by the Act of October 5, 1962 (76 Stat. 745; 7 U.S.C. 349), is amended by striking the words "and Puerto Rico" and inserting in lieu thereof the words ", Puerto Rico, the Virgin Islands, and Guam".

SEC. 9. Section 4 of the Act of October 10, 1962 (76 Stat. 806; 16 U.S.C. 582a–3), is amended by striking the period at the end of the first sentence thereof and adding the following language: ", except that for the fiscal years ending June 30, 1971, and June 30, 1972, the matching funds requirement hereof shall not be applicable to the Virgin Islands and Guam, and sums authorized for such years for the Virgin Islands and Guam may be used to pay the total cost of programs for forestry research."

SEC. 10. Section 8 of the Act of October 10, 1962 (76 Stat. 807; 16 U.S.C. 582a–7), is amended by striking the period at the end thereof and adding the words ", the Virgin Islands and Guam."

SEC. 11. Section 1 of the Act of March 2, 1887, as amended (7 U.S.C. 361a–361i) is amended by striking the period after the second sentence and adding a comma and the words, "Guam and the Virgin Islands," and deleting "and" between the words "Hawaii and Puerto Rico."

SEC. 12. Section 3 of the Act of March 2, 1887, as amended (7 U.S.C. 361a–361i), is amended by redesignating subsection (b) as paragraph (1) of subsection (b) and adding new paragraphs (2) and (3) to subsection (b) to read as follows:

"(2) There is authorized to be appropriated out of money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1971, and for each fiscal year thereafter, for payment to the Virgin Islands and Guam, $100,000 each, which sums shall be in addition to the sums appropriated for the several States of the United States and Puerto Rico under the provisions of this section. The amount paid by the Federal Government to the Virgin Islands and Guam pursuant to this paragraph shall not exceed during any fiscal year, except the fiscal years ending June 30, 1971, and June 30, 1972, when such amount may be used to pay the total cost of providing services pursuant to this Act, the amount available and budgeted for expenditure by the Virgin Islands and Guam for the purposes of this Act.

"(3) Three per centum of the sums appropriated under paragraph (2) for each fiscal year shall be allotted to the Secretary of Agriculture for administrative, technical and other services provided by the Service in carrying out the purposes of this section."

SEC. 13. With respect to the Virgin Islands and Guam, the enactment of this Act shall be deemed to satisfy any requirement of State consent contained in laws or provisions of law referred to in this Act.

Mr. TALMADGE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MOSS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended, so as to read: "A bill to constitute the College of the Virgin Islands and the University of Guam land-grant colleges, and for other purposes."

MOB JEERS AMBASSADOR HOLLAND IN SWEDEN

Mr. ALLOTT. Mr. President, on Tuesday our new Ambassador to Sweden, Dr. Jerome H. Holland, was subject to outrageous indignities from a mob in Sweden described as "antiwar demonstrators."

They shouted "Nigger! Nigger!" at Ambassador Holland as he entered the Royal Palace to present his credentials to King Gustaf VI Adolf.

Mr. President, the position of U.S. Ambassador to Sweden has been unfilled since January 1969. Perhaps we have been too swift, rather than too slow, in filling that position. It is intolerable that any American—and least of all a man of Ambassador Holland's distinction—should be subjected to such abuse.

Of course, there is no reason why those Swedes who are so inclined should not protest wars until they are absolutely content. After all, Sweden is such a peace-loving country that it could not bring itself to join in the war against the National Socialist Third Reich.

But surely it is not asking too much to suggest that protesting Swedes leave their racist epithets at home when next they take to the streets to advise the United States on how to run a moral foreign policy.

Mr. President, it is well known that some Swedes have very highly developed moral sensitivities. These Swedes are the world's foremost givers of gratuitous advice. In fact, unsolicited moralizing is that nation's No. 1 export.

But perhaps the moralizing Swedes will take time off from advising the rest of the world on how to measure up to Swedish standards. Perhaps they will take time off to follow the Biblical injunction, "Physician, heal thyself."

The Swedish Government has announced that it intends to apologize to Ambassador Holland for the indignity he suffered. We trust the Swedish Government will suggest to Swedish mobs that they reform their manners before they undertake to reform the world.

I ask unanimous consent to have printed in the RECORD an article published in the New York Times of today.

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

WAR FOES JEER NEW U.S. ENVOY AS HE ENTERS PALACE IN SWEDEN

STOCKHOLM, April 14.—The new United States Ambassador, Jerome H. Holland, said today that he was greeted by shouts of "Nigger! Nigger!" by Swedish antiwar demonstrators as he entered the royal palace to present his credentials to King Gustaf VI Adolf.

"I only heard this kind of thing in the most racially-biased areas of the United States before and I resent it," Mr. Holland said at a news conference. He said that he regarded the incident as "a blow below the belt."

The demonstrators waved placards outside the palace. While Mr. Holland and the King talked for an hour, the police arrived and charged four demonstrators with having created a disturbance.

More than 50 demonstrators milled around the front gates of the palace. Mr. Holland left the palace by the back door. He also left the Stockholm airport by a back exit last week to escape demonstrators on hand when he arrived.

Mr. Holland is a former All-America football player and president of Hampton Institute in Hampton, Va. He is the fourth Negro appointed by President Nixon to an ambassadorial post.

The post of United States Ambassador to Sweden had been vacant since January, 1969, when the previous envoy, William W. Heath, resigned at the time that the Nixon Administration assumed office. There have been differences between the two countries over Sweden's opposition to United States policy in Vietnam.

GOVERNMENT TO APOLOGIZE

STOCKHOLM, April 14.—The Government announced tonight that it would apologize to Ambassador Holland.

Mr. ALLOTT. Mr. President, I feel particularly strong about this matter because Ambassador Holland, a gentleman 54 years of age, is such an outstanding American. His wife, Laura, and two of his children are in Sweden with him. He has a doctor of philosophy degree from the University of Pennsylvania and probably a half dozen or more honorary degrees from other schools in the United States.

He is really a rugged man. He is really a great man. He is one of the great leaders of this country today. As president of Hampton Institute, before he took this position, he stood foremost among the educators of this country. He was twice an All-American end at Cornell.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. ALLOTT. May I add that he is also enshrined in the Football Hall of Fame. I yield.

Mr. PROXMIRE. May I say that, when I was at Yale, I recall watching Bud Holland play as an end, and he was a great one. I have never seen a man play with more skill and devotion and ability. I was tremendously impressed by him.

Bud Holland had to operate under very difficult circumstances. In the Ivy League, at that time, he was the only Negro. He was an active athlete. He conducted himself with such dignity and such respect, and he was so impressive as a man, as a gentleman, as well as a great athlete, that I could not resist joining the Senator from Colorado in his excellent statement today in paying tribute to a man who has had a great record in the past, and is a fine Ambassador. I think President Nixon deserves a great deal of credit for making this appointment.

Mr. ALLOTT. I thank the Senator. If more Senators were in the Chamber, I am sure many others would join in the sentiments expressed so well by the Senator from Wisconsin, which I feel myself.

To conclude, Mr. President, Ambassador Holland was for 17 years a college president, at Delaware State College from 1953 to 1960, and at Hampton Institute from 1960 to 1970. I, like the distinguished Senator from Wisconsin, think that the selection of Ambassador Holland was a selection that President Nixon made of which we can all be proud.

I will go further and say this: Despite the reception Dr. Holland received in Sweden—and it must be noted that this is not from the heads of state but from the usually willy-nilly raucous mobs that seem to invade streets all over the world today—I am going to predict that before Dr. Holland leaves that post, he will have clothed it with a dignity and ability which even the Swedes themselves will praise in the most laudatory and magnificent terms. History will tell whether I am wrong or right, but I have this feeling about him. I feel that he is one of our great Americans, and I feel sure that he is going to prove it to the Swedish Government before he leaves there.

GREAT LAKES SHOULD BE UTILIZED FOR SHIPPING MILITARY CARGO OVERSEAS

Mr. PROXMIRE. Mr. President, during the 1969 shipping season on the Great Lakes, the Defense Department conducted a test program involving the shipment of military cargo overseas. The cargo was cargo which had been produced in the Midwest, and the program involved shipping it from Midwest ports via the St. Lawrence Seaway. This was an alternative to routing cargo overland by rail to tidewater ports for transfer to oceangoing vessels. The test program was undertaken at the suggestion of the General Accounting Office, in the belief that the all-water method of routing would prove cheaper and more efficient than the two-part method of shipment.

The report was made available by the Pentagon the week before last. It concludes that—

> the DOD, because of the mix of its cargo and its lack of retrograde traffic, cannot operate controlled vessels economically in Great Lakes ports.

This conclusion is bound to be a disappointment to all those who depend on Great Lakes shipping. But it by no means implies that the test program was a failure. On the contrary, the test program is the first step—a very necessary first step—in ultimately clearing the way for cargo which is manufactured in the Midwest to use midwest ports, to use the Great Lakes and the St. Lawrence Seaway for overseas shipment.

First, as to the test program itself, a number of questions remain unresolved. For example, the report states that the program would have done better if a more efficient mix of cargo had been generated, and if more inbound—retrograde—cargo had been carried. But how could a more efficient mix of cargo be achieved? Could not ship schedules have been aranged to provide for this? And what explains the fact that the level of retrograde was only half that usually carried by military vessels? Was every effort made to provide the maximum amount of retrograde for the test, so that test results would be meaningful?

I have written to Comptroller General Staats and asked for an independent appraisal of these issues. I ask unanimous consent that my letter to the Comptroller General be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. PROXMIRE. These questions aside, the report candidly acknowledges that cost savings can be achieved by routing military cargo through Great Lakes ports:

> On the other hand, we believe that the test indicates that a commercial U.S. flag operator could improve substantially upon DoD experience by carrying additional commercial general cargo outbound and attracting inbound cargo. For example, the DoD's average outbound lift during the test was 5,929 measurement tons (MT's). Assuming other things remained equal, an average inbound payload of about 2,000 MT's would have resulted in a break-even operation. A further increase in outbound or inbound tonnage levels would result in lower costs than shipment via East and Gulf coast ports.

There is nothing surprising about this conclusion that cargo produced in the Midwest can be handled more cheaply by midwest ports. It is a well known fact that 35 percent of all military cargo originates in the Great Lakes region. When this cargo is transported overland by rail to tidewater ports, as it has in the past, this results, according to the DOD report, "in additional transportation expenses being incurred because of the additional line haul cost necessary to move the cargo to those ports."

There is a huge discrepancy between the amount of military cargo that is produced in the Midwest and the amount that is actually shipped through its ports. In 1968, for example, the year prior to the military cargo test program, a total of 2,000 measurement tons of military cargo was handled by Great Lakes ports. This is less than one-hundredth of 1 percent of the 30 million tons the Pentagon ships overseas each year. Even last year, with the test program in effect, only 68,600 tons of military cargo went through the lakes. This is still only twenty-three one-hundredths of 1 percent of all military cargo shipped overseas—a pittance by comparison to the 35 percent of cargo which the Midwest generates.

Mr. President, the answer is clear. If ships under charter to the military cannot handle this cargo economically, then we must make it possible for DOD's alternative suggestion to be implemented: shipping the midwest-manufactured military cargo on commercial vessels.

The chief advantage of commercial ships is that it would solve the retrograde problem. In the 1969 test program, only 3,410 tons of retrograde—returning cargo—were brought back, an average of 310 tons per sailing. The ships were coming back just about empty because military ships are restricted by law to carrying military cargo only. But commercial ships would not be subject to this restriction, and could carry nonmilitary cargo on the return voyage. Commercial ships could operate with a full load in both directions—military going over, mostly nonmilitary coming back—and the opportunity for achieving cost savings would improve dramatically.

Ideally, the commercial vessels should be U.S.-flag carriers. This Senator would be delighted if a U.S.-flag operator could be persuaded to serve Great Lakes ports, and we should do all in our power to encourage such service. But historically U.S.-flag carriers have not brought their ships into the Great Lakes. Foreign-flag lines carry virtually all of the export-import cargo shipped through the St. Lawrence Seaway. And there is little reason to expect this to change in the near future.

Consequently, for the near future at least, the only way that military cargo in substantial quantities can be moved through the lakes and the seaway would be to put it on foreign-flag ships. According to the GAO, to clear the way for foreign-flag ships it would be necessary to modify the Cargo Preference Act (10

U.S.C. 2631). Such a modification would provide that where American-flag shipping is not available at all, and where the cost to the Government would be lower, and where national security would not be impaired, military cargo may be placed on foreign-flag vessels for shipment overseas. To that end, I propose for the Senate's consideration the following proviso to the Cargo Preference Act:

Provided, however, that if the President finds those vessels are not readily available at a U.S. port, or range ports, the provisions of this section shall not apply, and such supplies may be transported on foreign owned vessels at such port or range of ports if the national security will not be impaired and the total transportation cost shall be less than that applicable at another port or range of ports where vessels of the United States or belonging to the United States are readily available.

Mr. President, this amendment would in no sense be directed against the American merchant marine. American-flag carriers are perfectly free to go after this cargo, and if they do, the Cargo Preference Act will continue to assure them of freedom from foreign-flag competition. This amendment would only come into play where, as here, American-flag carriers have declined the opportunity to go after this business. In such an event, there is no reason why the Government should continue to pay the higher line-haul costs to the tidewater ports when cheaper and more efficient service is available at nearby Great Lakes ports.

Mr. President, the administration's maritime legislation is now before the Senate Commerce Committee. As chairman of the Great Lakes Conference of Senators, I have been working closely with my colleague from Michigan, the distinguished minority whip, to insure that this legislation takes into account the legitimate interests of the Great Lakes and makes specific provision for them. This amendment to the Cargo Preference Act is an outgrowth of our efforts, and the efforts of the entire Great Lakes Conference of Senators.

We are convinced that such an amendment is the only way the Great Lakes are going to achieve parity with other regions of the country in competing for this cargo. It is fair, and it would save the Government money. It deserves the support of a majority of the Senate.

EXHIBIT 1

APRIL 8, 1970.

Mr. ELMER B. STAATS,
Comptroller General, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: Last week the Defense Department released a report on the military cargo shipping program that it conducted during the 1969 season in the Great Lakes. The report concludes that because excess costs were incurred, the Defense Department "cannot operate controlled vessels economically in Great Lakes Ports."

However, the report is extremely vague on just how these excess costs came about. It is unclear whether the excess costs are inherent in any program involving the use of military vessels to carry Midwest-produced military cargo via the Seaway, or whether the excess costs resulted from poor management on the part of those running the program.

To help shed some light on this, I would highly value your comments on the following questions:

How could a more efficient mix of cargo have been achieved? Shouldn't it have been possible to secure a higher proportion of general cargo, and a lower percentage of vehicles on outbound trips? Couldn't the ship schedules have been rearranged to provide for this?

Since the major blame for increased costs seems to be the lack of retrograde cargo on return trips, what explains the fact that the retrograde was only half the usual ten percent retrograde carried by military vessels? Was every effort made to provide the maximum amount of retrograde for the test? Couldn't more have been done to bring together household goods for the return voyages?

Although the report indicates that GAO worked jointly with DOD in evaluating the data, I believe an independent investigation of these issues by GAO would be most useful, and I look forward to hearing from you.

Sincerely,

WILLIAM PROXMIRE,
U.S. Senator.

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

Mr. PROXMIRE. I am happy to yield to the Senator from Michigan.

Mr. GRIFFIN. I want to commend the distinguished Senator from Wisconsin for a statement which is very useful in analyzing objectively the test program which was instituted in regard to military cargo. He makes some pertinent points. In his analysis of that test program and some of its shortcomings, and as chairman of the Conference of Great Lakes Senators, he has helped to focus attention upon the discriminatory policies which have been in effect and, unfortunately, continue to be in effect so far as Great Lakes shipping is concerned.

His amendment to the Cargo Preference Act deserves the careful attention of the appropriate committees of the Senate. In addition to that, as he has pointed out, I think that the legislation which seeks to implement the administration's maritime program needs amending in order to underscore the fact that we do have another seacoast in the Great Lakes. I am very much pleased that Administrator Gibson, in testifying before the Merchant Marine Subcommittee of the Commerce Committee, recently did indicate some inclination to look with favor upon such an amendment.

I am frankly disappointed that they were not in the original legislation, but I think that with the bipartisan support of the Conference of Great Lakes Senators, and the leadership which the distinguished Senator from Wisconsin is providing, we can make important improvements in that legislation. Certainly the amendment he has suggested today will be very helpful.

Mr. PROXMIRE. Mr. President, I want to thank the distinguished Senator from Michigan very, very much. His support means a great deal to this. We have no chance of getting it through except on a bipartisan basis. This is completely nonpartisan. It is an effort to help a section of the country that has been shamefully neglected.

Just think of this: We have the St. Lawrence Seaway which was constructed at great cost to the American and Canadian taxpayers. This is a seaway that would give us a fourth seacoast with a much better economic potential for operation. It lies in an area where we develop 35 percent, more than one-third, of all the products used by the Department of Defense which are shipped overseas.

Yet, less than 1 percent, in fact, less than one-third of 1 percent, has moved via the St. Lawrence Seaway, although there is no question, and no one disputes the fact that this is the cheapest and most economical way to operate.

What we are proposing is that we overcome the reason why the St. Lawrence Seaway is not used. That is because American-flag shipping has chosen to ignore the St. Lawrence Seaway and the Great Lakes. As long as they ignore it, we cannot use the St. Lawrence Seaway in the Cargo Preference Act and make it necessary to use American-flag ships. All we are saying is that the recommendation of the GAO, in the event, and only in the event American-flag ships are not available, in the event the President of the United States finds that it is the least expensive, or he finds that it is in the interest of national security, in that event, it would be properly possible to use foreign vessels.

We hope, under these circumstances, that American-flag ships will take advantage of the competitive situation to move in and take this cargo; but, if they do not, and it is fair, we should be allowed to ship this cargo in the most economical way.

TAXPAYER DESERVES RELIEF FROM COMPLICATED TAX FORMS

Mr. PROXMIRE. Mr. President, today, April 15, income tax day, the American taxpayer has a proper complaint. The tax forms are ridiculously complicated, unnecessarily complex, and frustratingly detailed. The American people can properly question the competence of those who devised such forms.

Taxpayers deserve relief from the Internal Revenue Service's complex forms.

Not only must the major form 1040 be filled out. But if a taxpayer itemizes his deductions he must fill out a second full-page form.

If he has even minor income from a small savings account in a bank or credit union, he must fill out a third full-page form.

If he sold even 10 shares of stock for a small gain or loss in 1969, he must fill out a fourth full-page form.

If he received income from a pension or annuity or in rent or royalties, a fifth full-page form is needed.

If he claimed the retired income credit, to which almost all senior citizens are entitled, a sixth full-page form must be filled out and attached to the original form 1040.

A seventh full-page form—schedule T—must be filed with the form 1040 if he uses lines 14, 16, or 17 on form 1040.

If he makes a minor mistake on any one form, it can cause him to recalculate the figures on all the forms.

At least half the taxpayers may have to fill out three or more forms.

Ironically, with all these forms, the Internal Revenue Service provides no space whatsoever to list marginal in-

come, small amounts of income from a speech or article for which no tax is withheld.

The time has come to simplify the tax forms. The American taxpayer can scarcely have confidence that his hard-earned tax dollars are not spent wisely and efficiently when the tax forms themselves are visible advertisements of bureaucratic inefficiency.

DISTRICT OF COLUMBIA COURT REFORM AND CRIMINAL PROCEDURE ACT

Mr. HRUSKA. Mr. President, last fall the Senate adopted four separate measures related to crime in the District of Columbia:

The first bill recognized the local courts and expanded the bail agency;

The second bill established a full-fledged public defender service;

The third bill contained several important revisions in the District's criminal law and procedure; and

The fourth bill embodied a new juvenile code.

On March 19 of this year, the House passed an omnibus crime bill—the District of Columbia Court Reform and Criminal Procedure Act of 1970—which is roughly equivalent to our legislation.

With the passage by the House of this omnibus package and the reaffirmation and expansion last week of our own measures, the 91st Congress is closer than it has ever been to approving a crime bill requested by the President.

We must not falter.

Now is the time for conference and compromise. Now is the time for reasonable men from both Chambers to resolve their differences and produce legislation.

There are in these bills several significant differences between the House and the Senate. I am confident that our conferees, under the leadership of the Senator from Maryland (Mr. TYDINGS), and conferees from the other body, will represent this body with intelligence and distinction. I am confident they will settle on legislation that will satisfy the Constitution and reduce crime.

Crime legislation which satisfies the Constitution but does not reduce crime is a waste of our efforts.

Legislation which reduces crime but does not satisfy the Constitution is unacceptable in this great Republic.

There are several provisions in the House bill that are highly meritorious and to which the Senate should wholly or substantially accede. They are: one, preventive or pretrial detention; two, the "no-knock" provision, and three, electronic surveillance—wiretapping.

PRETRIAL DETENTION

Back in 1964 and 1965, I joined the distinguished Senator from North Carolina (Mr. ERVIN) and other prominent Members of this body in sponsoring legislation to reform bail procedures in the federal system. I was persuaded then, as I am now, that a person's financial status should bear no relevance in the administration of justice. I complained at a Senate hearing then that "Bail is made available, not on the basis of the innocence of the accused or the protection of society, but almost solely on the basis of financial resources. Pretrial release goes to those who can buy it."

At the same hearing, Senator ERVIN quoted, with approval, a statement by Arthur Lawton Beeley that—

> The present system . . . neither guarantees security to society nor safeguards the rights of the accused. [It is] lax with those with whom it should be stringent and stringent with those whom it should be lax.

In 1965, almost all of us were of like mind on the need for bail reform, and our collective efforts resulted in the Bail Reform Act of 1966—a law that was hailed by students of the criminal justice system as one of the most farsighted, thoughtful, and progressive legislative ventures in congressional history.

We were proud of its passage and had high hopes for its success.

Today, I commend to the Senate a provision in the House crime bill that would modify the Bail Reform Act in the District of Columbia.

I do this with some regret. No lawmaker likes to acknowledge the shortcomings of legislation for which he is in part responsible. But the evidence before us cannot be ignored. The accumulated experience under the Bail Reform Act in the District of Columbia demonstrates beyond a reasonable doubt that new reforms are urgently needed.

We knew this might come. When Congress adopted the Bail Reform Act, we recognized that future legislation might become necessary to deal with the problem of the dangerous defendant.

We were told, for example, by Ronald Goldfarb, a Washington attorney who is an expert on bail problems, that there were a significant number of cases where society must have a way to confine defendants whether or not they have the money for bail. The bail system, he said, does not protect society.

Ramsey Clark, who was then Deputy Attorney General, advised the Senate that the Department of Justice had given lengthy consideration to legislation would expressly permit preventive detention.

Although he did not personally endorse the concept, Mr. Clark described a a proposal very much like the one in the House bill as a straightforward approach—similar to the system used in most parts of the world.

It promotes candor, eliminates indirection, and abolishes money, or lack of it, as the determinant of release before trial. It specifically authorizes the courts to hold a highly dangerous defendant who has adequate funds to meet any bail imposed.

Writing in Moore's Federal Practice in 1965, the year before the Bail Reform Act was passed, Robert M. Cipes declared that—

> The formulation and expression of a public policy favoring pretrial release without pecuniary conditions, and the consequent pressure on traditional bail practices, may eventually require open consideration of preventive detention. As parole for the poor defendant increasingly becomes the rule, rather than the exception, the means of detaining the allegedly dangerous person will disappear. At the same time, the rate of recidivism of released defendants may give use to counter-reform. . . ."

Mr. President, the time for counter-reform has come. Without repudiating in the least the basic objective of the Bail Reform Act, we must meet the problem of dangerous defendant. We must devise a system of pretrial detention that protects the public as well as the accused.

The evidence is abundant why change is necessary. On the basis of crime statistics available to them, three crime commissions in the District of Columbia have asked Congress to pass legislation for pretrial detention.

In its report last December to Senator TYDINGS, the Advisory Panel on Armed Violence stated:

> There is no doubt that accused felons free on bail while awaiting trial commit a significant part of the serious crimes in this city. Judicial Council Committee studies indicate that one of every 11 defendants who is indicted and released on bail is reindicted for another felony while awaiting trial. The police report that one out of every three armed robbery suspects released on bail is arrested for another offense before he comes to trial. . . . In [the] view of this Panel, the only immediate response is enactment of legislation to authorize pretrial detention of certain persons who pose a serious danger to the community. We endorse legislation which will authorize pretrial detention of hard-core dangerous criminals who are awaiting trial for armed crimes.

At least five grand juries have recommended pretrial detention.

No contention can be made that current proposals for pretrial custody have not been thoroughly scrutinized by Congress. Seven days of hearings were held before the Senate Constitutional Rights Subcommittee in early 1969. Two days of hearings were held before the Senate District Committee last November. A subcommittee of the House Judiciary Committee held hearings last October. And a subcommittee of the House District Committee held hearings in January.

FIRST REASON FOR AMENDING BAIL REFORM ACT

From the available evidence, there appear to be four major reasons why the Bail Reform Act should be amended.

First, an amendment would be desirable because a sizable percentage of the serious crime in the District of Columbia may be attributed to persons released before trial. Of 130 persons indicted for robbery and released before trial in fiscal 1967, 34 percent were reindicted for at least one felony committed during pretrial release. In calendar 1968, 70 percent of the 345 robbery defendants indicted and released were subsequently rearrested for a new crime.

Although we do not have comprehensive statistics of recidivism on bail by every category of offender, we have sufficient information to know that crime on bail is not insignificant. Additional statistics are not a condition precedent to corrective action because the seriousness of the problem has already been demonstrated. Moreover, the District's disorganized system for recording crime information, its low rate—17 percent—of solution for serious offenses, and the fact that many crimes are never reported all serve as barriers to a truly accurate measurement of the crime

committed by persons released before trial.

Judge Tim Murphy of the District's Court of General Sessions has told the Senate:

[A]s a practical matter, many cases come before the court in which from the outset there is not a shadow of a doubt about the defendant's guilt. Many of these cases involve dangerous persons whom the judges know to a moral certainty will repeat their criminal activity if released. Yet under the Bail Reform Act he must release these people to prey on the community. My immediate examples are the holdup man who is in on one, two, three, or four gunpoint holdup charges, and, of course, your narcotic addicts, who because of their illness must commit a crime to support a habit.

Ronald Goldfarb has testified that—

Recidivists . . . may commit multiple crimes while out on bail, unable or unwilling to resist it. Some defendants cannot resist the impulse because of pathological weaknesses, some because they are professional criminals who do not want to resist recidivism. Some defendants have been known to commit 10 and 15 crimes while out on bail . . . This frequently happens in burglary and narcotics cases.

SECOND REASON

Second, even if the volume of crime on bail were not significant, individual instances undoubtedly arise in which noncapital defendants are an obvious menace to the public safety and should not be granted pretrial release.

At present, the Bail Reform Act mandates the pretrial release of virtually all noncapital defendants. These defendants include men charged with such serious crimes as forcible rape, arson, kidnaping, armed robbery, burglary, bank robbery, mayhem, assault with intent to kill, man slaughter, and second-degree murder. Every Member of this body knows that some of these defendants cannot be released before trial without endangering community safety.

As interpreted by the Court of Appeals, however, the Bail Reform Act does not permit the consideration of dangerousness by a trial court in any of these noncapital cases, no matter how extreme or unusual the facts may be. The court has said explicitly that "pretrial detention cannot be premised upon an assessment of danger to the public should the accused be released."

Thus, a man could be apprehended in the middle of an armed robbery—he could exchange shots with police—he could be addicted to heroin—and he could have a long record of violent crime—and he still would be entitled to pretrial release.

The distinguished Senator from Pennsylvania (Mr. SCOTT) recently observed that John Dillinger robbed at least 13 banks, three supermarkets, a mill, a drugstore, and a tavern before he was first arrested in 1933. Under the Bail Reform Act, John Dillinger would have been entitled to pretrial release following his arrest unless there were clear evidence that he would try to escape.

In 1969, Federal District Judge George L. Hart told the Senate Subcommittee on Constitutional Rights:

If Dillinger came before you, anybody with three grains of sense knows he is dangerous.

Is there any Member of this Chamber who is unable to agree with that assessment?

Is there any Member of this Chamber who insists that the likes of John Dillinger must be given their pretrial freedom, simply because they have not yet committed a capital crime?

The compulsive rapist and sex pervert who may strike without warning at any time—the incorrigible recidivist who has been engaged in a life of crime since his early childhood—the narcotics addict who is desperately in need of money for his next fix—the hard-core tough who is inclined toward viciousness and physical violence—these are people who should be detained because no system of accelerated trials and no alternative to pretrial detention will protect the public from such men. When these defendants have been charged with a serious crime, society should have the means to effect their detention.

THIRD REASON

Third, pretrial detention is a desirable reform because it will restore integrity to the legal system. For hundred of years, defendants thought to be dangerous have been detained before trial through the simple device of setting high bond.

Even under the Bail Reform Act, which was designed to minimize the use of money bond, not every defendant has been released before trial. For example, the U.S. Attorney's Office in the District conducted a study of 557 persons indicted for robbery in 1968. As I mentioned earlier, 345 of these defendants were released—70 percent of whom were later charged with new crimes. However, 212 of the 557 defendants were not released.

There is really no doubt that some of these defendants were not released because they could not meet the money bond required by judges who considered them dangerous.

This process is unusually deceptive. The Congress learned in 1964, for example, that 28 percent of the defendants in New York City could not raise bail of $500, and 45 percent could not raise bail set at $2,000. Trial judges are shrewd enough to know that there is no point in setting bail at $50,000 for a dangerous defendant if he cannot even meet a $500 bond. The small sum of $500 can hardly be labelel "excessive bail."

But this process of detention remains dishonest and hypocritical. It is not straightforward; it is subterranean. The law should be above such subterfuge.

It was hypocrisy of this nature that prompted Ramsey Clark to say that open pretrial detention would promote candor and eliminate indirection.

In this day and age, there is no justification for public officials to engage in subterranean practices which cannot be defended in public discourse. Sham and hypocrisy weaken our institutions; they undermine public support of our government.

Open pretrial detention would not only restore integrity to the legal system, it would also afford greater protection to individual defendants, whose alleged dangerousness and deliberate detention would be subject to appellate review.

FOURTH REASON

Fourth, the Bail Reform Act should be amended because, as drafted, it grants no specific authority to revoke bail for those who have been apprehended in a new crime during pretrial release; nor does it authorize detention of those who would threaten or injure jurors or witnesses or otherwise disrupt the administration of justice. These grounds for pretrial detention are almost universally accepted as necessary and reasonable, but they are not recognized by the language of the 1965 Act.

Thus, we have the unfortunate spectacle of a court in the District of Columbia proclaiming its inherent power to detain defendants who are likely to interfere with the administration of justice, though the controlling statutory language is to the contrary. I do not question the soundness of the court's decision; but neither do I condone the necessity of simply ignoring a statutory command of the Congress.

These four reasons, plus others which might be adduced, provide ample justification for changing the law. I am convinced that the Bail Reform Act should be amended to authorize the limited pretrial custody of dangerous defendants. I think we are deluding ourselves if we seriously insist that this is not necessary.

PREVENTIVE DETENTION IS CONSTITUTIONAL

I commend pretrial detention to the Senate with the firm belief that it does no offense to the Bill of Rights. Some opponents of this proposition have claimed that it violates the Constitution. I profoundly disagree.

I approve the analysis by the Supreme Court in Carlson against Landon that—

The bail clause was lifted with slight changes from the English Bill of Rights Act. In England that clause has never been thought to accord a right to bail in all cases, but merely to provide that bail shall not be excessive in those cases where it is proper to grant bail. When this clause was carried over into our Bill of Rights, nothing was said that indicated any different concept. The Eighth Amendment has not prevented Congress from defining the classes of cases in which bail shall be allowed in this country. Thus in criminal cases bail is not compulsory where the punishment may be death. Indeed, the very language of the Amendment fails to say all arrests must be bailable.

I agree with the holding by Federal District Judge Edward Weinfeld in a New York case that—

Congress could, without running afoul the Eighth Amendment, provide . . . that persons accused of kidnapping, bank robbery with force and violence, or other serious noncapital crimes are not entitled to bail as a matter of right.

Opponents of pretrial detention have not discredited the merits of these statements. They have not explained how a Federal law on pretrial detention would be held unconstitutional under the eighth amendment, without thereby invalidating the laws or constitutions in such States as New York, Maine, Rhode Island, and Florida. They have not told the public what will happen under their theory if we ever wholly abolish capital punishment.

I share the opinion of the Court in *ex parte Shaw*, 209 F. 954, 955 (1913), that—

> The right to bail . . . is subject, like all other personal rights, to being influenced by considerations of public policy and public safety.

I believe that Congress enjoys the full constitutional authority to determine, within reasonable limits, when those considerations shall come into play.

NO-KNOCK PROVISION

A second provision in the House bill which is worthy of Senate support is the provision codifying the common law authority for police officers to enter a premises without knocking to announce their identity and purpose.

When Congress is legislating for the District of Columbia, no effort should be spared in providing a complete and modern code of criminal procedure, a code which sets out with precision the powers of the Government and the rights of the public.

Most of the provisions are simply codifications of existing law which bring our statute books up to date and remove outmoded provisions. All of the enlargements of authority have foundation in case law. They are reasonable. There is a pressing law enforcement need for them.

No one in this Chamber would deny that, as a general rule, police should knock and announce before entering a premises. The general rule, which is a statutory command, is not materially affected by the House bill.

What the bill does is to set out in detail the exceptions to the general rule, the situations in which exigent circumstances justify a no-knock search, so that the police and the public are fully apprised.

There are special circumstances, involving dangerous defendants, in which an announcement by the officer would be "the equivalent of an invitation to be shot." As the court observed in *People* v. *Robinson*, 75 Cal. Rptr. 395, 397 (1969), "Reasonable conduct on the part of a police officer does not require that he extend such an invitation."

Another recognized exception arises in a situation in which critical evidence is likely to be destroyed. In *Ker* v. *California*, 374 U.S. 23 (1963), the Supreme Court upheld an unannounced entry to prevent the destruction of narcotic evidence. In *People* v. *Delago*, 16 N.Y. 2d 289, 113 N.E. 2d 659 (1965), the New York Court of Appeals approved a no-knock entry to seize gambling paraphernalia which was authorized under the State's no-knock statute.

In *People* v. *Clay*, 78 Cal. Rptr. 56, 58 (1969), the court described another relevant situation:

> When Lusardi and two of the other agents approached to within five feet of the house Lusardi heard loud voices and running inside the house; someone yelling "It's the police! It's the police!" and the sound of a shot being fired. Lusardi and the agents entered the house without knocking, announcing they were police or stating their purpose.

Surely, when the occupants of a house are running about inside shouting "It's the police. It's the police," a requirement that the police must knock and announce would be a useless gesture. It would also increase the peril of the officers, and permit the destruction of evidence.

A majority of our States, in statute or in court decision, recognize situations which justify no-knock entries. My own State of Nebraska, for example, has enacted a statute that provides, in part, that a judge may issue a warrant authorizing an officer's entry without giving notice of his authority and purpose, when, upon proof under oath, he is satisfied "that the property sought may be easily or quickly destroyed or disposed of, or that danger to the life or limb of the officer or another may result, if such notice be given." Nebraska Revised Statutes, section 29–411.

U.S. Attorney Thomas Flannery has stated that—

> [T]he passage of [a no knock provision] is necessary for effective enforcement of local and federal narcotics laws. Experience has shown that the time consumed by the executing officers in announcing their authority and purpose and waiting to be refused admittance is used by the dope peddler in disposing of his narcotics down the toilet. All too often law enforcement officers, after finally entering the premises to be searched, find the drug trafficker in his bathroom gleefully watching his drugs vanish from sight. The provision . . . would also be of exceptional value in our efforts against organized gambling.

These considerations have prompted the District government and the District of Columbia Bar Association to endorse specific no-knock authority for the District of Columbia.

ELECTRONIC SURVEILLANCE

In 1968, when Congress approved the Omnibus Crime Control and Safe Streets Act, we enacted a comprehensive provision on electronic surveillance. We also authorized States and other political subdivisions to engage in wiretapping and electronic surveillance if—and only if—the States passed specific statutes which conformed to the standards established by Congress.

The Federal law specified the offenses for which a State could authorize electronic surveillance. They were murder, kidnaping, gambling, robbery, bribery, extortion, or dealing in narcotic drugs, marihuana, or other dangerous drugs, or other crimes dangerous to life, limb, or property, and punishable by imprisonment for more than 1 year.

In providing for electronic surveillance in the District of Columbia, both the Senate bill and the House bill follow the Federal standards with faithful precision, preserving the limitations and protections set out in our legislation. There are no new departures in terms of procedure. And the only significant difference between the Senate bill and the House bill is that the House bill includes several offenses which the Senate bill does not.

These offenses include arson, blackmail, burglary, destruction of property, receiving stolen property, and robbery.

I am persuaded that in certain situations these offenses may bear a critical nexus to the activities of organized crime. In these situations, society should have the means to employ electronic surveillance. Unless these offenses are included, however, that means will not be available.

As the House Committee report stated:

> Not all burglaries, robberies, larcenies or receiving of stolen property (fencing) . . . arise out of organized crime. But your committee is . . . aware that a number of these crimes clearly are the result of planning and organization by groups of individuals.

I believe the Senate should accept these additional offenses, so that law enforcement officials in the District of Columbia will have this weapon in the unusual cases when it may be needed.

CONCLUSION

These are but three of the proposals to be considered by the conference. Each, in turn, is important to insure that the police have necessary tools.

This bill provides those tools in a way designed to pass constitutional muster.

We should follow the efforts of the conference closely as it is imperative that the President's crime program be considered promptly and favorably.

THE PLIGHT OF THE AMERICAN INDIAN

Mr. HARRIS. Mr. President, we have heard much in recent months about the plight of the American Indian, and many promises of help and assistance in correcting some of the inequities of the past have been forthcoming.

Yet it has been difficult to translate this support into concrete action. In the case of the Blue Lake area in New Mexico which was unjustly taken from the Taos Indians, for example, the Federal Government has acknowledged the claim of Taos Pueblo since 1912. In 1965, the Indian Claims Commission reaffirmed this position.

Since that time, legislation has been introduced to return the Blue Lake area to its rightful owners, but no final action has been taken. Two current bills, S. 750 and H.R. 471 address themselves to this problem. Along with a number of other Members of the Senate, I feel that H.R. 471 provides a much more equitable resolution of this situation. We have explained our reasons in a letter to the Indian Affairs Subcommittee of the Committee on Interior and Insular Affairs, which is presently considering Blue Lake legislation.

Because the time is long overdue to correct this situation and to indicate our good faith in dealing with these Indian people, I believe the Blue Lake matter deserves the attention of all Members of the Senate. Therefore, I ask unanimous consent that our letter to the subcommittee be printed in the RECORD so that it is available to all.

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

U.S. SENATE,
Washington, D.C., April 15, 1970.

Hon. GEORGE MCGOVERN,
Chairman, Indian Affairs Subcommittee, New Senate Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: We are writing you to request that the Subcommittee on Indian Affairs of the Interior and Insular Affairs Committee take prompt and favorable action on H.R. 471, which would rightfully return

the Blue Lake Area to the Taos Pueblo Indians.

The return of the Blue Lake Area to the Taos Pueblos has been consistently recommended by the Interior Department since 1912. H.R. 471 has twice passed the House by almost unanimous votes. The Indian Claims Commission in 1965 affirmed that the Blue Lake Area was unjustly taken from its Indian owners by Executive Order in 1906. S. 750 is inconsistent with these facts.

We agree with the Taos Indians that S. 750 is objectionable because it fails to recognize that they need and have a rightful claim to the entire 48,000 acre tract and because it fails to preserve the entire tract as a wilderness area. The Taos Pueblo Council said of S. 750:

"First, it reduces the area to be preserved as wilderness to a mere 4,600 acres. Second, within this limited wilderness the religious activities of our people would be squeezed into a tiny unprotected island of 1,600 acres to be set aside for ceremonials. Third, while the bill purports to protect by permit our rights to an additional 34,500 acres, its actual effect would be to segregate the area, strip away its sanctity, reduce our present exclusive-use rights and give the Forest Service new powers for such activities as harvesting timber. Thus the Blue Lake Area would be dismembered and over 90 percent opened to desecration. The opportunity to save an unspoiled wilderness of 48,000 acres, as provided by H.R. 471, would be forever lost."

We believe that the Taos Pueblos should not have to wait any longer for the righting of a wrong that occurred in 1906 and has been recognized by the Federal Government as a wrong since 1912.

We would appreciate it if the Subcommittee would take prompt action on this measure and bring it to the floor.

Sincerely yours,

FRED R. HARRIS,
ALAN CRANSTON,
WALTER F. MONDALE,
EDWARD KENNEDY,
PHILIP HART,
HAROLD E. HUGHES.

INDOCHINA

Mr. HARRIS. Mr. President, on April 2, I introduced for myself and the distinguished senior Senator from Kansas (Mr. PEARSON), Senate Resolution 383, which in taking note of the danger of an expansion of hostilities in Indochina called for affirmative action by the United States to prevent such an expansion of conflict, and further stated that a comprehensive multilateral conference of all interested parties which could consider ways to obtain a true neutralization of Vietnam, Laos, and Cambodia would be the most promising approach for dealing with this grave situation.

On April 8, the names of five additional Senators were added to the list of cosponsors of this resolution. Today, I am pleased to ask unanimous consent that the names of the distinguished junior Senator from Indiana (Mr. BAYH), the distinguished junior Senator from Alaska (Mr. GRAVEL), and the distinguished senior Senator from Texas (Mr. YARBOROUGH), be added as cosponsors of this resolution at its next printing.

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

Mr. HARRIS. I appreciate this additional support for Senate Resolution 383 very much, for nothing has happened since the resolution was initially introduced which would indicate either that the danger of a spread of hostilities has lessened or that the administration intends to make a diplomatic initiative which could lead to a multinational conference to deal with the situation.

Yesterday, for example, the Washington Post carried news reports of an apparently intensified campaign by Cambodians against their Vietnamese minority, about building North Vietnamese pressure in Laos which is leading to a little noticed deterioration in the Royal Laotian Government's position and about enemy shellings in Saigon. The slow and almost invisible steps by which American involvement in Laos and Cambodia may increase may have already begun, as the Post suggested in an editorial aptly titled "Bordering on Trouble" which appeared on Sunday, April 12. Today, there are reports of Cambodian Premier Lon Nol's appeal for weapons from any country which will provide them. The United States has not been directly asked as yet for this help, but some sources are reported to expect both such a request and a favorable administration response.

As Joseph Kraft has noted in a perceptive column which appeared yesterday in the Washington Post, in the face of some pressures on the one hand for slowing the rate of troop withdrawal from Vietnam and mounting support for a negotiated Indochina-wide settlement such as proposed in Senate Resolution 383 on the other, the administration holds to its dubious policy of Vietnamization.

Mr. President, I ask unanimous consent that the editorial and the column by Mr. Kraft, to which I have referred, be printed in the RECORD.

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

BORDERING ON TROUBLE

Of the two explanations the American Embassy in Saigon offers for the presence of American military advisers with their South Vietnamese military units in Cambodia, we are unsure which is the more troubling. First, the embassy stated that advisers could cross into Cambodia, a country whose neutrality the United States has repeatedly pledged to uphold, in order to "exchange pleasantries (sic) and protocol greetings and not to carry on any substantive discussions or to make any plans or commitments." Well, an exchange of pleasantries, however laudable as an exercise in intercultural understanding, does not strike us as adequate justification for possibly pulling the United States into a wider Indochinese war. For that, of course, is the risk invited by any further erosion of the admittedly arbitrary and imperfect barrier which has so far kept most American fighting men out of Cambodia.

In a second explanation, the embassy in Saigon reported that one adviser in question, wishing to make a "friendly visit," had entered Cambodia "on his own accord." We take this to be more a formula of diplomatic art than an account of reality. Nonetheless, it is unthinkable that, on such an issue as crossing into another country and conceivably getting into the war there, American military men should lack either the instructions or the self-discipline to stay on the Vietnamese side of the border. Americans are well known as a friendly folk, and no doubt the impulse to drop into Cambodia and press flesh with the nice people there at times wells up strong. A little friendliness, though, can be a troublesome thing.

The reasons for super-caution should be plain to anyone who scans the military communiques coming out of Phnom Penh. In brief, the new Cambodian government, having decided to press hard publicly on the Vietcong instead of continuing Prince Sihanouk's policy of diplomatically razzle-dazzling them, finds it has bitten off more than it can chew. That government's authority is said to be evaporating in key regions near South Vietnam, and its army is fulfilling much of its earlier promise of ineffectiveness. It is unsettling enough that General Lon Nol, the new No. 1, may be about to embarrass the United States with a direct appeal to bail him out. It is worse, for being unnecessary, that the United States might get more deeply involved because of an incident arising out of a military adviser who had crossed over to Cambodia to "exchange pleasantries."

Is it really necessary in 1970 to have to point all this out?

VIETNAM PEACE MAY REQUIRE NEW PRESSURE FROM PUBLIC

Storm signals are flying on Vietnam again. But the top figures in the administration are convinced they are on the right track.

So they are forgoing chances to develop the alternate track of negotiating out. And peace will probably require yet another agony of public collision in this country.

This time even the numbers foreshadow some of the dangers. According to the Gallup Poll, public approval for the President's Vietnam policies has been steadily dropping since January. Those in favor are now below 50 per cent. While no one can pretend to read the exact meaning of this dwindling approval, it signifies at the very least that there is a limit to American patience with the continuing war.

But other sets of numbers show no reason to believe that the war will soon be slackening. The enemy has finally adjusted to the spoiling tactics of the American commander, Gen. Creighton Abrams. As a result, the Communists are increasing the pace of their activities. Last week, for example, they killed 754 South Vietnamese soldiers—the highest loss by the Saigon regime since the spring of 1963.

But at the same time, the Communists have learned to cut their own losses. The enemy killed-in-action figure was estimated at 14,000 monthly for 1968, and 12,000 monthly for last year. In the first quarter of this year, the figure was running at an annual rate of 9,000 monthly and still coming down.

No one can be exactly sure of the meaning of these numbers. But it looks as though the other side has settled to a strategy that features keeping up the pressure at a minimum loss for a long, long time. And that impression is reinforced by enemy actions in Laos and against the anti-Communist regime that recently ousted Prince Norodom Sihanouk in Cambodia. These enemy actions have brought a sounding of alarms in many quarters. President Nguyen Van Thieu of South Vietnam has called for a slowdown in the withdrawal of American troops, and a more vigorous assault against the Communist forces in Vietnam. His views are plainly shared by some of the American military in Washington, and not a few of the soldiers and civilians in Saigon.

An almost opposite course has been advocated by certain civilian officials in the State Department and Pentagon. They have pushed for new moves to get the Paris peace talks off dead center. Using the outburst of fighting in Laos and Cambodia as a peg, they have called for revival of the Geneva Conference covering all of Indochina.

But these pressures have made almost no dent on the administration. Rather they have surfaced for a day or two as news stories, and then disappeared. For at the highest levels the administration is more and more tending to a fixed view.

In this view the right policy is the steady passing of military burdens from American to South Vietnamese troops—Vietnamization. The theory is that the American public will sit still for this policy as long as there is a continued movement of Americans out of Vietnam. The other side, it is argued, will see the withdrawal as serious, and eventually negotiate with Washington on favorable terms—rather than waiting to have to make a deal with Saigon.

The fighting in Laos and Cambodia, by over-extending Hanoi, will only put more pressure on the Communists to come to terms.

In short, the Nixon administration is on the verge of being hooked by its own prescription. In the process it is losing the chance to move toward negotiations. And those who feel clearly that the American interest lies in an across-the-board diplomatic settlement are more and more obliged to move in the one way that makes a dent—through public pressure.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the the roll.

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

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

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. KENNEDY. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 11 a.m. tomorrow.

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

ORDER FOR RECOGNITION OF SENATOR BAKER TOMORROW

Mr. KENNEDY. Mr. President, I ask unanimous consent that immediately following the disposition of the reading of the Journal tomorrow the Senator from Tennessee (Mr. BAKER) be recognized for not to exceed 15 minutes.

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

ORDER FOR RECOGNITION OF SENATOR YOUNG OF OHIO TOMORROW

Mr. KENNEDY. Mr. President, I ask unanimous consent that, at the conclusion of the remarks of the Senator from Tennessee (Mr. BAKER) tomorrow, the distinguished Senator from Ohio (Mr. YOUNG) be recognized for not to exceed 20 minutes.

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

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. KENNEDY. Mr. President, I ask unanimous consent that, at the conclusion of the remarks of the Senator from Ohio (Mr. YOUNG) tomorrow there be a period for the transaction of routine morning business with speeches therein limited to 3 minutes.

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

ARMS CONTROL AND DISARMAMENT ACT AMENDMENTS—ORDER FOR PENDING BUSINESS TOMORROW

Mr. KENNEDY. Mr. President, I ask unanimous consent that tomorrow at the conclusion of the period for the transaction of routine morning business Calendar 770, S. 3544, the Arms Control and Disarmament Act Amendments, be made the pending business.

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

THE GREAT LAKES DISPOSAL BILL

Mr. GRIFFIN. Mr. President, today the President sent up a very important message on waste disposal, proposing legislation to be known as the Great Lakes disposal bill.

I ask unanimous consent to have printed in the RECORD at this point a fact sheet concerning the President's message.

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

FACT SHEET—PRESIDENT'S MESSAGE ON WASTE DISPOSAL

I. PROPOSED LEGISLATION

The Great Lakes Disposal Bill would:

1. Discontinue open water disposal of polluted dredge spoil from authorized Federal navigation projects and all other sources in the Great Lakes and their connecting channels as soon as disposal sites are available. The Secretary of the Interior, in consultation with the Governors, will determine the areas where dredge spoil is polluted.

2. Authorize the Secretary of the Army to construct, operate, and maintain contained disposal facilities for a period not to exceed ten years. Before establishing such facilities, the Secretary of the Army must consider the views of the Secretary of the Interior on the effect of the proposed facility on water quality and other environmental values.

3. Require States or other non-Federal interests to provide needed lands, easements and rights-of-way and one-half the cost of constructing containment areas.

4. Require the Secretary of the Army to suspend or terminate dredging or prohibit dredging by Federal licensees and permittees if he determines, one year after enactment of this Act, that the non-Federal interests have not taken reasonable steps toward providing funds and land, or land rights.

5. Permit Federal licensees or permittees to use the containment areas for disposing dredged spoil by paying a fee equal to the cost of providing the facility. One-half of this fee would be returned to the local interests.

6. Authorize the Corps of Engineers to extend to all navigable and allied waters a program of research, study, and experimentation related to dredge spoil.

II. THE PROPOSED PROGRAM

1. The proposed program is based on a comprehensive study by the Department of the Army on the effects on the Great Lakes of depositing dredge spoil. This study was conducted in cooperation with the Department of the Interior, including the Federal Water Pollution Control Administration, other Federal agencies, several universities, and technical consulting companies. An eminent group of consultants interpeted the results of this study by concluding that deposition of polluted dredged spoil in the Great Lakes is "presumptively undesirable," and that in the long run the ecology of the Great Lakes would be affected adversely.

2. The study included an investigation of many alternative methods of spoil disposal including treatment in sewage plants, aeration, burning, and deposition on upland and in contained areas along shore. Of these, the best alternative for an interim period of about 10 years is the deposition of the polluted material in contained areas along the shore.

3. First priority under the program will be given to the 35 most polluted harbors.

4. The construction of facilities in these 35 harbors will cost $70 million: $35 million Federal and $35 million State and local costs. Cost of operation and maintenance will be increased $5 million annually due to the added handling cost of the dredged spoil.

III. THE OCEAN DUMPING PROBLEM

1. A study performed by the Department of Health, Education and Welfare indicates ocean disposal of solid wastes during 1968 as follows:

(a) Atlantic Coast—24 million tons.

(b) Gulf Coast—16 million tons.

(c) Pacific Coast—8 million tons.

2. Attention has recently been directed to the dumping of sewage sludge, cellar dirt, dredged mud and chemicals in the New York Bay area. The results of an intensive study of determine the effects on the ecology of this area will not be completed until early next year. An interim study indicates this dumping has had an adverse effect on bottom marine life in this area, although its impact has not been fully evaluated.

3. Current disposal methods and technology are not adequate to deal with wastes of this volume immediately. There are an ever decreasing number of appropriate sites for land-fill disposal. Current incineration practices are costly and create air pollution problems. There have been jurisdictional problems in transporting wastes to inland sites. Other technologies and alternatives, such as composting, creation of artificial islands, transporting material to fill in strip mines or to create artificial reefs, baling of wastes, and incineration at sea have not been sufficiently developed and tested.

4. A study will be conducted under the direction of the Chairman of the Council on Environmental Quality to recommend:

Further research needs;

Legislative changes, if necessary;

A comprehensive approach to the problem of ocean dumping, including an evaluation of all the proposed and other alternatives.

Mr. GRIFFIN. Mr. President, the largest concentration of fresh water in the world are the five lakes known as the Great Lakes. They are a vitally-important resource to the economy and well-being of mid-America, as well as providing a fourth seacoast for the Nation. Even the great State of Michigan draws its name from the Indian words Michigamma, meaning "large lake."

Unfortunately, however, for too many years there has been little thought given to preserving these natural reservoirs of sparkling blue water. Man's pollution has vitually destroyed Lake Erie, has caused considerable change in the quality of the water and ecology in lower Lake Michigan and is threatening to do serious harm to the other lakes: Huron, Ontario, and Superior.

As a Senator from a State which has more than 38,000 square miles of Great

Lakes' water in its domain, I am particularly cognizant of the abuses which have been heaped on our lakes—or should I say poured into.

Although several other States border on at least one of the lakes, the people of Michigan tend to regard the Great Lakes as their own and are deeply troubled by the damage being done to them.

For that reason, Mr. President, I strongly support the legislation which President Nixon will soon propose to eliminate the dumping of polluted material dredged from navigation channels and harbor areas into open areas of the lakes. This has long been a source of irritation to those of us who have sought to preserve the beauty of the Great Lakes and to maintain the precious supply of fresh water.

Although the President's message also speaks of the problems of dumping polluted material in the ocean and promises legislation in the near future to deal with it, his message today is limited to the Great Lakes.

According to a study done by the Department of the Army, the Corps of Engineers each year dredges 10.8 million cubic yards of material from channels and harbors and dumps into open areas of the lakes. In addition, private companies and other non-Federal sources dredge and dump some 2 million cubic yards annually.

A large portion of this nearly 13 million cubic yards of dredge contains untreated wastes pumped into rivers and harbors by industrial and municipal users.

The administration's plan for disposing of the contaminated dredge material behind diked containment areas is a good interim solution for the present lack of waste treatment facilities. The President recognizes the immediate need for establishing dumping areas adjacent to, but completely separate from, the Great Lakes, not only to remove existing pollutants but to provide a temporary solution to the dumping of additional untreated wastes into the water while treatment facilities are being constructed.

In the President's message to Congress on the Environment earlier this year, he proposed a $10-billion plan to build the necessary municipal waste treatment plants to remove pollutants before waste materials are deposited in the Nation's rivers and harbors, including those adjoining the Great Lakes.

Passage of this proposal and the enactment of the legislation the President will send to Congress shortly to eliminate dumping of dredged materials will contribute materially to the restoration of these great bodies of water.

I applaud the President for moving so forthrightly in this particular area, as he has indicated by his message today. I look forward to helping to obtain prompt action on this important legislation. I ask unanimous consent that a copy of the President's message and a fact sheet on the proposed legislation be included at the end of my remarks.

ORDER OF THE PRESIDENT PRO TEMPORE IMPLEMENTING THE PROVISIONS OF THE FEDERAL EMPLOYEES SALARY ACT OF 1970

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that an order of the President pro tempore implementing the provisions of the Federal Employees Salary Act of 1970 be printed in the RECORD.

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

ORDER

U.S. SENATE,
OFFICE OF THE PRESIDENT PRO TEMPORE.

By virtue of the authority vested in me by section 3(a) of the Federal Employees Salary Act of 1970, it is hereby—

Ordered, That (a) except as otherwise provided in this Order and subject to section 5 of such Act, (1) effective January 1, 1970, the annual rate of gross compensation of each officer or employee whose compensation is disbursed by the Secretary of the Senate shall be increased by 6 percent, and (2) as so increased, shall be adjusted, effective the first day of the first month commencing after the date of this Order, to the nearest multiple of $232. As used in this section, the term "officer" does not include a Senator.

(b) Except as otherwise provided in this Order, in any case in which the rate of compensation of any officer, employee, or position, or class of officers, employees, or positions, the compensation for which is disbursed by the Secretary of the Senate, or any minimum or maximum rate with respect to such officer, employee, position, or class is referred to in or provided by statute, Senate resolution, or Order of the President pro tempore of June 16, 1969, such statutory provision, resolution, or Order shall be deemed to refer to the rate which an officer or employee subject to the provisions of subsection (a) receiving such rate immediately prior to the effective date of the increase provided by such subsection would be entitled (without regard to such statutory provision, resolution, or Order) to receive on and after such date.

(c) The annual rate of gross compensation of each employee in the office of a Senator shall be adjusted, effective on the first day of the first month commencing after the date of this Order, to the lowest multiple of $232 which is not lower than the rate such employee was receiving immediately prior thereto, except that the foregoing provisions of this subsection shall not apply in the case of any employee if, within 15 days after the date on which this Order is signed, the Senator by whom such employee is employed notifies the disbursing office of the Senate in writing that he does not wish such provisions to apply to such employee. No employee whose rate of compensation is adjusted under this subsection shall receive an increase under subsection (a) for any period prior to the effective date of such adjustment during which such employee was employed in the office of the Senator by whom he is employed on the first day of the first month commencing after the date of this Order. No increase shall be paid to any person under subsection (a) for any period prior to the first day of the first month commencing after the date of this Order during which such person was employed in the office of a Senator (other than the Senator by whom he is employed on such day) unless, within 15 days after the date on which this Order is signed, such Senator notifies the disbursing office of the Senate in writing that he wishes such employee to receive such additional compensation for such period. In any case in which, at the expiration of the time within which a Senator may give notice under this subsection, such Senator is deceased, such notice shall be deemed to have been given. An increase under this subsection in the compensation of an employee in the office of a Senator for any period prior to the first day of the first month commencing after the date of this Order shall be made without regard to the clerk hire allowance of such Senator.

(d) The limitation on gross rate per hour per person provided by applicable law on the date of this Order, with respect to the folding of speeches and pamphlets for the Senate is hereby increased, effective on such date, by 6 percent. The amount of such increase shall be computed to the nearest cent, counting one-half cent and over as a whole cent.

(e) The provisions of subsection (a) shall not apply to employees whose compensation is subject to the limitation of subsection (d); or to employees referred to in the last proviso in the second paragraph under the heading "SENATE" in the Second Deficiency Appropriation Act, 1948. No officer or employee whose compensation is disbursed by the Secretary of the Senate shall have his compensation increased, as a result of this Order, to a rate in excess of the rate of the basic pay for level V of the Executive Schedule under section 5316 of title 5, United States Code.

SEC. 2. The table contained in section 105 (d) (1) of the Legislative Branch Appropriation Act, 1968, as amended, shall be deemed, on and after the first day of the first month commencing after the date of this Order, to read as follows:

"$279,096 if the population of his State is less than 3,000,000;

"$295,336 if such population is 3,000,000 but less than 4,000,000;

"$309,256 if such population is 4,000,000 but less than 5,000,000;

"$322,016 if such population is 5,000,000 but less than 7,000,000;

"$335,936 if such population is 7,000,000 but less than 9,000,000;

"$352,176 if such population is 9,000,000 but less than 10,000,000;

"$368,416 if such population is 10,000,000 but less than 11,000,000;

"$384,656 if such population is 11,000,000 but less than 12,000,000;

"$400,896 if such population is 12,000,000 but less than 13,000,000;

"$417,136 if such population is 13,000,000 but less than 15,000,000;

"$433,376 if such population is 15,000,000 but less than 17,000,000;

"$450,776 if such population is 17,000,000 or more.".

SEC. 3. (a) The figure "$219" appearing in section 105(a)) (1) of the Legislative Branch Appropriation Act, 1968, as amended (as increased by the Orders of the President protempore of June 12, 1968, and June 16, 1969), shall be deemed, on and after the first day of the first month commencing after the date of this Order, to refer to the figure "$232".

(b) The figures "$1,095", "$7,446", "$12,921", $13,140", "$17,301", "$17,520", "$19,053", "$19,272", "$23,652", "$23,689", "$30,003", and "$31,317", appearing in section 105 of such Act (as increased by such Orders) shall be deemed, on and after the first day of the first month comencing after the date of this Order, to refer to the figures "$1,160", "$7,888", "$13,688", "$13,920", "$18,328", "$18,560", "$20,184", "$20,416", "$25,056", "$30,392", "$31,784", and "$33,176", respectively.

(c) the figure "$657", appearing in the first sentence of section 106(b) of the Legislative Branch Appropriation Act, 1963, as amended as increased by such Orders), shall be deemed, on and after the first day of the first month commencing after the date of this order, to refer to the figure "$696".

(d) The figure "$7,287" contained in section 5533(c)(1)(A) of title 5, United States Code (as increased by such Orders insofar as such section relates to individuals whose pay is disbursed by the Secretary of the Senate), shall be deemed, on and after the first day of the first month commencing after the date of this Order, insofar as such section relates to such individuals, to refer to the figure "$7,724".

RICHARD B. RUSSELL,
President pro tempore.

APRIL 15, 1970.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. KENNEDY. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, the Senate stand in adjournment until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 4 o'clock and 25 minutes p.m.) the Senate adjourned until tomorrow, Thursday, April 16, 1970, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate April 15, 1970:

SUPREME COURT OF THE UNITED STATES

Harry A. Blackmun, of Minnesota, to be an Associate Justice of the Supreme Court of the United States vice Abe Fortas, resigned.

JOINT CHIEFS OF STAFF

Adm. Thomas H. Moorer, U.S. Navy, for appointment as Chairman of the Joint Chiefs of Staff for a term of 2 years, pursuant to title 10, United States Code, section 142.

Having designated Adm. Thomas H. Moorer, U.S. Navy, for duties of great importance and responsibility commensurate with the grade of admiral within the contemplation of title 10, United States Code, section 5231, I nominate him for appointment to the grade of admiral while so serving.

U.S. NAVY

Vice Adm. Elmo R. Zumwalt, Jr., U.S. Navy, for appointment as Chief of Naval Operations in the Department of the Navy, with the rank of admiral while so serving, pursuant to title 10, United States Code, section 5081.

HOUSE OF REPRESENTATIVES—*Wednesday, April 15, 1970*

The House met at 12 o'clock noon.

The Reverend Raymond E. Neff, Methodist minister, North Platte, Nebr., offered the following prayer:

I will lift up my eyes unto the hills. From whence does my help come? My help comes from the Lord, who made heaven and earth.—Psalms 121: 1–2.

Almighty God, we ask that divine guidance be given the Members of this legislative body as they carry the responsibilities of their high office.

In times like these we would remember the words of the Psalmist: "My help comes from the Lord, who made heaven and earth." We do indeed pray for Thy help in these difficult days.

We thank Thee for the freedoms we possess today, made possible by the struggle of our forefathers. Help us to guard our heritage well that we may pass it on to others.

Bless our land with Thy favor and, O God, speed the day when the nations of this world will settle their differences around a council table rather than on a field of battle.

In closing, we would remember our brave astronauts in outer space. Just now as we are thinking of them and praying for them, may Thy peace rest upon them. Grant them a safe return to earth.

This we ask in the name of the Prince of Peace. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Leonard, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On April 10, 1970:

H.R. 13448. An act to authorize the exchange, upon terms fully protecting the public interest, of the lands and buildings now constituting the U.S. Public Health Service Hospital at New Orleans, La., for lands upon which a new U.S. Public Health Service Hospital at New Orleans, La., may be located.

H.R. 14289. An act to permit El Paso and Hudspeth Counties, Tex., to be placed in the mountain standard time zone.

On April 13, 1970:

H.R. 514. An act to extend programs of assistance for elementary and secondary education, and for other purposes.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Arrington, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2846. An act to assist the States in developing a plan for the provision of comprehensive services to persons affected by mental retardation and other developmental disabilities originating in childhood, to assist the States in the provision of such services in accordance with such plan, to assist in the construction of facilities to provide the services needed to carry out such plan, and for other purposes; and

S. 3637. An act to amend section 315 of the Communications Act of 1934 with respect to equal-time requirements for candidates for public office, and for other purposes.

GUEST CHAPLAIN—REV. RAYMOND E. NEFF

(Mr. MARTIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. MARTIN. Mr. Speaker, it is a distinct honor and privilege for me to have Rev. Raymond E. Neff, retired Methodist minister, who is a valued constituent of mine from North Platte, Nebr., give the opening prayer today.

Reverend Neff has faithfully served for many years as a beloved minister to many congregations, primarily in New Jersey. With retirement, he returned to North Platte, Nebr., the former home of Mrs. Neff.

Reverend Neff is not only an outstanding minister of the Gospel, but in addition he has always been an outstanding citizen and community leader wherever he has resided.

He is a close friend of Dr. Latch, and they have worked closely together over the years.

It is a real privilege for me to have Reverend Neff with us today.

PEACE CORPS AD

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, an advertisement appeared in the Washington Post this morning, signed by 52 Peace Corps volunteers serving in Jamaica, asking the President to withdraw all foreign troops from Vietnam. I do not want to go into the merits of this position, which are not spelled out in any detail in the advertisement. My reaction to this ad was one of concern lest the Peace Corps volunteers serving this country abroad are mistaking their role in representation of this country. On checking with Joseph Blatchford, Director of the Peace Corps, however, I find that he was aware of the pendency of this advertisement, and that he had, in fact, encouraged this outlet in preference to similar activities in the host country which might create confusion and embarrassment for our country abroad.

Viewed in this light, I wish to compliment the Director of the Peace Corps, not only on his sensitivity to the concerns of highly motivated young people serving our country in this volunteer capacity, but also his sensitivity to the possible problems which heedless enthusiasm could cause in a host country. For those in this body who might be critical of this manifestation from Peace Corps volunteers, I would like to add that if Members of Congress can make such strong public statements on American Southeast Asian policy as have characterized this body over the past 4 years, there should be no reason why Peace Corps members should not be able to follow a similar course, so long as their purpose is to instruct and affect American public opinion and not to create confusion abroad about American policy.

THE IMMEDIATE DANGER OF DEFOLIATION PROGRAM

(Mr. McCARTHY asked and was given permission to address the House for 1