H. Res. 456. Resolution calling upon the Voice of America to broadcast in the Yiddish language to Soviet Jewry; to the Committee on Foreign Affairs.

## MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

194. By the SPEAKER: Memorial of the Legislature of the State of California, relative to the use of surplus unsubsidized agricultural food products; to the Committee on Agriculture.

195. Also, memorial of the Legislature of the State of Tennessee, relative to daylight saving time; to the Committee on Interstate and Foreign Commerce.

## PETITIONS, ETC.

Under clause 1 of rule XXII,

79. The SPEAKER presented a petition of the Marshall Islands Nitijela, Majuro, Marshall Islands, Trust Terirtory of the Pacific Islands, relative to its appreciation for the improvement of conditions throughout Micronesia, which was referred to the Committee on Interior and Insular Affairs.

# SENATE—*Wednesday, May 26, 1971*

The Senate met at 9:30 a.m. and was called to order by the President pro tempore (Mr. ELLENDER).

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

God of grace and God of glory make us mindful of that great "cloud of witness" before whom we run life's race. We thank Thee for those Americans whose last march is ended, whose battles are all fought, whose victories are all won, and who lie awaiting the final bugle call. May our memorial to them be a world at peace where justice abounds and love prevails.

Bless us as we work this day. Give journeying mercies as we travel. Watch over us in our separation. And return us safely to this Chamber, restored in heart and mind and spirit.

In all our ways help us to reflect the truth "Blessed are the pure in heart, for they shall see God." Amen.

## MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 1, Public Law 86–420, the Speaker had appointed Mr. UDALL as a member of the U.S. delegation of the Mexico-United States Interparliamentary Group.

The message also announced that the House had agreed to the amendments of the Senate to the concurrent resolution (H. Con. Res. 316) providing for the adjournment of the Congress from May 27, 1971, until June 1, 1971.

The message further announced that the House had passed House Joint Resolution 556, a joint resolution providing for the observance of "Youth Appreciation Week" during the 7-day period beginning the second Monday in November of 1971, in which it requested the concurrence of the Senate.

## ENROLLED JOINT RESOLUTION SIGNED

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

S.J. Res. 29. A joint resolution to provide for the designation of the calendar week beginning on May 30, 1971, and ending on June 5, 1971, as "National Peace Corps Week," and for other purposes.

The enrolled joint resolution was signed by the President pro tempore.

## HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 556) providing for the observance of "Youth Appreciation Week" during the 7-day period beginning the second Monday in November of 1971, was read twice by its title and referred to the Committee on the Judiciary.

## ENROLLED JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, May 26, 1971, he presented to the President of the United States the enrolled joint resolution (S.J. Res. 29) to provide for the designation of the calendar week beginning on May 30, 1971, and ending on June 5, 1971, as "National Peace Corps Week," and for other purposes.

## THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, May 25, 1971, be dispensed with.

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

## ORDER FOR ADJOURNMENT NEXT WEEK FROM TUESDAY TO WEDNESDAY AT 11 A.M.; FROM WEDNESDAY TO THURSDAY AT 10:30 A.M.; AND FROM THURSDAY TO FRIDAY AT 10 A.M.

Mr. MANSFIELD Mr. President, I ask unanimous consent that when the Senate completes its business on Tuesday next, it stand in adjournment until the hour of 11 a.m. on Wednesday; that when it completes its business on Wednesday, it stand in adjournment until 10:30 a.m. on Thursday; and that when it completes its business on Thursday, it stand in adjournment until 10 a.m. on Friday.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

(Subsequently, the order was changed to provide for the Senate to convene at 9:30 a.m. (instead of 11 a.m.) on Wednesday, June 2, 1971.

## COMMITTEE MEETINGS DURING SENATE SESSION TODAY

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

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

## EXECUTIVE SESSION

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

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

The PRESIDENT pro tempore. The clerk will state the nomination.

## UNITED NATIONS

The legislative clerk read the nomination of W. Tapley Bennett, Jr., of Georgia, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

The PRESIDENT pro tempore. Without objection, the nomination will be considered and confirmed.

Mr. MANSFIELD. Mr. President, I request that the President be immediately notified of the confirmation of the nomination.

The PRESIDENT pro tempore. Without objection, the President will be so notified.

## LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

## ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of two unobjected-to bills on the calendar, Calendar Nos. 131 and 132.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

## MARITIME APPROPRIATION AUTHORIZATION, 1972

The Senate proceeded to consider the bill (H.R. 4724) an act to authorize appropriations for certain maritime programs of the Department of Commerce, which had been reported from the Com-

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mittee on Commerce with amendments, on page 2, in line 12, strike out "$2,200,000" and insert in lieu thereof "$2,520,000".

And in line 13, add a new section, as follows:

SEC. 2. Section 3 of the Maritime Academy Act of 1958 (46 U.S.C. 1382) is amended by inserting a new subsection (c) to read as follows:

"(c) In any case where the Secretary has not, prior to the enactment of this subsection, furnished a suitable vessel to a State as authorized by subsection (a) of this section, the Secretary may, in lieu of furnishing such a vessel, repair, recondition and equip (including all apparel, charts, books, and instruments of navigation) as necessary, a vessel which is owned by a State on the date of enactment of this subsection, for use as a training vessel for a maritime academy or college meeting the requirements of this Act."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read, "An Act to authorize appropriations for certain maritime programs of the Department of Commerce, and for other purposes."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–132), explaining the purposes of the measure.

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

PURPOSE OF THE BILL

The purpose of this bill is to authorize appropriations for certain maritime programs of the Department of Commerce for fiscal year 1972. The bill, as amended, would also amend the Maritime Academy Act of 1958 (46 U.S.C. 1381 et seq.) as is described hereafter under the title "Explanation of Amendments".

The authorization is in accordance with Public Law 90–81 (46 U.S.C. 1119) which provides that after December 31, 1967, only such sums as the Congress may specifically authorize by law may be appropriated for the Maritime Administration for—

(1) Acquisition, construction, or reconstruction of vessels;

(2) Construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships;

(3) Payment of obligations incurred for operating-differential subsidy;

(4) Expenses necessary for research and development activities (including reimbursement of the vessel operations revolving fund for losses resulting from expenses of experimental ship operations);

(5) Reserve fleet expenses;

(6) Maritime training at the Merchant Marine Academy at Kings Point, N.Y.:

(7) Financial assistance to State marine schools; and

(8) The vessel operations revolving fund.

BACKGROUND OF THE LEGISLATION

On February 17, 1971, the Secretary of Commerce transmited legislation (H.R. 4724 and its companion bill, S. 981) to the Congress to authorize appropriations, without fiscal year limitation as the appropriation Act may provide, for certain maritime programs of the Department of Commerce for the fiscal year 1972. The letter of transmittal from the Secretary of Commerce and an accompanying statement of the purposes and provisions of the legislation appear hereafter under the title "Departmental Reports."

On March 30, 1971, the committee held hearings on S. 981, the companion bill to H.R. 4724. On April 20, 1971, the House of Representatives passed H.R. 4724 without amendment.

GENERAL STATEMENT

The Merchant Marine Act, 1970, (Public Law 91–469) set forth a new maritime program which included the construction of approximately 300 ships over a 10-year period, substantial improvements in the operating-differential subsidy program, and a number of other provisions to revitalize the U.S.-flag merchant marine and restore this country to its place as a leading maritime nation.

This bill represents funding requirements for the second year of expanded activities under the new maritime program. Approval of this authorization will permit the Maritime Administration within the Department of Commerce to expand its shipbuilding program, improve the operating-differential subsidy program, continue research and development efforts designed to produce improvements and savings in the design, construction, and operation of U.S.-flag merchant vessels, as provided for in the Merchant Marine Act, 1970, and carry on related functions required by the Merchant Marine Act 1936.

An explanation of the appropriations authorized by category follows:

(*a*) Acquisition, construction, or reconstruction of vessels and construction-differential subsidy and cost of national defense features incident to the construction, reconstruction, or reconditioning of ships, $229,687,000.

The fiscal 1972 authorization is an increase of $42,187,000 over the 1971 appropriation of $187,500,000. This represents requirements for the second year of expanded ship construction. Contract awards for 22 ships are anticipated in 1972, an increase of three over the planned 1971 level. The new maritime program calls for reaching a level of 30 ships per year by 1973, and anticipates maintenance at that rate throughout the 1970's to provide a total of approximately 300 new ships.

The Assistant Secretary of Commerce for Maritime Affairs advised that the 1971 construction subsidy rate maximum of 45 percent is planned to be decreased to 43-percent subsidy in 1972 in accord with the provisions of the Merchant Marine Act, 1970. The committee was also informed that further decreases in 2-percent increments are planned to reach a maximum rate of 35 percent in 1976 and thereafter, as set forth in that act.

The committee believes that the ship construction request is sound and will properly fund the second and final year of the initial buildup phase in preparation for the full-scale effort to reach a construction level of 30 ships per year in fiscal year 1973.

(*b*) Payment of obligations incurred for operating-differential subsidy, $239,145,000.

This amount represents a $33,855,000 decrease from the fiscal 1971 amount of $237 million (including a requested $80 million supplemental—see Senate Report 92–106).

The 1972 authorization for payment of obligations incurred for payment of operating differential subsidy would provide for the continued payment of such subsidies to American operators to enable them to compete with their foreign-flag counterparts.

(*c*) Expenses necessary for research and development activities (including reimbursement of the vessel operations revolving fund for losses resulting from expenses of experimental ship operations) $25 million.

This represents an income of $4,300,000 over the 1971 appropriation of $20,700,000. The program for 1972 has been planned to expand and redirect maritime research and development efforts with emphasis on practical application of new technology through coordination and cost sharing with the maritime industry. The funds would provide for the continuation of key programs carried out in the areas of advanced ship development, advanced ship operations and maritime technology, and for the phased layup of the NS *Savannah*.

(*d*) Reserve fleet expenses, $4,318,000.

This represents a $357,000 decrease from the $4,675,000 authorized for fiscal year 1971. The requested funds are for expenses to be incurred in the preservation and custody of reserve fleet vessels and the decrease in the amount results from the reduced number of ships in the reserve fleet.

(*e*) Maritime training at the Merchant Marine Academy at Kings Point, N.Y.; $7,300,000.

This amount is for the continued maintenance and operation of the U.S. Marchant Marine Academy at Kings Point, N.Y. The increase of $500,000 over the 1971 level is required, mainly, to complete rehabilitation of the Mallory Pier. Additional funds are also required in order to effect compliance with the President's Executive orders on pollution abatement and for mandatory pay increases. The 1972 program anticipates continuation of the current graduation rate of about 215 merchant marine officers annually. The appropriation covers individual cadet costs at an annual amount of $475. This expense covers items such as uniforms, textbook allowances, library books, and so forth.

The committee made no change in any of the above provisions. They are as proposed by the administration and passed by the House of Representatives.

EXPLANATION OF AMENDMENTS

The committee adopted three amendments to H.R. 4724, all of which relate to State marine schools.

As transmitted by the Secretary of Commerce and passed by the House of Representatives this legislation would have authorized appropriations of $2,200,000 for State marine schools. This represented a decrease of $245,000 from the fiscal year 1971 level. The $2,200,000 included $450,000 for grants of $75,000 to schools located in the States of New York, California, Texas, Maine, Massachusetts, and Michigan. The amount also included $949,000 for the payment of $600 per qualified student per annum to each of the schools to assist in defraying the cost of uniforms, books, and subsistence for such students. Finally, it included $801,000 for the maintenance and repair of Government-owned training vessels which are on loan to all the schools except the school in Michigan.

The committee amended the bill in order to add $320,000 to the amount for State schools for the following two purposes: (*a*) $150,000 to permit the five schools located in New York, California, Texas, Maine, and Massachusetts to effectuate their student admission plans for fiscal year 1972; (*b*) $170,000 for the repairing, reconditioning, and equipping of a vessel owned by the State of Michigan, the vessel *Allegheny*, to be used as a training vessel for the Great Lakes Maritime Academy at Northwestern Michigan College.

The committee determined that an additional $150,000 was needed for the five State schools, mentioned above, in order to permit them to proceed as planned with respect to the level of enrollment of students during fiscal year 1972. Pursuant to section 6 of the Maritime Academy Act of 1958 (46 U.S.C. 1385) these schools have been receiving from the Government $600 per qualified student per year. During the peak sealift requirements of the Vietnam war, the schools were encouraged to expand their enrollment. In January 1971, the schools were informed that Government assistance during fiscal year 1972 would be reduced to the 1965 (pre-Vietnam) student enrollment level. This represented a reduction of 250 students from the projected enrollment, and in light of the short notice period involved, was

viewed as unduly disruptive to planning. The additional $150,000 will permit the schools additional planning time to accommodate the reductions.

The $320,000 added by the committee also includes $170,000 for repairing, reconditioning, and equipping the vessel *Allegheny*, which is owned by the State of Michigan, for use as a training vessel by the Great Lakes Maritime Academy at Northwestern Michigan College. The committee received an estimate from the Maritime Administration that this amount would be needed to recondition the vessel and permit it to meet U.S. Coast Guard safety requirements and State pollution laws.

Under the authority provided in section 3 of the Maritime Academy Act of 1958, the Secretary has loaned to each of the States with a marine school, except Michigan, a Government vessel for training purposes. These vessels are maintained at Government expense. The additional $170,000 and the amendment to section 3 of the Maritime Academy Act of 1958, will permit the Great Lakes Maritime Academy to have a suitable training vessel, as do the other State marine schools.

COST OF THE LEGISLATION

Enactment of this bill and subsequent appropriation of the amounts authorized will result in a cost to the Government of $507,-970,000.

## ELIGIBILITY OF CERTAIN ALIENS TO OPERATE AMATEUR RADIO STATIONS

The bill (S. 485) to amend the Communications Act of 1934 to provide that certain aliens admitted to the United States for permanent residence shall be eligible to operate amateur radio stations in the United States and to hold licenses for their stations was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 485

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 303(1) of the Communications Act of 1934 (47 U.S.C. 303(1)) is amended by inserting at the end thereof a new paragraph as follows:

"(3) Notwithstanding paragraph (1) of this subsection, the Commission may issue licenses for the operation of amateur radio stations to aliens admitted to the United States for permanent residence who have filed under section 334(f) of the Immigration and Nationality Act (8 U.S.C. 1445(f)) a declaration of intention to become a citizen of the United States: *Provided,* That when an application for a license is received by the Commission, it shall notify the appropriate agencies of the Government of such fact, and such agencies shall forthwith furnish to the Commission such information in their possession as bears upon the compatibility of the request with the national security: *And provided further,* That the requested license may then be granted unless the Commission shall determine that information received from such agencies necessitates denial of the request. Other provisions of this Act and of the Administrative Procedure Act shall not be applicable to any request or application for or modification, suspension, or cancellation of any such license."

SEC. 2. Section 310(a) of the Communications Act of 1934 (47 U.S.C. 310(a)) is amended by adding at the end thereof the following new paragraph:

"Notwithstanding paragraph (1) of this subsection, a license for an amateur radio station may be granted to and held by an alien admitted to the United States for permanent residence who has filed under section 334(f) of the Immigration and Nationality Act (8 U.S.C. 1445 (f)) a declaration of intention to become a citizen of the United States: *Provided,* That when an application for a license is received by the Commission, it shall notify the appropriate agencies of the Government of such fact, and such agencies shall forthwith furnish to the Commission such information in their possession as bears upon the compatibility of the request with the national security: *And provided further,* That the requested license may then be granted unless the Commission shall determine that information received from such agencies necessitates denial of the request. Other provisions of this Act and of the Administrative Procedure Act shall not be applicable to any request or application for or modification, suspension, or cancellation of any such license."

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–133), explaining the purposes of the measure.

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

GENERAL STATEMENT

This bill would amend section 303 (dealing with operators) and section 310 (dealing with station licenses) of the Communications Act of 1934 to permit the Federal Communications Commission to issue licenses for the operation of amateur radio stations by aliens who have filed a declaration of intention to become citizens of the United States.

S. 485 was introduced by the Senator from Arizona, Mr. Goldwater, and cosponsored by 34 other Senators. Hearings were held on S. 1466 on October 8, 1970, and as reported by your committee was identical to S. 485. Senator Goldwater and the Chairman of the Federal Communications Commission, Mr. Dean Burch, and the president of American Radio Relay League, Inc., testified in support of the legislation. There was no opposition to the bill and on October 14, 1970, the Senate passed S. 1466.

HISTORY AND NEED FOR LEGISLATION

The Communications Act now generally provides in sections 303(1) and 310(a) that only citizens and nationals of the United States shall be licensed by the FCC to operate amateur radio stations. Prior to 1964, the sole exception to this were Canadian citizens pursuant to a 1952 treaty between the United States and Canada. In 1964, however, Congress amended those sections (78 Stat. 202), to provide another exception to this general requirement.

Under the 1964 exception the Commission is empowered by sections 303(1)(2) and 310(a)(5) to issue an "authorization" to an alien who has an amateur radio operator and station license issued by his government, if the alien's government affords a reciprocal opportunity to the U.S. citizens; and if, after notifying the appropriate agencies of government of the application, the Federal Communications Commission receives no information that would make the grant of such authorization incompatible with national security interests. This "authorization" allows an alien to operate his amateur radio station in the United States, its possessions, and the Commonwealth of Puerto Rico. Sections 303(1)(2) and 310(a)(5) also specifically provide that "other provisions of this Act and of the Administrative Procedure Act shall not be applicable to any request or application for or modification, suspension, or cancellation of such authorization."

While this amendment has worked well according to the witnesses who testified an anomaly exists through inadvertence because there is no provision for aliens who are permanent residents and intend to become citizens. Thus if an amateur radio hobbyist is merely visiting the United States on a student, business, or tourist visa, he may obtain an authorization to operate amateur radio equipment while he is here. But, if the same person decided to settle in this country, he will find himself completely cut off from all right to enjoy his ham radio pursuits until he actually becomes a citizen. Nevertheless, for example, resident immigrants are required to pay U.S. taxes, and are inducted into the military.

S. 485 would allow the Commission to license, for amateur radio operation, aliens who have filed first papers to become U.S. citizens, and who could qualify technically for an amateur license. It should be noted, however, that the Commission conducts license examinations only in English, and it is expected that an alien who applied for an amateur license would need sufficient familiarity with the English language to pass the examination.

SECURITY CONSIDERATIONS

Amateur radio operators share frequencies with other licensees or other authorized operators; thus, there is little, if any secrecy in amateur radio transmission. Furthermore, every alien who is issued a visa is given a security check before entering the United States. Witnesses who testified on S. 1466 said it seemed doubtful that anyone would attempt to use there shared frequencies to breach the national security or that anyone intent upon such a use would be inhibited by the lack of a license.

PROCEDURE TO BE FOLLOWED

This bill gives very wide latitude to the Federal Communications Commission in imposing such terms and conditions as may be necessary in the public interest. It specifically provides that other provisions of the Communications Act and of chapters 5 and 7 of title 5, United States Code (formerly, the Administrative Procedure Act), shall not be applicable to any request or application for, or modification, suspension, or cancellation of any such license. Thus, the license is of a somewhat unique variety and is not entitled to the protections ordinarily associated with a licensing procedure. Hearings would not be required, and termination which could be for any reason, may be in any manner and without prior notice. As an example of the Commission's latitude, it could restrict operation by these licensees to a specific location or area, to a specific frequency or frequencies, to specific modes of operation such as continuous wave Morse code, amplitude modulation voice, or single sideband voice, and/or to specific hours of the day. It could require all transmission to be in English, have call letters or signs transmitted at more frequent intervals than required for citizen amateurs, or require that logs of all transmission and operations be submitted at regular intervals, et cetera.

In short, such procedures as are deemed desirable may be incorporated into rules, adopted without the necessity of public rulemaking procedures under the Administrative Procedure Act, and promulgated by the Commission. It is not the intent of the committee to establish the procedures to be followed. But your committee hopes that the Federal Communications Commission, in working out the procedures implementing this legislation, will not establish cumbersome procedures that may defeat the objectives that underlie the purpose of the bill. Moreover, delays necessitated by coordinating with appropriate agencies must not be permitted to derogate from the very type of good will which the bill intends to promote. The committee expects, therefore, that all agencies involved will treat such matters expeditiously.

CONCLUSION

The committee believes that with the security safeguards written into it, the bill is in the national interest and will rectify an oversight which was inadvertent.

## WHO WOULD WANT TO BE A COP?

ADDITIONAL COSPONSOR OF S. 120

Mr. MANSFIELD. Mr. President, in the New York Times of yesterday, there is an article entitled "Who Would Want To Be a Cop?" It is written by Howard Whitman, a journalist, and author of "Terror in the Streets," a study of crime in America.

In view of the trend which seems to become accentuated each year as far as the life of a policeman is concerned, I ask unanimous consent, first, that I be allowed to be a cosponsor of S. 120, a bill to prohibit assaults on State law enforcement officers, firemen, and judicial officers, which was introduced by the distinguished Senator from Pennsylvania (Mr. SCHWEIKER), and, secondly, that this article be incorporated in the RECORD at this point.

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

The article ordered to be printed in the RECORD is as follows:

WHO WOULD WANT TO BE A COP?

(By Howard Whitman)

There was a time when policemen didn't like to be called cops. They preferred the dignified appellation, "police officers." Theirs was a profession. Many may still feel that way, but they'll settle for "cop." Compared to "pig" it sounds like a compliment.

Why would any literate, intelligent, good-looking young fellow want to go into police work? True, they get sensitivity training to help them absorb vilification (they think this way: "A pig is mighty useful around a farm—for cleaning up garbage"). But what about a blast in the head with a shotgun, a bombed squad car, a sniper's bullet?

Eighty-six police officers were killed criminally during the last full year (1969) for which complete statistics are available. An astounding total of 35,202 were stabbed, beaten, assaulted, bullet-wounded. The 1970 total, when the F.B.I. finishes compiling it, is expected to be as bad or worse.

Among the incidents were these:

Chicago—Two "community relations" policemen (of all people; these were dedicated to healing social ills through friendship) killed by sniper fire as they strolled their assigned neighborhoods.

Baltimore—An officer ambushed and doused with flammable fluid; then set afire. (He survived, badly burned.)

Odessa, Del.—A state policeman hit by a shotgun blast fired through the door of a state police office.

Berkeley, Calif.—A new patrolman, 28 years old, on the force ten months, shot in the head, fatally, by a man who walked up behind him when he was writing a traffic warning.

(And in New York last week, two patrolmen were shot and killed, and two shot and critically wounded—in two separate incidents.)

So back to the question: Who would want to be a cop?

Pennsylvania has the oldest state police force in the country, founded in 1905. It has one of the top-rated police academies, just outside the town of Hershey. I went there, seeking an answer. The first thing I saw was a photo on the bulletin board. It showed Hershey's World War II memorial smeared with the words, "Pigs Die Soon."

"That's the second time," Capt. Robert L. Brubacker, superintendent of the academy, commented. "We sandblasted it off once. This time, after we've cleaned it up we're thinking of spraying it with plastic so the paint won't adhere."

"Why display this on your bulletin board?" I said.

"We want the cadets to know what they're getting into."

In one of the small rooms in cadets' quarters I met Richard Flanigan, age 26, of Worthington, Pa. He was polishing his .38-caliber Colt Mark III for inspection.

Why be a cop?

"I'll admit I'm a little scared, but not enough to make me change my mind," he said. "It does make you think, especially me, I have a wife and a little daughter eight months, and nobody to take care of them if I get. . . ." He didn't finish the sentence. He went right on. "How do you suppose I felt when I saw a bulletin which was being circulated around here, saying 'Kill a pig a week?' "

James C. Fleming was another cadet in training. Younger, just 23. From Grampian, Pa. Not married, engaged. He said: "I've thought it through. It was either school teaching or police work; these were my career preferences. I actually went to teacher's college, but my final decision was police work—so I'm here.

"My fiancée, she's 21, has misgivings of course. She'll say to me, 'Jim, are you sure? It's so dangerous. After we're married, I might get threats, anonymous phone calls. Isn't that what they do?' I had to say sure, it does happen."

Fleming ran a hand through his red hair. "I was with the 129th (Main Support Command) at Danang on a M–60 machine gun. And at Quangtri. Constant danger. I can take some more."

"I think what we're holding onto," young Fleming explained, "Is the thought that we're needed. Our country is threatened by what you might call enemies within. What would happen if guys like us weren't around to contain those enemies. When I graduate and get my assignment, the way I feel is—I'll be doing just as much, or more, than I ever did with the old M–60 to protect my country."

He added, "And to help you and your family sleep at night."

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## INTERVIEW OF SENATOR HAROLD E. HUGHES ON "MEET THE PRESS"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be incorporated in the RECORD the transcript of the "Meet the Press" program on Sunday, April 4, 1971, at which the guest, Senator HAROLD E. HUGHES, our distinguished colleague from Iowa, was interviewed by Robert Novak, of the Chicago Sun-Times, Peter Lisagor, of the Chicago Daily News, Bonnie Angelo, of Time, and Charles Quinn, of NBC News.

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

MEET THE PRESS, PRODUCED BY LAWRENCE E. SPIVAK. GUEST: SENATOR HAROLD E. HUGHES, DEMOCRAT OF IOWA

*Panel:* Robert Novak, *Chicago Sun-Times,* Peter Lisagor, *Chicago Daily News,* Bonnie Angelo, *Time,* Charles Quinn, *NBC News.*

*Moderator:* Lawrence E. Spivak.

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Mr. SPIVAK. Our guest today on MEET THE PRESS is Senator Harold E. Hughes, Democrat of Iowa. Senator Hughes was elected in 1968 after serving three terms as Governor. He is a member of the Senate Labor, the Armed Services and the Veterans Affairs Committees, and chairman of the Special Subcommittee on Alcoholism and Narcotics.

Senator Hughes is being increasingly mentioned as a possible Democratic presidential candidate.

Mr. QUINN. Senator, you have said that you would decide late this year or early next year whether you will seek the Democratic presidential nomination. Today, which way are you leaning: for or against?

Senator HUGHES. If I had to make a judgment today, I would say I would be leaning for.

Mr. QUINN. Could you tell me why, sir?

Senator HUGHES. I think, on the basis of our initial endeavors, and those who are traveling around the country in my behalf, there seems to be a broad base of interest and hopefully an adequate amount of financing, at least to carry it to the moment of making a decision which would be probably next December or January.

Mr. QUINN. You have indicated now that you are leaning for. What do you see that might change your mind between now and next December?

Senator HUGHES. The possibilities that might change my mind would be the fact that financing is very difficult, the fact that the base of support would not be broad enough to want—to enter the primaries. This sort of a thing, generally, could lead to the decision not to enter primaries and to withdraw.

Mr. QUINN. Why do you want to be President? What do you think there is that you have to offer the American people?

Senator HUGHES. I think, in the history of my political lifetime and experience and the work that I have done and my two years here in the Senate, that there is a broad base in America that needs to be filled, and I think the capability of meeting the challenges, the problems of America today, are ones that I have some capability of filling. I think I have the ability to communicate to people all over America. I think I have the ability to communicate to them with reason and responsibility—and to hope to bring the country together again.

ANNOUNCEMENTS

Mr. NOVAK. Senator, as a very strong opponent of the Vietnam war, if you were to enter New Hampshire and other primaries, wouldn't you just be taking votes away from Senator George McGovern, who is running as an anti-war candidate?

Senator HUGHES. I think there is an entirely different situation in primaries in America this year than there has ever been before. There is not only New Hampshire, but there are two other states that have primaries at approximately the same time. We now have, I believe, 19 legalized primaries in the country, plus three possibilities with State General Assemblies meeting. I don't believe that Senator McGovern and I would be taking votes away from each other so as to hinder or hurt the efforts of either one. I think there are differences between Senator McGovern—in the way we present ourselves and our appeal to the people.

Mr. NOVAK. What is the difference between you and Senator McGovern?

Senator HUGHES. I think generally the people will have to decide that, Mr. Novak. I think in appearances, the approaches, the methods we use, and also, on some issues, I am sure there will be differences between us.

Mr. NOVAK. In your public statements, Senator Hughes, you talk a lot about moral reconciliation and race relations and the drug problem, but I find very little about the Middle East crisis, the economy, disarmament. Is it because you are not conversant with those subjects?

Senator HUGHES. No, I certainly wouldn't say that, Mr. Novak. I would say the reasons are that I simply don't rush to the press galleries with a press release every time I make a speech somewhere in the country related to some subject, or a section of a speech. There is seldom a time that I talk anywhere, generally in the country, that I do not cover these subjects.

Mr. NOVAK. Do you feel that on international relations you are conversant enough to be President of the United States?

Senator HUGHES. I feel that on international relations I am probably much more

conversant than members of the press corps may realize. As Governor of my state, I conducted trade delegations all over the world, including Western Europe, South America, Mexico, Canada, the Orient. We have sister-state relationships with Yamanashi Prefecture in Japan and Campeche, Yucatan, in Mexico. We have a state-to-a-nation program, Iowa to India, in agricultural support. I have conversed with the leaders of nations both in the economy and in political leadership over the world in the last five years.

Miss ANGELO. Senator, what is your view on the verdict the trial of Lieutenant Calley?

Senator HUGHES. My original reaction to the verdict of the trial was one somewhat of shock, as a result of the fact that I didn't expect a penalty to apply that would hold death a probability in it.

As time carried on and I read more of the verdict and the decision of life imprisonment, I realized that the basic factor involved in it is the fact that there are 22 deaths involved in the conviction, of innocent civilians—men, women and children—and that as a result of this and the combat officers who sat as a jury and conducted the trial, obviously these deaths cannot be ignored in wartime or otherwise. I am hoping through the appeals system that if the conviction is upheld mercy will be applied in Lt. Calley's position, but I still say that the ruthless and merciless deaths of innocent civilians in war, must be curbed.

Miss ANGELO. Senator, if it's a war crime that we are talking about here, where do you think the blame should stop? Should there be more court martials, more actions brought at a higher level?

Senator HUGHES. I think the responsibility for giving orders—there are presently other men who are charged and are coming to trial in this matter, as we all know, and there is no way that we can assess the evidence that will be presented against them. I think we have been through the history of the World War II trials, the trials in the Orient and the trials at Nuremberg, and we realize the effects of those and of the upholding of the sentences by the United States Supreme Court. But I think right now what is needed in the world—it is my intention to present shortly after Easter a sense of the Senate resolution that would in fact appoint an International Commission of eminent jurists to conduct a study of the destruction and death inflicted on civilian populations by the military conflicts of the post World War II period. I think this is essential now. I would also propose new international standards for the protection of civilian populations during war and establish principles of assessing both national and personal responsibility for failure to adhere to those protective standards.

I think a total review is necessary. We certainly don't condone the actions of the North Vietnamese or the Viet Cong or anything in our own military, and as a result of this, in worldwide conflicts I think we must begin doing something about it.

Miss ANGELO. Would this International Commission you suggest be an American-inspired commission? How would you—what would be the body that would pick the commission?

Senator HUGHES. I think it should be initiated, I think the sense of the Senate resolution would initiate it from American governmental standards. I think either the chiefs of state could appoint members to the commission or the supreme courts of the various national states involved could appoint members of the commission.

Mr. LISAGOR. Senator Hughes, another question on the Calley case. President Nixon has said that he will make the final determination. Do you think it is proper for the President to have intruded himself or to have intervened in what seems to be a judicial procedure now?

Senator HUGHES. To say the least, Mr. Lisagor, I think it would be unusual that he would announce it at this particular time. I think everyone knew that the final appeal on this case and other cases of similar nature would be the President of the United States. As a result of this, the President made an announcement that I think is very early in nature, and I suppose was made with the intent of trying to cool off the national reaction to this particular Calley decision.

Mr. LISAGOR. Senator, you have expressed the view that if the President were to make an announcement of a final commitment for total withdrawal from Vietnam, negotiations could begin with Hanoi on the prisoners of war issue.

I would like to know why you think that is the case.

Senator HUGHES. I think a time-certain for total withdrawal of American troops in Indochina would indicate to the enemy, as they have suggested themselves, that negotiations could be begun, that we were going to be totally withdrawing from Southeast Asia. There has never been any total evidence that our intentions were total withdrawal from Vietnam or Southeast Asia. As a result of that, I think it would rapidly begin with instructions at the Paris Peace Conference given by our government, negotiations on exchange of prisoners, that could possibly lead to other things. I think it would be a natural flowthrough as a result of that decision.

Mr. LISAGOR. Would you agree with the President that as long as prisoners are held in North Vietnam we ought to keep a residual force of some kind in South Vietnam?

Senator HUGHES. I think if we keep a potential strike force in South Vietnam it will hinder the exchange and negotiation for exchange for prisoners rather than enhance it, myself.

Mr. LISAGOR. Would you like for the President next Wednesday night to announce a time-certain for withdrawal, Senator, and if so, do you think that will diffuse the issue in American life?

Senator HUGHES. I certainly would hope that he would announce a time-certain for total withdrawal, not leaving a residual there. I would also hope that he could increase the rate of withdrawal that he has mentioned from the 12,500 to approximately 16,500, and if he would raise it to the level of 16,500, it would mean that after November no new men would have to be sent to Vietnam. I think we could then give the order not to send draftees to Vietnam any further, and the 2,000 men needed in the future, I believe, could be filled from the 2.5 million other American forces around the world. These are possibilities that I would hope the President would consider.

Mr. SPIVAK. Senator Hughes, during the Johnson Administration you supported the war effort, and I believe you must have thought it was a moral effort. Why did you support it then?

Senator HUGHES. In the initial years of the war in South Vietnam, when I was Governor of the State of Iowa, in '63, '64 and '65—and I was on the famous mission in Vietnam along with George Romney in which he indicated he had been brainwashed during our tour over there—I did not really take the personal time to look into the details of the beginning of the war. I was involved totally in state government. I was also Chairman of the [Democratic] Governors' Conference. I had the responsibility as Chairman of the Governors' Conference of supporting the position of the President of the United States.

In the beginning of the second term as Chairman of that Conference, I asked to be relieved from that position because I felt very strongly that I had to begin changing my position, but the members of the Executive Committee indicated to me that they thought this would be a drastic reflection on the Administration and asked me to stay out the balance of that year, which I did.

I supported the war on the basis of simply supporting my Commander-in-Chief rather than looking at the moral reasons behind the war.

Mr. SPIVAK. What led you to decide that this was an immoral war? I believe you have said that.

Senator HUGHES. After numerous briefings by the total establishment, from the Secretary of State, the Secretary of Defense and all the members of the Administration, as to what was taking place there, and the results of it, it was obvious that the intelligence was indicating things that were wrong. Friends started to impress upon me the fact that what we were doing there in the beginning was wrong; we shouldn't be doing it; so I started reading about it. I tried to prepare myself to better understand the reason we were there. I thought we had legal commitments to be there, and when I came to find out that we didn't have the legal commitments, that there was a great question about the Gulf of Tonkin incident itself, I began to change my mind.

Mr. QUINN. Senator, getting back to the Calley trial, you said you hoped that when all the appeals were exhausted, mercy would be applied. Do you think that life in prison is too severe a sentence?

Senator HUGHES. I thought the decision applied by the court when they had the choice of death or life was a merciful decision. Having been a Governor of a state and having had to sit in judgment over life or death myself, and having led the battle against capital punishment in my own state, I do not believe in capital punishment. When I said mercy would be applied, I hope that within the confines of the decision itself, on the basis of the crime, mercy will be applied to the Lieutenant, judging the crime itself and not the temper of the country.

Mr. QUINN. What do you mean by that, sir?

Senator HUGHES. I mean the nature of the crime, the fact that 22 civilians died innocently and apparently were murdered, and if the lesser sentence is indicated, to do that, then, the President is the only man who can judge that in his executive capacity.

Mr. QUINN. If you were President, what would your position be?

Senator HUGHES. I couldn't state that today. I would have to look at the record completely, know the complete set of circumstances around it and arrive at a decision then at that point.

Mr. NOVAK. Senator Hughes, you have referred to the Vietnam War as a civil war between dictatorships. Do you mean then that if you were President after all the U.S. troops are out, we should completely abandon our South Vietnamese allies and give them no more support?

Senator HUGHES. I think an example of what I was talking about, Mr. Novak, is this: Number one, right presently, today, with the elections upcoming in Vietnam, I believe in the House in August and for the Presidency in October, we are involved in attempting to influence that election. We are giving information to this administration, to the Thieu-Ky regime. I introduced along with Senator Eagleton of Missouri, a sense of the Senate resolution to try to reform the Thieu-Ky regime, to allow free operation of political parties, to allow freedom of the press, to release political prisoners, and to prevent the contraband activities of this government in dealing openly on the streets in things such as heroin and other stolen materials. I think unless this government reforms itself that we certainly should limit the extent of support we are willing to give it. I think we have got to shape this government up in a proper form.

Mr. NOVAK. Do you mean you would abandon the treaty commitments unless they put up a government that met your liking, is that correct?

Senator HUGHES. What treaty commitments?

Mr. NOVAK. We have many commitments with the Saigon government.

Senator HUGHES. We have oral commit-

ments with the Saigon government. We have no treaty commitments that have been approved by the Senate of the United States to my knowledge, and, as a result of that, I think that when a free and open election is held and the people have made their selection and their choice, our obligation to all of Southeast Asia is to do the best we can to rebuild that part of the world, to regenerate, to help them in every way we possibly can.

Miss ANGELO. Senator, as Chairman of the Subcommittee on Alcoholism and Narcotics, you have a special concern with this field. Which do you think poses the greater problem to our people today, alcohol or marijuana?

Senator HUGHES. Alcohol, by far.

Miss ANGELO. Would you then legalize marijuana or take some step in that direction?

Senator HUGHES. I am not prepared at this point to say marijuana should be legalized or not legalized. I am a member of the National Marijuana Commission appointed by the Senate, and I wouldn't want to be prejudiced in attempting to support that.

Miss ANGELO. But there have been many studies made on marijuana by the United States Government. Is the government being candid with the people on the findings from these studies?

Senator HUGHES. I think the government is becoming much more candid on the finding of these studies, and I could draw a parallel between alcohol and marijuana and the effects of it, but it would take some time to do so. I think at the present time with the order for a national report on marijuana passed by the Congress of the United States, signed by the President, that is due by the first of next January, we should let this very thorough worldwide study be taken and draw final conclusions from that. That I hope will give us the necessary information to give an honest answer to the people of America and the world.

Mr. LISAGOR. Senator Hughes, you have said that unless the Democratic Party reformed, what happened at the Democratic Convention in 1968 would be "a tea party," to use your words. Compared to—what would happen in 1972? What did you have in mind?

Senator HUGHES. The frustrations of the people who have worked through the Democratic Party and who are working in campaigns and will be working in campaigns to try and support various presidential candidates in 1972 are going to be long in mind about the convention of 1968.

The McGovern Commission, the Party Reform Commission, has set out some 25 requirements. The National Committee has endorsed them. Some 38 states have taken active roles in trying to reform their state selection processes.

It more or less guarantees equality of representation of all people in America, black, white, yellow, red or brown, the female or male, young and old, and all those in between. If it works properly, we are going to see a different kind of convention in '72 than we have ever seen before.

Mr. LISAGOR. But Senator, Vietnam was the crux of the issue that tore the party apart in 1968. Now the President says that that won't be an issue in '72. Do you think he is correct in that?

Senator HUGHES. I doubt very much that he is correct in it. Unless he certainly changes his policies as of to date, I don't see how we can possibly be totally disengaged from Southeast Asia by 1972. I don't say this in the hope that it will be an issue. I hope the President succeeds. I hope he can withdraw all American forces from Indochina, and I hope the war can be quieted down to the extent that it will not be a major issue, but it is very doubtful in my mind that it can.

Mr. SPIVAK. We have less than four minutes.

May I ask you this question about the Middle East, since you say you know more about foreign policy than the newsmen have given you credit for. You oppose further involvement in South Vietnam, but you have indicated a willingness to get involved in the Middle East. Is it your judgment that the United States has a vital interest in the Middle East?

Senator HUGHES. My judgment is that the United States has a total commitment to Israel, that we have had from the very beginning in the forming of this small nation, that we have had a commitment over this long period of years of the lifetime of this country, that we have tried to keep the balance of power between Israel and the Arab nations by supplying arms, that Israel has not asked us to supply manpower and come in and fly airplanes and fight their war for them, that they are willing to do the fighting themselves, if we maintain a balance of power. That balance of power has been on the minus side. It has been actually on a ratio of about four-to-one in favor of the Arabs—because of the improved efficiency in training of the Israelis themselves. I do think we have a commitment to the nation of Israel, and there is no comparison between Israel and Vietnam.

Mr. SPIVAK. How far would you go to fulfill that commitment? Suppose the Russians do get into this and the Israelis can't hold their own, how far are you prepared to go?

Senator HUGHES: It is my personal belief that Russia does not want these two great powers to come in total confrontation in Israel. They have a heavy investment in Egypt. We have a heavy investment in Israel. The Russians have indicated, I think, through the steps taken for peace in the Middle East, that they are hopeful that some sort of a resolution of these differences can be brought amicably. I believe this is the hope today and that we should continue the pressure to try and negotiate these differences and to bring into direct negotiation the Israelis and the Arabs.

Mr. SPIVAK: We have two minutes.

Mr. QUINN. Senator, depending on how things work out or don't work out, would you be interested at all in the Vice Presidential nomination?

Senator HUGHES: I can recall only one man running for the Vice Presidency. That was John Kennedy in 1956. I am not interested in it to the extent that I am even looking the ground over with the hope of having myself in a position to be selected by the nominee of the Democratic Party to be his running mate. In the first place it would be very difficult for a man like me simply to accept the second position and parrot the opinions of the nominee over a period of a number of years. There would be many questions of conscience involved in it that I would have to resolve myself. But in the final analysis, I suppose I would have to weigh whether I could be of benefit to my nation and the people of my nation by accepting the position.

Mr. NOVAK: Sir, The New York Times has quoted you as not denying an interest in the occult and in extra-sensory perception. Those are essentially private beliefs, but they would be important for a President of the United States. Have those beliefs influenced your decision-making on public policy?

Senator HUGHES: No. They wouldn't influence my decision on public policy at all. I believe I have a healthy interest in those fields, and extra-sensory perception, the ability to expand the utilization of the mind—I was pleased to feel that at least one of our last astronauts on his way to the moon shared a similar interest with me.

Miss ANGELO: Can you conceive any set of circumstances that might make you, outside the Democratic Party, lead or work very strongly for a fourth liberal party?

Senator HUGHES: There are certainly no circumstances on the scene today that would bring that about.

Mr. SPIVAK: Our time has run out, and we must stop. I am sorry to interrupt.

Thank you, Senator Hughes, for being with us today on Meet the Press.

## UNANIMOUS CONSENT AGREEMENT RELATING TO RESOLUTION ON REORGANIZATION PLAN NO. 1 OF 1971

Mr. MANSFIELD. Mr. President, on behalf of the distinguished minority leader and myself, I ask unanimous consent that at 3 p.m. on Wednesday next the resolution on reorganization plan No. 1 of 1971 be laid before the Senate, and that debate be limited to 2 hours, to be equally divided and controlled by the majority and minority leaders or their designees, and that the vote on the resolution occur at 11 a.m., Thursday, June 3, 1971, any other rule of the Senate notwithstanding.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The unanimous consent agreement reads as follows:

*Ordered,* That the resolution disapproving the reorganization plan No. 1 of 1971 (S. Res. 108) be laid before the Senate at 3 p.m. on Wednesday, June 2, 1971, and that debate thereon be limited to 2 hours, to be equally divided and controlled by the majority and minority leaders or their designees.

*Ordered further,* That a vote on the adoption of the resolution occur at 11 a.m. on Thursday, June 3, 1971.

Mr. MANSFIELD. Mr. President, I will yield what time has been delegated to me to the distinguished chairman of the committee, the Senator from Arkansas (Mr. MCCLELLAN).

## MEMORIAL DAY

Mr. SCOTT. Mr. President, today is the last day before the Memorial Day recess, and therefore I would like to note that we in the Senate are conscious of the sacrifices of those who have served their country in all our wars; who have served with gallantry and distinction; who have served in wars whether they be popular or unpopular at home; who have risked and often made the supreme sacrifice; who have taken the brunt of risk and danger as the cutting edge of the Nation's will; who have lived and who have died in simple patriotism for love of country; to whom the baffling clamor of dissent can oft serve only to confuse; who knew their duty and did it; who have kept the Nation strong and kept our purpose clear and kept our will alive.

These are the people who serve in the highest sense of the word. We remember them this Memorial Day weekend as "glory guards, with solemn round, the bivouac of the dead."

## TRANSACTION OF ROUTINE MORNING BUSINESS

The PRESIDENT pro tempore. Under previous order, morning business will be transacted until 10 o'clock, and each Senator will be limited to 3 minutes.

## A MATTER OF TRUST

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a column by Mr. Anthony Lewis, which appeared in the New York Times, entitled "A Matter of Trust," which covers Mr. Lewis' analysis of an interview with Xuan Thuy, North Vietnamese chief negotiator at Paris, be incorporated at this point in the RECORD, together with an article entitled "Illogic in Vietnam," by Tom Wicker, and published in the New York Times of May 25, 1971, and a speech which I made in the Senate on May 6, 1971, on the American prisoners of war and their relationship to the conflict in Vietnam.

I would make only one addition. When I made the speech I said that as of April 27, 1971, there were 352,794 U.S. casualties. As of May 15, 1971, the casualties numbered 354,024.

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

A MATTER OF TRUST

(By Anthony Lewis)

PARIS.—After an interview with Xuan Thuy, North Vietnam's chief negotiator in the Paris peace talks, two impressions are the strongest: He is utterly confident that his side will win the war it has been fighting in Indochina for 25 years. He is deeply suspicious of American policy and motives.

As the Americans who have dealt with him in the talks have found, Mr. Thuy is articulate, informed and usually affable. His manner in the interview was relaxed, his language not markedly rigid; he laughed now and then as he made some rhetorical thrust.

But he gave no indication that his Government was prepared to give ground on its aims or its negotiating tactics. And the air of confidence was striking. When he said the outcome of the war was "evident now," he smiled as if he were stating the obvious.

His view of the United States Government came out tellingly in the reiterated statement that he did not believe President Nixon intended to withdraw all American forces from Vietnam at anytime. The conditions laid down by the President for setting a withdrawal date, he said, were only "a pretext" to cover a decision against getting out: If North Vietnam gave way on one condition, such as the prisoners, Mr. Nixon would just raise another.

After all that has happened in Vietnam, Hanoi's skepticism about American intentions is not exactly surprising. But its view of the Nixon withdrawal program does indicate how large a gulf still exists between the two sides here in Paris, not only in aims but in understanding of each other.

Most Americans, even some critical of the President's policy, believe that Mr. Nixon has started an irreversible process. The United States is getting out of Indochina; it has no choice in terms of political or military realities. The only real question, now is how much more damage will be done to the Indochinese people—and to ourselves—before we finally go.

But Hanoi does not see it that way, and the reason is clear enough. A very wise student of the Vietnam tragedy, and of the talks here, put it as follows:

"It is a matter of trust. They just fundamentally mistrust us."

The continuing deadlock on the most emotional and therefore obstructive issue in the talks, the prisoners, is a result of that mistrust.

The U.S. side in the peace talks cannot see why the North Vietnamese do not make a gesture on the prisoners—provide more complete lists of the Americans held, release some or all at once or make a firm commitment to release them if President Nixon does at last put a terminal date on American military involvement in Indochina.

As the Americans see it, such steps would cost Hanoi nothing. While most unusual in a war—prisoners are normally left till the end of hostilities, as Hanoi points out—it would improve North Vietnam's negotiating leverage to take action now, and put the President under much greater pressure.

That is logical thinking, but it does not take account of the mistrust in Hanoi. There, it appears, the prisoners are seen as protection against an American-escalation of the war. If the card is given up, the Communist side fears, the United States might feel more free to go on bombing indefinitely all over Indochina, including North Vietnam.

Mistrust and misunderstanding are also factors in Washington. President Nixon knows that the Communists returned French prisoners after France settled at the Geneva conference in 1954 and withdrew her forces, yet he continues to tell the American public that the only way to get our prisoners out is to refuse to fix a time for final withdrawal—the reverse of logic.

And so the prisoner issue remains in its paradoxical position: We refuse to set a date for total withdrawal until they make a commitment to release the prisoners; they refuse to make any commitments until we set a date.

Because of such a difference, men have to go on killing and being killed, brutalizing themselves and others for no convincing cause. Is it possible? How will it look to history? Against the fact of mistrust, one feels the hope of sanity.

One side or the other may still change its tactics and make a gesture of faith. Xuan Thuy may get fresh instructions and at some point this summer offer a commitment on the prisoners. Or President Nixon may find reason to change his policy of openended war.

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ILLOGIC IN VIETNAM

(By Tom Wicker)

WASHINGTON.—An interview with Xuan Thuy, North Vietnam's chief negotiator in Paris, by Anthony Lewis of The New York Times, has made plain the essential illogic of President Nixon's stand on the so-called "P.O.W. issue."

In fact, as Eugene McCarthy pointed out in a weekend speech at a peace rally in Minneapolis, the policy of "Vietnamization" itself appears illogical if it is really Mr. Nixon's aim to insure South Vietnam "a chance" for self-determination.

The President has insised that he will not set a date for the complete withdrawal of American forces from Indochina until Hanoi promises more than a mere discussion of the prisoner issue. "We need action on their part and a commitment on their part with regard to the prisoners," he said on April 28.

But what is the threat, if any, which makes this stand credible? Mr. Nixon also has said that all American troops will not leave South Vietnam—a "residual force" of unspecified size will remain—until the prisoners are released. But a residual force certainly cannot effect the release of the prisoners if the larger force of this year or last year could not do so.

Thus, Mr. Nixon's stand not only can do nothing to effect the release of the prisoners; it is also an explicit admission that the policy of unilateral withdrawal cannot be a policy of total withdrawal but one of withdrawal to some point to be determined by Mr. Nixon. On that basis, if we are to keep some troops in South Vietnam until the prisoners are released, we may keep both troops and prisoners there forever.

All of that, Mr. Thuy told Mr. Lewis, merely confirms the suspicion of Hanoi that Mr. Nixon does not intend a total withdrawal, but plans to keep enough American force in Indochina to guarantee the survival of a non-Communist South Vietnamese regime—a so-called "Korean solution."

It may well be that Mr. Nixon is correct that "a promise to discuss means nothing from the North Vietnamese." Even so, if he is determined to stick with his withdrawal policy, it is difficult to see what could be lost by extensive secret discussions, in Paris and elsewhere, to see if there could not be developed an understanding, tacit or explicit, that Washington and Hanoi would announce simultaneously (a) a date for the completion of the American withdrawal, and (b) that on the same date or sooner the P.O.W.'s would be released, probably in several installments.

This would not only remove the necessity for the residual force, which would be a certain point of political controversy in this country and elsewhere it would also at a stroke deprive all the potential Democratic Presidential nominees (save Senator Henry Jackson) of their chosen position on Vietnam.

Mr. McCarthy is another matter. He hinted strongly that he is thinking more nearly in terms of a third-party candidacy than of another run within the Democratic party. And in addition, he set himself apart from the Democratic aspirants by advocating a negotiated settlement rather than a unilateral American withdrawal by a certain date.

Mr. McCarthy pointed to the inescapable but often obscured fact that there is little chance the United States can have more influence than it now has on the future of Indochina *after* it has pulled out all its forces (either at Mr. Nixon's order or under Congressional mandate). But to negotiate now, while there is some rough equilibrium of forces and with the lure of cutting short a war costly to all sides, might produce more acceptable arrangements than withdrawal or the "Korean solution." It might even get the prisoners home more swiftly.

Mr. Thuy lent credence to this view when he expressed to Mr. Lewis that because of the failure of Mr. Nixon's efforts to win a "military victory" through escalation in Cambodia and Laos, the North Vietnamese now have only to wait for the fruits of an inevitable victory of their own.

If that represents Hanoi's attitude, it will not be possible to negotiate any kind of an Indochinese settlement with out substantial concessions from Washington and Saigon—presumably the acceptance of an interim arrangement for sharing political power in South Vietnam among all contending elements until a longer-term arrangement can be reached by the parties themselves.

It is true that that might open the door to a Communist take-over at some point in the future. But withdrawing all American troops will far more surely open the door, and prolong a sad, destructive, pointless war by how many years no one can say.

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Mr. MANSFIELD. Mr. President the question of the POW's has been receiving significant attention both in this country and in Paris as well as in Hanoi. The number of POW's has been estimated at approximately 1500 but figures have been given by North Vietnam to the effect that they hold approximately 400 U.S. prisoners of war.

The question of the POW's figures significantly and, in some respects, overridingly in the matter of ending the war in Vietnam. The Administration has said that we will maintain forces in Vietnam until all POW's are released. Hanoi has said that they will not even begin to discuss the fate of the prisoners until a termination date has been set and then, according to press reports from the North Vietnamese Delegation in Paris, they have indicated this matter could be settled promptly.

If a termination date were set and negotiations in earnest begun, there would be no useful reason, in my opinion, for North Vietnam to keep the U.S. POW's there. If a termination date is not set, then we are confronted with the paradoxical situation which results in more and more American casualities, perhaps more and more POW's and more and more of a determination on the part of North Vietnam to hang on to the POW's.

A terminal date for ending the war could lead to the release of the POW's. A continuation of the war with increased casualties and an increase in the number of POW's would make a bad situation worse. As it is now, it appears to me that both sides of the coin are the same as far as the POW's are concerned. The present approach makes hostages of the POW's with the result that the possibility of their release fades into the distance even as the casualties and the cost increase week by week, month by month, year by year. If we agree to a termination date and the prisoners are not released, we still retain all our options and, thereby, lose nothing in the attempt.

On April 16 the President gave another reason in addition to the POW issue for not fixing a terminal date on the involvement. That was to give South Vietnam "at least a chance" to defend itself against North Vietnam. With an army which is larger than North Vietnam's, equipped, trained, supplied, paid and advised by Americans over a period extending from 1955 to the present, I would say that if they are not in a position now to have "at least a chance" to defend themselves, then they never will be. It is their country. It is their future. It is their decision, not ours.

Over the years I have not deviated from my position that we had no business becoming involved, militarily, in Vietnam. We have no foundation and never have had for the pursuit of our intervention there.

352,794 casualties as of April 27, 1971, 120 billion dollars wasted, demoralization and divisiveness at home and abroad, drug addiction, graft, corruption, fraggings, the laying waste of a country and the "wasting" of lives—that is what Vietnam has entailed, that is what Vietnam means—even now.

(NOTE.—As of May 15, 1971, the casualties now number 354,024.)

## QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

## DESIGNATION OF PERIODS FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS ON WEDNESDAY, JUNE 2, THURSDAY, JUNE 3, AND FRIDAY, JUNE 4

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that on Wednesday, June 2, following the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business not to extend beyond 10 a.m., with statements therein limited to 3 minutes, and that at the conclusion of the period for the transaction of routine morning business the unfinished business be laid before the Senate.

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

Mr. BYRD of West Virginia. I ask unanimous consent that on Thursday, June 3, following the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business not to extend beyond 11 a.m., with statements therein limited to 3 minutes, and that upon the conclusion of the period for the transaction of routine morning business the resolution on Reorganization Plan No. 1, 1971, be laid before the Senate.

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

Mr. BYRD of West Virginia. I ask unanimous consent that on Friday, June 4, immediately following the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes, and that upon the conclusion of the period for the transaction of routine morning business the unfinished business be laid before the Senate.

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

## WAIVER OF THE RULE OF GERMANENESS FOR THE PERIOD JUNE 1 THROUGH JUNE 4, 1971, INCLUSIVE

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Pastore rule of germaneness, paragraph 3 of rule VIII of the Standing Rules of the Senate, be waived throughout the 4 days, June 1 through June 4, inclusive.

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

Mr. BYRD of West Virginia. I have asked for a waiver of the Pastore rule during that period for the simple reason that there is a time agreement and votes have been scheduled at times certain. Time is under the control of certain Senators during those days—at least, on the 2d, 3d, and 4th of June—and any Senator who wishes to speak on nongermane subjects has to get time from the time that is under control.

Mr. SCOTT. Mr. President, reserving the right to object—and I shall not object—this is a good time to waive the rule of germaneness, because we are in the commencement season and speakers are not required to be germane in the country; and perhaps it would be just as well if we could have a certain amount of "wanderment" in the Senate.

Mr. BYRD of West Virginia. Mr. President, the rule of germaneness is a very efficient and useful instrument for the expeditfon of business in the Senate, when used in a reasonable fashion; and when time is not under control, I believe it is good to enforce the rule of germaneness. But when time has been blocked out and is divided and controlled by virtue of an agreement—as in this instance—with votes scheduled at a time certain, nothing is to be saved by way of the time of the Senate by enforcement of the Pastore rule. Indeed, the time of the Senate might well be saved by its waiver, and it is for that reason that the waiver has been agreed to during the period specified.

## RESOLUTION AUTHORIZING RELEASE OF DOCUMENTS OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. WILLIAMS. Mr. President, I send to the desk a resolution and ask unanimous consent for its immediate consideration.

The PRESIDENT pro tempore. The resolution will be stated.

The legislative clerk read as follows:

S. RES. 128

*Resolved*, That the Senate authorizes the release to the Attorney General and Secretary of Labor of such documentary evidence in the possession and under control of the Senate which was obtained pursuant to S. Res. 360 and S. Res. 35, Sec. 4 and further authorizes such action thereon with regard to the documentary evidence as will promote the ends of justice consistently with the privileges and rights of the Senate.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. WILLIAMS. Mr. President, since March of 1970, the Committee on Labor and Public Welfare has been engaged pursuant to Senate resolution in an examination, investigation and study of the United Mine Workers of America's election of 1969. During this time the committee has held public hearings into the election in February, March, May, June, and September of 1970. Those hearings were published as a committee document of the 91st Congress. In addition to the public hearings, committee investigators and accountants have been engaged for some months in a detailed investigation of the possible misuse of funds of the union in the course of the 1969 election. This investigative activity has reached into several States, involves many documents and a number of witnesses.

Besides the activity of the Senate in conducting this investigation, both the Department of Justice and Department of Labor have been engaged in investigative activities relating to the 1969 Mine Workers' election.

As a result of the Labor Department's investigation, the Secretary of Labor, through the Attorney General, has brought a suit to set aside the 1969 election. That action, which is entitled "James D. Hodgson, Secretary of Labor, against United Mine Workers of America, Civil Action No. 62–70," is now pending trial on June 2 in the U.S. District Court for the District of Columbia.

I have been requested, as chairman of the Committee on Labor and Public Welfare, by the Attorney General and the Secretary of Labor to provide those departments with evidence that was developed by our committee relating to the misuse of funds and other matters that may have a bearing on the suit to set aside the election and in connection with other related investigations. In this connection I wish to inform my colleagues that the investigative work has been completed. I expect the Committee on Labor and Public Welfare to take official action

regarding the investigation within the next month. However, because of the impending nature of the activities of the Departments of Justice and Labor, I believe that the interests of justice and the goals sought by the Senate in originally directing the committee to conduct this inquiry will be accomplished in the most beneficial manner by the Senate authorizing the Attorney General and Secretary of Labor to have this information from our files.

I have therefore submitted a resolution which would authorize the release of this documentary evidence pursuant to rule XXX of the Standing Rules of the Senate.

The resolution, of course, is related to documentary evidence acquired in connection with the investigation and would not authorize the release of materials relating to internal Senate matters.

I ask unanimous consent that the letters from the Secretary of Labor and the Deputy Attorney General be printed in the RECORD.

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

U.S. DEPARTMENT OF LABOR,
*Washington, D.C., May 25, 1971.*

Hon. HARRISON A. WILLIAMS, Jr.,
*Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.*

DEAR SENATOR WILLIAMS: I understand that the Subcommittee on Labor of the Committee on Labor and Public Welfare has, within the last few months, conducted an extensive investigation into the election of International officers held by the United Mine Workers of America on December 9, 1969. I have been advised that certain information may have been obtained during the investigation which may be helpful in establishing violations of Title IV of the Landrum-Griffin Act in the case of *Hodgson* v. *United Mine Workers of America* presently scheduled for trial in the United States District Court for the District of Columbia on June 2, 1971. I would appreciate it if the Subcommittee would make the files containing its investigative findings available to the Department of Labor for review in order that a determination can be made as to whether the evidence uncovered by the Subcommittee investigators may be utilized in the trial.

I am pleased to note that cooperation between members of the Subcommittee staff and Department of Labor staff members in sharing investigative findings may result in valuable additional information being made available to the Court for its consideration.

Sincerely,

J. D. HODGSON,
*Secretary of Labor.*

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OFFICE OF THE
DEPUTY ATTORNEY GENERAL,
*Washington, D.C., May 25, 1971.*

Hon. HARRISON A. WILLIAMS, Jr.,
*Chairman, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: I am advised that the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare has recently completed an investigation of alleged election irregularities occurring in various Districts of the United Mine Workers of America in connection with the election of the Union's international officers on December 9, 1969.

A conference held on May 24, 1971, between members of the Subcommittee staff and representatives of the Departments of Justice and Labor indicate that information in the possession of the Subcommittee may be helpful in the conduct of litigation to set aside the last election of the United Mine Workers which the Court has scheduled for trial beginning June 2, 1971.

I would, therefore, appreciate it if you would permit representatives of the Department of Justice to examine the material in the possession of the Subcommittee and to utilize any material which may be determined to be useful.

Sincerely,

RICHARD G. KLEINDIENST,
*Deputy Attorney General.*

Mr. PROUTY. Mr. President, I strongly support the resolution offered by the distinguished junior Senator from New Jersey (Mr. WILLIAMS).

I agree that it is essential that this resolution be considered and agreed to today.

Intensive investigations have been conducted by the Justice Department, the Labor Department, and our Labor Subcommittee, Mr. President, since the United Mine Workers' election on December 9, 1969, which resulted in the reelection as President of William A. Boyle.

Several legal actions have been instituted, both civil and criminal, as direct and indirect results of circumstances surrounding this election.

Others, I feel sure, are under active consideration.

At the present time, the case of Hodgson again United Mine Workers of America is scheduled for trial in the U.S. District Court for the District of Columbia on June 2, 1971.

This is an action by the Secretary of Labor to set aside the results of the United Mine Workers' election conducted on June 9, 1969.

It has been brought pursuant to the provisions of title IV of the Labor-Management Reporting and Disclosure Act of 1959, commonly known as the Landrum-Griffin Act.

As noted by my friend from New Jersey, the Secretary of Labor has today made a written request that our Labor Subcommittee make its files containing our investigatory findings available to his Department for review.

The primary purpose of this request is to ascertain whether any evidence uncovered by our committee's investigators can be utilized in the trial currently scheduled to commence next week as to the legality of the 1969 election.

If this request is granted, the Department of Labor can also use any relevant evidence, of course, in connection with any other legal actions it may be contemplating.

Likewise, Deputy Attorney General Richard G. Kleindienst has written Chairman WILLIAMS today making a similar request on behalf of the Department of Justice.

I understand that our committee intends to consider its investigation of the United Mine Workers in executive session within the next month or so, after which it will issue a public report and possibly recommend certain courses of action to the Departments of Labor and Justice.

As I further understand the situation, however, the Senate Rules prohibit release of any evidence or information to outside parties obtained during the course of a committee investigation which has never been made part of a formal committee hearing record.

That, Mr. President, is the urgency which compels us to introduce this resolution today and to ask for its immediate consideration and passage.

The only manner in which the requests of the Labor and Justice Departments, requesting access to our committee's evidence, can be complied with is if the release of such data is authorized by the U.S. Senate.

This is an opportune time to demonstrate that two branches of our Federal Government—the legislative and the executive—can act with bipartisan cooperation to equitably promote the ends of justice. Without such cooperation, the litigation scheduled for next week might well be decided without consideration of all the available and relevant facts.

I, therefore, urge all my colleagues on both sides of the aisle to support this resolution offered by the chairman of our committee in order that the results of our Labor Subcommittee's investigation of the United Mine Workers may be made available to the appropriate executive departments.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with the preamble, reads as follows:

S. RES. 128

Whereas, the Senate, pursuant to S. Res. 360, 91st Congress, 2nd Session (agreed to March 12, 1970) and S. Res. 35, Sec. 4, 92nd Congress, 1st Session (agreed to March 1, 1971) has directed the Committee on Labor and Public Welfare to examine, investigate, and make a complete study of any and all matters pertaining to the United Mine Workers of America election of 1969; and

Whereas, the Secretary of Labor has brought suit to set aside the UMWA election of 1969 in the case of James D. Hodgson, Secretary of Labor vs. United Mine Workers of America, Civil Action No. 662–70, now pending in the United States District Court for the District of Columbia; and

Whereas, the Attorney General and the Secretary of Labor have asked the Committee on Labor and Public Welfare for information arising from the Committee's examination, investigation and study that may bear on the aforementioned suit to set aside the election and on other investigations of the Departments of Justice and Labor relating to that election; and

Whereas, by the privilege of the Senate and by Rule XXX of the Standing Rules of the Senate, the information may not be revealed and documents withdrawn without the consent of the Senate; therefore be it

*Resolved*, That the Senate authorizes the release to the Attorney General and Secretary of Labor of such documentary evidence in the possession and under control of the Senate which was obtained pursuant to S. Res. 360 and S. Res. 35, Sec. 4 and further authorizes such action thereon with regard to the documentary evidence as will promote the ends of justice consistently with the privileges and rights of the Senate.

## ORDER FOR ADJOURNMENT FROM TUESDAY, JUNE 1, UNTIL 9:30 A.M., WEDNESDAY, JUNE, 2, 1971

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business on Tuesday, June 1, it stand in adjournment until 9:30 a.m. on Wednesday, June 2, 1971.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

## PRIVILEGE OF THE FLOOR

Mr. DOMINICK. Mr. President, I ask unanimous consent that during the debate on my amendment, which I will call up at 10 a.m., under the unanimous-consent agreement, my aide, Mr. Robert Old, be permitted in the Chamber.

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

## QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

## COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

REPORTS ON FINAL DETERMINATION RELATING TO CLAIMS OF CERTAIN INDIANS

A letter from the Chairman, Indian Claims Commission, reporting, pursuant to law, on its final determination with respect to Docket No. 334–B, the Absentee Shawnee Tribe of Oklahoma (on behalf of the Shawnee Nation), plaintiff, v. the United States of America, defendant (with accompanying papers); to the Committee on Appropriations.

A letter from the Chairman, Indian Claims Commission, reporting, pursuant to law, on its final determination with respect to Docket No. 274, the Creek Nations, plaintiff, v. the United States of America, defendant (with accompanying papers); to the Committee on Appropriations.

REPORT OF DISTRICT OF COLUMBIA OFFICE OF CIVIL DEFENSE

A letter from the Commissioner, Government of the District of Columbia, transmitting, pursuant to law, a report of the District of Columbia Office of Civil Defense, for the fiscal year 1970 (with an accompanying report); to the Committee on the District of Columbia.

PROPOSED AMENDMENT OF CERTAIN SHIPPING ACTS

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

REPORT OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on Improvements Needed in Management of Training Under the Government Employees Training Act, Department of Defense, dated May 25, 1971 (with an accompanying report); to the Committee on Government Operations.

PROPOSED PROHIBITION OF IMPORTATION OF CERTAIN WORKS OF ART

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to prohibit the importation into the United States of pre-Columbian monumental and architectural sculpture, murals, and any fragment or part thereof, exported contrary to the laws of the country of origin, and for other purposes (with an accompanying paper); to the Committee on Finance.

## PETITIONS

Petitions were laid before the Senate and referred as indicated:

By the PRESIDENT pro tempore:

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

"SENATE CONCURRENT RESOLUTION No. 41

"A concurrent resolution memorializing the Congress of the United States to adequately fund the upstream watershed-protection and flood prevention program of soil conservation service and maintain the Department of Agriculture as a Federal Department with cabinet status; and directing distribution

"Whereas, the Soil Conservation Service, the technical arm of the United States Department of Agriculture, is the only federal agency which receives appropriations from the Congress directly earmarked for the assistance of local conservation districts; and

"Whereas, the important work of this agency has worked wonders in eradicating the ugly scars of the dust bowl from Oklahoma farms and ranches and helped to restore Okahoma waters to their former pollution-free condition; and

"Whereas, under Public Law 83–566, Oklahoma presently has thirty percent of all the planned upstream flood prevention reservoirs in the United States and over $109 million has been spent on construction of such facilities in Oklahoma alone; and

"Whereas, the true 'team effort' displayed by past adequately funded work of these programs must rightfully share a lion's portion of the credit for Oklahoma's sterling performance as an antipollution state; and

"Whereas, these programs offer the best means of solving the environmental problems of the nation; and

"Whereas, the successful conservation and other programs of the Department of Agriculture point to the necessity for maintaining the agency as a Department of the President's Cabinet.

"Now, therefore, be it resolved by the Senate of the 1st session of the 33rd Oklahoma Legislature, the House of Representatives concurring therein:

"Section 1. The Congress of the United States shall be and hereby respectfully is urged to enact legislative appropriations providing for adequate and consistent funding of the programs of Public Law 78–534, Flood Control Act, 1944, and Public Law 83–566, 1954, as well as the many other worthy programs of the Soil Conservation Service in preference to other pollution prevention programs.

"Section 2. The Congress of the United States shall be and hereby respectfully is urged to resist efforts to relegate the United States Department of Agriculture to a position less than its deserved importance as a cabinet level department of the United States government.

"Section 3. Be it further resolved that authenticated copies of this Resolution be transmitted to: the President of the United States; the Presiding Officers of the United States Senate and House of Representatives; each member of the Oklahoma Congressional Delegation; and the chairman of the Agriculture Committee of each house of the United States Congress."

A resolution of the Legislature of the Territory of Guam; to the Committee on Finance:

"RESOLUTION No. 228

"Relative to requesting the United States Congress to extend to residents of Guam the benefits of Section 228 of the Social Security Act which provides for social security payments to certain uninsured persons over the age of seventy-two

*"Be it resolved by the legislature of the Territory of Guam:*

"Whereas, Section 228 of the Social Security Act provides benefits for certain uninsured individuals who have attained the age of seventy-two (72) years, and who are residents of the United States, as defined in Subsection (e) of Section 228; and

"Whereas, Subsection (e) of Section 228 of the Social Security Act provides that the United States means the fifty states and the District of Columbia, thereby excluding the territory of Guam; and

"Whereas, this limited definition contained in Subsection (e) of Section 228 of the Social Security Act excludes many individuals, not only persons who have previously been receiving the benefits in one of the fifty states or the District of Columbia and come to Guam, but also the permanent residents of the territory of Guam, many of such individuals being greatly in need of such social security benefits; and

"Whereas, the Social Security Act in practically all other particulars applies to the territory of Guam, and this exclusion for persons over the age of seventy-two (72) who are uninsured would appear to be an oversight by the Congress of the United States, who has most favorably looked upon the people of the territory, considering them to be entitled to all of the benefits accruing to United States citizens, a citizenship which they regard most highly; and

"Whereas, many of the citizens of the United States residing in Guam who are over the age of seventy-two (72) and uninsured are greatly in need of the assistance set forth in Section 228 of the Social Security Act, such residents often being without moneys necessary to properly and happily live out their senior years; now therefore be it

*"Resolved,* that the Eleventh Guam Legislature does hereby respectfully request the Congress of the United States to extend the benefits of Section 228 of the Social Security Act to residents of the territory of Guam, so that its uninsured senior citizens may receive the benefits thereof; and be it further

*"Resolved,* that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the Senate, to the Speaker of the House, to the Chairman of the House Ways and Means Committee, to the Chairman of the Senate

Finance Committee, to the Chairman of the House Subcommittee on Territorial and Insular Affairs, to the Chairman of the House Committee on Interior and Insular Affairs, to the Chairman of the Senate Committee on Interior and Insular Affairs, to the Secretary of the Interior, to the Commissioner, Social Security Administration, Baltimore, Maryland, to Guam's Washington Representative, to the Manager, Social Security Administration, Agana, Guam, and to the Governor of Guam."

Two resolutions of the Legislature of the Territory of Guam; to the Committee on Interior and Insular Affairs:

"RESOLUTION No. 212

"Relative to expressing the wholehearted support of the people of Guam for Bills H.R. 3237 and S. 1400 pending in the United States Congress which provide a non-voting delegate in the House of Representatives for the territory of Guam

*"Be it resolved by the Legislature of the Territory of Guam:*

"Whereas, Bills H.R. 3237 and S. 1400 are presently pending in the United States Congress, introduced by the Honorable Phillip Burton in the House, and the Honorable Henry Jackson in the Senate, which Bills if enacted would provide a non-voting delegate for the territory of Guam in the United States House of Representatives, which delegate would have such privileges in the House of Representatives as would be afforded him under the rules of the House, receive the same compensation, allowances, benefits as a member of the House of Representatives, and be entitled to whatever privileges and immunities as are given the Resident Commissioner for Puerto Rico; and

"Whereas, the people of Guam are ever anxious to obtain the full measure of democratic government enjoyed by their fellow American citizens in the rest of the United States, and therefore the provisions for the first time in the history of the territory of an official spokesman for the people of Guam in our Nation's Capitol with a seat in the United States House of Representatives is indeed a step forward for the people of Guam in their quest for self-government consonant with their status as American citizens and as inhabitants of an island of immense importance to the defense of the United States and the rest of the free world; and

"Whereas, in view of the recent grant by Congress of the right of the people of Guam to elect their own chief executive, it is the hope of all that this clear indication of the faith that Congress has in the political maturity and stability of the people means that the granting of an elected delegate to the House of Representatives from Guam is also a strong possibility, especially since the former territories of Hawaii and Alaska had non-voting delegates to Congress long before they ever had elected governors; and

"Whereas, not only will the proposed legislation clearly benefit the people of Guam, who at last will have a voice in the most important legislative assembly in the world, but also it will benefit Congress itself since the members can obtain direct and candid information about the problems of the people in this part of the world; now therefore be it

*"Resolved,* That the Eleventh Guam Legislature does hereby, on behalf of the people of Guam, express wholehearted support of Bills H.R. 3237 and S. 1400 pending in the Congress of the United States to provide for a non-voting delegate in the House of Representatives for the territory of Guam, and does further express the hope that such legislation will be given quick and favorable consideration; and be it further

*"Resolved,* that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Representative Phillip Burton, Chairman of the House Subcommittee on Territorial and Insular Affairs, to the Chairman of the House Committee on Interior and Insular Affairs, to the Chairman of the Senate Committee on Interior and Insular Affairs, to Senator Henry Jackson, to the Speaker of the House, to the President of the Senate, to Senator Allott, to Senator Daniel K. Inouye, to Representative Abzug, to Representative Anderson, to Representative Badillo, to Representative Chisholm, to Representative Drinan, to Representative Edwards, to Representative Harrington, to Representative Hawkins, to Representative Kastenmeier, to Representative Matsunaga, to Representative Meeds, to Representative Mikva, to Representative Mink, to Representative Rosenthal, to Representative Ryan, to Guam's Washington Representative, and to the Governor of Guam."

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"RESOLUTION No. 211

"Relative to inviting the "Friends of the Earth" to use its best efforts to assist the people of Guam in opposing the acquisition of Sella Bay by the Federal Government

*Be it resolved by the Legislature of the Territory of Guam:*

"Whereas, this Legislature has consistently and continuously expressed its support for the preservation and conservation of the unspoiled and unexploited areas of Guam, desiring that the unique coral ecology and reef environment of the territory be preserved for future generations; and

"Whereas, one of the most prevalent threats to the cause of the preservation and conservation of the lands of the territory is the proposed acquisition by the Federal Government of Sella Bay and the surrounding area, one of the most scenic on the island, being ideal for open beaches and recreation for the people of Guam; and

"Whereas, the organization known as the "Friends of the Earth" has been exceedingly effective in the fight for the conservation of other natural and scenic areas, and being interested in seeing the development of a Guam National Seashore which would include the area of Sella Bay, has recently expressed interest in helping the people of Guam in opposing the acquisition of the Sella Bay area as an ammunition wharf, indicating that they would be willing to devote their time and organization to assisting the people of Guam in the preservation of their ecology; and

"Whereas, the Eleventh Guam Legislature wishes to express to the "Friends of the Earth" the gratitude of the people of Guam for its interest in protecting the ecology of the natural seashore of Guam and to invite the "Friends of the Earth" to use its best efforts, including the taking of any legal action which it might feel appropriate, to help the people of Guam in opposing the acquisition of Sella Bay by the Federal Government for the development of an ammunition wharf; now therefore be it

*"Resolved,* that the Eleventh Guam Legislature does hereby invite the "Friends of the Earth" to use its best efforts, including the taking of any legal action which it might feel appropriate, to help the people of Guam in opposing the acquitision of Sella Bay by the Federal Government for the development of an ammunition wharf; and be it further

*"Resolved,* that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States, to the President of the Senate, to the Speaker of the House of Representatives, to the Secretary of the Interior, to the Secretary of Defense, to the Secretary of the Navy, to the Attorney General of the United States, to the Chairman of the Senate Committee on Interior and Insular Affairs, to the Chairman of the House Committee on Interior and Insular Affairs, to Representative Patsy T. Mink, to Guam's Washington Representative, to the President of Friends of the Earth, to the Pacific Representative of Friends of the Earth, and to the Governor of Guam.

A joint resolution of the Legislative Assembly of the State of Oregon; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION 1

"Whereas a resolution of our nation's myriad and diverse problems is contingent upon a viable partnership between the Federal Government and strengthened state governments; and

"Whereas the Federal Government, by its extensive reliance on the graduated income tax as a revenue source, has virtually preempted the use of this source from state and local governments, thereby creating a disabling fiscal imbalance between the Federal Government and the state and local governments; and

"Whereas increasing demands upon state and local governments for essential public services have compelled the states to rely heavily on highly regressive and inelastic consumer taxes and property taxes; and

"Whereas federal revenues based predominantly on income taxes increase significantly faster than economic growth, while state and local revenues based heavily on sales and property taxes do not keep pace with economic growth; and

"Whereas the fiscal crisis at state and local levels has become the overriding problem of intergovernmental relations and of continuing a viable federal system; and

"Whereas the evident solution to this problem is a meaningful sharing of federal income tax resources; and

"Whereas the United States Congress, despite the immediate and imperative need therefor, has failed to enact acceptable revenue-sharing legislation; and

"Whereas in the event of such Congressional inaction, Article V of the Constitution of the United States grants to the states the right to initiate constitutional change by applications from the legislatures of two-thirds of the several states to the Congress, calling for a constitutional convention; and

"Whereas the Congress of the United States is required by the Constitution to call such a convention upon the receipt of applications from the legislatures of two-thirds of the several states; now, therefore,

*"Be It Resolved by the Legislative Assembly of the State of Oregon:*

"That pursuant to Article V of the Constitution of the United States, the Legislative Assembly of the State of Oregon does hereby make application to the Congress of the United States to call a convention for the sole and exclusive purpose of proposing to the several states a constitutional amendment which shall provide that a portion of the taxes on income levied by Congress pursuant to the Sixteenth Amendment of the Constitution of the United States shall be made available each year to state governments and political subdivisions thereof, by means of direct allocation, tax credits, or both, without limiting directly or indirectly the use of such moneys for any purpose not inconsistent with any other provision of the Constitution of the United States; and be it further

*"Resolved,* That this application shall constitute a continuing application for such convention pursuant to Article V of the Constitution of the United States until the Legislatures of two-thirds of the states shall have made like applications and such convention shall have been called by the Congress of the United States unless previously rescinded by this Legislative Assembly; provided, however, that the application contained in this resolution shall be deemed effective only if, prior to the Congress issuing a call for a convention, Congress enacts legislation establishing a plan for the convention and requir-

ing that the convention be limited in its consideration to only those items specified in this resolution; and be it further

*"Resolved,* That certified copies of this resolution be presented forthwith to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to the Legislatures of each of the several states attesting the adoption of this resolution by the Legislative Assembly of the State of Oregon."

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

"HOUSE JOINT RESOLUTION 2

"A joint resolution ratifying the proposed amendment to the Constitution of the United States; providing that the right of citizens of the United States, who are eighteen years of age or older, to vote shall not be denied or abridged by the United States or by any State on account of age

"Whereas, the Ninety-second Congress of the United States of America at its First Session, in both Houses, by a Constitutional majority of two-thirds thereof, adopted the following proposition to amend the Constitution of the United States of America in the following words, to wit:

" 'JOINT RESOLUTION

" '*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein)*, That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as a part of the Constitution when ratified by the Legislatures of three-fourths of the several States within seven years from the date of its submission by the Congress:

" 'ARTICLE XXVI

" 'SECTION 1. The right of citizens of the United States, who are eighteen years of age or older, to vote shall not be denied or abridged by the United States or by any State on account of age.

" 'SEC. 2. The Congress shall have the power to enforce this article by appropriate legislation.'

"Therefore be it resolved by the Legislature of the State of Arizona:

"1. That such proposed amendment to the Constitution of the United States of America be and the same is hereby ratified.

"2. The Governor is requested to transmit certified copies of this Resolution to the Administrator of General Services, Washington, D.C., and the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States."

A resolution of the Utility Workers Union of America urging the support of the national health security bill to the Committee on Finance.

A letter regarding a resolution adopted by the Congress of the United Mexican States extending congratulations to the Senate for having approved the ratification of Protocol II to the Treaty of Tlatelolco; to the Committee on Foreign Relations.

## SENATE RESOLUTION 108 DISAPPROVING REORGANIZATION PLAN NO. 1 OF 1971—REPORT OF A COMMITTEE—MINORITY VIEWS (S. REPT. NO. 92-136)

Mr. PERCY. Mr. President, I am filing today on behalf of the Committee on Government Operations and its distinguished chairman (Mr. MCCLELLAN) the committee's report on the President's Reorganization Plan No. 1. The committee agreed on May 25 in executive session to approve this reorganization plan, by disapproving by a vote of 10 to 3 Senate Resolution 108, the Resolution of Disapproval sponsored by Senator WILLIAMS. The leadership has indicated that 2 hours of debate on the resolution are scheduled for the afternoon of June 2, from 3 p.m. to 5 p.m., with the vote taking place at 11 on Thursday, June 3.

I am pleased also to note that the House Government Operations Committee approved the plan, and yesterday the House, by a vote of 224 to 131, overwhelmingly supported Executive Reorganization Plan No. 1.

The PRESIDING OFFICER (Mr. TUNNEY). The report will be received and printed; and the resolution will be placed on the calendar.

## EXECUTIVE REPORTS OF COMMITTEES

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

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

Julio Morales Sanchez, of Puerto Rico, to be U.S. attorney for the district of Puerto Rico; and

Joel D. Sacks, of the Virgin Islands, to be U.S. attorney for the Virgin Islands.

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

Solomon Blatt, Jr., of South Carolina, to be a U.S. district judge for the district of South Carolina;

Robert F. Chapman, of South Carolina, to be a U.S. district judge for the district of South Carolina; and

Warren H. Young, of the Virgin Islands, to be a judge of the District Court of the Virgin Islands.

By Mr. EAGLETON, from the Committee on the District of Columbia:

Hubert B. Pair, of the District of Columbia, to be an associate judge of the District of Columbia Court of Appeals.

J. Walter Yeagley, of Virginia, to be an associate judge of the District of Columbia Court of Appeals.

Mr. MAGNUSON. Mr. President, as in executive session, from the Committee on Commerce, I report favorably sundry nominations in the U.S. Coast Guard which have previously appeared in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they may lie on the Secretary's desk for the information of Senators.

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

(The nominations ordered to lie on the Secretary's desk were printed at the end of the Senate proceedings on April 30, 1971.)

## BILLS AND JOINT RESOLUTIONS INTRODUCED

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. SPARKMAN (for himself and Mr. TOWER) (by request):

S. 1951. A bill to enable the Federal Reserve banks to extend credit to member banks on any sound collateral at a uniform rate of interest;

S. 1952. A bill to extend Federal Reserve reserve requirements to all checking accounts and to make Federal Reserve credit equally available to all institutions subject to those requirements;

S. 1953. A bill to require all insured banks to clear checks at par;

S. 1954. A bill to enable Federal Reserve banks to invest in certain obligations of foreign governments;

S. 1955. A bill to eliminate the dollar limitation on the cost for construction of Federal Reserve bank buildings; and

S. 1956. A bill to encourage member banks of the Federal Reserve System to invest in community corporations. Referred to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HARRIS (for himself and Mr. MATHIAS):

S. 1957. A bill to amend the Internal Revenue Code of 1954 to provide for the valuation of a decedent's interest in a closely held business for estate tax purposes. Referred to the Committee on Finance.

By Mr. HUMPHREY:

S. 1958. A bill to establish a National Domestic Development Bank to provide an alternative source of credit to State and local governments for the purpose of financing public and quasi-public facilities of all types, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOLE (for himself, Mr. BENTSEN, Mr. BURDICK, Mr. CURTIS, Mr. HARRIS, Mr. PEARSON, and Mr. TOWER):

S. 1959. A bill to provide that certain highways extending from Laredo, Tex., to the point where U.S. Highway 81 crosses the border between North Dakota and Canada shall be known collectively as the "Pan American Highway". Referred to the Committee on Public Works.

By Mr. EAGLETON:

S. 1960. A bill to allow a credit against Federal income tax for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65. Referred to the Committee on Finance.

By Mr. PELL:

S. 1961. A bill to amend title II of the Social Security Act to provide for voluntary agreements between ministers and their employers to treat ministers as employed persons. Referred to the Committee on Finance.

S. 1962. A bill to provide for the crediting of certain past employment by certain persons subject to the National Guard Technicians Act of 1968. Referred to the Committee on Armed Services.

By Mr. HOLLINGS:

S. 1963. A bill to foster a comprehensive, long-range, and coordinated national program in marine science, technology, and resource development, and for other purposes. Referred to the Committee on Commerce.

By Mr. ROTH (for himself and Mr. BROCK):

S. 1964. A bill to authorize the Office of Management and Budget to establish a system governing the creation and operation of advisory committees throughout the Federal Government which are created to advise officers and agencies of the Federal Government. Referred to the Committee on Government Operations.

By Mr. ALLEN:

S. 1965. A bill for the relief of Giuseppe Rosone, his wife, Rosalia Rosone, and their child, Rosario Rosone. Referred to the Committee on the Judiciary.

By Mr. BROCK:

S. 1966. A bill to establish a National Emergency Wage-Price Stabilization Board to promote and encourage price and wage decisions consistent with the public interest and control inflation. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MAGNUSON (by request):

S. 1967. A bill to amend the joint resolution expressing the sense of the Congress with respect to the shipping in U.S. vessels of products purchased with loans from the United States in order to apply the provisions of such joint resolution to other types of credit assistance. Referred to the Committee on Commerce.

By Mr. KENNEDY (for himself, Mr. PROUTY, Mr. CRANSTON, Mr. EAGLETON, and Mr. PELL):

S. 1968. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes. Referred to the Committee on Labor and Public Welfare.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPARKMAN (for himself and Mr. TOWER) (by request):

S. 1951. A bill to enable the Federal Reserve banks to extend credit to member banks on any secured collateral at a uniform rate of interest;

S. 1952. A bill to extend Federal Reserve requirements to all checking accounts and to make Federal Reserve credit equally available to all institutions subject to those requirements;

S. 1953. A bill to require all insured banks to clear checks at par;

S. 1954. A bill to enable Federal Reserve banks to invest in certain obligations of foreign governments;

S. 1955. A bill to eliminate the dollar limitation on the cost for construction of Federal Reserve bank buildings; and

S. 1956. A bill to encourage member banks of the Federal Reserve System to invest in community corporations.

Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. SPARKMAN. Mr. President, the Chairman of the Federal Reserve Board, Mr. Arthur Burns, has sent up six bills to me requesting that they be introduced for consideration by the Senate.

On behalf of myself and Senator TOWER I am introducing these six bills. I ask unanimous consent that the text of each bill and a copy of the letter which accompanied each bill be printed in the RECORD at this point.

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

S. 1951

A bill to enable the Federal Reserve banks to extend credit to member banks on any sound collateral at a uniform rate of interest

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the last sentence of section 10(b) of the Federal Reserve Act (12 U.S.C. 347b) is repealed.

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FEDERAL RESERVE SYSTEM,
*Washington, D.C., May 21, 1971.*

Hon. JOHN SPARKMAN,
*Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Under section 13 of the Federal Reserve Act, a Federal Reserve Bank may extend credit for periods not exceeding 90 days to its member banks on their promissory notes secured by obligations eligible for discount or purchase by the Reserve Banks.

Such credit is typically secured by obligations of, and obligations fully guaranteed as to principal and interest by, the United States or any agency thereof. Those obligations, plus cable transfers, bank acceptances, bills of exchange, and certain municipal warrants are obligations eligible for purchase by Reserve Banks. Obligations eligible for discounting by the Reserve Banks are limited to notes issued or drawn for agricultural, industrial, or commercial purposes, with a maturity at the time of discount of not more than 90 days. Under section 14, the Reserve Banks establish what are described as the "basic" rates of interest on credit to member banks under section 13.

Under section 10(b) of the Act, a Reserve Bank may extend credit for periods not exceeding four months to its member banks on their promissory notes secured to the satisfaction of the Reserve Bank. The law presently requires that the rate of interest on such an advance must be at least one-half per cent higher than the highest basic rate in effect at the lending Reserve Bank.

For several years the Board of Governors has recommended legislation that would permit member banks to borrow from the Reserve Banks on security of any sound assets without paying such a "penalty" rate of interest whenever technically ineligible paper is presented.

The Board believes that the need for enactment of such legislation has increased as member banks have reduced their holdings of Government securities and broadened the scope of their lending in order to meet the expanding credit demands of their customers. Many of these loans cannot qualify as security for Federal Reserve advances except at the "penalty" rate of interest, although their quality may be equal to that of presently "eligible" paper.

The Board has firmly and unanimously favored authorizing the Reserve Banks to extend credit to member banks on sound collateral without regard to the present "eligibility" provision. It again urges such legislation to avoid penalizing those uses of credit that generate sound paper that is not "eligible" under existing law.

Such paper would include, for example, home mortgages and municipal obligations that meet the test of soundness. The Board could by regulation prescribe limitations on the maturity of the paper offered as collateral. However, presumably all FHA and VA guaranteed loans would become eligible as collateral for advances. We hope that making such obligations eligible for advances at the same rate as other obligations would tend to encourage member banks to increase their portfolio of such obligations.

Unlike drafts submitted previously, which would have made extensive revisions in the Federal Reserve Act, the attached draft bill would accomplish our recommendation in a very simple manner. It would repeal the last sentence of section 10(b) of the Act, which presently requires imposition of the "penalty" rate of interest on paper that does not meet the "eligibility" requirements of section 13.

The Board urges your early and favorable consideration of this bill.

Sincerely yours,

ARTHUR F. BURNS.

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S. 1952

A bill to extend Federal Reserve reserve requirements to all checking accounts and to make Federal Reserve credit equally available to all institutions subject to those requirements

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 19 of the Federal Reserve Act (12 U.S.C. 374, 461, 464, and 465) is amended in the following respects:

(a) by adding at the end of subsection (a): "For the purposes of this section, the term 'depositary institution' means any institution organized under the laws of the United States, a State, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands that engages to any extent in the business of receiving deposits subject to withdrawal by check, except any organization operating under section 25 or section 25(a) of this Act or any organization that does not do business within the United States except as an incident to its activities outside the United States."

(b) by amending subsection (b) to read as follows:

"(b)(1) Every depositary institution shall maintain reserves against its demand deposits in such ratios and according to such reasonable basis or bases as shall be determined by the Board subject to the following:

(i) The average required reserve ratio for aggregate deposits not exceeding $5,000,000 shall be not less than 7 per centum nor more than 14 per centum;

(ii) The average required reserve ratio or ratios for aggregate deposits exceeding $5,000,000 and not exceeding $100,000,000 shall be not less than 8 per centum nor more than 20 per centum;

(iii) The average required reserve ratio or ratios for aggregate deposits exceeding $100,000,000 shall be not less than 10 per centum nor more than 22 per centum.

(iv) The $5,000,000 figure may be increased by the Board to not more than $10,000,000 or decreased to not less than $2,500,000, and the $100,000,000 figure may be increased to not more than $500,000,000 or decreased to not less than $50,000,000.

"(2) Every member bank shall maintain reserves against its deposits other than demand deposits in such ratios and according to such reasonable basis or bases as shall be determined by the Board, except that the average required reserve ratio or ratios for such deposits shall be not less than 3 per centum nor more than 10 per centum.

"(3) Notwithstanding the foregoing limitations, the Board may prescribe any reserve ratio with respect to any indebtedness of an office of a depositary institution in any State of the United States or the District of Columbia that arises out of a transaction in the ordinary course of its banking business with respect to either funds received from or credit extended by such institution to an office outside the States or District of Columbia of a bank organized under the law of a foreign country or a dependency or insular possession of the United States, except that the average required reserve ratio or ratios applicable to such indebtedness shall not at any time exceed 22 per centum.

"(4) Every depositary institution subject to this subsection shall make reports concerning its required reserves to the Board at such time and in such form as the Board may require. In the event that the Board determines that a depositary institution has violated any provision of this section applicable to it, in addition to the penalties that may be authorized by other provisions of law, such institution shall be subject to a penalty not exceeding $1,000 per day for each day during which such violation continues. Such penalty may be assessed by the Board in its discretion and, when so assessed, may be collected by suit or otherwise by the Federal Reserve bank of the district in which such depositary institution is located. Whenever it shall appear to the Board that a depositary institution has willfully violated the provisions of this section regarding required reserves or reports with respect thereto, the Board, after having warned the institution to discontinue such violations, may report such facts to the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or any State authority that insures the institution's deposits, which shall immediately commence proceedings to terminate the status of the institution as an insured institution.

(c) in subsection (c) by changing (1) "member bank" to read "depositar institution subject to subsection (b) of this section" and (2) "of which it is a member" to read of the Federal Reserve district in which its head office is located".

(d) in subsections (f) and (g) by changing wherever they appear therein (1) "member bank" to read "depositary institution subject to subsection (b) of this section" and (2) "member banks" to read "depositary institutions subject to subsection (b) of this section".

SEC. 2. Section 11(e) of the Federal Reserve Act (12 U.S.C. 248(e)) is repealed.

SEC. 3. Section 13 of the Federal Reserve Act is amended by adding at the end thereof the following paragraph:

"Each Federal Reserve bank may discount paper for, and make advances to, any depositary institution in its district whose deposits are subject to the provisions of this Act regarding reserves, to the same extent and subject to the same limitations as such Federal Reserve bank may discount paper for, and make advances to member banks under the provisions of this Act."

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FEDERAL RESERVE SYSTEM,
*Washington, D.C., May 21, 1971.*

Hon. JOHN SPARKMAN,
*Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: The Board of Governors recommends legislation (1) to authorize a more flexible system of graduated reserve requirements, (2) to apply such requirements to the demand deposits of all depositary institutions that accept deposits subject to withdrawal by check, and (3) to authorize the Reserve Banks to extend credit to such institutions on the same basis as they extend credit to member banks.

Since 1964 the Board has recommended that the Congress extend Federal Reserve reserve requirements to all federally insured banks. In this connection I would like to bring to your attention the following observations based on the enclosed data:

(1) The rate of growth in deposits in nonmember banks has consistently exceeded the rate of growth in deposits in member banks during the last decade.

(2) Nonmember bank deposits now constitute approximately 18 per cent of the money supply.

(3) Within the money supply total, the nonmember bank component has regularly responded less and more slowly to monetary restraint than has the member bank deposit compoment; in fact, in the years (1966 and 1969) when the Federal Reserve was trying hardest for monetary restraint, nonmember banks added more to the money supply than did member banks.

The Board believes that, rationally and equitably, all of our nation's institutions that offer checking deposits should be required to maintain reserves against those deposits in the same amount and form that are applicable to member banks.

Otherwise, if present trends continue, reserve requirement changes as a tool of monetary policy will, sooner or later, become practically ineffective. Even now, the incentive to avoid reserve requirement costs by shifting to a nonmember status is a factor that the Federal Reserve must reckon with in considering any increase in reserve requirements to achieve stability goals.

Because of economies of scale in banking, the application of reserve requirements to deposits in small institutions is more onerous than the application of those requirements to deposits in large institutions. Accordingly, in applying reserve requirements to small institutions, whether member or nonmember banks or other nonmember depositary institutions, the Congress might consider it appropriate to establish graduated reserve ratios for demand deposits. By authorizing the imposition of lower reserve ratios against some or all of such deposits (say, the first $5 or $100 million), the Board would be able to develop a rational and equitable reserve requirement system consistent with the effective implementation of monetary policy.

As in the past in recommending extension of Federal Reserve reserve requirements to nonmember banks, the Board believes that all institutions subject to such requirements should have access to Federal Reserve credit facilities on the same basis as member banks.

A draft bill based on the foregoing considerations is enclosed. The Board urges its introduction and enactment.

Sincerely yours,

ARTHUR F. BURNS.

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TABLE 1.—DOLLAR CHANGE IN MONEY SUPPLY COMPONENTS AS A PERCENT OF THE DOLLAR CHANGES IN TOTAL MONEY SUPPLY 1960–1970 [1]

| Period | Member bank demand deposits | Nonmember bank demand deposits | Currency and coin |
|---|---|---|---|
| 1960 | 150.0 | (2) | (2) |
| 1961 | 67.4 | 19.6 | 13.0 |
| 1962 | 9.1 | 45.5 | 45.5 |
| 1963 | 39.3 | 26.8 | 33.9 |
| 1964 | 51.4 | 23.0 | 25.7 |
| 1965 | 44.9 | 28.2 | 26.9 |
| 1966 | 21.1 | 26.3 | 52.6 |
| 1967 | 63.2 | 18.8 | 40.6 |
| 1968 | 55.4 | 23.6 | 20.9 |
| 1969 | 15.6 | 43.8 | 40.6 |
| 1970 | 55.8 | 16.8 | 27.4 |

[1] Based on December to December dollar changes not seasonally adjusted for each component.
[2] Not definable.

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TABLE 2.—COMPONENTS AS A PERCENTAGE OF TOTAL MONEY SUPPLY, 1960–70

| Last month of year | Member bank demand deposits | Nonmember bank demand deposits | Currency and coin |
|---|---|---|---|
| 1960 | 65.4 | 14.3 | 20.3 |
| 1961 | 65.4 | 14.5 | 20.1 |
| 1962 | 64.6 | 14.9 | 20.5 |
| 1963 | 63.7 | 15.3 | 21.0 |
| 1964 | 63.2 | 15.7 | 21.2 |
| 1965 | 62.3 | 16.2 | 21.4 |
| 1966 | 61.4 | 16.4 | 22.1 |
| 1967 | 61.6 | 16.6 | 21.8 |
| 1968 | 61.1 | 17.1 | 21.8 |
| 1969 | 59.7 | 17.9 | 22.4 |
| 1970 | 59.5 | 17.9 | 22.6 |

[1] Based on last month of year not seasonally adjusted data.

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TABLE 3.—PERCENT ANNUAL RATE OF CHANGE IN COMPONENTS OF THE MONEY SUPPLY, 1960–70 [1]

| Period | Total money supply | Member bank demand deposits | Nonmember bank demand deposits | Currency and coin |
|---|---|---|---|---|
| 1960 | −0.5 | −1.2 | 1.5 | 0.4 |
| 1961 | 3.2 | 3.3 | 4.3 | 2.0 |
| 1962 | 1.5 | .2 | 4.6 | 3.3 |
| 1963 | 3.7 | 2.2 | 6.6 | 6.1 |
| 1964 | 4.7 | 3.8 | 7.0 | 5.7 |
| 1965 | 4.7 | 3.4 | 8.5 | 6.0 |
| 1966 | 2.2 | .7 | 3.6 | 5.4 |
| 1967 | 6.6 | 6.8 | 7.6 | 5.4 |
| 1968 | 7.8 | 7.1 | 11.2 | 7.5 |
| 1969 | 3.1 | .8 | 8.0 | 5.9 |
| 1970 | 5.4 | 5.0 | 5.1 | 6.6 |

[1] December to December changes based on not seasonally adjusted data for each component.

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S. 1953

A bill to require all insured banks to clear checks at par

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding the following subsection:

"(k) No insured bank shall pay any check drawn on it at less than its face amount or make any charge, by exchange or otherwise, against a person in his capacity as payee or indorsee for the payment of such checks and remission of the proceeds thereof. For each violation of this subsection, the offending bank shall be subject to a penalty of not more than $100, which the Corporation may recover for its use."

SEC. 2. The first paragraph of section 13 of the Federal Reserve Act (12 U.S.C. 342) is amended by striking ": *Provided further,* That nothing in this or any other section of this Act shall be construed as prohibiting a member or nonmember bank from making reasonable charges, to be determined and regulated by the Board of Governors of the Federal Reserve System, but in no case to exceed 10 cents per $100 or fraction thereof, based on the total of checks and drafts presented at any one time, for collection or payment of checks and drafts and remission therefor by exchange or otherwise; but no such charges shall be made against the Federal reserve banks".

SEC. 3. The amendments made by this Act shall become effective one year after the date of the enactment of this Act.

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FEDERAL RESERVE SYSTEM,
*Washington, D.C., May 21, 1971.*

Hon. JOHN SPARKMAN,
*Chairman, Committee on Banking, Housing, and Urban Affairs, United States Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: In some areas of the United States, many of the commercial banks that are not members of the Federal Reserve System make charges for the payment of checks drawn on themselves when the checks are presented by mail. These charges are generally known as "exchange charges" and the banks that impose such charges are referred to as "nonpar banks" because they do not pay at par, that is, at face value, all checks drawn on them.

Deposits in checking accounts constitute the bulk of our country's money supply. The efficient operation of our economic machine requires that checks, like currency, be interchangeable at their face value. Present provisions of the Federal Reserve Act expressly prohibit the making of exchange charges against the Federal Reserve Banks and, as a practical matter, all checks drawn on member banks and collected through the Federal Reserve collection system are paid at par. Whatever reasons may have once existed for the making of exchange charges, it is the Board's opinion that, under today's highly developed system of check collection, there is no sound reason for any bank, whether member or nonmember, to pay less than the face amount of checks drawn upon it. Any expense that a bank incurs in the payment of checks should be absorbed by the bank or borne by its customers—the depositors who drew the checks—rather than by the payees or indorsees. This is the practice followed today by most banks.

It is obvious that nonpar banking involves inequities. For example, a seller of goods or services who is willing to accept checks in payment may receive less than the price agreed upon if the purchaser draws his check on a nonpar bank. On the other hand, he may receive full payment even if the check is drawn on a nonpar bank, because some such banks follow a discriminatory practice of "parring" items only for certain persons. In any event, as long as banks are permitted to impose exchange charges, a seller cannot be certain that he will receive full payment for checks that he accepts for his goods or services.

In addition to such inequities, nonpar banking involves unjustified costs and in-

efficiencies. For example, where a collecting bank presents a check to a drawee nonpar bank and pays an exchange charge and the charge is passed back through other collecting banks to the payee's bank and ultimately to the payee, each of the banks as well as the payee must make appropriate reversing entries in its books to take account of the fact that the item was not paid at its face amount.

The unjustified costs and inefficiencies of nonpar banking often take a somewhat different form. Some banks are willing to "absorb" exchange charges on checks cleared through them in return for the maintenance of a minimum deposit by the forwarding bank. To pass a check through such a bank frequently involves circuitous routing, perhaps to places quite distant from the drawee bank, thereby unnecessarily delaying the time of payment of the check.

While nonpar banks today obtain substantial income from charging exchange, banks that have shifted from a nonpar to a par status have been able to operate profitably through the substitution of an appropriate system of service charges levied against their depositors for the expense of handling transactions in their accounts. Thus, while the elimination of exchange charges will greatly facilitate the efficient operation of our nation's banking system, the loss of exchange income should not be detrimental to individual banks.

For the reasons indicated above, the Board, beginning in its Annual Report to the Congress for 1965, has annually recommended enactment of legislation that would require all insured banks to pay checks drawn on them at par, that is, without deduction of exchange charges.

The trend of legislation in this area at the State level has been toward requiring banks to pay the face amount of checks drawn upon them. In recent years, Georgia, Florida, Minnesota, Mississippi, Missouri, North Dakota, South Dakota, and Tennessee have enacted legislation along these lines. However, nonpar banks still exist in Alabama, Arkansas, Louisiana, North Carolina, South Carolina, and Texas.

Accordingly, despite the progress in the direction of par clearance that has been made at the State level, the Board continues to favor enactment by the Congress of a requirement that all insured banks pay at par all checks drawn on them. In order to afford nonpar banks a reasonable time within which to adjust their practices, it is recommended that such legislation be made effective one year after the date of its enactment.

A draft of a bill for this purpose is enclosed.

Sincerely yours,

ARTHUR F. BURNS.

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S. 1954

A bill to enable Federal Reserve banks to invest in certain obligations of foreign governments

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 14(e) of the Federal Reserve Act (12 U.S.C. 358) is amended to read as follows:

"(e)(1) With the approval or upon the direction of the Board of Governors of the Federal Reserve System and subject to such regulations as the Board may prescribe:

"(A) to establish and maintain accounts in foreign countries and to appoint correspondents and establish agencies in such countries:

"(B) to buy and sell through such correspondents or agencies (i) bills of exchange and acceptances arising out of actual commercial transactions that have not more than ninety days to run, exclusive of days of grace, and that bear the signatures of two or more responsible parties, and (ii) any securities that are direct obligations of, or fully guaranteed as to principal and interest by, any foreign government or monetary authority and that have maturities from date of purchase of not exceeding twelve months and are denominated payable in any convertible currency; and

"(C) to establish and maintain accounts for such foreign correspondents or agencies, for foreign banks or bankers, or for foreign states as defined in section 25(b) of this Act.

"(2) Whenever any Federal Reserve bank establishes an account or agency or appoints a correspondent pursuant to this section, any other Reserve bank, with the approval of the Board, may be permitted to conduct, through the Reserve bank establishing such account or agency or appointing such correspondent, any transaction authorized by this section, subject to such regulations as the Board may prescribe."

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FEDERAL RESERVE SYSTEM,
*Washington, D.C., May 21, 1971.*

Hon. JOHN SPARKMAN,
*Chairman, Committee on Banking, Housing and Urban Affairs, United States Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Since February 1962, the Federal Reserve Bank of New York has engaged in foreign currency operations on behalf of the System Open Market Account and under directions of the Federal Open Market Committee. These operations have been encouragingly successful in accomplishing their basic purposes, and have thus helped to safeguard the value of the dollar in international exchange markets.

These operations have been implemented in part by the establishment of reciprocal credit balances or "swap" arrangements between the New York Reserve Bank and foreign central banks. The authorization for System foreign currency operations adopted by the Federal Open Market Committee requires that foreign currency holdings in excess of minimum working balances be invested insofar as practicable, and that such investments be in accordance with the provisions of section 14(e) of the Federal Reserve Act.

Under section 14(e), idle amounts held by the Reserve Bank in an account with a foreign bank may be invested in bills of exchange and acceptances that arise out of actual commercial transactions and have maturities of not more than 90 days, or they may be placed in an interest-bearing time account with the same or some other foreign bank. However, in certain instances there has been a scarcity of such paper for investment, time deposit facilities have not always been conveniently available, and, under present law, such idle funds could not be invested in obligations of foreign governments, such as foreign treasury bills. On the other hand, a foreign central bank having a balance or reciprocal credit or "swap" arrangement with the Federal Reserve Bank of New York may invest idle funds in its account with the Reserve Bank in interest-bearing United States securities.

The disadvantage in this respect under which the Reserve Bank must operate would be remedied by an amendment to section 14(e) of the Federal Reserve Act that would specifically authorize Federal Reserve Banks to buy and sell securities with maturities not exceeding 12 months that are issued or guaranteed by foreign governments.

The Board recommends the enactment of such an amendment to the law. A suggested draft of a bill for this purpose is enclosed.

Sincerely yours,

ARTHUR F. BURNS.

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S. 1955

A bill to eliminate the dollar limitation on the cost for construction of Federal Reserve bank branch buildings

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the ninth paragraph of section 10 of the Federal Reserve Act (12 U.S.C. 522) is repealed.

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FEDERAL RESERVE SYSTEM,
*Washington, D.C., May 21, 1971.*

Hon. JOHN SPARKMAN,
*Chairman, Committee on Banking, Housing and Urban Affairs, United States Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: The Board of Governors recommends repeal of the dollar limitation on the cost for construction of Federal Reserve bank branch buildings.

Under section 10 of the Federal Reserve Act, the aggregate costs incurred by the Reserve Banks for the construction of branch buildings after July 30, 1947, is limited to $60 million. This amount has been almost fully utilized, and the remaining amount will be sufficient to permit construction of only a relatively small proportion of the facilities for which we now see a need.

Repeal of the limitation would not mean that the Reserve Banks could construct whatever branch buildings they consider appropriate. Under the third paragraph of section 3 of the Act the Reserve Banks would still need the Board's approval of their branch building programs. The Board would continue to consider the proposed construction or improvement in the light of the needs of the branch, the type of proposed construction is generally in keeping with the prevailing economic situation.

Repeal of the limitation would mean that the Federal Reserve System would be in a position to continue to provide increases in services that are necessary to keep the System responsive to the needs of the public. As our population grows and shifts it is necessary to increase the quantity and quality of our services and in some cases shift the performance of some functions from one locality to another. While technological improvements in the method of handling many Federal Reserve operations have helped to stem the need for additional space, volume increases have more than offset the savings.

Some idea of the growth in the workload of Reserve bank branches is indicated by the volume increases in the following activities from 1959 through 1969:

*Currency operations:* Increased from 1.5 billion items to 2.1 billion items, or 39 per cent.

*Coin operations:* Increased from 3 billion items to 5.2 billion items, or 74 per cent.

*Check collections:* Increased from 1.4 billion items to 2.7 billion items, or 89 per cent.

The Board would be glad to furnish you with more detailed information concerning the operations of the Reserve bank branches and the recent and planned costs for construction of such facilities, either in conjunction with a hearing on the enclosed draft bill or at such other time as you may consider more appropriate.

Sincerely yours,

ARTHUR F. BURNS.

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S. 1956

A bill to encourage member banks of the Federal Reserve System to invest in community corporations

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by adding at the end thereof the following:

"Tenth. To acquire shares of one or more corporations engaged solely in promoting community welfare, such as the economic rehabilitation and development of low-income areas: *Provided,* That in no event shall a bank's aggregate investment in such shares exceed 2 per centum of its capital stock and surplus. Every investment pursuant to this paragraph shall be subject to such definitions, requirements, and restrictions as may

be prescribed in regulations or orders issued by the Comptroller of the Currency in the case of national banks, or by the Board of Governors of the Federal Reserve System in the case of State member banks."

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FEDERAL RESERVE SYSTEM,
*Washington, D.C., May 21, 1971.*

Hon. JOHN SPARKMAN,
*Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: The Board of Governors recommends legislation to encourage member banks to participate in the improvement of their communities. As leading members of their communities, banks are expected to participate in community programs. In some cases this responsibility can be fulfilled by contributing funds or services. In others, the appropriate form of participation is an investment in stock of a corporation established for a particular purpose.

An example of the kind of investment the Board has in mind would be in a corporation to promote the economic rehabilitation and development of low-income areas. The Congress has specifically provided for some participation by banks in corporations for this purpose. The Housing and Urban Development Act of 1968 amended section 5136 of the Revised Statutes to authorize member banks to purchase stock in community development corporations established pursuant to Title IX of that Act.

The Congress has also enacted legislation that serves as a basis for bank supervisory agencies to permit member banks to participate in community improvement by indirect means. For example, under the recent amendments to the Bank Holding Company Act the Board is authorized to permit a holding company to engage in activities that are so closely related to banking as to be a proper incident thereto. Community improvement is one of several activities the Board has decided meets that test.

Some banks, however, prefer to participate in community programs directly rather than through a collateral affiliate in a holding company. Some prefer to participate through investments in corporations established pursuant to provisions of State laws enacted especially for the purpose of promoting community development. Some prefer to use their initiative and establish the type of corporation they believe will best serve the particular needs of their community.

In view of the strong public interest supporting participation by banks in aiding their communities achieve our national goals, the Board recommends that the Congress enact legislation specifically authorizing national banks to invest in community corporations, whether chartered or sponsored by the federal or state government and whether or not pursuant to a particular statute dealing with community development.

Such legislation would not itself authorize state member banks to invest in community corporations, because the corporate power of a state-chartered bank is a matter of state law. Nonetheless, it would encourage investments by banks in those states that do not prohibit banks from making such investments. It should also encourage states that do prohibit such investments to reexamine their position.

To assure that such investments do not adversely affect the soundness of the individual institution, the Comptroller of the Currency, as to national banks, and the Board of Governors, as to state member banks, should be authorized to impose limitations on the nature and scope of such investments.

A draft bill for this purpose is enclosed. The Board urges its introduction and enactment.

Sincerely yours,

ARTHUR F. BURNS.

By Mr. HARRIS (for himself and Mr. MATHIAS):

S. 1957. A bill to amend the Internal Revenue Code of 1954 to provide for the valuation of a decedent's interest in a closely held business for estate tax purposes. Referred to the Committee on Finance.

Mr. HARRIS. Mr. President, I introduce for myself and the distinguished senior Senator from Maryland (Mr. MATHIAS) a bill to amend the Internal Revenue Code of 1954 to provide for the valuation of a decedent's interest in a closely held business for estate tax purposes.

The primary purpose of this bill is to solve a Federal estate tax problem facing virtually every farm and ranch family in the United States and one, which if not corrected, could result in a virtual end to many types of family enterprise in both business and agriculture in a single generation.

In recent years, an upward trend in the sales prices of farm and ranch properties, primarily caused by speculators investing in land, has produced higher and higher taxes at the death of the farmer or rancher. Often the heirs have little or no cash with which to pay these death taxes. This has already forced the liquidation of many family livestock operations, and could force the sale of countless other ranches and farms on the death of present owners.

In contrast to farms and ranches, the valuation of publicly traded stocks and securities generally reflects their earning power, and such stocks and securities can be sold on death without destroying a family business. Thus, decedents whose estates consist of farms or ranches or other small businesses involving real estate are discriminated against in comparison with those whose estates consist of marketable securities.

The prime reason for the upward trend in valuation is the Internal Revenue Service's interpretation of the requirement in the Federal estate tax regulations that the estate tax be imposed on "market value" of the property held by the decedent at the time of his death. Today the price for which farm or grazing land might sell to speculators is out of all proportion to what it will earn for farm or grazing purposes.

Unfortunately, however, many revenue agents refuse to give any consideration whatsoever to the earning capacity of a ranch or farm in determining its value for estate tax purposes. To the contrary, they rely only on inflated sales prices of similar farms which have been gobbled up by land speculators. Thus, the family which does not have substantial outside assets cannot pay the estate taxes. So, the property has to be sold and cannot be passed on to the next generation.

The bill I am offering is, I believe, a sound approach to this problem. It would also assist the small businessman and applies to any case where a decedent owned an interest in a closely held business whether in proprietorship, partnership, or corporate form.

The bill provides that the estate's representatives would have the option of having the decedent's interest in the business valued either at its market value, as at present, or the higher of the decedent's cost basis or a value based on the reasonable earning power of the business. In order to qualify for this option, my bill provides that the decedent must have been in the business for at least 10 years prior to his death, and his heirs would have to continue the business for at least 5 years after his death. In addition, this bill would provide that under the market value alternative all relevant factors should be considered in valuing a business interest, including the earning capacity of the business and the degree of control represented by the interest being valued.

Mr. President, I am hopeful that at long last we can take action to solve this problem. I introduced this legislation in the 90th Congress and again in the 91st Congress. The need for corrective legislation has been increasing and further delay would indeed be unfortunate.

Mr. President, I ask that the bill be printed at this point in the RECORD.

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

S. 1957

A bill to amend the Internal Revenue Code of 1954 to provide for the valuation of a decedent's interest in a closely held business for estate tax purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) section 2031 of the Internal Revenue Code of 1954 (relating to gross estate) is amended by adding at the end thereof the following new subsection:

"(c) VALUATION OF INTERESTS IN A CLOSELY HELD BUSINESS.—

"(1) GENERAL RULE.—The value of a decedent's interest in a closely held business shall be determined, at the election of the executor, by either—

"(A) the value of the interest in a closely held business as determined without reference to this subsection (except paragraph (5)), or

"(B) the higher of—

"(i) the adjusted basis of the interest in a closely held business as determined under section 1011, or

"(ii) the operating value of the interest in a closely held business which shall be an amount equal to the average annual operating return for the base period multiplied by the capitalization factor.

"(2) LIMITATIONS ON OPERATION OF GENERAL RULE.—If—

"(A) an interest in a closely held business has not been held by the decedent for the base period (including any period subsequent to the time of his death and prior to the valuation date), or

"(B) such interest is sold or exchanged within 5 years after the decedent's death,

then the value of such interest shall be determined under paragraph (1)(A). For purposes of subparagraph (A), if the decedent's basis in such interest is determined in whole or in part by reference to the basis in the hands of a transferor, donor, or grantor, or by reference to other property held at any time by the decedent, then the holding period of such transferor, donor, or grantor, or the decedent with respect to such other property, shall be included in determining the period for which the decendent held such interest.

"(3) TIME AND SCOPE OF ELECTION.—The election provided for in this subsection shall be exercised by the executor not later than the time prescribed by section 6075(a) for

filing the return with respect to the estate tax (including extensions thereof), and shall be made in such manner as the Secretary or his delegate shall prescribe by regulations. Such election shall apply only to interests in a closely held business which the executor specifies in such election. If an election is not specified by the executor, the value of an interest in a closely held business shall be determined under paragraph (1)(A).

"(4) DEFINITION OF TERMS.—For purposes of this subsection—

"(A) INTEREST IN A CLOSELY HELD BUSINESS.—The term 'interest in a closely held business' shall mean an interest in a closely held business as defined in section 6166(c).

"(B) CAPITALIZATION FACTOR.—The term 'capitalization factor' shall mean that numerical quotient obtained by dividing 100 percent by the percent per annum common stock yield shown in the earnings-price ratio index for the calendar quarter ending immediately prior to the valuation date as published in the Federal Reserve Bulletin.

"(C) OPERATING RETURN.—The term 'operating return' shall mean that part of the taxable income of the closely held business which bears the same ratio to the entire taxable income of the closely held business for a taxable year (as defined in section 63 but excluding therefrom the deduction for capital gains provided by section 1202), as the decedent's interest in a closely held business bears to the total interests in the closely held business.

"(D) AVERAGE ANNUAL OPERATING RETURN.—The term 'average annual operating return' shall mean one-tenth of the sum of the base period operating returns for the base period.

"(E) BASE PERIOD.—The term 'base period' means the 10 consecutive taxable years of the closely held business immediately preceding the valuation date. In the case of any base period year which is a short taxable year, this subsection shall be applied in the manner provided in regulations prescribed by the Secretary or his delegate.

"(F) VALUATION DATE.—The term 'valuation date' shall mean either the date of the decedent's death or the alternate valuation date provided for in section 2032.

"(5) SPECIAL RULE.—In the case of an interest in a closely held business the value of which is not determined under paragraph (1)(B), the value thereof shall nevertheless be determined by taking into consideration, in addition to all other factors, the demonstrated earning capacity of such business and the degree of control of such business represented by such interest."

(b) Section 1014(a) of the Internal Revenue Code of 1954 (relating to basis of property acquired from a decedent) is amended by inserting before the period at the end thereof a comma and the following: "or, in the case of an interest in a closely held business, the value thereof as determined under section 2031(c) at the applicable valuation date".

SEC. 2. The amendments made by the first section of this Act shall apply only with respect to estates of decedents dying after the date of the enactment of this Act.

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By Mr. HUMPHREY:

S. 1958. A bill to establish a National Domestic Development Bank to provide an alternative source of credit to State and local governments for the purpose of financing public and quasi-public facilities of all types, and for other purposes. Referred to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL DOMESTIC DEVELOPMENT BANK ACT OF 1971

Mr. HUMPHREY. Mr. President, I am today introducing the National Domestic Development Bank Act of 1971. This bank will provide a major new source of capital funds and technical assistance for cities and towns across the Nation to undertake a wide range of vitally needed public projects.

Cities, townships, school districts and other governing bodies desperately need new health centers, sewage treatment facilities, recreational areas, fire departments, schools, day-care centers, water purification, and treatment plants.

Yet, these same municipalities are strapped to pay for modern facilities. Money has always been a problem. It was one when I was mayor of Minneapolis over 20 years ago. Today, the lack of finances has a new urgent quality: cities are fast approaching the fiscal breaking point.

In short, with high property taxes, income taxes, increased sales taxes, wage taxes, death taxes, outmoded methods of financing public construction, and soaring operating expenses, local governments are not about to undertake public facility projects which they simply cannot afford.

But, these local governments are confronted with the hard fact that they cannot afford not to build:

A lack of public development will mean fewer jobs.

It will mean drab and unstimulating school buildings.

It will mean inadequate medical and hospital centers.

It will mean poorer services in our communities.

It will mean a cutback in the investment of private resources.

And, it will mean a continuation of the urban and rural crisis.

There is a staggering backlog of public facility construction applications awaiting the commitment of Federal funds. This was documented in hearings on March 3 and 4, 1971, before the Housing and Urban Affairs Subcommittee of the Senate Committee on Banking, Housing, and Urban Affairs.

The program backlog for urban renewal amounts to more than $2.75 billion for 900 projects. The unmet demand for water and sewer facility construction totals $2.5 billion. There is a $560 million backlog in public housing—with 474 localities calling for the construction of some 263,000 units—and an unmet request from our cities for $645 million for assisted lower- and moderate-income housing. The Model Cities program, which held such great promise, saw only 50 percent of initial applications and 30 percent of initial program budgets approved under the original Federal budget for fiscal 1971. Our States and cities have submitted some 103 new and 14 amendatory applications for capital grants and loans to improve their mass transit systems, with a total project cost estimated at over $7.1 billion, including a Federal share of more than $2.3 billion.

The administration has impounded funds appropriated by Congress for the current fiscal year to begin construction on 145 more public works projects—$91.7 million—across the Nation. This executive branch action has also focused national concern on unmet needs for school and college assistance, hospital construction and modernization, the building of additional court facilities and correctional institutions, rural conservation and pollution abatement projects, and nationwide highway and airport development programs.

To meet the public development demands of our Nation, we need a bold and imaginative way of mobilizing capital.

The United States is a leading partner in international banks assisting the development of other nations—the World Bank, the Asian Development Bank, and the Inter-American Development Bank, with authorized capital levels ranging from $1.1 billion to $27 billion.

Why cannot these established principles of international financing be applied in our own Nation? Why cannot this assistance given to other countries to develop public facilities and an economic base, also be extended to our own cities and towns faced with the decline of public services and the outmigration of businesses?

The National Domestic Development Bank Act proposes that we do, in fact, direct the same form of extensive financial assistance to our critical public development needs at home. It is based on long established principles of public financing. I need only cite the precedents of the Reconstruction Finance Corporation, the Federal Land Banks, the Banks for Cooperatives, the Federal Intermediate Credit Banks, the Rural Electric Bank, and the Rural Telephone Bank.

These institutions were created to bring in capital at a time and place when the need was critical. Their financial investment success in transforming despair into opportunity for millions of Americans enabled them to evolve as independent, quasi-public organizations. The same public demand, and the same institutional organization, govern the establishment of the National Domestic Development Bank.

The National Domestic Development Bank will be a national institution sponsored by the Federal Government. But it will emphasize decisionmaking at the local level where the problems are known first hand. Communities and regions will determine their own development priorities under a comprehensive plan.

The Presidentially appointed Board of Directors will be composed of Federal, State, county, and local officials as well as representatives of the general public.

The bank's lending activities will be carried out directly through regional operating divisions. Each region will have an advisory committee broadly representative of local governments, economic groups, and the public.

The bank I propose will have a primary capitalization of $3.5 billion. This initial capital will be raised mainly through public stock subscriptions, and dividend income will be partially exempt from the Federal income tax in order to provide an incentive for investors. The lending power of the bank will be multiplied by the issuance of bonds on the national investment market.

National Domestic Development Bank loans will be made for the following purposes:

First, cities, counties, and States will be able to borrow money for basic com-

munity facilities at rates comparable to municipal bonds.

Second, 40-year loans also will be available to nonprofit or quasi-governmental organizations receiving Federal funds and pursuing public purposes for the construction of housing, medical, and other public facilities.

Third, loans over a 20-year period will be made to business organizations for economic development purposes in specially designated areas.

While financial assistance is crucial, it is not enough. To achieve sound community and economic development, the bank will offer technical assistance in the planning of projects, the coordination of other funding sources, and the integration of current Federal programs with the overall development plans of the community.

And, finally, the National Domestic Development Bank will not just help build facilities; it will also act as a protector of the environment. Too often, public development is merely a way to produce concrete shells. This bank will have a broader responsibility. It will require that every project plan guarantees that the earth, water, and air will be preserved in their natural beauty and healthfulness.

But I believe the bank must also develop the technical and financing expertise that is essential in anticipating the environmental impact of a rapidly changing and expanding technology in the United States. In addition to community and economic development, there is a basic demand in this Nation for substantially increased energy resources and for greatly improved transportation facilities and systems. An escalating pollution hazard will be the natural consequence of intensive efforts to meet these basic needs, unless effective assistance is provided to communities and our various industrial sectors to meet the environmental protection standards that will be increasingly applied and enforced by Government.

It is important, at this point, to emphasize the basic philosophy and objectives of the financing of public development under this act.

The National Domestic Development Bank will provide an orderly, continuing source of capital funds for our financially beleaguered communities.

It will allow us to tackle local financial problems in a rational and comprehensive way by eliminating the stop-start history of public construction.

It will multiply the purchasing power of Federal, State, and local revenues by amassing long-term credit commitments for public construction.

It will expedite Federal financial aid and end the application backlog problems plaguing our cities and institutions.

It will facilitate economic development in areas of this Nation confronted with high unemployment.

It is a development program for all the communities of America.

It can mean industrial parks and more jobs.

It can mean good schools, libraries, and medical and hospital centers close to the people.

It can mean an end to the deterioration of our transportation systems and the extensive development of mass transit facilities.

It can mean better police and fire departments.

It can mean parklands and clean water and well-planned waste disposal and treatment facilities.

It can mean comprehensive day care and community service centers.

It can give our people new recreational areas and campsites.

It can provide expanded adult education, job training, and cultural enrichment opportunities.

It can help produce good lower and moderate-income housing, in planned open-space residential neighborhoods.

And it can make possible an overdue start on the renewal of business centers in our small towns and core cities.

The National Domestic Development Bank Act can launch a comprehensive attack upon urban and rural blight. It can trigger new private investment and provide jobs in a slumping economy.

The list of needed public development has no end.

We have neglected public development too long. And, we have succeeded in becoming a nation that is privately wealthy but publicly poor.

The time to redress that imbalance is now.

Revenue sharing can bring only partial relief to the fiscal crisis facing our State and local governments.

In 1968, the Bureau of the Budget estimated capital financing needs for public development would reach $528 billion over a 10-year period. With inflation and a rising public demand for improved services, it is now expected that this public facility construction cost estimate will more than double within a decade.

Money costs will be higher and so will the already high price of municipal bonds. It is time that we changed our antiquated methods of financing public construction to meet the mounting needs of our growing population.

The bill I am introducing today evolved from my work with mayors, county commissioners, and other local officials, when, as Vice President, I maintained a continuous and direct liaison with local governments in the channeling of Federal assistance to meet their immediate problems.

Based on this firsthand experience, it is my firm conviction that the cost of inaction, the cost of permitting the public needs of America to pile up unmet, is too great a price to pay.

The cost to the Federal Government in establishing the National Domestic Development Bank will be a small fraction of the development value the Bank can generate.

Let us begin now on our urgent domestic agenda.

Let us begin now to shape our future, to build an America that addresses both the physical needs of our people and the spirit of man as well.

Mr. President, I ask unanimous consent that a section-by-section summary, a question and answer description, and the full text of the National Domestic Development Bank Act be printed at this point in the RECORD.

There being no objection, the bill, summary, and description were ordered to be printed in the RECORD, as follows:

S. 1958

A bill to establish a National Domestic Development Bank to provide an alternative source of credit to State and local governments for the purpose of financing public and quasi-public facilities of all types, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "National Domestic Development Bank Act".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds and declares that—

(1) population increases and rising demands for a safe and prosperous life have created an unprecedented demand for (A) basic community facilities, such as streets, schools, hospitals, housing, water, sewer, waste disposal, and mass transit facilities, and parks and playgrounds, and (B) economic development in urban ghettos, disaster areas, and labor surplus areas, as well as in new towns and new cities;

(2) the existing institutional structure for providing funds—the municipal bond-Federal grant arrangement—cannot provide at reasonable cost the amounts necessary to satisfy these growing demands. The financial needs of our growing communities require the full mobilization of skills and resources in all levels of government, Federal, State, and local, as well as in the private sector; and

(3) the most effective use of funds can only be made when information and technical expertise regarding engineering requirements, financial and economic factors, Federal programs and funding levels, and comprehensive area problems and planning are readily available from a single source.

(b) The purpose of this Act is to establish a National Domestic Development Bank system which will provide an alternative source of funds for community facilities and economic development, which will involve national investment markets and all groups of investors, and which will furnish information to coordinate Federal, State, and local programs with local problems and governments.

DEFINITIONS

SEC. 3. As used in this Act—

(1) "Bank" means the National Domestic Development Bank established by section 4;

(2) "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific Islands, or any agency or instrumentality thereof;

(3) "local government" means any county, municipality, or other political subdivision of a State, or any agency or instrumentality thereof, or any school or other special district created by or pursuant to State law; and

(4) "obligation" means any bond, note, debenture, or other instrument evidencing debt.

ESTABLISHMENT OF BANK

SEC. 4. (a) There is hereby created a body corporate to be known as the National Domestic Development Bank, which shall have succession until dissolved by Act of Congress. The Bank, which shall not be an agency of the United States Government, shall maintain such offices as may be necessary or appropriate in the conduct of its business. For the purposes of jurisdiction and venue, the Bank shall be deemed a citizen and resident of the District of Columbia.

(b) No individual, association, partnership,

or corporation, except the Bank, shall hereafter use the words "National Domestic Development Bank" as the name or a part thereof under which he does business.

GENERAL POWERS

SEC. 5. The Bank shall have, in addition to the special authority conferred by section 8 of this Act, the power—

(1) to sue and be sued, and complain and defend, in its corporate name and through its own counsel;

(2) to adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) to adopt, amend, and repeal, by the board, such bylaws, rules and regulations as may be necessary for the conduct of its business;

(4) to conduct its business, carry on its operations, have offices, and exercise the powers granted by this Act in any State without regard to any qualification or similar statute in any State;

(5) to lease, purchase, or otherwise acquire, and own, hold, improve, use, or otherwise deal in and with, any property, real, personal, or mixed, or any interest therein, wherever situated;

(6) to accept gifts or donations of services, or of property, real, personal, or mixed, tangible or intangible, in aid of any of the purposes of the Bank;

(7) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of its property and assets;

(8) to appoint such officers, attorneys, employees, and agents as may be required, to determine their qualifications, to define their duties, to fix their salaries, and to require bonds for them and fix the penalty thereof; and

(9) to enter into contracts, execute instruments, incur liabilities, and do all things which are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

BOARD OF DIRECTORS; MANAGEMENT

SEC. 6. (a) The Bank shall have a board of directors which shall initially consist of fifteen members to be appointed by the President of the United States as follows:

(1) one member to be appointed from the Federal Reserve System;

(2) four members to be appointed from among the heads of departments and agencies in the Executive branch of the Government;

(3) four members to be appointed from among those who represent the public generally, one of whom shall be appointed, by and with the advice and consent of the Senate, to serve as President of the Bank and chairman of the board of directors;

(4) two members who are Governors of States from among nominees of het National Governors' Conference;

(5) two members who are elected officials of county governments from among nominees of the National Association of County Officials; and

(6) two members who are elected officials of city governments from among nominees of the National League of Cities.

(b)(1) Directors appointed under clauses (1), (2), and (3) of subsection (a) of this section shall serve at the pleasure of the President or until their successors have been appointed.

(2) One director initially appointed pursuant to each of clauses (4), (5), and (6) shall be designated by the President of the United States to serve until the first annual meeting of the stockholders, and one director appointed pursuant to each such clause shall be designated by the President of the United States to serve until the second annual meeting of the stockholders. Vacancies occurring pursuant to this paragraph at the time of each such annual meeting shall be filled by election by the stockholders at such meeting from among nominees as provided in subsection (a) of this section. Directors elected pursuant to this subsection shall serve for terms of two years. The board may appoint a member to serve for any unexpired term of any such director.

(c) The board shall hold regular bimonthly meetings and shall hold other meetings at the call of the chairman. A majority of the board shall constitute a majority for the transaction of business. Any vacancy in the board shall not affect its powers or duties.

(d) Any director who is an officer or employee of the United States shall serve without additional compensation for his services as a director.

(e) The management of the Bank shall be vested in the President of the Bank, subject to such policies as the board of directors shall prescribe from time to time.

INITIAL EXPENSES

SEC. 7. In order to facilitate the formation of the Bank, the Secretary of the Treasury is authorized to pay initial organizing and operating expenses. There is hereby authorized to be appropriated a sum not to exceed $500,000 for this purpose.

SPECIAL AUTHORITY

SEC. 8. (a) Subject to the provisions of this Act, the Bank is authorized—

(1) to make commitments to purchase, and to purchase, service, and sell, on terms and conditions determined by the Bank, any obligation (or participation therein) of a State or local government issued wholly or partly to finance the construction of basic community facilities or public works of any type;

(2) to make or guarantee loans to State and local governments to finance the construction of basic community facilities and public works of all types (including loans to nonprofit or quasi-governmental organizations and entities to finance the construction of housing, medical facilities, and other facilities which are supported by Federal or State programs and are determined by the Bank to have the attributes of public facilities); and

(3) to make loans for the purpose of facilitating economic development in geographical areas designated by the Council of Economic Advisers as being low income, depressed, or labor surplus areas, disaster areas, or areas in need of direct investment to further the national public interest or other special help to stimulate economic activities within those areas.

(b) The Bank shall develop criteria to assure that projects assisted by it are not inconsistent with comprehensive planning for the development of the communities in which they will be located, or disruptive of Federal programs which authorize assistance for the development of like or similar categories of projects, or inconsistent with Federal policies directed at the protection of the environment.

(c) A loan made or guaranteed under this section may not exceed the total capital cost of the project to be financed, and shall be made for a term determined by the Bank; except that the term of a loan made under paragraph (2) of subsection (a) shall not exceed the life of the project or forty years, whichever is less, and the term of a loan made under paragraph (3) of subsection (a) to a private person for a project consisting primarily of profitmaking facilities shall not exceed twenty years.

(d) All obligations purchased and loans made pursuant to this section shall bear interest at a rate determined by the Bank which shall be low enough to be competitive with municipal bonds.

(e) In any case in which the Bank undertakes to provide assistance to a State or local government under subsection (a) for the construction of a project for which a department or agency of the Federal Government (under another law of the United States) will also provide funds.

(1) the assistance provided by the Bank under subsection (a) may be in the full amount needed by the State or local government to finance such construction (including the amount of the funds which will be provided by such department or agency), with the funds to be provided by such department or agency with respect to such construction thereupon becoming payable (notwithstanding any contrary provision in the law under which they are payable) to the Bank in lieu of being paid directly to such government, and

(2) the Bank may accept in return (A) an obligation or obligations of such State or local government covering only the difference between such full amount and the amount of the funds which are payable with respect to such construction by such department or agency, plus (B) a commitment from such department or agency to pay the funds which are to be provided by it and are payable to the Bank as described in paragraph (1),

in order to insure that such State or local government will not have to include within its debt limit that portion of the indebtedness incurred for the financing of such construction which is attributable to funds provided by the Federal Government.

(f) The Bank is authorized to establish a financial and technical advisory staff for any metropolitan area upon a determination by the board that the amount of the Bank's activity in such area is sufficiently large to support a full financial and technical advisory staff. The staff shall process applications and requests for assistance from that area and shall assist applicant in obtaining such assistance.

(g) Except as otherwise specifically provided in this Act, the Bank may impose charges or fees for its services with the objective that all costs and expenses of its operations should be within its income derived from such operations.

REGIONAL OPERATING DIVISIONS

SEC. 9. (a) The Bank shall establish regional operating divisions. Each division shall be charged with responsibility for assessing borrower eligibility, and making loans within its region or geographical area. To the maximum extent feasible, the boundaries of the regions or geographical areas respectively represented by the several regional operating divisions shall be the same as the boundaries of the areas respectively served by the regional offices of the various Federal departments and agencies.

(b) Each regional operating division shall transact all of the Bank's business within its region with the assistance of the metropolitan area advisory staffs.

(c) Each regional operating division shall be supervised by a three member panel appointed by the board. In addition, an advisory committee of not less than eighteen nor more than twenty-five persons representing all governments and all socioeconomic levels within the division's region shall be appointed by the board to develop policies and guidelines for the division's activities.

TECHNICAL ASSISTANCE

SEC. 10. (a) The Bank shall have, in addition to a staff adequately equipped in the field of development banking, personnel qualified to give advice in the following fields (and any other categories of advice appropriately related to the Bank's activities):

(1) The Federal Government, particularly its organization and operation relating to State and local governments.

(2) All phases of all Federal grant-in-aid programs.

(3) Methods of administering the development and operation of community facilities.

(4) Technical data and requirements in

fields appropriately related to the Bank's activities, including the following:

(A) roads, hospitals, schools, and airports;

(B) urban mass transit systems and bridges;

(C) housing, municipal buildings, and parks;

(D) courthouses;

(E) water and sewage facilities and air pollution controls; and

(F) commercial developments.

(b) The Bank shall give any necessary technical assistance under this section to applicants for assistance under section 8. No fees for preliminary advice shall be charged; however, after an application has been accepted for processing, the Bank may charge reasonable fees for continued assistance under this subsection.

(c) The Bank is also authorized to undertake research and information gathering, and to facilitate the exchange of advanced concepts and techniques relating to municipal growth and development among State and local governments.

STOCK

SEC. 11. (a) The Bank shall have one class of common stock, which shall have voting rights and have a par value of $100 per share. Stock shall be sold to investors throughout the country.

(b) All moneys received by the Bank in return for its common stock shall be accumulated in a stated capital account. All net earnings from the operations of the Bank shall annually be transferred to its general surplus account. Such dividends as may be declared shall be paid by the Bank to the holders of its common stock and shall be charged against the general surplus account, but in any one fiscal year dividends shall not exceed 6 percent of the par value of the common stock issued and outstanding and shall be payable out of the net earnings of the Bank for that year.

CAPITALIZATION OF THE BANK

SEC. 12. The Bank's stated capital shall be limited to $3,500,000,000, which shall be raised, insofar as it is feasible, by the sale of the Bank's common stock, and the remainder shall be provided as follows:

(1) The Secretary of the Treasury is authorized to purchase obligations of the Bank in the amount of $300,000,000 a year for a period of ten years. If the Secretary finds it is necessary for the successful operation of the Bank to waive the payment of interest and principal for any given year such interest shall then be added to the principal of the obligation. The Bank is authorized to include appropriate provisions in the instruments evidencing the obligations provided for in this paragraph. Each purchase of obligations by the Secretary under this paragraph shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities. The Secretary may sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this paragraph.

(2) The Secretary of the Treasury is additionally authorized to purchase debentures of the Bank in the amount of $300,000,000 on emergency call of the Bank.

(3) Each public borrower from the Bank at the time of receiving loans shall be required to purchase stock until it holds an amount of stock equivalent to $.50 per capita for each person within its jurisdiction or for each person expected to be served by the facility or facilities involved. The borrower shall purchase stock equal to one-twentieth of the amount of his loans until he reaches the $.50 per capita maximum requirement. For the purposes of paragraphs (1) and (2) of this section, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include such purchases. All redemptions, purchases, and sales of obligations or debentures under such paragraphs shall be treated as public debt transactions of the United States.

OBLIGATIONS OF THE BANK

SEC. 13. (a) The Bank is authorized to issue and have outstanding obligations (including but not limited to the obligations and debentures described in section 12) having such maturities and bearing such rates of interest as may be determined by the Bank. Such obligations may be redeemable at the option of the Bank before maturity in such manner as may be stipulated therein. The amount of the Bank's indebtedness outstanding at any one time shall be limited to fifty times the Bank's paid-in stated capital.

(b) The Government National Mortgage Association (hereafter referred to as the "Association") is authorized, upon such terms and conditions as it may deem appropriate, to guarantee the timely payment of principal of and interest on such obligations (other than obligations and debentures described in section 12) as shall be issued by the Bank. The Association shall collect from the Bank a reasonable fee for any guaranty under this subsection and shall make such charges as it may determine to be reasonable for the analysis of any obligation proposed to be issued by the Bank. In the event the Bank is unable to make any payment of principal of or interest on any obligation guaranteed under this subsection, the Association shall make such payment as and when due in cash, and thereupon shall be subrogated fully to the rights satisfied by such payment. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.

FEDERAL PAYMENTS TO THE BANK

SEC. 14. (a) With respect to such amounts of loans of the Bank as may be specified in appropriation Acts, the Secretary of the Treasury is authorized to make, and to contract to make, annual payments to the Bank in such amounts as are necessary to equal the amount by which the dollar amount of interest paid by the Bank on account of its outstanding obligations exceeds the dollar amount of interest received by the Bank on account of obligations purchased or loans made by it pursuant to section 8.

(b) There are authorized to be appropriated to the Secretary of the Treasury such sums as may be necessary to carry out his functions under this Act, including such sums as may be necessary to make the annual payments required by contracts entered into by the Secretary of the Treasury pursuant to subsection (a) of this section.

FEDERAL INSURANCE OF OBLIGATIONS TO THE BANK

SEC. 15. (a) The Secretary of Housing and Urban Development (hereinafter in this section referred to as the "Secretary"), upon application by the Bank, is authorized to insure any loan made by the Bank under section 8(a) (including, for purposes of this section, any obligation purchased as provided in paragraph (1) thereof), and to issue a commitment for the insurance of any such loan prior to the date of its execution or disbursement thereon upon a determination that all of the applicable criteria established by or under this Act will be met with respect to such loan.

(b) The insurance of any loan under subsection (a) and any payments pursuant thereto shall be made on such terms and conditions, and in such manner and form, as the Secretary shall by regulations prescribe, and shall provide for the payment in full to the Bank of the outstanding principal balance of the loan together with any unpaid interest, upon default by the borrower, in accordance with procedures set forth in such regulations.

(c) The Secretary is authorized to charge and collect premiums for insurance under this section. Such premiums shall be fixed at the lowest possible levels which are determined by the Secretary to be reasonable and sufficient to keep the insurance program under this section in a sound and secure condition and maintain the fund established by subsection (d) at a level adequate to meet all anticipated losses, but in any event shall be lower for loans made under paragraphs (1) and (2) of section 8(a) than for loans made under paragraph (3) of such section.

(d)(1) There is established a revolving fund to be used by the Secretary in carrying out his functions under this section. All premiums charged as provided in subsection (c), and all other receipts under the insurance program, shall be deposited in the fund. All payments with respect to insurance under this section shall be made from the fund. Moneys in the fund not needed for the payment of current operating expenses or the payment of insurance under the program may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States.

(2) There is authorized to be appropriated as initial capital for the revolving fund established by paragraph (1) the sum of $10,000,000.

(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Secretary shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 16. (a) The financial transactions of the Bank shall be audited by the General Accounting Office in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as may be prescribed by the Comptroller General of the United States. The audit shall be conducted at the place or places where the accounts are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Bank and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositaries, fiscal agents, and custodians.

(b) The expenses of any audit performed under this section shall be borne out of appropriations to the General Accounting Office, and appropriations in such sums as may be necessary for this purpose are authorized. The Bank shall reimburse the General Accounting Office for the full cost of any such audit, and the General Accounting Office shall deposit sums received as reimbursed into the Treasury as miscellaneous receipts.

AUDIT REPORT TO CONGRESS

SEC. 17. A report of each such audit of the Bank for any fiscal year shall be made by the Comptroller General to the President and to the Congress not later than six months following the close of such fiscal year. The report shall set forth the scope of any such audit and shall include a statement (showing intercorporate relations) of assets and liabilities; a statement of capital

and surplus or deficit; a statement of surplus or deficit analysis; a statement of income and expense; a statement of sources and application of funds; and such comments and information as may be deemed necessary to keep the Congress informed of the operations and financial condition of the Bank, together with such recommendations with respect thereto as the Comptroller General may deem advisable, including a report of any impairment of capital or lack of sufficient capital noted in the audit. A copy of each report shall be furnished to the Secretary of Housing and Urban Development, the Secretary of the Treasury, and the Bank.

TAX EXEMPTION

SEC. 18. (a) The Bank, its property, its franchise, capital, reserves, surplus, security holdings, and other funds, and its income shall be exempt from all taxation now or hereafter imposed by the United States or by any State or local taxing authority: except that (1) any real property and tangible personal property of the Bank shall be subject to Federal, State, and local taxation to the same extent according to its value as other such property is taxed, and (2) any and all obligations issued by the Bank shall be subjected both as to principal and interest to Federal, State, and local taxation to the same extent as the obligations of private corporations are taxed.

(b)(1) Subsection (a) of section 116 of the Internal Revenue Code of 1954 (relating to partial exclusion from gross income of dividends received by individuals) is amended to read as follows:

"(a) Exclusion from Gross Income.—

"(1) DOMESTIC CORPORATIONS.—Gross income does not include amounts received by an individual as dividends from domestic corporations (other than the National Domestic Development Bank), to the extent that the dividends do not exceed $100.

"(2) NATIONAL DOMESTIC DEVELOPMENT BANK.—Gross income does not include 50 percent of the amounts received by an individual during any taxable year as dividends from the National Domestic Development Bank."

(2) Such section 116 is further amended by striking out "Subsection (a)" in subsection (b) and inserting in lieu thereof "Subsection (a)(1)".

NATURE OF STOCK AND OBLIGATIONS

SEC. 19. (a) All obligations issued by the Bank shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under authority or control of the United States or of any officer or officers thereof. All stock and obligations issued by the Bank pursuant to this Act shall be deemed to be exempt securities within the meaning of laws administered by the Securities and Exchange Commission, to the same extent as securities which are direct obligations of or obligations guaranteed as to principal or interest by the United States.

(b) The Federal Reserve banks are authorized and directed to act as depositaries, custodians, and fiscal agents for the Bank, for its own account or as fiduciary, and such banks shall be reimbursed for such services in such manner as may be agreed upon; and the Bank may itself act in such capacities, for its own account or as fiduciary, and for the account of others.

PREPARATION OF OBLIGATION

SEC. 20. In order to furnish obligations for delivery by the Bank, the Secretary of the Treasury is authorized to prepare such obligations in such form as the board may approve, such obligations when prepared to be held in the Treasury subject to delivery upon order by the Bank. The engraved plates, dies, bed pieces, and so forth, executed in connection therewith, shall remain in the custody of the Secretary of the Treasury. The Bank shall reimburse the Secretary of the Treasury for any expenditures made in the preparation, custody, and delivery of such obligations.

UNITED STATES NOT LIABLE

SEC. 21. Except as otherwise specifically provided in this Act, the United States shall not be liable for any debts, defaults, acts, or omissions of the Bank.

ANNUAL REPORT

SEC. 22. The Bank shall, as soon as practicable after the end of each fiscal year, transmit to the President and the Congress an annual report of its operations and activities.

AMENDMENTS RELATING TO FINANCIAL INSTITUTIONS

SEC. 23. (a) The sixth sentence of the seventh paragraph of section 5136 of the Revised Statutes (12 U.S.C. 24) is amended by inserting "or obligations of the National Domestic Development Bank," immediately after "or obligations, participations, or other instruments of or issued by the Federal National Mortgage Association or the Government National Mortgage Association,".

(b) Section 5200 of the Revised Statutes (12 U.S.C. 84) is amended by adding at the end thereof the following new paragraph:

"(14) Obligations of the National Domestic Development Bank shall not be subject to any limitation based upon such capital stock and surplus."

(c) The first paragraph of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464 (c)) is amended by inserting "or in obligations of the National Domestic Development Bank;" in the second proviso immediately after "any political subdivision thereof;".

(d) Paragraph (2) of section 14(b) of the Federal Reserve Act (12 U.S.C. 355) is amended by inserting ", or any obligation of the National Domestic Development Bank" immediately before the period at the end thereof.

SEPARABILITY

SEC. 24. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the Act, and the application of such provision to other persons or circumstances, shall not be affected.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 25. There are authorized to be appropriated, without fiscal year limitation, such sums as may be necessary to carry out the purposes of this Act.

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SECTION-BY-SECTION SUMMARY—NATIONAL DOMESTIC DEVELOPMENT BANK ACT

Sec. 2: Sets forth the Findings of Congress which make this bill necessary; that there is an unprecedented demand for community facilities to provide for our growing population and that an alternative method for financing these facilities is imperative. It states that the purpose of the Act is to create a National Domestic Development Bank System.

Sec. 3: Contains definitions of terms used in the Act.

Sec. 4: Establishes the Bank as a body corporate and reserves the use of the name "National Domestic Development Bank".

Sec. 5: Grants the Bank the general powers of a corporation.

Sec. 6: Provides for an initial fifteen (15) member Board of Directors, to be appointed initially by the President, with the following composition:

1 representing Federal Reserve System

4 representing departments and agencies of the Federal government

4 representing the public generally (appointed by the President with advice and consent of the Senate)

2 State governors (nominated by the National Governors Conference)

2 elected officials of county government (nominated by the National Association of County Officials)

2 elected officials of city government (nominated by the National League of Cities)

Subsequently, the representatives of state and local governments will be elected from those nominated by stockholders of the Bank.

Sec. 7: Authorizes $500,000 for organizational and initial operating expenses.

Sec. 8: Outlines the special authority of the Bank:

(a)(1) To purchase obligations of state and local governments issued to finance community facilities or public works of any type

(2) To make or guarantee loans to

(a) State and local governments

(b) Nonprofit and quasi-governmental entities for financing projects supported by state or Federal programs or otherwise having the attributes of public facilities

(3) To make loans for economic development in areas designated by Council of Economic Advisers as needing government assistance.

(b) To reject any projects inconsistent with comprehensive planning for the communities being served.

(c) To loan money for up to forty (40) years for public facilities and twenty (20) years for economic development projects.

(d) To set interest rates competitive with rates on municipal bonds.

(e) To loan the entire cost of a project which is partly financed by a Federal assistance program, taking back obligations from both the local and the Federal government for their respective shares so that only the amount of the local share will be counted for its debt limit.

(f) To provide a financial and technical advisory staff for each active metropolitan region.

(g) To impose appropriate fees and charges.

Sec. 9: Provides that the Bank's lending activity will be carried out through regional operating divisions supervised by a three (3) member panel appointed by the Board of Directors. Each region will also have an advisory committee of 18 to 25 persons broadly representative of governments, and economic groups within the region.

Sec. 10: Authorizes assembly of a staff to give technical and economic advice including preliminary assistance with applications to the Bank and general advice during the construction period. In addition the Bank may undertake research and facilitate information exchange among Bank customers.

Sec. 11: Provides for one class of common, voting stock with a $100 par. Dividends in any one year may not exceed six per cent (6%) of the value of stock outstanding and must be paid out of net earnings.

Sec. 12: Capitalizes the Bank at $3.5 billion to be provided from the sale of common stock and, if necessary, by purchases by the Treasury Department of the Bank's obligations in yearly amounts of $300 million. Each public borrower must subscribe to purchase common stock in an amount equal to $.50 multiplied by the population within the jurisdication, in increments of 1/20th of the face amount of a loan.

Sec. 13: Authorizes the Bank to sell bonds on the national market in an amount up to 50 times its stated capital to raise monies necessary to finance projects which are applied for by the users of the Bank. These bonds will be guaranteed by the Government National Mortgage Association and pledge the full faith and credit of the United States.

Sec. 14: Authorizes annual federal payments to the Bank in an amount sufficient to make up the difference between interest paid by the Bank on its obligations and the interest received from its loans to local governments.

Sec. 15: Provides for federal insurance of Bank loans, by the Department of Housing and Urban Development, and authorizes appropriations of $10 million to establish a revolving fund for this purpose.

Secs. 16 and 17: Provides for an annual audit by the General Accounting Office and a yearly report by the General Accounting Office to the Congress.

Sec. 18: Amends the Internal Revenue Code to exclude from gross income 50% of the amounts received as dividends by a stockholder during any taxable year.

Sec. 19: Makes the bonds of the Bank lawful investments.

Sec. 20: Authorizes the Secretary of the Treasury to prepare and print the Bank's bonds.

Sec. 21: Provides that the United States is not liable for debts, defaults or actions of the Bank other than those specified in the Act.

Sec. 22: Orders that an annual report be submitted to the President and the Congress.

Sec. 23: Contains technical amendments to Federal banking statutes.

Sec. 24: Provides that any invalid provision of this Act may be severed and that the remainder continues in full effect.

Sec. 25: Authorizes to be appropriated without fiscal year limits such funds as may be necessary to carry out the purpose of the Act.

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THE NATIONAL DOMESTIC DEVELOPMENT BANK ACT OF 1971

(Introduced by Senator HUBERT H. HUMPHREY, May 26, 1971)

1. What is the National Domestic Development Bank?

The National Domestic Development Bank is a national lending institution under the directorship of federal, state, and local officials, as well as representatives of the general public. The Bank will provide a new source of capital funds to enable cities and towns to undertake a wide range of public projects.

2. What will the Bank do?

It will make 40-year loans to State and local governments to finance the construction of basic community facilities and public works of all types. Loans can also be made to non-profit organizations for housing, medical, and other public facility construction.

The Bank is also authorized to make 20-year loans to business organizations for economic development in areas designated by the Council of Economic Advisers as being labor surplus, depressed, low income, or disaster areas, or areas in need of direct investment to further the national public interest.

3. Why is this Bank needed?

First, there is a limited market for state and municipal bonds. These bonds are one of the first types of securities to be affected by tight money periods. This was made very clear during 1969–70, when many municipal bond issues had to be cancelled because the market could not absorb them. The Bank will assure that municipalities will always have a market for their securities. It will provide communities with an alternative means of financing public development.

Second, the capital financing needs of our states and cities are growing at a rapid rate. In 1968, the Bureau of the Budget estimated a ten-year need of $528 billion.

At the same time, cities are fast approaching the fiscal breaking point. Cities need new ways of obtaining development money that do not sharply increase their public debt burden, putting an additional strain on limited revenues.

4. Won't the Bank complicate public development financing?

On the contrary, the Bank will create a more simplified, flexible, inexpensive, and efficient way to raise capital. It will provide a single source where cities and towns can obtain financial and technical assistance. It will coordinate aid under various federal programs with additional financing, cutting red tape and extended application review procedures.

5. Is this an agency of the Federal Government?

No, the Bank will not be an agency of the U.S. Government and its budget will be independent of the Federal budget.

6. How much will it cost?

The cost of the Bank will be very low. Start-up costs will be $500,000 for organizing expenses and $10 million to establish a revolving insurance fund at the Department of Housing and Urban Development to insure Bank loans. In addition, Congress will need to enact annual appropriations to make up the difference between interest rates paid by the Bank on its bond issues, and the interest rate it charges to borrowers. The net cost would be minimal, however, because the Treasury would collect taxes on the earnings of Bank bonds.

7. Will the Bank have unlimited bonding capacity?

No. It can only borrow on national investment markets for lending to state and local governments and other qualified users at fifty (50) times the amount of paid-in capital stock of this corporation. In addition, the Bank must lend at rates competitive with municipal bonds.

8. Where does the Bank's capital reserve come from?

It comes from three sources:

(1) Sale of stock to the public. One investment incentive will be the exclusion from gross income of 50 percent of dividend earnings from this stock, for Federal income tax purposes.

(2) Sale of stock to public users of the Bank. Each user must buy a small amount of stock in increments as it obtains Bank loans, until it has purchased an amount of stock equal to 50 cents per capita.

(3) The Treasury is authorized to purchase special bonds up to $300 million per year for ten years, and this money can be used for capital reserve.

9. What assurances are provided investors?

First, all bonds sold by the National Domestic Development Bank will be guaranteed by the Government National Mortgage Association, and the full faith and credit of the United States is pledged to the payment of all amounts under this guaranty.

Second, all loans made by the Bank will be insured by the Federal Housing Administration, and a $10 million insurance revolving fund is established for this purpose.

10. What interest rates will be charged to the borrowers of this Bank?

Under this bill the Bank will set interest rates at a level that is competitive with municipal bond rates.

11. Will borrowers have to come to Washington to apply for loans?

No. The Bank's lending operations will be carried out directly through regional operating divisions, coinciding basically with the regional offices of the various Federal departments and agencies.

12. Will the Bank assist in any way other than providing loans?

Yes. One of the major services of the Bank is to maintain a technical staff that can give advice on Federal programs, on comprehensive planning and administration of the development of community facilities, and on technical data and requirements relating to the facilities eligible for financing. In addition, the Bank will do research, collect information, and facilitate the exchange of ideas on new technology and improvements in public administration relating to local and regional public development.

13. What projects will the Bank help finance?

A wide range of public facility construction is possible under this Act. Some examples are:

Schools and libraries
Medical centers and hospitals
Mass transit systems
Industrial parks
Police and fire departments
Water and sewer systems, and waste disposal and treatment facilities
Parks and recreation areas
Community service and day care centers
Public housing
Job-training and adult education centers
The renewal of town and city business centers.

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By Mr. DOLE (for himself, Mr. BENTSEN, Mr. BURDICK, Mr. CURTIS, Mr. HARRIS, Mr. PEARSON, and Mr. TOWER):

S. 1959. A bill to provide that certain highways extending from Laredo, Tex., to the point where U.S. Highway 81 crosses the border between North Dakota and Canada shall be known collectively as the Pan American Highway. Referred to the Committee on Public Works.

THE PAN AMERICAN HIGHWAY

Mr. DOLE. Mr. President, on behalf of myself and Senators BENTSEN, BURDICK, CURTIS, HARRIS, PEARSON, and TOWER I am introducing a bill which will require no expenditure of Federal funds, no outlay of the taxpayers' money but will create a significant investment in inter-American goodwill and better relations and pay increasing dividends of understanding and closeness to all the peoples of the Western Hemisphere.

This bill would designate certain highways extending from Laredo, Tex., to the point where U.S. Highway 81 crosses the border between North Dakota and Canada as the Pan American Highway. The actual roadways which would comprise the highway already span the United States from Canada to the Mexican border, largely along the route of U.S. Highway 81.

South of our border, beginning at Nuevo Laredo, Mexico, the highway winds through Mexico, Central America, and on down the South American continent to the Republics of Chile and Argentina. This ribbon of highway is more than a thoroughfare, a path for visitors and commerce; it is an artery of communication and understanding between these sister states of the Americas and their diverse and great peoples.

Within our country there has been growing interest in several Plains States concerning the development of an intercontinental highway. Organizations in many States have been working for years to promote this idea. My predecessor in the Senate, the Honorable FRANK CARLSON, first introduced legislation to designate a Pan American Highway. His efforts were well received by the people who would live along the route of the highway, and enthusiasm for the project has been maintained and increased over the years.

Under any circumstances it would be fitting that our country join with our neighbors to the north and to the south in forming this inter-American bond, but it is particularly appropriate that our country proceed with the designation of this symbolic highway, because agree-

ment has recently been reached on construction of the last physical link of the route, a 250-mile segment in Columbia and Panama. With the completion of this section, an unbroken 14,000 mile road will run from Alaska to the southern tip of South America.

The complete Pan American Highway is close to becoming a reality. The time is at hand for the United States of America to match its support for the construction of this highway with the designation of its own portion of the system.

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

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

S. 1959

A bill to provide that certain highways extending from Laredo, Texas, to the point where United States Highway 81 crosses the border between North Dakota and Canada shall be known collectively as the "Pan American Highway"

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That (a) for the purpose of any law, regulation, map, document, record, or other paper of the United States, those highways which extend from Laredo, Texas, to the point where United States Highway 81 crosses the border between North Dakota and Canada and which are listed in subsection (b) of this section shall be known collectively as the "Pan American Highway".

(b) (1) Except as provided in paragraph (2), the highways which shall be known collectively as the "Pan American Highway", and the cities between which such highways extended, are as follows:

Highways: Interstate System Highways 35, 35E, 35W, 235, and 29; United States Highways 81, 77, and 377; and Nebraska Highway 92.

Extending from south to north between the following cities: In the State of Texas, the following cities: Laredo, San Antonio, Austin, Waco, Fort Worth, Dallas, Denton, and Gainesville; in the State of Oklahoma, the following cities: Ardmore, Pauls Valley, Oklahoma City, and Guthrie; in the State of Kansas, the following cities; Wichita, Newton, Lindsborg, Concordia, and Belleville; and in the State of Nebraska, the following cities: Geneva, York, Columbus, and Norfolk; in the State of South Dakota, the following cities: Yankton, Madison, Brookings, and Watertown; in the State of North Dakota, the following cities: Wahpeton, Fargo, Grand Forks, Drayton, and Pembina.

(2) If more than one of the highways listed in paragraph (1) extend between any two points between any two of the cities listed in that paragraph which are not separated by any other city listed in that paragraph, the Secretary of Commerce shall designate which of those highways shall be included in the group of highways to be collectively known as the "Pan American Highway".

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By Mr. EAGLETON:

S. 1960. A bill to allow a credit against Federal income tax for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65. Referred to the Committee on Finance.

TAX CREDIT FOR ELDERLY HOMEOWNERS

Mr. EAGLETON. Mr. President, I am introducing today, for appropriate reference, a bill to provide persons 65 and over a Federal income tax credit of up to $300 for State and local real property taxes or for rent constituting property taxes.

Approximately two-thirds of all persons 65 and over own their own homes and would like to remain in them. But many are being driven from their homes because of prohibitive property taxes and maintenance costs. Others are being forced to liquidate other assets to pay their taxes. Those who do give up their homes find it difficult to locate living quarters at rents they can afford.

The costs of homeownership have risen even more rapidly than have prices generally. In many communities, property taxes have doubled or even tripled in the past 10 years, and understandably so. The property tax is the source of 85 percent of the revenues raised by local governments for schools, police, fire protection, and other essential services.

Because the property tax is based on the value of the property rather than on the income of the owner, retired homeowners with reduced incomes pay a disproportionately large percentage of their income for property taxes.

Even those elderly people who rent do not escape since landlords inevitably pass property tax increases on to their tenants.

Because of this intolerable burden, all too many older citizens find themselves in the unhappy position of having to choose between their own financial survival and the welfare of their community when new school taxes or bond issues are proposed.

Obviously, the responsibility for providing property tax relief to the elderly lies primarily with the States. More than half of the 50 States now provide some relief through either the homestead exemption or circuitbreaker plans. The Advisory Commission on Intergovernmental Relations recommends the circuitbreaker plan as providing "significant property tax relief at modest cost to those who need it most, without disrupting the regular property tax system."

The bill I introduce today is not a substitute for the relief that should be provided at the State level. For instance, it cannot provide relief to those whose income is so low that they have no Federal income tax liability. I do believe, however, that the Federal Government does have a responsibility to ease the property tax burden on elderly taxpayers.

Federal law now permits taxpayers to deduct real property taxes from their gross income. This relief, of course, is available only to those who itemize their deductions. In 1969, 6.9 million tax returns were filed by persons 65 and over. Of these, only 3.3 million—less than one-half—itemized their deductions. As a result, 3.6 million elderly households received no benefit from this deduction.

There is now no Federal tax relief at all for those elderly people who rent their personal residences.

The bill I introduce today would provide Federal tax relief to all elderly people of moderate means who pay property taxes or rent their residences.

This would be accomplished through a tax credit of up to $300 against property taxes paid on an owner-occupied residence or against 25 percent of rent paid on a personal residence. This tax credit would be available to those 65 and over who have adjusted gross incomes of $6,500 or less.

The people who would benefit from this tax credit have been paying taxes—Federal, State, and local—for over, and in many cases well over, 40 years. I believe the Federal Government can afford to give them this measure of relief from the burden of taxation on their homes during their retirement years.

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By Mr. PELL:

S. 1962. A bill to provide for the crediting of certain past employment by certain persons subject to the National Guard Technicians Act of 1968. Referred to the Committee on Armed Services.

RETIREMENT CREDITS FOR NATIONAL GUARD TECHNICIANS

Mr. PELL. Mr. President, in the 91st Congress, a law was enacted to bring technicians employed by the National Guard into the civil service retirement system. Unfortunately, a small number of National Guard technicians were excluded from the complete range of benefits for which they would have otherwise been eligible under the new law.

In 1958 the National Guard underwent a pseudoausterity program in which the National Guard attempted to reduce their visible payrolls by moving a number of their technicians from direct employment to employment under service contracts. These technicians continued to do their same jobs and they received the same pay from the same finance offices of the Department of the Air Force while they were on service contract, yet they were not considered National Guard employees.

Many of these technicians remained under the status of service contract employees for a number of years. In 1970, Air National Guard technicians were made Federal employees and brought into the civil service retirement system with retirement credits given to them for their previous service. However, retirement credits were not provided to those estimated 361 technicians who had been employed under service contract.

Mr. President, today I introduce a bill to correct that oversight by providing that retirement credits be given Air National Guard technicians for the time they spent on service contract status previous to 1970.

This is a simple bill to remedy a needless inequity. I would hope that it would be favorably considered.

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By Mr. HOLLINGS:

S. 1963. A bill to foster a comprehensive, long-range, and coordinated national program in marine science, technology, and resource development, and for other purposes. Referred to the Committee on Commerce.

NATIONAL OCEANIC ACT OF 1971

Mr. HOLLINGS. Mr. President, on March 5, 1970, I stood here and criticized the Nixon administration for not taking

leadership in the oceans. I urged then that the President adopt a proposal to create an independent National Oceanic and Atmospheric Agency to provide civilian leadership in this vital field. Later the President proposed a smaller National Oceanic and Atmospheric Administration, housed in the Department of Commerce. I supported that proposal because I believed that the President genuinely wanted a strong oceans program. I believed that he wanted to take strong executive action.

Yesterday I looked over that speech I gave just 14 months ago. I feel like a prophet of doom. Nothing has basically changed. A new agency has been created, but it is not being given adequate support. It is being sniped at and roadblocked by minions of the President, who have a vested stake in the proposed Department of Natural Resources. No one in the Executive Office or in the White House has seen the promise of the oceans. So we steadily fall behind as the Russians and the Japanese sail ahead. We study the oceans for 12 years, but the Russians and the Japanese act.

We have waited long enough. We have had in-depth studies, critical analyses, ad hoc task forces, uncountable conferences, congressional hearings, advisory councils, and an executive reorganization. We have jawboned so much, the 1960's are known as the decade of ocean rhetoric. Countless times the Congress has had to take the lead when the Executive refused to. The President said he would lead when he created NOAA in the Department of Commerce. We have waited patiently for the President to act. But it is clear that he will not.

Mr. President, I am introducing today the National Oceanic Act of 1971. It is a short bill, but it will get the job done. It very simply amends the Marine Resources and Engineering Development Act of 1966 to authorize sufficient money to be appropriated to carry out marine science, technology, resource development and management, and other programs in related oceanic areas. It would authorize $23 billion over the next 5 years to take advantage of the promise of the oceans and to solve some of the abuse that man is pouring into the oceans. It would begin with a $2 billion program in fiscal year 1972.

It will fund programs of marine science to learn what we must know to combat marine pollution. It can bring jobs to areas like Burbank, Seattle, Long Island, Charleston, which are hard pressed by the cutback in aviation and military spending. It can fund programs to restore Lake Erie and to take major steps to prevent the rest of the Great Lakes from becoming dead. It can work to rehabilitate New England fisheries. It can find new sources of food through aquaculture. And explore for new mineral resources on the continental shelves surrounding the country. New sites for powerplants; facilities for developing the equipment needed to work in the sea; and management of our invaluable costal natural resources. And above all, it will fund programs for technology assessment, so that this time we will not have to destroy the marine environment while reaping its riches.

The program I offer here is small in comparison to the good we shall find. It will add immeasurably to our knowledge, our wealth, our security, and our well-being. The $23 billion program I propose for the next 5 years is still less than the estimated $25 billion per year that industry in the United States is spending on their marine programs. But it will act as a catalyst to release the full energy of the creative talents of the United States to use the oceans fully and well. And we shall reap a harvest one-hundredfold.

Mr. President, this country needs bold leadership to redirect and readjust to present realities. We are spinning our wheels on revenue sharing, a proposed reorganization of Government, and switching to a volunteer draft. But what are we doing for the people unemployed because of cutbacks in aerospace and military spending. In Burbank, Lockheed has laid off 67,000 people. In Seattle, 20 percent of the work force is unemployed. What is being done for them? We need to readjust our priorities in this country. We need to readjust to creative programs that will offer jobs for thousands and reap untold benefits for the country.

For 12 years the Congress has urged and cajoled three administrations to strengthen ocean programs. Now we have the crisis at hand. The Nixon administration would not see the opportunity to create jobs and work in the oceans. Now the Congress must force the issue. We must readjust and redirect our energies. And I propose that we direct our energies into the oceans.

Mr. President, I ask unanimous consent that the bill, the National Oceanic Act of 1971, be printed in the RECORD, along with a table showing how my proposal contrasts with that of the administration.

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

S. 1963

A bill to foster a comprehensive, long-range, and coordinated national program in marine science, technology, and resource development, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Act entitled "An Act to provide for a comprehensive, long-range, and coordinated national program in marine science, to establish a National Council on Marine Resources and Engineering Development, and a Commission on Marine Science, Engineering, and Resources, and for other purposes, approved October 15, 1966, as amended (33 U.S.C. 1101 et seq.), is amended by adding at the end thereof the following new title:

"TITLE III—OCEAN DEVELOPMENT

"SEC. 301. This title may be cited as the 'National Oceanic Act of 1971'.

"SEC. 302. In order to further carry out the general purposes of the Act and to carry out marine science, technology, resource development and management, and other programs in related oceanic areas under the general authorities of the departments or agencies concerned, there is authorized to be appropriated to each of the following departments, agencies, and institutions the following amounts for the five fiscal years beginning July 1, 1971:

(a) National Oceanic & Atmospheric Administration, Department of Commerce—$7,500,000,000.

(b) Maritime Administration, Department of Commerce—$3,725,000,000.

(c) United States Coast Guard, Department of Transportation—$4,700,000,000.

(d) United States Navy, Department of Defense—$5,200,000,000.

(e) National Science Foundation—$420,000,000.

(f) Department of the Interior—$555,000,000.

(g) Atomic Energy Commission—$250,000,000.

(h) Environmental Protection Agency—$375,000,000.

(i) Smithsonian Institution—$100,000,000.

NATIONAL OCEANIC ACT OF 1971

[In millions of dollars]

| | President's budget request, fiscal year 1972 | Hollings' proposed oceans program, fiscal year— | | | | | 5-year total |
|---|---|---|---|---|---|---|---|
| | | 1972 | 1973 | 1974 | 1975 | 1976 | |
| National Oceanic and Atmospheric Agency | 335.7 | 500 | 984 | 1,486 | 2,008 | 2,540 | 7,478 |
| Maritime Administration | 499.0 | 500 | 650 | 750 | 825 | 1,000 | 3,725 |
| Department of Defense | 218.0 | 220 | 500 | 850 | 1,400 | 2,200 | 5,170 |
| Department of Transportation (Coast Guard) | 659.6 | 660 | 750 | 900 | 1,100 | 1,300 | 4,710 |
| National Science Foundation | 68.8 | 70 | 120 | 200 | 280 | 350 | 920 |
| Department of Interior | 33.8 | 35 | 60 | 100 | 160 | 200 | 555 |
| Smithsonian Institution | 3.1 | 3 | 6 | 12 | 25 | 50 | 96 |
| Atomic Energy Commission | 8.7 | 9 | 20 | 45 | 75 | 100 | 249 |
| Environmental Protection Agency | 17.0 | 20 | 35 | 60 | 100 | 160 | 375 |
| Annual total | | 2,017 | 3,125 | 4,403 | 5,973 | 7,900 | [1] 22.8 |

[1] Billion.

By Mr. ROTH (for himself and Mr. BROCK):

S. 1964. A bill to authorize the Office of Management and Budget to establish a system governing the creation and operation of advisory committees throughout the Federal Government which are created to advise officers and agencies of the Federal Governments. Referred to the Committee on Government Operations.

FEDERAL ADVISORY COMMITTEE STANDARDS ACT

Mr. ROTH. Mr. President, I introduce, for appropriate reference, a bill, to be known as the Federal Advisory Committee Standards Act, which would authorize the Office of Management and Budget to establish a system governing the creation and operation of advisory committees throughout the Federal Government.

Advisory committees have contributed substantially to the effectiveness of the Federal Government in the past. But as the function of Government has become more complex and the decisions more difficult, numerous advisory committees have sprung up to advise the President and other decisionmakers in the Federal agencies and the Congress. Over 2,600 interagency and advisory committees exist today and it is possible that this figure could be as high as 3,200.

Mr. President, in spite of the large number of advisory committees and their participation in the processes of government, Congress has neglected to provide adequate controls to supervise their growth and activity. As a result, the use of committees or advisory groups has come under strong attack in the press and other media as wastes of time, money, and energy. The creation of another committee is often viewed by the public as another indication of inefficiency and indecisiveness in Government.

HISTORY OF ADVISORY COMMITTEE LEGISLATION

The House Government Operations Committee recognized a need for control of advisory committees in 1957. Following hearings that year, Congressman FASCELL introduced an amendment to the Administrative Expenses Act of 1946, H.R. 7390, which provided guidelines on the internal activity of advisory committees. This proposal passed the House on July 10, 1957, but was not passed by the Senate. However, the Senate Government Operations Committee did press the Bureau of the Budget to review the operations of advisory committees in the executive branch. The Bureau's report, "Standards and Procedures for the Utilization of Public Advisory Committees by Government Department Agencies" was issued on February 2, 1959, and finally formalized by President Kennedy in Executive Order No. 11007, dated February 25, 1962.

The Bureau of the Budget later initiated action in this area. In 1964, the Bureau issued Circular A–63, which it supplemented in 1965, requiring each agency to submit to the Bureau an annual report covering the activities of each advisory group it chairs, "composed of officers or employees of more than one department or agency of the Government." These reports summarize committee activities and actions taken to terminate and establish advisory committees. Since 1965, Circular A–63 has not been revised.

The Federal Advisory Committee Standards Act was drafted following hearings which took place in the House on Special Studies during the spring of 1970, and is identical to legislation introduced earlier this year by the Congressman from Connecticut, Mr. MONAGAN, H.R. 4383. Mr. MONAGAN, then chairman of the Special Studies Subcommittee, noted that it was virtually impossible to compile a complete list of Presidential committees because of the wide range of methods used to create them. The House hearings went on to reveal an astonishing waste of Government funds because of inadequate controls over the fifth branch of Government, the Federal advisory committees.

WHAT THIS LEGISLATION WILL ACCOMPLISH

This proposal encompasses many reforms for the Federal advisory committee system. I consider three to be of the utmost importance:

First, reduction in the number of committees: Controlling the number of advisory committees is one of the most serious problems that must be faced. If there are 3,200 advisory or interagency committees, this number must be substantially reduced. Each existing committee must be reviewed to reestablish the validity of its charter, its objective, and to further establish that its charter does not overlap another committee or Government body.

This legislation will require that the Congress and the Office of Management and Budget review each of the advisory committees in existence. Each standing committee of the House and Senate will be required to make a review of the activities of the advisory committees under its jurisdiction. It will determine if the assigned responsibilities should be revised, merged with another advisory committee, or whether the committee should cease altogether. Similarly, the Office of Management and Budget will be required to review the activities of all existing advisory committees and make recommendations to the President as to corrective action.

Following this initial review, it will be incumbent upon the Congress to see that no advisory committee be created in the future whose function could be performed by an advisory body already in existence, or by the Congress itself. Further, requirements are proposed for future legislation creating congressional advisory committees. On the other hand, the Office of Management and Budget will be required to undertake an annual review in addition to the initial review mentioned above. This legislation, however, envisions that the Office of Management and Budget will prescribe guidelines for the creation of advisory committees in the executive branch, and their activities.

Second, establishment of a repository of committee reports in the Library of Congress: A repository is needed for reports of the President, Congress, and various agencies, which will be available for general use. No such facility presently exists.

This legislation will require each advisory committee to submit at least one copy of each report and background material, if appropriate, to the Library of Congress. The Library of Congress will be required to establish a repository for these reports and make them available for congressional and public use.

Third, requirement of executive accountability: Millions of dollars each year are provided the President to establish Presidential advisory committees. The annual cost of operating 198 Presidential committees, as reported in a 1970 survey by the staff of the Special Studies Subcommittee of the House Government Operations Committee, is over $48 million. This figure comprises about 75 percent of the cost of the operations for all Federal advisory committees and does not include 54 other Presidential committees which the survey later identified. This is disturbing when we consider that OMB Circular A–63 and Executive Order 11007 do not provide mandatory guidelines for the activities of Presidential committees. This is an area in which legislation is most urgently needed.

Under this legislation, Presidential advisory committees will be subject to the same regulations as those committees formed by the Congress or by the executive agencies. The President will be required to submit to Congress, within 1 year after receipt of a Presidential advisory committee report, a report containing his views of the committee's recommendations. This report by the President will enhance the effectiveness of Presidential committees. Public interchange between the President and the Presidential advisory committees resulting from these reports will aid in providing for meaningful discussion of issues of importance. It may help alleviate the pessimistic attitude toward such committees which now exists in the public sector.

THE RELATIONSHIP OF ADVISORY COMMITTEES TO FEDERAL DOMESTIC ASSISTANCE PROGRAMS

Mr. President, as a Member of the other body, my staff and I conducted a review of the Federal grant system. As a result of that 8-month study we found that no one in the Federal Government knew how many Federal programs there were in existence. We concluded that the Federal Government must do more to inform the public of the various benefits available from Federal programs. I have introduced the Program Information Act, S. 718, in order to achieve this. The Federal Advisory Committee Standards Act will provide a similar function with regard to reports on advisory committees.

The relationship of Federal programs to Federal advisory committees is much deeper, however. In my study I revealed an overlapping and duplication of many programs in the Federal agencies. This overlapping of similar programs has resulted in an inefficient sharing of responsibilities between agencies. Thus, for coordinated executive action to exist, the Federal agencies have been forced to resort to "patching" interagency responsibilities through the use of numerous interagency committees. The Congress and the executive branch have initiated

numerous programs and the bureaucracy has reacted by creating committees to control the situation. It is my belief, therefore, that a reduction in the number of overlapping Federal programs will likewise result in a reduction in the number of interagency committees.

CONCLUSION

Mr. President, this legislation requires that the Office of Management and Budget propose recommended guidelines to be followed by advisory committees in the executive branch. I recognize that some Members believe that the Congress should determine these guidelines. However, by having the Office of Management and Budget prescribe the guidelines to be followed by executive advisory committees, I believe Congress recognizes that the use of such bodies is an executive function. However, this legislation does suggest to the executive branch that failure to improve the present system will lead to the institution of congressional guidelines on executive use of advisory bodies.

I wish to commend Congressman MONAGAN and the members of the Special Studies Subcommittee for their fine efforts in this area, and I ask unanimous consent that the text of the bill be printed at this point in the RECORD, along with the recommendations of the House Committee on Government Operations relating to advisory committees, and the Office of Management and Budget Circular No. A–63, and Executive Order 11007.

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

S. 1964

A bill to authorize the Office of Management and Budget to establish a system governing the creation and operation of advisory committees throughout the Federal Government which are created to advise officers and agencies of the Federal Government

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Federal Advisory Committee Standards Act".

FINDINGS AND PURPOSES

SEC. 2. The Congress finds that there exist numerous committees, boards, commissions, councils, and similar groups which were established to advise officers and agencies in the executive branch of the Federal Government or the Congress, or both, that the present need for some of these bodies has not been adequately reviewed, and that such a review would reveal that some of them should be disestablished; and that the functions of many others should be revised; and that standards should be prescribed to govern the creation, administration, and operation of such bodies.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) The term "Director" means the Director of the Office of Management and Budget.

(2) The term "advisory committee" means a committee, council, board, commission, task force, or similar group established or organized under a statute, an Executive order, or any other means, to advise and make recommendations to an officer or agency of the executive branch of the Federal Government or to the Congress, or both, but such term excludes standing or special committees of the Congress, any local civic group whose primary function is that of rendering a public service in relation to a Federal program, as well as any State or local committee, council, board, commission, or similar group established to advise or make recommendations to State or local officials or agencies.

(3) The term "Presidential advisory committee" means an advisory committee the members of which are appointed by and advise the President.

RESPONSIBILITY OF COMMITTEES OF CONGRESS

SEC. 4. (a) In the exercise of its legislative review function, each standing committee of the Senate and House of Representatives shall make a continuing review of the activities of each advisory committee under its jurisdiction with a view to determining whether the responsibilities assigned it should be revised, whether it should be merged with any other advisory committee, or whether it any longer performs a necessary function. The committee shall take appropriate action to obtain the enactment of the legislation necessary to effectuate the results of its reviews under this subsection.

(b) In its consideration of legislation creating, or authorizing the creation of, an advisory committee, each standing committee of the Senate and of the House of Representatives shall have the responsibility of assuring that no advisory committee will be created if its functions will be performed by an advisory committee already in existence, or by the committee itself, and that any such legislation—

(1) shall contain a clearly defined mission for the advisory committee,

(2) shall require the membership of the advisory committee to be fairly balanced in terms of the particular responsibilities of the committee,

(3) shall contain appropriate provisions to assure that the advice and recommendations of the advisory committee will not be inappropriately influenced by the appointing authority, but will instead be the result of its independent judgment,

(4) shall contain provisions dealing with authorization of appropriations, the date for submission of reports (if any), the duration of the advisory committee, the publication of reports and other materials, and the authorization for, and limitations on the use of, subpenas, to the extent that the standing committees determines the provisions of section 10 dealing with such matters to be inadequate,

(5) shall contain provisions which will assure that the advisory committee will have adequate staff (either supplied by an agency or employed by it), will be provided adequate quarters, and will have available funds to meet its other necessary expenses.

RESPONSIBILITIES OF THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

SEC. 5. (a) The Director shall establish and maintain within the Office of Management and Budget a Committee Management Secretariat, which shall be the principal agency within such office having responsibility for matters relating to advisory committees.

(b) The Director shall, immediately upon the enactment of this Act, institute a comprehensive review of the activities and responsibilities of each advisory committee then in existence with a view to determining whether, consistent with the provisions of applicable statutes, the responsibilities assigned to it should be revised, the results achieved; whether it should be merged with other advisory committees, or whether it any longer performs a useful function. Upon the completion of the Director's review he shall make recommendations to the President with respect to action he believes should be taken. Thereafter, the Director shall carry out a similar review annually. Where appropriate, the Director shall cooperate with agency heads in making the reviews required by this subsection.

(c) The Director shall, to the extent permitted by statute, prescribe administrative guidelines and management controls to be applicable to advisory committees. The Director shall, to the maximum extent feasible, provide advice, assistance, guidance, and leadership to advisory committees with a view to the improvement of their performance. In carrying out his functions under this subsection, the Director shall consider the recommendations of each agency head with respect to means of improving the performance of the advisory committees advising him. The Director shall cooperate with the Civil Service Commission in carrying out the Intergovernmental Personnel Act with respect to training members and staffs of advisory committees.

(d) The Director shall include in budget recommendations the sums he deems necessary for the expenses of advisory committees, including the expenses for publication of their reports where appropriate.

RESPONSIBILITIES OF THE PRESIDENT AND HIS DOMESTIC COUNCIL

SEC. 6. (a) The President shall assign to the Domestic Council responsibility for evaluating and taking action, where appropriate with respect to all public recommendations made to him by Presidential advisory committees (except to the extent that they deal with national security matters).

(b) Within one year after a Presidential advisory committee has submitted such a public report to the President, the President shall make a report to the Congress containing his views on any recommendations contained in such report and stating either his proposals for action with respect to the recommendations or his reasons for inaction.

(c) The President shall, not later than March 31 of each calendar year (after the year in which this Act is enacted), make an annual report to the Congress on the activities, status, and changes in the composition of advisory committees. The report shall contain the name of every advisory committee, the date of and authority for its creation, its termination date or the date it is to make a report, its functions, a reference to the reports it has submitted, a statement of whether it is an ad hoc or continuing body, the dates of its meetings, the name and occupation of its current members, and the total estimated annual cost to the United States to fund, service, supply, and maintain such committee. Such report shall include a list of advisory committees established by statute which the President has recommended abolishing together with his reasons therefor and the recommendations made to the President by the Director of the Office of Management and Budget together with resultant action.

RESPONSIBILITIES OF LIBRARY OF CONGRESS

SEC. 7. At least one copy of each report made by every advisory committee and where appropriate background papers prepared by consultants shall be submitted to the Library of Congress. The Librarian of Congress shall establish a depository for such reports where they shall be available to public inspection and use.

RESPONSIBILITIES OF AGENCY HEADS

SEC. 8. Each head of a department or agency of the United States shall, subject to applicable statutes, establish administrative guidelines and management controls for advisory committees set up to advise him, which shall be consistent with directives of the Director under section 5(c). An informational system relating to advisory committees and their operation shall be maintained within each department or agency.

TERMINATION OF EXISTING ADVISORY COMMITTEES

SEC. 9. Each advisory committee in existence on the date of enactment of this Act is hereby discontinued, effective on the last day

of the second calendar year which begins after the date of enactment of this Act, unless prior thereto the creating authority has by appropriate action continued the existence of such committee. The property, funds, and unexpended balances of appropriations of advisory committees discontinued by this section shall be disposed of as the Director shall provide.

ADMINISTRATION OF ADVISORY COMMITTEES

SEC. 10. (a) Unless otherwise provided in the statute which creates, or authorizes the creation of, an advisory committee; such committee shall terminate within two years after its creation.

(b) The Director, after study and consultation with the Civil Service Commission, shall establish uniform fair rates of pay for comparable services of members, staffs, and consultants of advisory committees in a manner which gives appropriate recognition to the responsibilities and qualifications required and other relevant factors. Unless otherwise provided by statute, no member of an advisory committee or of its staff shall be paid compensation for his services at a rate in excess of the rate specified at the time of such service for grade GS–18 in section 5332 of title 5, United States Code, including traveltime, and while so serving on the business of the advisory committee away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(c) Unless otherwise provided by law or by the agency head which creates it, each advisory committee shall meet at the call of its chairman but not less than two times each year. Minutes of each meeting of each advisory committee shall be kept and shall contain a record of the persons present, a description of matters discussed and conclusions reached, and copies of all reports received, issued, or approved by the advisory committee. The accuracy of all minutes shall be certified to by the chairman of the advisory committee.

(d) Each advisory committee shall keep such records of its activities as will fully disclose the disposition of any funds which may be at its disposal and the nature and extent of its activities in carrying out its functions. The Comptroller General of the United States, or any of his duly authorized representatives, shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of each statutory advisory committee.

(e) Each advisory committee is authorized to request from any department, agency, or independent establishment of the Government any information it deems necessary to carry out its functions; and each such department, agency, and instrumentality is authorized to furnish such information to such committee upon an official request therefor.

EFFECTIVE DATE

SEC. 11. This Act shall become effective ninety days after the date of its enactment.

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THE ROLE AND EFFECTIVENESS OF FEDERAL ADVISORY COMMITTEES (H. REPT. NO. 91–1731)

RECOMMENDATIONS

The Committee on Government Operations makes the following recommendations for improving the effectiveness of time, effort and money invested in the use of existing or new advisory and interagency groups as instruments of Government.

*A. Philosophy and policy*

1. The Congress should spell out in public law the philosophy behind and need for advisory bodies and definitively establish policy and administrative criteria for their use at all levels of government.

The Committee on Government Operations, in its continuing study, should undertake the work necessary to determine the feasibility and language of the proposed legislation.

2. When considering the creation of an advisory commission, committee, or council, Congress should recognize that much of the exploration of facts can be performed either under the auspices of the standing committees of the Congress or by existing agency advisory committees.

Whenever possible Congressional committees should be utilized to take advantage of their expertise, and available resources to accomplish what might otherwise be delegated to an advisory body. This is not always possible due to jurisdictional problems and for other reasons. However, whenever possible Congress should carry out such functions in order to maintain its primary role of setting statutory policy for the nation.

Standing legislative committees should take note of the existing advisory committees to government within their jurisdiction. At present this is not possible because there is no source in the executive branch that can provide the Congress with the necessary information.

3. In creating a temporary or ad hoc public advisory body the Congress should provide it with adequate guidelines and policy criteria.

Such guidelines should include a clearly defined mission, balanced representation, assurance of autonomy, legislative authorization for funds, a time certain for termination, a time certain for submission of any report, a release procedure for the report, the right to obtain information from the departments and agencies, a direction that departments and agencies should provide the committee with requested information and a mandate that the executive branch should provide administrative and housekeeping services.

4. In the absence of general statute, the executive branch of the Federal Government should update, revise and restate its advisory and interagency committee policy to insure that adequate administrative guidelines and policy criteria exist.

The Office of Management and Budget should move vigorously to update, revise and amend the existing guidelines. Publicly announced Presidential advisory committees as well as interagency committees chaired by the President and Vice President should be included within the scope of the new rules. Further, the revised rules of operation should be applicable to all committees created by public law, providing they do not conflict with statutory guidelines. The Office of Management and Budget should have the supervisory management responsibility for both interagency and advisory committees.

5. Presidential advisory and interagency committees in existence for more than two years with a budget and staff should secure authorization from the Congress for continuation and be subject to review by the budget and the appropriations process.

6. The President should establish responsibility with the Domestic Council for evaluation and follow-up action, if appropriate, of the public reports made to the President by interagency or advisory groups, not related to national security matters.

Many reports and their recommendations are of great importance. If they receive no consideration, they have little or no value. The Domestic Council with staff has been established by statute. Evaluation of advisory body reports is a proper function for the Council to perform in its policy role. Unless decisions are fed into organized machinery, there is very little effective follow through for worthwhile proposals.

7. The President should submit to the Congress within one year of receipt of the public report of an advisory group made to the President, his views on the conclusions and recommendations, and state either his proposals and actions or his reasons for nonaction.

This procedure would help to justify the investment in advisory groups and their utilization. It would assure that Government funds would not be wasted but used as economically and efficiently as possible. Because this procedure provides for accountability to the public and the Congress, it would insure more discriminating use of advisory groups.

*B. Reporting and follow-up*

8. The President should make an annual report to the Congress, which can be directed to the Committee on Government Operations, on the activities, status and changes in the composition of interagency and advisory bodies. The report should list statutory committees, interagency and advisory, which the President recommends abolishing and the reasons for such recommendations.

Included with the list of committees should be White House Conferences, publicly announced Presidential commissions and task forces. A copy of the report should be forwarded to the Office of the Federal Register, National Archives and Record Service, General Services Administration for informational use by the United States Government Organizational Manual and for the same purpose to the Joint Committee on Printing of the Congress for use in making up the Congressional Directory.

The report should contain the name of the committee, the date created, authority for creation, termination or report date, function, submitted report(s), status as an ad hoc or continuing body, dates of meetings, names and occupations of current members and total estimated annual cost to the Government to fund, service, supply and maintain such committee. The report would be of interest to committees of the Congress and to the public as advisory groups are established, either pursuant to law or to facilitate carrying out responsibilities vested in the President or executive agencies.

*C. Federal organization and management*

9. The Office of Management and Budget should be strengthened as to its committee management mission. This would necessitate the creation within the Office of Management and Budget of a Committee Management Secretariat. There should be an annual systematic review by the Office of Management and Budget and department or agency heads of the current need for all interagency and advisory committees. This should also include a review of membership and staff.

The OMB should oversee the overall agency advisory system and the use of experts and consultants who serve on advisory committees within Government to determine whether their use is proper and in line with committee management guidelines. OMB should provide the leadership and stimulation needed to get the departments and agencies to do the committee management job they ought to be doing. The Office should maintain a comprehensive information system concerning governmental advisory committees. OMB should have staff to carry out these functions. The resulting savings in the economy and operation of committees probably would far exceed the cost.

A small and carefully selected number of career officials, experienced in Government and in the management of committees, should be recruited for a central secretariat and made available to the presidential commissions, committees and task forces created each year. The individuals should be knowledgeable in the areas of administration, housekeeping, budgeting and funding. The Office should work closely with the General Services Administration in obtaining space, desks, audio-visual materials, conference rooms, other equipment and services, and be available to help evaluate future needs for resources.

10. The Office of Management and Budget should help to improve the performance of committees through education and training programs.

The Civil Service Commission provides training in management subjects to which the departments and agencies send representatives, and the Office of Management and Budget should cooperate with the Civil Service Commission in establishing training courses in committee management from which agency and committee personnel could benefit. The Civil Service Commission should promote and coordinate the training program.

11. The Office of Management and Budget together with the Civil Service Commission should study the varying rates of payment per day for consultant members of advisory bodies and establish uniform government rates for comparable services.

The review should include the various public laws involved.

12. Departments and agencies should establish fixed procedures and responsibilities for committee management and reporting. Departments and agencies should maintain complete and accurate records on all committees.

To be effective, the committee management responsibility should be maintained at the highest organizational level such as the Office of the Secretary, Undersecretary, Assistant Secretary, or the Office of the Director. Each department and agency should be requested to submit an annual report containing data on all committees to the Office of Management and Budget by April 30.

13. The Office of Management and Budget should promptly consider the recommendations contained in the annual reports concerning committees submitted by the agencies and departments and should act expeditiously upon them. This should aid in the prompt elimination of committees for which a need no longer exists.

14. A permanent depository within the Legislative Reference Service of the Library of Congress should be created where the public reports of advisory groups would be available. All commissions and committees should be required to forward a copy of their reports and appropriate background papers from consultants to the depository in the Library of Congress.

*D. Committee management*

15. Public advisory committees dealing with public policy issues should be as independent as possible and free from influence from the source of their appointment.

Members of a committee and its staff must be as free as possible from collusion or conflict of interest. Committees must not acquire a feeling of being obliged to defer to any authority; otherwise they cannot do an objective task of reviewing the problems or programs belonging to that authority or problems affecting that authority. This recommendation is not directed at either technical or very short term ad hoc groups whose mission is to implement or advise on a program task. The members of the advisory body must be sufficiently involved to impose the required sense of direction on the staff.

16. The scope of the mission of a committee should be defined clearly.

A charter with vague goals and broad authority leads to the loss of valuable time and effort when the committee attempts to determine what it is supposed to do.

A committee should have the authority to obtain information necessary to carry out its mission, and governmental agencies should be obliged to furnish such information.

17. Advisory gorups should be provided balanced and broader representation through appointment of members from varying social and economic constituencies.

The Office of Management and Budget should be given the function of overseeing this requirement.

Many of the current advisory groups are composed of individuals associated with the involved program or mission. Effort should be made by the departments and agencies of the government to include a greater number of "non-expert" interested and knowledgeable individuals on each advisory group. The departments and agencies should review their procedures to insure that a greater number of such public members are appointed. Inclusion of environmentalists, consumers, geographic representatives, noninvolved persons and others would be helpful in providing a balance to a group.

Industry advisory committees are required under Executive Order 11007 to be reasonably representative of the group of industries or the single industry to which the committee relates.

18. Congress should provide advisory groups with the funds to publish their work when it involves public studies and reports.

19. The Office of Management and Budget with the departments and agencies should make certain that appointment to continuing advisory committees be for a limited period of time.

The Office of Management and Budget should determine through study the standards for what this period of time should be.

20. Adequate procedures should be established for the termination of all committees, both interagency and advisory, created by statute or other means.

Provisions should be made in the document of creation, regulation, OMB guidelines, or executive order, if one exists, for a means or time certain to terminate the committee.

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EXECUTIVE ORDER 11007

PRESCRIBING REGULATIONS FOR THE FORMATION AND USE OF ADVISORY COMMITTEES

Whereas the departments and agencies of the Government frequently make use of advisory committees; and

Whereas the information, advice and recommendations obtained through advisory committees are beneficial to the operations of the Government; and

Whereas it is desirable to impose uniform standards for the departments and agencies of the Government to follow in forming and using advisory committees in order that such committees shall function at all times in consonance with the antitrust and conflict of interest laws:

Now, Therefore, by virtue of the authority vested in me by the Constitution and statutes, and as President of the United States, it is hereby ordered as follows:

SECTION 1. The regulations prescribed in this order for the formation and use of advisory committees shall govern the departments and agencies of the Government to the extent not inconsistent with specific law.

SEC. 2. As used herein,

(a) The term "advisory committee" means any committee, board, commission, council, conference, panel, task force, or other similar group, or any subcommittee or other subgroup thereof, that is formed by a department or agency of the Government in the interest of obtaining advise or recommendations, or for any other purpose, and that is not composed wholly of officers or employees of the Government. The term also includes any committee, board, commission, council, conference, panel, task force, or other similar group, or any subcommittee or other subgroup thereof, that is not formed by a department or agency, but only during any period when it is being utilized by a department or agency in the same manner as a Government-formed advisory committee.

(b) The term "industry advisory committee" means an advisory committee composed predominantly of members or representatives of a single industry or group of related industries, or of any subdivision of a single industry made on a geographic, service or product basis.

SEC. 3. No advisory committee shall be formed or utilized by any department or agency unless

(a) specifically authorized by law or

(b) specifically determined as a matter of formal record by the head of the department or agency to be in the public interest in connection with the performance of duties imposed on that department or agency by law.

SEC. 4. Unless specifically authorized by law to the contrary, no committee shall be utilized for functions not solely advisory, and determinations of action to be taken with respect to matters upon which an advisory committee advises or recommends shall be made solely by officers or employees of the Government.

SEC. 5. Each industry committee shall be reasonably representative of the group of industries, the single industry, or the geographical, service, or product segment thereof to which it relates, taking into account the size and function of business enterprises in the industry or industries, and their location, affiliation, and competitive status, among other factors. Selection of industry members shall, unless otherwise provided by statute, be limited to individuals actively engaged in operations in the particular industry, industries, or segments concerned, except where the department or agency head deems such limitations would interfere with effective committee operation.

SEC. 6. The meetings of an advisory committee formed or used by a department or agency shall be subject to the following rules:

(a) No meeting shall be held except at the call of, or with the advance approval of, a full-time salaried officer or employee of the department or agency, and with an agenda formulated or approved by such officer or employee.

(b) All meetings shall be under the chairmanship, or conducted in the presence of, a full-time salaried officer or employee of the Government who shall have the authority and be required to adjourn any meeting whenever he consider adjournment to be in the public interest.

(c) For advisory committees other than industry advisory committees, minutes of each meeting shall be kept which shall, as a minimum, contain a record of persons present, a description of matters discussed and conclusions reached, and copies of all reports received, issued, or approved by the committee. The accuracy of all minutes shall be certified to by a full-time salaried officer or employee of the Government present during the proceedings recorded.

(d) A verbatim transcript shall be kept of all proceedings at each meeting of an industry advisory committee, including the names of all persons present, their affiliation, and the capacity in which they attend: *Provided*, That where the head of a department or agency formally determines that a verbatim transcript would interfere with the proper functioning of such a committee or would be impracticable, and that waiver of the requirement of a verbatim transcript is in the public interest, he may authorize in lieu thereof the keeping of minutes which shall, as a minimum, contain a record of persons present, a description of matters discussed and conclusions reached, and copies of all reports received, issued or approved by the committee. The accuracy of all minutes shall be certified to by a full-time salaried officer or employee of the Government present during the proceedings recorded.

(e) Industry advisory committees shall not be permitted to receive, compile, or discuss data or reports showing the current or projected commercial operations of identified business enterprises.

(f) In the case of advisory committees

other than industry advisory committees, the department or agency head may waive compliance with any requirement contained in subsection (a), (b) or (c) of this section when he formally determines that compliance therewith would interfere with the proper functioning of such a committee or would be impracticable, that adequate provisions are otherwise made to insure that committee operation is subject to Government control and purpose, and that waiver of the requirement is in the public interest.

SEC. 7. The head of each department or agency sponsoring an advisory committee may prescribe additional regulations, consistent with the provisions and purposes of this order, to govern the formation or use of such committees, or the appointment of members thereof.

SEC. 8. An advisory committee whose duration is not otherwise fixed by law shall terminate not later than 2 years from the date of its formation unless the head of the department or agency by which it is utilized determines in writing not more than 60 days prior to the expiration of such 2-year period that its continued existence is in the public interest. A like determination by the department or agency head shall be required not more than 60 days prior to the end of each subsequent 2-year period to continue the existence of such committee thereafter. For the purpose of this section, the date of formation of an advisory committee in existence on the date of publication of this order shall be deemed to be July 1, 1960, or the actual date of its formation, whichever is later.

SEC. 9. The requirements of this order shall not apply:

(a) to any advisory committee for which Congress by statute has specified the purpose, composition and conduct unless and to the extent such statute authorizes the President to prescribe regulations for the formation or use of such committee;

(b) to any advisory committee composed wholly of representatives of State or local agencies or charitable, religious, educational, civic, social welfare, or other similar nonprofit organizations;

(c) to any local, regional, or national committee whose sole function is the dissemination of information for public agencies, or to any local civic committee whose primary function is that of rendering a public service other than giving advice or making recommendations to the Government.

SEC. 10. (a) Each department and agency utilizing advisory committees shall publish in its annual report, or otherwise publish annually, a list of such committees, including the names and affiliations of their members, a description of the function of each committee and a statement of the dates of its meetings: *Provided*, That the head of the department or agency concerned may waive this requirement where he determines that such annual publication would be unduly costly or impracticable, but shall make such information available, upon request, to the Congress, the President, or the Attorney General.

(b) A copy of each such report shall be furnished to the Attorney General, and all records and files of advisory committees, including agenda, transcripts or notes of meetings, studies, analyses, reports or other data compilations or working papers, made available to or prepared by or for any such advisory committee, shall be made available, upon request by the Attorney General, to his duly authorized representatives, subject to such security restrictions as may be properly imposed on the materials involved.

SEC. 11. This order supersedes the directive of February 2, 1959, entitled "Standards and Procedures for the Utilization of Public Advisory Committees by Government Departments and Agencies," and all provisions of prior Executive orders to the extent they are inconsistent herewith.

JOHN F. KENNEDY.

THE WHITE HOUSE, *February 26, 1962.*

[F.R. Doct. 62-2073, Filed, Feb. 27, 1962; 11:34 a.m.] [27 F.R. 1875, 1876, 1877; 2-28-62].

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OMB CIRCULAR NO. A-63

EXECUTIVE OFFICE OF THE PRESIDENT, BUREAU OF THE BUDGET,
*Washington, D.C., March 2, 1964.*

Circular No. A-63.

To the Heads of Executive Departments and Establishments.

Subject: Management of interagency committees.

1. PURPOSE AND SCOPE

This circular sets forth general guidelines and instructions for the establishment, use, and termination of interagency committees. To the extent consistent with law, it applies to all departments and agencies of the executive branch.

For the purposes of this circular, the term "interagency committee" means any formally constituted committee, board, commission, council, conference, panel, task force, or other similar group, or any subcommittee or other subgroup thereof, that is composed of officers or employees of more than one department or agency of the Government and that is organized to meet from time to time for purposes of formulating advice or recommendations, or for any other stated purpose.

Executive Order No. 11007 of February 26, 1962, prescribes certain regulations regarding the use of public advisory committees. There are a few such committees which have members from two or more Federal agencies in addition to the public members. Such committees are also included within the scope of this circular which establishes additional (and complementary) guidelines regarding interagency committees.

2. GENERAL POLICIES

(*a*) *Responsibility for committees.*—The responsibility for the management of interagency committees (hereafter referred to as committees) rests with the chairmen of such committees or, in cases where a subordinate official chairs a committee, with the head of his department or agency. The chairman should be held responsible for the conduct of all committee activities. Dual or rotating chairmanships may have the effect of confusing or dividing responsibility for the committee's work and should generally be avoided.

The chairman should direct the administrative arrangement for the committee including the calling of meetings and preparation of agenda and reports. Secretariat services should generally be provided in full by the chairing agency.

(*b*) *Agency contributions.*—Contributions by member agencies (other than the chairing agency) to the support of committees should be limited to cases where the subjects to be considered are within the scope of authority and responsibility of several agencies and no single agency has paramount responsibility. If the activities of the committee meet this test and if it is not practicable for the chairing agency to provide for the full support of the committee, consideration should be given to the contribution of the time of agency staff and other participation in kind before transfers of funds are proposed.

Contributions by members which take the form or payments of funds should be used only in those cases where the need is so compelling or urgent that the committee must be established immediately and no practicable alternative can be found to meet its immediate financial needs. Financing of the activities of the committee through a single agency, if feasible, should be recommended to the Bureau of the Budget for consideration in connection with the next budget submission of the chairing agency.

(*c*) *Approval of exceptions.*—There may be circumstances in which the special needs of a committee require a dual or rotating chairmanship or in which contributions of funds by member agencies are required. In such cases, the prior approval of the Director of the Bureau of the Budget should be obtained. At that time, consideration will also be given to any special funding and administration support arrangements required by committees with dual or rotating chairmanships. In the case of existing committees which have dual or rotating chairmen or are financed by transfers of funds from several agencies, the approval of the Director of the Bureau of the Budget should be obtained if such arrangements are to be continued when the committees are extended beyond 2 years under the provisions of section 2(g) of this circular.

(*d*) *Functions of committees.*—Committees are established primarily for the purpose of assuring necessary interagency consideration or coordination of executive branch programs or problems. Committees should be used for such functions as advising, investigating, making reports or recommendations, exchanging views, and so forth. Responsibility for performance of operating or executive functions, such as making determinations or administering programs, should not be assigned to committees. The committee's "terms of reference" should be defined as accurately as possible; that is, the scope and nature of the committee's assignment, the official to whom the committee will report, and what it is that the committee is expected to do, for example, advise, investigate, report, recommend, and so forth.

(*e*) *Method of establishment.*—Committees should be established, insofar as possible, by means which permit maximum flexibility in determining the membership, functions, and duration of the group. Therefore, agencies should not propose the establishment of committees by legislation unless there is a clear need to do so. Further, proposals to establish committees by Executive order should be limited generally to cases where specific delegations of statutory authority or formal assignments of responsibility are being made to a number of agencies and a coordinating committee is to be utilized. Committees dealing with general problems of interagency coordination or cooperation, which can be set up appropriately under existing authority, should be established by less formal documents such as memoranda of agreement, exchange of letters, etc. If they are to be standing committees, notice of their establishment or extension (under section 2(g) of this circular) shall be published in the Federal Register in order to facilitate convenient and permanent reference by Federal agencies, unless this would be inconsistent with law or regulations, or where such publication would not be in the national interest.

(*f*) *Committee membership.*—In order to facilitate the work of committees, the membership should be limited to those agencies having a substantial interest in all major facets of the subjects to be dealt with. Agencies having a limited interest in a committee's work should be invited to participate when matters concerning their area of interest are to be considered. Informal reports should be made to interested but nonparticipating agencies, as necessary.

(*g*) *Duration of committees.*—Standing committees should be established only when the subject matter clearly indicates that benefit will accrue from recurrent group consideration or coordination. Temporary commit-

tees or ad hoc handling and disposition should be used for transitory matters. Standing committees should be terminated as soon as practicable and ordinarily not later than the end of the second fiscal year after that in which they were established. If the chairing agency determines in writing that the continuation of the committee beyond 2 years is necessary, its life may be extended for one or more additional 2-year periods or for a shorter time.

In case of committees established by law, Executive order, or pursuant to Presidential direction, the head of the chairing agency shall advise the Director of the Bureau of the Budget if he believes that a committee should be extended beyond 2 years. The Director will make such recommendations to the President as may be appropriate regarding the amendment of laws, Executive orders, or Presidential directives dealing with such committees.

For the purpose of this circular, the date of formation of a committee shall be deemed to be June 30 of the fiscal year in which the committee was established. In the case of committees established prior to July 1, 1962, the date of formation shall be deemed to be June 30, 1962. (Extensions of committees also covered by Executive Order 11007 will be handled in conformity with the provisions of that order and will be reported on under this circular for the fiscal year in which the extension occurs.)

3. COMMITTEE MANAGEMENT LIAISON

The head of each agency responsible for the management of committees shall designate an officer to assist him in the discharge of his responsibilities under this circular. The name, title, office, and telephone number of this officer should be transmitted to the Bureau of the Budget by May 31, 1964. Changes in the designation of such officers should be reported promptly.

4. COMMITTEE MANAGEMENT

The head of each agency will issue such internal agency orders as are necessary to carry out the policies under this circular. As a minimum, such issuances should provide for maintenance of a file containing the information listed in the attachment of each committee and subcommittee chaired by the agency.

5. NOMENCLATURE

In order to achieve uniformity within the executive branch, designation of types of committees, established hereafter, should be in accordance with the following schedules:

(a) The terms "commission," "council," or "board" may be confused with independent agencies of the executive branch and should be reserved for committees established by legislation.

(b) All interagency groups of a continuing nature (standing committees) established by other means should be called "committees" and their subordinate units should be called "subcommittees."

(c) All ad hoc groups should have titles giving a clear indication of their temporary status. Terms such as conference, task force, team, party, group, panel, etc., can be used to denote such groups.

Where feasible, committees already in existence should have their titles changed (at the time of their extension or otherwise) in order to bring them into conformity with the preceding guidelines.

6. REPORTS

Each agency shall submit a report on the committees and subcommittees which it chairs to the Bureau of the Budget by April 30 of each year, covering the current fiscal year. The report shall include the following information:

(a) The names of committees established by legislation, Executive order, or at the direction of the President which are in existence at the time of the report and, when required under the provisions of section 2(g) of this circular, recommendations regarding the continuation of such committees.

(b) The names of committees which are supported by interagency contribution of funds or which have dual or rotating chairmanships and, when required under the provisions of section 2(c) of this circular, proposals regarding the continuation of such arrangements.

(c) Notice of the intended continuation of committees beyond 2 years under the provisions of section 2(g) of this circular. Such reports shall contain an explanation of the accomplishments of the committee and the reasons for its continuation.

(d) The number of all other committees and subcommittees classified as standing or ad hoc, and; for each category, the number created, the number terminated, and the number in existence at the beginning and end of the fiscal year.

(The first report under this circular should be submitted by May 31, 1964. In the case of committees whose date of formation is deemed to be June 30, 1962, under the provisions of section 2 above, the first report shall include the information required in connection with the continuation of such committees.)

Inquiries to the Bureau of the Budget about this circular should be addressed to the Office of Management and Organization (code 128, ext. 21764).

KERMIT GORDON,
*Director.*

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ATTACHMENT—CIRCULAR NO. A–63

DATA TO BE MAINTAINED IN AGENCY COMMITTEE MANAGEMENT FILES

1. Name of each committee or subcommittee chaired by the agency.

2. The means and date of its establishment and the name and title of the official who established the committee.

3. The departments and agencies which are members of the committee or subcommittee and those agencies which send observers. Also, the names and titles of the chairman and other members serving on the committee.

4. A list of all subcommittees (and their chairmen) for each parent committee.

5. The "terms of reference" of the committee or subcommittee (as described in section 2d).

6. The estimated duration of the committee or subcommittee.

7. A description of the financing arrangements; a statement of the funding source or sources; a listing of agency contributions, where authorized; and a statement of the authority through which the committee is given financial support.

8. An estimate of all other costs of the committee, including agency staff time (other than secretariat) devoted to committee work, except in cases where the staff time represents less than one-fourth of a man-year.

9. The secretariat and staff, including the size and organizational location or an estimate of the man-hours required for performing secretariat services, and an estimate of the costs involved in the performance of secretariat functions.

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SUPPLEMENTARY INSTRUCTIONS FOR REPORTS UNDER BUREAU OF THE BUDGET CIRCULAR A–63

The following instructions are issued as a supplement to the annual reporting requirements under Circular A–63, due April 30, 1965. They are designed to obtain certain additional data along with the agency reports on the basis of which the Bureau of the Budget will prepare information requested by the President at the Cabinet meeting on February 25. They also clarify some of the instructions in A–63 about which questions arose during last year's review.

1. The regular report required under Circular A–63, section 6, should be transmitted by the head of the agency and should be supplemented by the following information:

(a) A statement that an assessment has been made of the agency's participation in, as well as chairmanship of, interagency committees and that the report reflects steps taken or recommendations to eliminate or modify all unnecessary or outmoded interagency committee activities. In view of the President's desire that the work of all committees be continuously reviewed, it is suggested that committees extended under section 2(g) at the time of last year's report be reviewed to ascertain whether they should be continued. No specific report on such review will be required, however, under section 6 this year.

(b) A list of the names of committees chaired by the reporting agency, that have been abolished during fiscal year 1965.

(c) A list of recommendations made by the reporting agency to chairing agencies suggesting changes in the terms of reference or the abolishment of committees.

(d) A list of committees where the reporting agency has withdrawn from regular membership.

2. The regular report under A–63 will be prepared in accordance with the same provisions as last year. The following will clarify some of the issues raised in the course of the 1964 review:

(a) Under sections 6a and 6b, report the names of all such committees each year, even though recommendations are required in alternate years only.

(b) The requirement to report on or obtain Budget Bureau approval for transfers of funds extends only to the direct support of the activities of a committee and its staff. It is not necessary to report under this section the support of projects that are endorsed or recommended by committees, but carried out under contract with one of the members.

(c) Section 6c requires certain narrative information to be supplied in support of intended continuation of committees beyond 2 years.

(d) Section 6d requires the number of all other committees; that is, those not already covered by sections 6 a, b, and c.

(e) Where recommendations are required (as in 6a) or Budget Bureau approval is required (as in 6b) sufficient explanation should be supplied so that the Director of the Budget Bureau can determine what action would be appropriate under section 2g or section 2c of A–63.

(f) The current chairing agency of a committee should report on that committee to the Bureau of the Budget and make any recommendation or determination required under the circular, regardless of whether another agency is considered to be the sponsoring agency or to have the primary interest. The current chairing agency should consult with other interested agencies in reaching its conclusions. A committee which has dual chairmen should be reported by both agencies.

(g) As indicated in section 1 of the circular, its provisions apply throughout the subcommittees in the same way as to committees. Thus, reports under 6 a, b and c are to include subcommittees.

(h) The following tabulation should be prepared for those committees chaired by the agency, which are not reported under sections 6 a, b, and c.

| | Standing committees | Ad hoc committees | Total |
|---|---|---|---|
| Number of committees in existence on June 30 of the previous year | | | |
| Number of committees created, or expected to be created, during the reporting year | | | |
| Number of committees abolished, or expected to be abolished, during the reporting year | | | |
| Number of committees to be in existence on June 30 of the current year | | | |

3. General reminders:

(a) Is the designation of a committee management liaison officer current?

(b) Are field as well as headquarters committees included in your report?

(c) Have steps been taken to achieve uniformity of nomenclature to the extent provided in section 5 of the circular?

(d) Has provision been made for publication in the Federal Register of information required by section 2e?

4. Please provide four copies of your report.

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By Mr. BROCK:

S. 1966. A bill to establish a National Emergency Wage-Price Stabilization Board to promote and encourage price and wage decisions consistent with the public interest and control inflation. Referred to the Committee on Banking, Housing, and Urban Affairs.

NATIONAL EMERGENCY WAGE-PRICE STABILIZATION BOARD ACT OF 1971

Mr. BROCK. Mr. President, I introduce today a bill to establish a National Emergency Wage-Price Stabilization Board to promote and encourage price and wage decisions consistent with the public interest and to control inflation. I feel that there is a need for such a high level Wage and Price Board as one facet of an effective incomes policy aimed at restoring economic stability.

Inflation is taking a heavy toll on all Americans.

Workers in industry have been barely able to keep even despite fatter pay checks. Since 1965, when the inflationary spiral started shooting up, the average weekly wage has risen $29 while inflation has whittled the real gain down to $2.72.

Retired people on fixed incomes have been hard hit by rising expenses of housing, medical care, and other goods and services.

Young people, especially the newly married, find they are priced out of the market for single family homes. Many are forced to turn to small apartment units or to mobile homes.

Businessmen find profit margins shrinking. Efforts to control costs and boost productivity often lead to strikes or other labor difficulties.

And finally, homeowners are pinched by climbing property taxes, soaring costs of maintenance and service items.

A contributing factor in the dollar crises abroad has been our domestic inflation. Inflation has raised the price of our exports and made them less competitive. We have ended up with a balance-of-payments deficit and an excess of dollars abroad.

The President's economic program to combat inflation has been showing results. The Bureau of Labor Statistics reports that for the first 3 months of 1971 the increase in consumer prices was the lowest in 4 years. The 2.7 percent on a seasonally adjusted annual basis is evidence that the President's program is making headway. In addition, we are seeing important economic growth by the increase in the annual rate of housing starts. However, I believe that in light of the crises that the dollar is facing abroad there is a need for an additional tool to implement a broadly based incomes policy.

Arthur F. Burns, Chairman of the Federal Reserve Board, recently testified before the Senate Banking, Housing, and Urban Affairs Committee as to a number of measures that might be taken. Among these he listed the establishment of a high-level Wage and Price Review Board which, while lacking full enforcement power, would have broad authority to investigate, advise, and recommend on price and wage changes.

As Chairman Burns pointed out, the problem is a multifaceted one and requires that a number of measures be taken.

First, on the list of measures that I feel are essential in the fight against inflation is fiscal responsibility. The Joint Congressional Committee on Reduction of Federal Expenditures reported that as of May 6, 1971, Congress has increased estimated outlays for fiscal 1971 and 1972 by about $610 million and $1,370 million, respectively, and has decreased estimated receipts for these 2 fiscal years by $157 million, and $2,657 million, respectively. The cumulative effect of congressional actions to date on outlays and revenues is to increase the estimated unified budget deficit for fiscal 1971 by $768 million to $19.3 billion and the estimated unified budget deficit for fiscal 1972 by $4,027 million to $15.7 billion. Most completed congressional actions directly affecting outlays and receipts affect outlays and receipts for the trust funds in which there is a projected surplus, so the projected deficits of $25.5 billion for fiscal 1971 and $23.1 billion for fiscal 1972 in Federal funds are not materially affected. These figures are very disturbing and point up the need for Congress to exercise greater restraint in authorizing Federal spending if we are ever to curb inflation.

Second, to increase the efficiency of our free enterprise system we should vigorously enforce the antitrust laws and revise our labor laws particularly so far as national emergency strikes are concerned.

Third, to increase the productivity of our working force, we should establish more effective Federal training programs and computerized job banks.

And finally, we should establish a multifaceted incomes policy that would include a high-level Price and Wage Review Board to investigate, advise, and recommend on price and wage changes.

In essence the idea of an incomes policy is to employ the power of Government to persuade the decisionmakers to keep wage and price increases consistent with productivity and noninflationary developments of the economy. Many different measures have been suggested to accomplish this including a full-pledged general wage and price ceilings, a temporary wage and price "freeze," the establishment of a voluntary wage-price stabilization review board, "jawboning" by the President, the restoration of wage-price "guideposts," and the levying of a tax penalty on excessive price increases.

Unless relief is achieved soon, full controls may become a last resort, but they do not address the basic issue of the problem. Additionally, enforcement would be virtually impossible under present social and political conditions and it is doubtful that they would be effective. In fact, the adoption of wage-price ceilings could provide a false encouragement that inflation was being curbed and thus undermine the determination of Congress and the President to pursue responsible fiscal and monetary policies. Moreover, the abrupt adoption of ceilings would probably present many problems of equity because it would penalize workers whose wage increases had lagged behind the general parade as well as business firms which had tried to hold down price increases. Thus I seek a more acceptable alternative.

It would appear to be too late for mere "jawboning" against inflation by the President with the momentum having already gathered behind the spiral of wages and prices. Similarly, it is hard to see how the institution of wage-price "guideposts" would be effective unless there was a formal Government board to help obtain compliance with them.

Finally, the idea of a surtax on profits as a means of curbing the spiral of wages and prices is completely out of focus with the nature of the spiral. Such a measure would fall short of attacking the basic problem faced in the cost-push type of inflation we are experiencing today. To the contrary, it would make solution of the problem through new technology even more difficult.

In sum, I feel that we must promptly institute a more formal incomes policy if we are to succeed in halting inflation. The basic instruments against inflation must continue to be responsible fiscal and monetary policies. But as a supplement it would be helpful if the President with legislative authorization, could appoint a Wage-Price Stabilization Board whose function would be to exert pressure in behalf of the public interest to bring the rate of increase in labor compensation back into line with the rate of increase of productivity, and to prevent excessive and unjustified price increases.

The National Emergency Wage-Price Stabilization Board, which would be established by my bill, would consist of three members to be appointed by the President, with the advice and consent of the Senate. It would prepare and publish standards and criteria by which price and wage decisions can be measured in terms of their inflationary impact upon the economy. The Board would also be authorized to investigate and direct public attention to the course of wage-price decisions. The Board would also recom-

mend action to the President and legislation to Congress. The primary power of the Board would rest not on compulsion, but with the power to focus public attention and bring public pressure against excessive settlements and price increases.

Although the administration has taken steps in the direction of a more formal incomes policy in the publication of periodic inflation alerts and the appointment of a Purchasing and Regulations Review Board as recommended by the Joint Economic Committee Republicans last year, I feel that the establishment of a National Emergency Wage-Price Stabilization Board is an essential adjunct to our incomes policy.

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By Mr. MAGNUSON (by request):

S. 1967. A bill to amend the joint resolution expressing the sense of the Congress with respect to the shipping in U.S. vessels of products purchased with loans from the United States in order to apply the provisions of such joint resolution to other types of credit assistance. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce, by request, for appropriate reference, a bill to amend the joint resolution expressing the sense of the Congress with respect to the shipping in U.S. vessels of products purchased with loans from the United States in order to apply the provisions of such joint resolution to other types of credit assistance.

I ask unanimous consent that the bill and an accompanying statement of its purposes and provisions be printed in the RECORD.

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

S. 1967

A bill to amend the joint resolution expressing the sense of the Congress with respect to the shipping in United States vessels of products purchased with loans from the United States in order to apply the provisions of such joint resolution to other types of credit assistance

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the joint resolution entitled "Joint Resolution Requiring agricultural or other products to be shipped in vessels of the United States where the Reconstruction Finance Corporation or any other instrumentality of the Government finances the exporting of such products", approved March 26, 1934 (15 U.S.C. 616a), is amended by inserting after "loans" the following: "or other credit arrangements or guarantees, whether for public or private account,".

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STATEMENT OF PURPOSES AND PROVISIONS

Last October 21st, after many years of effort by maritime management, labor and proponents of the merchant marine in the Government, President Nixon signed P.L. 91-469, the Merchant Marine Act of 1970.

Hopefully, the passage of this new federal maritime program, in which you played so prominent a role, will assist this nation to regain its rightful position of strength and prestige upon the seas.

It will take at least two years, and possibly three, however, before the new vessels contemplated in this program can be in service; and meanwhile, there is an acute need to maintain the existing merchant fleet, or the promise of the new program cannot be achieved.

The new program, for example, makes available to presently unsubsidized operators the tax deferment benefit as a means of enabling them to amass the capital necessary for new ship construction.

But the tax deferment benefit is helpful only insofar as an operator has earnings to deposit, and there can be no earnings without ships, nor can there be ships without cargo.

The cargo situation, of course, particularly with respect to Government-generated cargoes, has become increasingly critical in recent years, and primarily as a result of this, the privately-owned American-flag merchant marine has declined from January 1, 1970 to March 1, 1971, from 931 to 771 ocean-going vessels, both active and inactive.

A major part of this drop, as might be expected, has been in the unsubsidized breakbulk liner and tramp fleet, which is almost entirely dependent for its existence on the carriage of government cargoes, and which, during this 14-month period, has been reduced by 110 ships as a result of foreign transfers and scrappings.

Currently there are only 84 ships in the U.S.-flag fleet classified by the Maritime Administration as dry cargo tramps.

Moreover, there is every reason to believe that, unless positive steps are taken now, this decline will continue at an even more rapid pace in the months ahead.

Last winter, as you undoubtedly know, oil import quotas were increased to meet a feared heating oil shortage, and when this emergency failed to materialize, employment opportunities for independent American tankers in the coastwise trades were reduced.

Now, with the summer coming on, this situation will be worse, and we expect to find not only an increased number of independent tankers in the grain trades, competing with dry cargo vessels for these cargoes, but also an influx of proprietary tankers operated by the major oil companies, which already receive federal benefits such as depletion allowances which are not available to those who must rely solely on operating ships as a means of making a living.

We forecast that unless corrective action is taken, the 84 dry cargo tramps which we cited earlier will be reduced to less than half that number by the year's end.

Obviously, the best way to alleviate this situation would be to provide more cargo; and one way of doing this would be to make available to American-flag ships cargoes which we believe that the Congress, in enacting our cargo preference laws, intended them to have, but which have been denied to them by various interpretations of the laws.

For many years, for example, the Department of Agriculture has had in effect an Export Credit Sales Program—the GSM-4 program—providing short-term credits to approved buyers on a list of eligible agricultural exports.

American-flag ships, however, have been excluded from the carriage of these exports by a ruling of the Attorney General, made at the request of USDA, that this program is not subject to the provisions of P.L. 664.

A few years ago this ruling was reaffirmed by the Attorney General, in deciding on a request for a review of the initial decision, on the grounds that P.L. 664 does not apply to GSM-4 because it is not a Government-sponsored program but, in effect, a loan program backed by a bank guarantee from either a domestic or a foreign bank.

It should be noted, however, that in the event the bank guarantee fails, the Commodity Credit Corporation has the obligation to guarantee or protect the loan interest of the Government since the exporter of the agricultural commodities receives payment against the ocean documents and has no further financial obligations.

A recent example of this was the failure of the Intra-Bank of Beirut, in which CCC took an active role in reorganizing the bank in an effort to protect the Government's position on loans totalling approximately $26 million.

The exclusion of American-flag ships from this program has been of great concern to the U.S. shipping community because the program has been used in increasing measure in recent years as a means of financing agricultural exports.

According to USDA statistics, for example, exports under the GSM-4 program totalled 723,667 long tons during F.Y. 1970, or just about 10% of the total volume of P.L. 480 exports which moved under the Cargo Preference Act during that period.

More important, the GSM-4 exports approached the 1970 total and reached 675,226 tons during just the first six months of F.Y. 1971.

One way of rectifying this situation, of course, would be through an appropriate amending of the Cargo Preference Act, Section 901(b) of the Merchant Marine Act of 1936, and we would strongly support such an amendment.

Another means which has occurred to us, however, would be an amendment of Public Resolution 17, which already specifically deals with the use of loans to finance the export of agricultural commodities.

We are therefore appending a revised version of P.R. 17, in which language to be added to this amendment is indicated by underscoring, and we respectfully request that you introduce this amendment into the Senate.

Although we have not, at this time, conferred with other segments of the industry, we do know that the need for cargo is the common bond which ties all otherwise-diverse segments of the American merchant marine together, and we are confident that this resolution would have the support of all maritime management and labor groups.

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By Mr. KENNEDY (for himself, Mr. PROUTY, Mr. CRANSTON, Mr. EAGLETON, and Mr. PELL):

S. 1968. A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes; referred to the Committee on Labor and Public Welfare.

AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL SCIENCE FOUNDATION

Mr. KENNEDY. Mr. President, as chairman of the Special Subcommittee on the National Science Foundation, I am today introducing an authorization bill for the Foundation. I am happy to welcome the cosponsorship of Senator PROUTY, the distinguished ranking minority member of the subcommittee, and Senators CRANSTON, EAGLETON, and PELL. The essential feature of my bill is that it completely restores funds for institutional support for science and science education to fiscal year 1971 levels without compromising funding levels of other NSF programs.

At a point in time when support for both basic research and certain categories of applied research are being withdrawn by other agencies, the role of the National Science Foundation as a focal point for scientific research becomes increasingly important. The 1972 budget for scientific research project support amounts to 41 percent of the total NSF budget request, an increase of $81.9 million over fiscal year 1971. The importance of increasing our national base of

fundamental research support cannot be overemphasized. Without basic research there can be no meaningful advances in applied research or technology. At a time when basic research support from other sources is being curtailed, it is essential to retain the highest possible levels of support for basic science within NSF.

In addition, it is important to recognize the fact that the uncontrolled, unplanned proliferation of technology has resulted in extensive damage to our environment, some possibly irreversible. The land has been stripped, made barren and subject to erosion in some places. The atmosphere has been polluted. Biologic chains have been distorted and disrupted, with consequent impact upon all life on earth because of the delicate interrelationship and interdependence of life forms. The need to apply knowledge gained through basic research to specific problems facing our society has never been more evident. Programs such as research applied to national needs will help scientists and engineers from many disciplines pool their respective talents and bring them to bear on the problems facing our society.

More extensive basic and applied research into the social sciences must be encouraged. Problems related to the increasing size and complexity of our society with accompanying crowding and inequitable distribution of resources are causing severely adverse secondary effects. The social sciences have been relatively neglected as compared to the physical and biological sciences in past years. It is essential that much more time, money, and effort be put into the social sciences if the monumental problems of society are to be solved. During the forthcoming hearings on NSF authorization bills, I intend to ascertain the extent to which the social sciences are being emphasized within NSF. I am also particularly interested in the definition of problems to be included in the RANN program.

A major feature of my bill is the restoration of funds for NSF educational programs, which have suffered a 34 percent cutback in the administration's budget proposal for fiscal year 1972. The basis of a strong national scientific capability is a strong educational program. The administration's budget cuts in this area have caused great concern among the Nation's leaders in science and education. A curtailment of educational programs at this time will lead to a serious deficit in scientists and technologists 10 or 15 years in the future. There is good evidence that the highly publicized "oversupply" of scientists and engineers is in fact a maldistribution of resources, not an oversupply. This maldistribution is further evidence of the need for increased research in the social sciences to enable us to better predict and project society needs.

Education is a continuing process. Cutbacks such as those proposed by the administration would destroy many educational programs now in existence, making their restoration at a future time difficult or impossible. Moreover, it would withdraw a major source of support from many medium-sized and small colleges which emphasize undergraduate rather than graduate programs. The importance of maintaining diversity, both geographic and programmatic, among our institutions of higher learning is self-evident. The proposed reduction in NSF funding of science education would deal a major blow to colleges whose primary interest is teaching rather than research. My bill completely restores educational funds to fiscal year 1971 levels.

Finally, Mr. President, my bill authorizes a total budget of $900 million for the NSF for fiscal year 1973. This sum is the amount estimated by the agency to be required, based upon the following assumptions:

First, increased support by NSF of basic programs being phased out by other agencies;

Second, continuation of its present levels of support for scientific research;

Third, continued growth of the gross national product at its present rate; and

Fourth, increased innovative programs in science education. This budget figure also allows for continuation of ongoing educational programs at their present levels.

We cannot afford, as a society, to allow the erosion of our scientific capability. In science, as in no other field of endeavor, research and education are inseparably intertwined. The continued success of our technological society depends heavily upon a continued expansion of our understanding of the natural world around us, and of the forces and factors instrumental in molding the character and behavior of our people. Continued assurance of adequate support for scientific activities must be a top priority item to insure our national vitality.

Mr. President, I ask that the full text of the bill I am submitting be printed in the RECORD at this point.

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

S. 1968

A bill to authorize appropriations for activities of the National Science Foundation, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "National Science Foundation Authorization Act of 1972".

SEC. 2. (a) There is hereby authorized to be appropriated to the National Science Foundation, to enable it to carry out its powers and duties under the National Science Foundation Act of 1950, as amended, and under title IX of the National Defense Education Act of 1958, out of any money in the Treasury not otherwise appropriated, $668,516,215 for the fiscal year ending June 30, 1972, and 900,000,000 for the succeeding fiscal year.

(b) Of the sums appropriated pursuant to subsection (a) of this section for each fiscal year—

(1) not less than $34,500,000 shall be available only for institutional support for science; and

(2) not less than $104,316,215 shall be available only for science education support.

SEC. 3. Appropriations made pursuant to authority provided in sections 1 and 5 shall remain available for obligation, for expenditure, or for obligation and expenditure, for such period or periods as may be specified in Acts making such appropriations.

SEC. 4. Appropriations made pursuant to this Act may be used, but not to exceed $7,500 for official reception and representation expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 5. In addition to such sums as are authorized by section 2 hereof, not to exceed $3,000,000 is authorized to be appropriated for the fiscal year ending June 30, 1972, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

## ADDITIONAL COSPONSORS OF BILLS

S. 34

At the request of Mr. KENNEDY, the Senator from Oklahoma (Mr. BELLMON), the Senator from Washington (Mr. JACKSON), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 34, the Conquest of Cancer Act.

S. 325

Mr. BEALL. Mr. President, on January 27, 1971, I introduced S. 325 which would establish a survivors annuity program for widows of military personnel.

At the time I introduced the bill I told the Senate:

Most Americans would be surprised, as were many Members of Congress, to learn that the widow of a retired military man does not automatically receive part of the earned retirement pension her husband was receiving at the time of his death.

S. 325 is designed to correct this inequity. I am pleased to announce to the Senate today that 28 Members of the Senate have joined with me on this measure. I am delighted that the administration has endorsed the concept and will submit legislation which I understand will be substantially similar to my proposal.

In view of this development at the Executive level, and the strong support for the measure, as evidenced by its cosponsorship by over one-fourth of the Senate, I believe that S. 325 should be enacted in this Congress.

I certainly will do everything I can to bring this about. In addition, to Senators THURMOND and TOWER who were on the original printing, I ask unanimous consent that the following Senators be added as cosponsors at the next printing of the bill:

James Allen, Alan Bible, Wallace Bennett, Clifford Case, Alan Cranston, Robert Dole, Peter Dominick, Paul Fannin, Mike Gravel, Edward Gurney.

Clifford Hansen, Philip Hart, Mark Hatfield, Ernest Hollings, Hubert Humphrey, John McClellan, Lee Metcalf, Walter Mondale.

Joseph Montoya, Charles Mathias, Frank Moss, Edmund Muskie, John Pastore, Claiborne Pell, Winston Prouty, Ted Stevens.

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

S. 1316

At the request of Mr. CURTIS, the Senator from Kansas (Mr. DOLE) was added

as a cosponsor of S. 1316, a bill to increase from 50 to 80 percent the Federal payment for any cooperative meat inspection program carried out by the States.

S. 1497

Mr. STEVENS. Mr. President, on April 5, 1970, I introduced S. 1497, to authorize the inclusion of the Russian mission in the inclusion of the Russian Monument and to redesignate the monument as the Sitka National Historical Park. As my introductory statement of that date indicates, the Senator from Alaska (Mr. GRAVEL) joined me in sponsoring this legislation. Yet, Senator GRAVEL's name does not appear as a cosponsor on the face of the bill, although the introductory statement and press accounts accurately reflect the fact that he joined in introducing this legislation. Accordingly, I ask unanimous consent that Senator GRAVEL be added as a cosponsor at this time.

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

S. 1742

At the request of Mr. BROCK, the Senator from South Carolina (Mr. THURMOND), the Senator from Utah (Mr. BENNETT), the Senator from Kentucky (Mr. COOPER), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of S. 1742, a bill to prohibit the use of the name of any of certain deceased servicemen unless consent to so use the name is given by the next of kin of the serviceman.

S. 1775

At the request of Mr. CURTIS, the Senator from Vermont (Mr. AIKEN), the Senator from Maryland (Mr. BEALL), the Sentor from Kentucky (Mr. COOK), the Senator from Kansas (Mr. DOLE), the Senator from Maryland (Mr. MATHIAS), the Senator from Ohio (Mr. SAXBE), the Senators from Pennsylvania (Mr. SCOTT and Mr. SCHWEIKER) were added as cosponsors of S. 1775, a bill to create a National Agricultural Bargaining Board, to provide standards for the qualification of associations of producers, to define the mutual obligation of handlers and associations of producers to negotiate regarding agricultural products, and for other purposes.

S. 1828

At the request of Mr. DOMINICK, the Senator from Idaho (Mr. JORDAN), the Senator from New Mexico (Mr. FANNIN), the Senator from Delaware (Mr. BOGGS), and the Senator from Nebraska (Mr. HRUSKA) were added as cosponsors of S. 1828, the Conquest of Cancer Act.

S. 1872

At the request of Mr. CASE, the Senator from Maine (Mr. MUSKIE) was added as a cosponsor of S. 1872, a bill for the relief of Soviet Jews.

S. 1943

At the request of Mr. DOLE, the Senator from Kansas (Mr. PEARSON) was added as a cosponsor of S. 1943, a bill to provide for the mandatory inspection of rabbits slaughtered for human food.

## ADDITIONAL COSPONSORS OF A RESOLUTION

SENATE RESOLUTION 38

At the request of Mr. STEVENS, the Senator from Oregon (Mr. HATFIELD) and the Senator from Maryland (Mr. BEALL) were added as cosponsors of Senate Resolution 38, giving legislative authority to the Senate Select Committee on Small Business.

## EMERGENCY LOAN GUARANTEE ACT OF 1971

AMENDMENT NO. 114

(Ordered to be printed and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. CRANSTON. Mr. President, last week Senator SPARKMAN introduced, for himself and others, S. 1891, the Emergency Loan Guarantee Act of 1971.

Under that act, the Secretary of the Treasury is authorized to guarantee loans to major business enterprises in order to provide emergency credit. Although the bill is drafted in general terms, and does not mention Lockheed, administration officials acknowledge that the bill was proposed for the specific purpose of helping the deeply troubled Lockheed Aircraft Corp. avoid bankruptcy.

As a general rule, I believe that it is economically unwise for the Government to frustrate the workings of the free enterprise system. Only in extraordinary circumstances should the Government become the banker of last resort. The Treasury Department believes the plight of Lockheed calls for such action.

However, if the Government is to act as a banker of last resort, it must be a prudent banker. It must take every reasonable step to protect the taxpayer's dollar.

I believe that any time the Government uses the Loan Guaranty Act to prevent a corporation from going into bankruptcy, the corporation should be required to elect a new top management team. The management team that brought the corporation to the brink of bankruptcy should not be saved by the Government. It should not be allowed to continue mismanaging the corporation with the use of Government funds. As one California business leader told me:

If the U.S. Government establishes a policy of rescuing companies on the verge of bankruptcy when the management has been as inept as Lockheed's obviously has been, without demanding a management change, the word will be out: Be wasteful. Be careless. It doesn't matter; Uncle Sam will come to the rescue!

This will lead to a highly undesirable situation, accompanied by widespread waste, inefficiency—and pleas for more taxpayer's money for more companies for bailout purposes.

Today, I am introducing an amendment to the Emergency Loan Guarantee Act of 1971 which would require any corporation seeking assistance under the act to replace the present management team with a new top management team selected by the stockholders.

More specifically, an applicant corporation would have to meet the following conditions in order to be eligible for a loan guarantee:

First. All members of the present board of directors must resign, thereby permitting the election of a new board of directors.

Second. Subject to applicable State law, the new board of directors must be elected by the shareholders in accordance with procedures permitting the cumulative voting of shares.

Third. The chief executive officer of the corporation and the next ranking four executive officers shall serve on the board of directors.

Fourth. No person who was a director, officer, or employee of the corporation during the year prior to the date the corporation applies for the loan guarantee shall be eligible to serve on the new board of directors.

Fifth. The Secretary of the Treasury is given the authority to promulgate regulations necessary to carry out the purposes of my amendment. My amendment would require that the above conditions must remain in effect throughout the period that any portion of the federally guaranteed loan is outstanding.

My approach would give maximum protection to the taxpayer by bringing about a change in company management while still preserving full stockholder control of the company. It would protect Lockheed's lenders, creditors, and employees, and save the firm from the disruptions and stigma of court proceedings. It would, in a word, produce the best elements of receivership without the trauma of bankruptcy.

Mr. President, I ask unanimous consent that the full text of 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:

AMENDMENT NO. 114

On page 4, after line 10, insert a new section as follows:

"SEC. 4. No corporate enterprise shall be eligible to receive a loan guaranteed under this Act unless, during any period in which the loan is outstanding, the following requirements and conditions are observed with respect to the management of the enterprise:

"(1) Subject to applicable State law, persons serving on the board of directors of the enterprise shall have been elected by the stockholders in accordance with procedures permitting the cumulative voting of shares.

"(2) The chief executive officer of the enterprise and the next four ranking executive officers, as determined by the Secretary, shall serve on the board of directors.

"(3) No person who was a director, officer, or employee of the enterprise at any time during the one-year period immediately preceding the date on which application for the loan is made shall serve on the board of directors.

The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.

Redesignate succeeding sections accordingly.

## ADDITIONAL COSPONSORS OF AMENDMENTS TO THE MILITARY SELECTIVE SERVICE ACT

AMENDMENT NO. 106

At the request of Mr. HATFIELD, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of Amendment No. 106 intended to be proposed to Amendment No. 76, intended to be proposed to the bill 'H.R. 6531) an act to amend the Military Selective Service Act of 1967, and for other purposes.

AMENDMENT NO. 113

At the request of Mr. EAGLETON, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Amendment No. 113 intended to be proposed to the same bill (H.R. 6531).

## NOTICE CONCERNING HEARINGS BY THE SUBCOMMITTEE ON AGING OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. EAGLETON. Mr. President, hearings have previously been announced for the Subcommittee on Aging of the Committee on Labor and Public Welfare to be held on June 1 and 2, beginning at 9:30 a.m. in room 4232. In addition to the bills previously listed to be heard, the subcommittee will also consider S. 1925, a bill to promote the advancement of research in aging through a comprehensive and intensive program for the systematic study of the aging process in human beings.

## ADDITIONAL STATEMENTS

### LET'S LEARN ABOUT THE BREEDER

Mr. GRAVEL. Mr. President, I would like to declare my strong support for the suit announced the other day by Dr. Margaret Mead, president of the Scientists' Institute for Public Information, against the Atomic Energy Commission under the National Environmental Policy Act.

The suit against the AEC is asking the Federal Court in the District of Columbia to rule under the National Environmental Policy Act of 1969 that the AEC must prepare and circulate an environmental "102" statement on the environmental implications of the fast-breeder nuclear-reactor program as a whole, not merely on one related facility now under construction, and that the "102" statement must consider alternatives to the breeder program, as stipulated in section 102(2)(c) of that law.

The law suit by the Scientists' Institute for Public Information may produce the information so badly needed in Congress before we vote on hundreds of millions more tax dollars for the breeder program. The breeder reactor is a new kind of nuclear reactor which the AEC claims is "essential" to assure this country adequate electricity "for centuries." The AEC expects to license about 500 plutonium breeders for operation in the next 29 years, and to spend about $2.4 billion of tax dollars on breeder development.

Permanent radioactive poisoning of the planet could be the unintentional side-effect of this program, and so it is urgent that the public and we in Congress obtain the information on which to begin debating the wisdom and the morality of such a gamble. Just how much do we treasure our planet, and appreciate our chance here?

How do we feel about creating a legacy of undisposable radioactive waste which man must try to keep confined with 99.99 percent success for at least 50 generations to come?

It is by no means true that the plutonium breeder, or any other kind of nuclear fission reactor, is essential to generate abundant electricity. Alternatives exist, and today I am releasing a statement about our choices prepared April 2, 1971, by Dr. Hannes Olof Alfven, the 1970 Nobel Prize winner in physics. Dr. Alfven is professor of physics at the University of California in San Diego, and is presently in residence at the Royal Institute of Technology in Stockholm. I ask unanimous consent that his statement be printed as the final section of these remarks today.

On March 25, I raised the question of an environmental "102" statement on the breeder program at the National Newspaper Association, and this was followed up by an inquiry from my office to the AEC.

The AEC told us that it will soon release a "102" statement on the fast flux test facility—FFTF—which is only one part of this year's breeder budget request, and that no "102" statement is required on the breeder program as a whole.

Several hundred million tax dollars—perhaps a billion—have already gone into the breeder, and now the AEC is asking Congress for another $100 million or more this year, and yet another $2,000 million in projected costs, without ever providing an analysis of the overall ecological hazards of the breeder program and the alternatives to it. I believe this is exactly the type of information gap which the environmental policy act is meant to prevent. I commend the Scientists' Institute for Public Information for taking action on this important issue.

I would like to point out that, in December 1970, the Department of Transportation produced an environmental "102" statement on the supersonic transport—SST—which discussed the possible adverse environmental effects of a large-scale SST operation, not just two prototype planes. Does the AEC have some privilege which the Department of Transportation does not have? The AEC is calling the breeder program its highest priority energy program. Let us learn about it. Let us hope the court requires a "102" statement for the whole program.

Dr. Alfven's statement reads:

FISSION AND FUSION REACTORS

(By Hannes Olof Alfvén)

In the long run fossil fuels cannot satisfy the rising energy demand in the world. There are only three sources of energy known which are sufficiently powerful!

(a) Solar energy.

(b) Fusion energy.

(c) Fission energy.

The first one is completely pollution-free, the second one almost pollution-free. The third one is necessarily combined with production of large quantities of radioactive poisonous elements.

In my opinion, the dangers associated with the fission energy have not received necessary attention. Whether the pollution caused by fission reactors in normal operation is below a safe level or not is a controversial matter. If a reactor goes out of control, the consequences may be terrible. Even if extreme safety precautions are taken, the large quantities of radioactive material in them constitute a permanent danger. For example, in periods of political or social unrest, sabotage against reactors may cause catastrophes. Furthermore, in a full scale fission programme, the radioactive waste will soon become so enormous that a total poisoning of our planet is possible. Under such conditions safety margins which are acceptable in other fields, are inadequate. It is not evident whether the waste problem can be solved in a satisfactory way.

If solar energy or fusion energy were available now at comparable cost no one would use fission energy (for peaceful purposes). Unfortunately this is not the case. Solar energy is available but at prohibitive cost. However, there are new interesting solar energy projects which should be examined carefully.

Concerning the fusion energy, there is a general agreement that no *fundamental* obstacle is likely to prevent the construction of a fusion reactor but there are a number of difficult scientific and technical problems which must be solved. There is much speculation about how much *time* is needed to solve these problems, but it is just as much a question of how much *effort* has to be spent.

In my opinion a solution of the fusion problem is less distant today than the Moon was when the Apollo project started. This means that if a national effort of the same kind as the Apollo programme were made, the fusion energy would be available in a comparable time. If this is achieved, the fission reactor, especially the breeder, will be of interest only as a danger which must be eliminated as soon as possible.

The views expressed here are shared by many competent physicists. They are basically different from those on which the present policy is based. An important decision about the future energy policy of the USA—and the whole world—should not be made until a thorough discussion has taken place involving advocates for all the three different alternatives for solving the energy problem.

APRIL 2, 1971.

## BELMONT ABBEY COLLEGE HONORS CARDINAL COOKE

Mr. DOLE. Mr. President, recently I had the pleasure of addressing the graduating class of Belmont Abbey College in Belmont, N.C. I considered it a distinct honor to be invited to share this special day with the fine young people who were receiving their degrees from Belmont Abbey.

An additional pleasure for me was the opportunity to meet and visit with one of America's outstanding religious leaders, Terrence Cardinal Cooke, of New York, who was awarded an honorary doctor of laws degree by the college.

Cardinal Cooke, the spiritual leader of more than 2 million New York Catholics, is universally respected by Americans of all faiths for his work in behalf of the

underprivileged in America, the men and women of our Armed Forces, and closer relations among people of good will through the world.

The citation accompanying the degree conferred upon Cardinal Cooke bears testimony to the accomplishments and qualities of this most gracious and dynamic religious leader, and I ask unanimous consent that this citation be printed in the RECORD.

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

BELMONT ABBEY COLLEGE

The president and the faculty of Belmont Abbey College—To all who shall behold this document: Greetings and peace in the Lord

In March of 1968, the Most Reverend Terrence J. Cooke was named seventh Archbishop of New York; in April of the following year Pope Paul VI created him Cardinal. Except perhaps for Rome itself, the Archdiocese of New York has been called the most complex organization in the Catholic Church. A mere recital of statistical facts about it reveals a problem in administration to stagger the imagination. It has two million communicants, over twelve thousand priests, nuns, and religious, 403 parishes. It embraces 4,700 square miles which stretch from Staten Island, through the crowded streets of Harlem, the endless high-rise dwellings of the Bronx, to the elegant estates of Scarsdale. Within its boundaries are found in concentrated form not only all the racial and social conflicts that bedevil American society at large, but all of the strains generated by a time of rapid change in the lives of average Catholics.

To cope with this gigantic task, Divine Providence has called a native New Yorker who comes from very humble origins. Terence Cooke was born in a tenement on Manhattan's Upper West Side. He emerged from these surroundings with a personal acquaintance with poverty and a deep and abiding concern for the poor and underprivileged. It was this which influenced his decision to do graduate study in social work at The Catholic University of America and the University of Chicago after his ordination to the priesthood.

From the moment of his installation as the Ordinary of New York, Cardinal Cooke was destined to be the "man in the middle," standing between those who feel betrayed and threatened by all of the changes in the Church and those who demand instant transformation of its venerable traditions; between those who fail to see the need for any new interpretation of Christian commitment and those who would abandon fundamental doctrines; between the interests of the very rich and the aspirations of the very poor.

But if complexity and conflict are the challenges of his Archdiocese, Terrence Cardinal Cooke has proven superbly qualified to meet them. In his response to this awesome array of issues, one note consistently emerges as the special theme of his pastoral vision—that is the note of mediatorship, harmony, convergence—in short, he embodies the virtue of Christian love, which is brotherhood, the refusal of exclusion, isolation, opposition.

As Bishop, he mediates between the spiritual and the secular. He must administer a vast organizational structure—not for the purpose of profit, or of any merely temporal interests, but ultimately for the spiritual needs of the people. The proof of this is the way in which this admirable "overseer," for this is what the word bishop means, has brought to bear the resources of the Archdiocese to the pursuit of goals so signally Christian.

He has spoken out repeatedly against American provincialism which would isolate our nation from concern with the larger human community, under the illusion that its spiritual and temporal welfare can be separated from theirs. The two-thirds of the world living in destitution and hunger form part of our human family for which we cannot escape responsibility. "The notion," he has said, "that we are our brother's keeper (or better still), our brother's brother!" is not only a basic religious truth, but a practical guideline for world economic, social and political policy. To the Synod of Bishops, meeting in Rome, he recommended the establishment of a world fund for human development for the underprivileged; he has initiated such a program within his own Archdiocese.

Although dedicated to the cause of world peace and international cooperation, he is charged with responsibility of the ministry of Chaplains who serve Catholics in the Armed Forces of our country. To communicate his personal care for these men he has made numerous visits to Vietnam, Korea, and bases around the world.

His opposition to all racism and his quest for racial justice have been relentless. In public statements, in sponsoring conferences and studies of racial problems, in his support of public forces directed toward the eradication of racism, he has exemplified the social teaching of the Gospels.

Interest in persons is not viewed by him as an abstract ideal, but as a Christian duty to be daily translated into concrete action. His determined attack on urban and poverty problems which afflict his people witnesses so clearly that Christianity must be in the marketplace where the lives of men are lived. The affirmation of the value of "this world" implied therein is an authentic expression of an incarnational theology. It is not that the Church is less focused on the sacred and spiritual, but that true worth of "the human" looms larger in Christian thought in our time, especially since Vatican II.

His publicly expressed support for Welfare and other programs which benefit the poor; his pleas for a redirection of national resources toward the relief of the inequities in our society; his work as a member of President Lyndon Johnson's National Commission on the Causes and Prevention of Violence; his efforts to improve relations between Roman Catholics and Jews; his fostering of ecumenical bonds between Protestant and Catholic Christians—all bear the distinct mark of his remarkable and cordial personality.

In acknowledgement of his leadership in shaping the social conscience of the Catholic Church in America, and in recognition of his achievement in mediation of the two worlds, the secular and the sacred, demonstrating what Christian love means in practice, the President of Belmont Abbey College, in the presence of the Faculty, now proclaims His Eminence Terrence Cardinal Cooke doctor of laws honoris causa.

And that the rights and privileges of this high Degree be accorded to him for all time, we issue this Decree under our Seal at Belmont Abbey College in Belmont, North Carolina, this the sixteenth day of May, in the Year of Our Lord Nineteen hundred and seventy-one, and of the Founding of this College, the ninety-fifth.

## INCREASED ARMS SALES TO LATIN AMERICA

Mr. BAYH. Mr. President, it is with concern and disappointment that I note President Nixon's decision to raise the limit on military credit sales to Latin America from $75 to $150 million. At a time when Latin American leaders have expressed a hope that an armaments race can be avoided in the hemisphere, the President has arbitrarily decided to double the limit set by the Congress.

This action seems to indicate that just as the Nixon administration's priorities at home are sadly out of focus, so it misunderstands the real needs of the Latin American people.

Furthermore, it is another example of how this administration flaunts the will of the Congress. The Foreign Military Sales Act of 1968 clearly represented the sense of the Congress; that some Latin American countries were diverting scarce resources from social and economic projects to military uses and that the ceiling of $75 million was adequate and in accordance with security considerations in the hemisphere. Now the President has violated the intent of that legislation.

He does have the power—under certain circumstances—to raise the ceiling imposed by the Congress. Section 33(a) of the Foreign Military Sales Act gave the President authority to act in such a manner when he determined that a waiver would be "important to the security of the United States." Thus, if a new security threat has emerged in the hemisphere, the President is well within his authority to waive the limitation.

But as late as March 9 of this year, at the time of the "foreign military sales congressional presentation," a figure of $72 million was considered adequate for arms sales for Latin America in fiscal year 1971 by the Nixon administration. Has the situation changed since then? Does the President believe a new threat now exists? If so, the American people and the Congress should be informed. We should know the nature of the new security problem which has caused so dramatic a reappraisal of our military assistance and sales program.

If the President's decision has no valid strategic basis, if it simply uses tax dollars to further subsidize the sales of arms to Latin America, if it is simply part of a competition with Western European suppliers for the Latin American arms market, the Congress should act. We should not sit idly by and permit the administration to distort our clear purpose by making this decision in the last 2 months of the fiscal year and thus avoiding congressional review.

We should seriously consider whether it is necessary to amend the Foreign Military Sales Act so as to compel the executive branch to be more explicit in justifying waivers of provisions specified by the Congress.

Nothing that I have said should be misconstrued to imply dictation to the Latin Americans as to how they should spend their money. They are sovereign nations with the right to determine their own policies and their own allocations of resources. But this decision by the President directly involves the United States and the Congress, and it is as a Senator and as an American concerned with our role in the world that I speak.

This decision means that the Latin American peoples will be further indebted to the United States for the amount of the arms purchases. To us, $75

million is a mere drop in the balance-of-payments deficit. But to the capital-scarce countries of this hemisphere, it is a relatively large amount of hard-earned foreign exchange. It seems to me we should be encouraging the investment of such scarce resources in schools, in homes, in job-producing industry—not in prestigious but irrelevant military hardware.

Because of the policy and constitutional issues involved, I have today written to the chairman of the Senate Foreign Relations Committee requesting him to consider calling the appropriate administration officials to testify on the reasons why the credit sales limit has been raised.

I note that the distinguished chairman of the House Subcommittee on Inter-American Affairs of the Committee on Foreign Affairs (Mr. FASCELL) has already written a letter to the Secretary of State requesting fuller information on this matter.

Mr. President, I ask unanimous consent to insert that letter into the RECORD.

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

COMMITTEE ON FOREIGN AFFAIRS,
*May 11, 1971.*

Hon. WILLIAM P. ROGERS,
*Secretary of State,*
*Washington, D.C.*

DEAR MR. SECRETARY: This is in reference to your letter of May 5th, transmitting a copy of Presidential Determination 71-12, dated April 9, 1971, waiving the $75 million ceiling on fiscal 1971 military assistance, sales and guarantees to Latin America.

Section 33(a) of the Foreign Military Sales Act requires the President promptly to report to the Congress whenever he determines that a waiver of that limitation is "important to the security of the United States."

The intent of the Congress in including that requirement in the statute seems perfectly clear: the Congress has been concerned about some countries of Latin America diverting scarce resources to military uses. In enacting Section 33(a) of the Foreign Military Sales Act, the Congress indicated that the United States should not participate in such military spending in excess of $75 million in the current year unless important considerations of our national security dictated otherwise.

I am concerned, therefore, to find that neither the President's Determination nor the Background Memorandum in which you recommended the waiver, attempt to justify it except in the broadest, most general terms.

Your Background Memorandum reports that the Latin American countries "are in the process of modernizing their armed forces. . ." You further state that "it is important to our security to be responsive to reasonable and legitimate requests for conventional military equipment from the countries of Latin America. . ." You do not explain, however, why the $75 million ceiling is not reasonable and why it should be removed.

As you know, during fiscal years 1966–1970, United States sales of military equipment to Latin America averaged $38 million a year. The sales program proposed for fiscal year 1971 was almost twice that amount—$72 million. According to the "Foreign Military Sales Congressional Presentation" dated March 9, 1971, that $72 million estimate was still adequate two months ago.

I would, therefore, appreciate your cooperation in furnishing me with the following information in further explanation of the course of action you had recommended to the President:

1. What has happened during the past 60 days to prompt the basic reevaluation of the military assistance and sales program for Latin America, reflected in the Presidential Determination?

2. What military equipment has been sold to Latin America during the period July 1, 1970 to April 9, 1971? Please give details, including the dollar amount of each sale, the country concerned and the date on which each commitment was signed or the transaction completed.

3. What is the size of the military sales program currently proposed for fiscal year 1971? Please provide details including the names of countries, kinds of equipment, terms and dollar amounts of each sale planned for the remainder of the current fiscal years.

4. Why was it necessary to remove the $75 million ceiling in the fourth quarter of fiscal year 1971? Could not some of the proposed sales have been postponed so as to afford the Congress the opportunity to review them during the consideration of the fiscal year 1972 program?

5. What are the specific reasons for your conclusion that U.S. national security would be adversely affected by our country's failure to be "responsive" to Latin America's requirements for military equipment valued in excess of $75 million during the current fiscal year?

I will appreciate your early reply.

Sincerely yours,

DANTE B. FASCELL,
*Chairman, Subcommittee on Inter-American Affairs.*

## AN APPEAL TO NORTH VIETNAM

Mr. HRUSKA. Mr. President, it was my privilege today and that of my friend and colleague from Nebraska (Mr. CURTIS) to present to Ambassador David K. Bruce, head of our delegation to the Paris peace talks, petitions signed by some 32,000 Nebraskans and other midwesterners appealing to the North Vietnamese for humane treatment for our prisoners of war in Southeast Asia.

The signatures were painstakingly collected by the Forgotten Americans Committee, an Omaha-headquartered group which has devoted strenuous efforts the past year and a half to seeing that our prisoners of war are not forgotten Americans.

These signatures, which include a number from Nebraska's neighboring States of North and South Dakota, Kansas, and Iowa, were transmitted to us by the Governor of Nebraska who received them from the committee in a ceremony at the Nebraska State Capitol.

The Governor and the Forgotten Americans Committee asked us to see that the petitions were delivered to the leaders of the North Vietnamese Government so that they would have first-hand knowledge of the concern which a large and representative share of our midwest citizens feel for our servicemen who are prisoners of war or missing in action.

My colleague and I delivered those petitions to Ambassador Bruce earlier today with the request that they be delivered in as cogent a manner as possible to the North Vietnamese delegation in Paris.

It should be noted, Mr. President, that although the number of petitions we presented was voluminous—filling a large packing box—it was only a token number of the signatures which could have been collected had the time and resources been available.

Ambassador Bruce was most gracious to take a few moments from his tremendously busy schedule to accept the petitions personally and pledged an earnest attempt to deliver them to the North Vietnamese delegation.

I was pleased to hear him report that he thinks there has been some slight improvement this past year in the North Vietnamese attitude on the prisoner-of-war situation. He noted that while talks have never yet arrived at a stage which could be considered negotiations, our delegation persistently seeks every opportunity for improvement in the situation.

While the action of the South Vietnamese in liberating a number of Vietcong prisoners has not yet elicited any reaction from the North Vietnamese, Ambassador Bruce pointed out that "one has to hope."

We all maintain our hope, I am sure. But I am proud to say we have in Omaha and Nebraska a group of active and dedicated Americans who are doing more than hoping. They are working tirelessly under the auspices of the Forgotten Americans Committee to do whatever they can to attract and stimulate public attention to the prisoner-of-war problem.

The some 32,000 signatures presented to Ambassador Bruce today are addressed to Minister Xuan Thuy, Representative of the Republic of North Vietnam at the Paris meeting.

The petitions urge North Vietnam to:

First, release the names of all prisoners.

Second, release all sick and injured prisoners.

Third, allow the exchange of mail between all prisoners and their families.

Fourth, allow impartial inspections of prison facilities to be made immediately.

Fifth, provide proper diet and medical care for all prisoners.

The Forgotten Americans Committee was organized in Omaha early last year. Its stated objectives are to aid servicemen who are prisoners of war or missing in action in Southeast Asia, and to provide solace and consolation to the families of those servicemen.

The committee has been very active in keeping the POW problem in the forefront of Nebraska and Midwest thinking in the past year and a half. Among other projects which it has sponsored was a rally at Omaha's Municipal Stadium last year at which Comdr. Lloyd Bucher, captain of the *Pueblo* was the featured speaker.

Two Nebraska ladies are among a delegation of more than 165 wives and relatives of missing and imprisoned servicemen who left here last week on a special mission to Geneva, Paris, and other world capitals to:

First. Seek support from all countries for provisions of the Geneva Convention;

Second. Ask the North Vietnamese and NLF delegations for a firm commitment regarding release of prisoners of war so that the way can be cleared for withdrawal of U.S. troops from Indochina.

The group is in Paris today where they hope to meet with North Vietnamese and Provisional Revolutionary Government representatives.

The family members' trip is motivated by President Nixon's statement April 29 that—

> As far as any action on our part of ending American involvement completely, and that means a total withdrawal is concerned, that will have to be delayed until we get not just the promise to discuss the release of our prisoners, but a commitment to release our prisoners.

Such a commitment from the other side, the wives and relatives feel, could lead to an immediate breakthrough in settling the war. They also urge acceptance of the Swedish Government's offer to intern all POW's of the Vietnam conflict.

The delegation hopes to express our concern for all prisoners of war, and all those affected by the conflict in Vietnam. It hopes the countries represented at this meeting will resolve to demand impartial inspection of all POW camps, a complete accounting of all prisoners and those missing, immediate release of the sick and wounded, and that mail flow be in accordance with the provisions of the Geneva Convention.

Members of the family group also will travel to other European cities, to visit government officials and embassy delegations in their quest for support. Most are paying all of their own expenses. Some have received support from local citizens groups in their home areas.

Nebraskans in the delegation are:

Mrs. Dennis Thomte of Omaha, sister of Capt. Loren Torkelson, USAF, taken prisoner by North Vietnam on Aprl 29, 1967.

Mrs. Carolyn Standerwick of Bellevue, wife of Col. Robert Standerwick, USAF, missing in action in Laos, February 3, 1971.

## ARMS CONTROL AND DEFENSE POLICY

Mr. HUMPHREY. Mr. President, the Arms Control and Defense Policy Committee of the Democratic Policy Council has adopted a statement calling on the Nixon administration to take immediate steps to bring about a freeze on further deployment of offensive and defensive nuclear weapons and on the testing of new weapons systems in this period of intensive negotiations with the Soviet Union.

As I have noted in a separate statement, we must seize this opportunity to slow down the momentum of the strategic arms race and a freeze on weapons deployment and testing—with all appropriated funds placed in escrow pending the outcome of these intensive negotiations—establishes an environment conducive to reaching an agreement on the limitation of defensive nuclear weapons, together with measures on limiting offensive weapons.

The Arms Control and Defense Policy Committee has also adopted a statement that analyzes the 1972 defense budget as proposed by the Nixon administration. I ask unanimous consent that it be printed at this point in the RECORD; and I ask unanimous consent that my statement of May 23, 1971 urging a freeze on the deployment of both defensive and offensive weapons by the U.S.S.R. and the United States, be printed at this point in the RECORD.

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

STATEMENT BY THE COMMITTEE ON ARMS CONTROL AND DEFENSE POLICY

STRATEGIC ARMS NEGOTIATIONS

A great opportunity is offered in the understanding of the government of the United States and the Soviet Union to negotiate intensively toward an agreement on the limitation of defensive missiles together with certain measures on offensive weapons. This opportunity must not be missed. A proper sense of urgency must now pervade the strategic arms limitations talks. What is needed is the political initiative that can make the talks themselves an instrument for mutual restraint.

*The administration should now take immediate steps to bring about a freeze on further weapons deployment and on the testing of new systems.*

In the absence of such a freeze during the past two years, both countries have continued to accumulate more and more nuclear arms of increasing cost, complexity and destructive capacity. Under the Administration's rationale that we must bargain from ever-increasing strength, the fact of the talks has even been used to justify decisions to go ahead with new weapons programs. The Soviet Union has also proceeded with substantial increases in its strategic offensive forces and has resumed work on its ABM system around Moscow. The risks of further escalation and proliferation have gone unchecked.

Both countries must now behave as great powers and take immediate action to end the nuclear arms race. Both countries must now recognize that their strategic nuclear arms can serve no purpose except to deter the other's use of such arms and that the existing forces are more than ample for this purpose.

Also welcome is the assertion that this first step will facilitate further negotiations to limit all strategic arms. So that the opportunity for full and effective control may not be lost or irremediably damaged, both sides should decide now to refrain from any action that might jeopardize this prospect.

The joint announcement indicates that an initial agreement may be concluded this year. This agreement should provide for a complete ban or at least a severe limitation on ABMs. The stability of the mutual deterrent would be further guaranteed by a measure of control over offensive missiles which involves meaningful qualitative and quantitative limits. This would permit extension of the freeze on further weapons deployment and on the testing of new systems while negotiations proceed for effective limitation of all nuclear armaments.

THE 1972 DEFENSE BUDGET

We view with alarm the Nixon Administration's proposal to increase defense spending authority by $6 billion in FY 72—at the same time that the cost of Vietnam is shrinking by $4 billion. This is in striking contrast to the President's commitment to readjust national priorities and his promise to spend the savings from Vietnam on our pressing domestic needs.

Less obvious, but even more disturbing, is the fact that in its proposed defense budget for FY 72 the Administration fails to formulate any defense policy. Despite pronouncements about a doctrine of "realistic deterrence" the budget reflects no principles or policies and places no lid on over-all defense spending.

The upward momentum of our over-all defense spending continues unchecked. There is no evidence that questionable weapons projects have been reexamined; no major weapons program has been cancelled during the last year. Instead, the defense budget for 1972 continues to include some weapons projects of dubious merit and mission, and others which are overly sophisticated and inordinately expensive. Also continued is the emphasis on technology for its own sake without compensating military value. Moreover, the Administration proposes to insert a number of "wedges"—weapons systems whose costs will expand dramatically over the next five years. The new advanced manned bomber, the new tactical aircraft being developed by both the Air Force and the Navy, and the ABM—each would require spending tens of billions of dollars over the next decade. The rise in the Navy share of the total budget may presage a massive modernization program, without any explanation as to the size of the fleet justified by a doctrine of so-called "realistic deterrence."

We welcome the reductions in manpower that have been made and the consequent savings. But these savings are being eaten up by increases in the cost of new military hardware. Again, the budget reflects no serious thought about the balance between manpower and materiel.

Fortunately, Congress can be expected to trim some of the excesses from the President's defense budget. But Congressional cuts, while useful in themselves, do not make up for deficiencies in executive policies and leadership.

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MUTUAL FREEZE ON NUCLEAR WEAPONS DEPLOYMENT

The news of a possible arms control agreement between the United States and the Soviet Union is most encouraging. I want to congratulate both our own government and the government of the Soviet Union for demonstrating a willingness to reach a compromise, which I am certain can only be in the mutual interest of both countries and in the interest of mankind.

The statement released by the President and the official news service in Moscow leads us to believe that we can reach through patient and prudent negotiations an agreement to limit the deployment of antiballistic missiles. In addition we can expect some accompanying or subsequent agreement on offensive strategic nuclear weapons.

These steps which I urged the Administration to take in my Senate speech of March 25 represent a potentially significant breakthrough. Much work still lies ahead, but now the hope for a halt in the arms race may finally become a reality.

Now that a formal agreement is in sight we should immediately seek a mutual freeze on the deployment of both offensive and defensive nuclear weapons, pending the conclusion of a formal agreement.

The weapons programs now underway are costly and contribute to the arms race. If we expect a formal agreement eventually to limit ABM deployments to a very low level, an immediate freeze will make the formal agreement easier to reach and would be far less costly.

This mutual freeze, which I have already proposed in a Senate resolution, would include ABM and MIRV—the multiple independently targeted reentry vehicle—as well as other offensive weapons systems.

One principal rationale for the development and deployment of our MIRV was the Soviet ABM. Now that the Russians have

agreed to halt their ABM deployment at 6 ABM sites, our present MIRV arsenal is more than sufficient to penetrate this partial ABM system. With the ABM rationale gone and the climate more promising for future agreements on offensive nuclear weapons, we should not proceed with our MIRV or our ABM program.

During the freeze, we should put in escrow all funds appropriated for further defensive and offensive missile deployment. If at some point during the year we find sufficient justification for releasing these funds they will be readily available. Therefore, by taking this step we would not be placing any risk on our security.

A mutual freeze on defensive and offensive weapons systems will assure the political climate where productive negotiations leading toward an agreement can take place.

## THE "HIGH CHAPARRAL" TV SERIES

Mr. FANNIN. Mr. President, in March I sent a letter to the National Broadcasting Co. urging the network to reverse its decision to cancel the television series "The High Chaparral."

In my letter, I pointed out that the series has performed a public service by showing what life in the Old West was really like and by demonstrating the contributions of Spanish-speaking people in the early development of the Southwest region.

My appeal drew a negative response from NBC, and a sizable amount of mail from people in a number of States who were appalled at the network decision to end the series.

It is not yet too late to reverse the NBC decision. "The High Chaparral" series could be restored easily. I still have hope that the popular demand for continuation of "The High Chaparral" will have its effect.

Mr. President, as a further expression of the deep interest that Arizonans have in this series, I ask that a resolution passed by the Pima County Board of Supervisors be printed in the RECORD.

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

RESOLUTION OF THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZ.

(Relating to "The High Chaparral" television series)

Whereas, The residents of Pima County, Arizona, have made known through their individual voices and through the news media their wish to have continued for their television viewing a series entitled "The High Chaparral"; and

Whereas, The Board of Supervisors, as the elected representatives of the residents of Pima County, share the popular local feeling that the series has treated with honesty and dignity the history of our southwestern country, particularly in its treatment of the Mexican-American and Indian cultures;

*Now, therefore, be it resolved by the Pima County Board of Supervisors,* That it petition the National Broadcasting Company to continue "The High Chaparral" television series.

Passed and adopted this 4th day of May, 1971.

PIMA COUNTY BOARD OF SUPERVISORS.
DENNIS WEAVER, *Chairman.*

## SOIL CONSERVATION PROGRAMS FOR INDIAN LANDS

Mr. HARRIS. Mr. President, over the past years the soil and moisture conservation program within the Bureau of Indian Affairs has done much to improve Indian lands throughout the Nation. As a result of this program, erosion and flood damage have been reduced in many areas and the productivity of Indian lands has been increased.

Although the funding for the soil and moisture conservation program has remained at the same approximate level for several years, the costs of the program have been steadily increasing. As a result, conservation programs throughout the Nation are being reduced. This is, indeed, an unfortunate development.

In addition to improving the Indian lands, which certainly is a worthwhile program of the Federal Government, soil and water conservation programs do much to improve our environment. It is estimated that approximately 50 percent of the pollution in lakes and streams comes from silt. Wind erosion is, of course, a factor in air pollution.

The protection and improvement of our natural resources must receive the full support of the Federal Government. I intend to ask for additional funds for this program, which serves not only the best interests of the American Indian, but is beneficial to the entire Nation.

Mr. President, I ask unanimous consent that a letter I received from officials of the Indian Soil Conservation Association in Anadarko, Okla., and a letter I received from Louis R. Bruce, Commission of Indian Affairs on this subject appear at this point in the RECORD.

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

INDIAN SOIL CONSERVATION ASSOCIATION,
*Anadarko, Okla., March 29, 1971.*

Hon. FRED R. HARRIS,
*U.S. Senate,*
*Washington, D.C.*
(Attention: Mr. Fred Gibson).

DEAR SENATOR HARRIS: We wish to thank you for your efforts on our behalf in the past in connection with appropriations for the Soil and Moisture Conservation Program within the Bureau of Indian Affairs.

We realize the Senate Sub-Committee on the BIA appropriation has completed their hearings; however, we would appreciate any assistance you may be able to render in providing adequate funds to at least keep the program operating at present levels in the Anadarko Area.

During the past ten years the Soil and Moisture Conservation staff, within the Anadarko Area Office jurisdiction, has been reduced from fifty-one to forty-four positions. If the fiscal year 1972 funds are limited to an amount not to exceed the 1971 allocation, it will cause another reduction in force in the Anadarko Area.

We hear a lot these days about the quality of our environment and what should be done about pollution. The programs which accomplish soil and water conservation make a vital contribution to the enhancement of our environment. Nationwide, about 50% of the pollution in lakes and streams is silt. Silt is soil which has become detached and transported by the forces of erosion. Wind erosion or wind borne soil contributes to air pollution. Western Oklahoma has seen several days this spring that remind us of the "Dust Bowl Days of the 1930's."

Federal funds, administered by the Soil and Moisture Conservation activity in the Anadarko area, has been effectively applied in the past years, when one considers that land operators are spending $6.50 of personal funds for each $1.00 the BIA is spending for the Soil and Moisture Conservation Program.

Your assistance and cooperation in the past has been sincerely appreciated, and we ask you to again do what you can to assure adequate funds in the Bureau of Indian Affairs budget to support this program.

Sincerely yours,

JACK MCLANE, JR.,
*President.*

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
*Washington, D. C., May 11, 1971.*

Hon. FRED R. HARRIS,
*U.S. Senate,*
*Washington, D.C.*

DEAR SENATOR HARRIS: Reference is made to your April 20 inquiry regarding the Bureau of Indian Affairs Soil and Moisture Conservation program for the Anadarko Area in Western Oklahoma. The information provided by Mr. Jack McLane, Jr., President of the Indian Soil Conservation Association, reflects accurately the downward trend in Soil and Moisture Conservation program emphasis which has occurred over the past few years, not only in the Anadarko area but for the Indian Bureau as a whole.

The Bureau-wide level of funding for this program has remained fairly constant for several years, with additions being allowed only to cover part of the personnel pay cost increases. Increasing material and supply costs, operating expenses, and within-grade increases have reduced rather substantially the base for the Soil and Moisture Conservation program. The net result is that fewer positions and projects can be funded and supported now than was possible a few years ago. This reduction in program base has had to be shared by all of the areas.

The Soil and Moisture Conservation program for the Bureau of Indian Affairs has been considered, along with all other Indian programs, to determine its priority to share in increases which were allowed for the total Indian Bureau. We are optimistic that natural resource programs, such as this one, will be able to rate a somewhat higher priority in the near future. Indian people have expressed a strong desire to have more help in the development and management of their agricultural lands.

Sincerely,

LOUIS R. BRUCE,
*Commissioner.*

## THE INDUSTRIAL-MILITARY COMPLEX MYTH

Mr. SAXBE. Mr. President, the letter I am about to insert in the RECORD, and the accompanying breakdown, speak for themselves. I think they offer another instance where we puncture the myth surrounding that wispy and misunderstood animal that goes under the name of military-industrial complex.

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

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

WASHINGTON, D.C., *May 20, 1971.*

Hon. WILLIAM B. SAXBE,
*U.S. Senate,*
*Washington, D.C.*

DEAR BILL: We have all heard of the so-called industrial-military complex. There is the suggestion that it dominates our economic and social life.

When attending a so-called "Senior Statesmen" conference at the Pentagon, the members of which are "has beens" such as myself, an occasion arose to draw to the attention of those present that the so-called in-

dustrial-military complex was, in fact, a myth. To establish my point, I represented that if one would add up to the value of the common stock of the 10 largest companies that can be logically included in the industrial-military complex, one would get a total that is less than the value of the common stock of *one* cosmetic company.

Everyone present challenged the authenticity of what I said, including the Comptroller of the Air Force. The result was a wager and he has now expressed a willingness to pay. Attached is a rather thorough documentation that made him admit defeat. You will see the market value, as of April 26th, of the 10 largest was $4.7 billion. The market value of Avon on the same day was $5.6 billion.

You may find this interesting, as I do.

Sincerely,

E. R. QUESADA.

COSMETICS FIRMS

| | Common stock outstanding | Exchange quote as of Apr. 26 | Current market value | Capitalization |
|---|---|---|---|---|
| 1. Avon | 57,475,608 | 97¾ | 5,618,240,682 | 309,064,000 |
| 2. Revlon | 12,443,499 | 77 | 958,149,423 | 434,359,079 |
| Total | | | 6,576,390,105 | 743,423,079 |

[1] Capitalization=Long term debt+preferred stock+common stock+capital surplus+retained earnings.

Source: Moody's Industrials Cumulative Index, Apr. 13, 1971. Standard and Poor's Index, February–March 1971. Wall Street Journal (WSJ), Apr. 27, 1971. OASD (Comptroller), 100 Companies List.

PRIME DEFENSE CONTRACTORS

| Firm | Common stock outstanding | Exchange quote as of Apr. 26 | Current market value | Capitalization [1] |
|---|---|---|---|---|
| 1. Lockheed Aircraft | 11,359,000 | 12⅛ | 137,629,663 | 657,291,000 |
| 2. General Dynamics | 10,538,712 | 29¼ | 308,259,326 | 449,273,000 |
| 3. McDonnel Douglas | 27,248,950 | 36⅛ | 984,368,319 | 1,462,893,716 |
| 4. United Aircraft | 12,106,005 | 44 | 532,664,220 | 791,936,140 |
| 5. North American Rockwell | 22,158,930 | 26½ | 587,211,645 | 913,827,900 |
| 6. Litton Industries | 28,552,382 | 30¾ | 877,985,747 | 1,325,768,000 |
| 7. Grumman | 7,117,664 | 20⅞ | 148,581,236 | 235,569,564 |
| 8. Ling Temco-Vought | 2,423,759 | 22¾ | 55,140,517 | 1,768,966,000 |
| 9. Boeing | 21,683,102 | 24¼ | 525,815,224 | 1,433,189,000 |
| 10. Raytheon | 13,766,773 | 41⅛ | 566,158,540 | 301,734,149 |
| Total | | | 4,723,814,437 | 9,340,448,469 |

[1] Capitalization=long term debt+preferred stock+common stock+capital surplus+retained earnings.

## THE DEMOCRATIC AGENDA, STATEMENTS OF THE DEMOCRATIC POLICY COUNCIL

Mr. HUMPHREY. Mr. President, on May 13 the Democratic Policy Council adopted a number of statements dealing with the national economy and national priorities, including guaranteed employment opportunity, welfare reform, national health insurance, the release of impounded funds, the fiscal dividend, gift and estate tax reform, and a seven-point program to break out of the Nixon recession-inflation muddle.

It is often said these days that political parties no longer take decisive stands on controversial matters, that the emphasis is on compromise and trying to be all things to all men. I believe these recent actions by the Democratic Policy Council demonstrate that at least one party is willing to speak forthrightly and clearly, even though certain of these positions are likely to be controversial, among Democrats as well as the public at large.

As chairman of the policy council I take considerable pride in the willingness of the council's membership to deal with these difficult and controversial issues and to provide some basis for evaluating Nixon administration policies on the domestic scene.

I commend these statements to the attention of my colleagues of both parties and to the public. I ask unanimous consent that the statements adopted by the Democratic Policy Council on May 13 be printed at this point in the RECORD.

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

THE DEMOCRATIC AGENDA

GUARANTEED EMPLOYMENT OPPORTUNITY

The 1946 Employment Act committed this nation to a policy of full employment. Democratic Administrations of the sixties reduced the unemployment rate from 6.5 percent in December 1960 to 3.3 percent in December 1968. Since the Nixon administration has taken office, unemployment has climbed to 6 percent and over—close to the prevailing unemployment at the end of the last Republican administration.

We have worked hard to guarantee civil rights and education, and we must now meet our commitment to full employment opportunity. We believe the government should stand ready now to guarantee every American employment opportunity. We therefore recommend immediate action on several measures that will help to realize the goal of employment opportunity for all:

First, we urge the President to sign the comprehensive public service employment legislation that will soon be passed by the Congress. This action would provide $4 billion in Federal funds over the next five years to create up to 500,000 jobs in areas of high unemployment as well as meeting critical manpower needs in schools, hospitals, parks and other public services.

Second, the Congress should enact and fund a concentrated selective employment program. Areas that rely almost exclusively on a sole employer should have immediate and concentrated financial assistance available to channel these skills into other activity. Since the majority of these dislocations occur as a direct result of federal policy decisions, it is well within its scope of responsibility to provide alternative employment opportunities in these areas.

Third, we urge the full funding of existing federal programs directed to increase job opportunity, manpower training and education and health care. If the present gap between authorizations and appropriations of existing categorical aid programs were reduced to the gap that existed in 1966 (estimated at 20 percent compared to the current 35 percent gap), $6 billion more in federal revenues would go to states and localities—$1 billion more than the Nixon administration proposes in its general revenue sharing programs.

Fourth, we urge the Congress to increase substantially the Administration's belated request for supplemental appropriations for 1971 summer youth employment programs. High unemployment among teenagers is one of the chief contributing factors to explosive conditions in the nation's cities. The failure of the Nixon administration to submit to this Congress any request for additional funding for summer employment programs, particularly the Neighborhood Youth Corps, until after the Senate's Democratic leadership repeatedly called for action only serves to underscore the meagerness of the $61 million finally requested. Furthermore, we urge the Congress to restore through legislative action what the President has so callously dismantled through executive fiat: the President's Council on Youth Opportunity, the only agency within the Federal government committed solely to the problems of youth, especially the poor and disadvantaged.

Fifth, we call for appropriate and immediate legislative action to couple reductions in military and aerospace expenditures with speedy action to deal with the severe economic damage those cutbacks impose upon the millions of Americans and hundreds of communities which have grown to depend upon high levels of arms and aerospace spending. Federal military and space contracting policy should create positive incentives for conversion planning at the industry level, aiming toward specific plans for alternative employment of facilities and workers which may be released as military orders shift or decline. Moreover, while military cutbacks are occurring, the national government should significantly increase total resources available for research, development and production for transportation, housing, health, environmental protection, public safety, nutrition, and other areas of compelling domestic need.

WELFARE REFORM

For more than a generation, welfare programs throughout the nation have grown in size and cost, but accomplished little in terms of the human dignity of the poor. Rather, these programs, with gross and inequitable disparities in state standards and payments, have been counter-productive and have made despair the only way of life available to the poor. In addition, the exploding costs of welfare, together with the Nixon recession, have threatened to bankrupt many state and local governments.

Poverty is a national problem which calls for a national solution, federally financed and administered, with equity for all recipients regardless of their residence. State and local governments more sensitive to the needs of the poor should not continue to bear a disproportionate share of what is clearly a national problem. State and local governments currently pay almost half our welfare costs, which now total $15 billion and may be expected to reach $25 billion within the next five years.

At the heart of the welfare crisis today is the Aid for Dependent Children program. In the last ten years, the number of people on AFDC has risen from slightly more than 3 million to 9.5 million. The cost to the federal, state and local governments has skyrocketed from slightly more than $1 billion to nearly $5 billion—about a third of all welfare expenditures. If the federal government assumed all the costs now borne by the states and localities, they would receive more

money than would be received under the Nixon general revenue sharing and Family Assistance Plan combined.

We believe that (1) the federal government must make a commitment to provide a minimum level of income to all individuals, and (2) the present mosaic of welfare programs is both excessively complex and unduly costly. We believe it would be desirable to introduce a single plan that would meet the commitment of government as simply and as economically as possible by the federal government's assumption of full financial responsibility for all welfare programs. We also call for economic policies that ensure a job at living wages for all who can work and a decent income for all those unable to support themselves. We cannot continue to delude ourselves that the welfare rolls are populated with unwilling workers, when in fact well over 95 percent are unemployed because they are aged, disabled, minor children or mothers of those children.

We oppose the Nixon Family Assistance Plan as initially presented to the Congress because its benefits are grossly inadequate and because it perpetuates the present myths of a system that has failed to meet the needs of poor people.

We are particularly concerned that the Nixon Family Assistance Plan violates many of the legal and constitutional rights of welfare recipients guaranteed by equal protection and due process of law. Other provisions will cause unnecessary harassment of recipients as well as deprive them even further of their dignity and right to privacy.

We recommend a comprehensive and fully federalized welfare system; one which would embody, as a minimum, the following elements:

(1) immediate minimum payment equal to, if not greater than, officially designated poverty levels as related to the cost of living in each locality and to annual cost of living adjustments, graduated upwards by 1976 to a level of adequacy as defined by the Bureau of Labor Statistics lower standards budget;

(2) uniform eligibility requirements among all jurisdictions with guarantees which will protect the basic legal and human rights of all recipients;

(3) universal child care system and child development program;

(4) meaningful public service employment;

(5) comprehensive federal minimum wage legislation covering all workers at not less than $2.00/hr;

(6) reevaluation of the levels of all other social insurance benefits presently paid for by federal, state and local governments;

(7) guarantees that any work requirement will respect the rights of mothers of preschool and school age children to remain in the home;

(8) provisions for economic incentives to work by assuring that persons who work will always have more income than those who don't.

We further recommend the immediate federal assumption of all "adult" welfare categories, with federal assumption of AFDC within three years.

### NATIONAL HEALTH INSURANCE

The soaring cost of health care in this nation is rapidly becoming the overriding domestic issue of our day. Hospital charges have tripled in the last decade, while physician fees have risen by 150 percent. Insurance premiums have soared to keep pace with these costs. In short, behind the soaring costs of health care, we have a health system riddled with inefficiencies—a system that attracts physicians where they are needed least, treats patients where it costs the most, and overloads one facility only to leave neighboring facilities empty.

We therefore urge the immediate passage of the Health Security Act—legislation that proposes sweeping reforms of this inadequate system of organization, delivery and financing of health care. In contrast to administration proposals, the Health Security Act will not place any further responsibility in the hands of the insurance industry, which has already abundantly demonstrated its failure to serve the people. A detailed comparison of the Health Security Act and all other proposed legislation leads to the following conclusions:

All are based on the premise that good health care is a fundamental right of every American;

Only Health Security guarantees that right through a single universal system, without using a means test and with the same benefits for everyone.

All are offered as a response to the chaotic state of the present health care system;

Only Health Security provides the leverage needed for real reform of the system.

All recognize the importance of health maintenance and the possibilities of reduction in costs through early preventive care;

Only Health Security removes all barriers to timely care by eliminating deductibles and coinsurance and by assuring the patient that he will not be billed by the doctor.

All are concerned with economic delivery of health services and the need to prevent further skyrocketing of costs;

Only Health Security provides health care directly and at the lowest costs, with no waste of the health dollar on private insurance carriers as the middleman.

All aim to promote optimum care through development of prepaid group practices offering comprehensive continuous health services in the most effective and economical manner;

Only Health Security undertakes not only to remove the barriers to prepaid group practice but to provide real financing incentives for expansion of this desirable form of providing health services.

All are in response to rising pressures for public accountability and a voice for the consumer in the health system;

Only Health Security assures public accountability by guaranteeing consumer participation at all levels of administration.

There is no cheap or easy way to meet our urgent public sector needs. We believe that the realization of the priorities outlined above requires commitment to a vigorous tax program. We suggest these approaches:

### RELEASE OF IMPOUNDED FUNDS

The President has now impounded more than $12 billion of appropriated federal funds. For Mr. Nixon to substitute his judgment for the express decisions of the Congress—a judgment now involving more than $12 billion of public money—is executive arrogance of the highest order. He has, for example, withheld almost a billion dollars for low-rent public housing; he has withheld $583 million for the model cities program. He has withheld $200 million for water sewerage facilities and $5.852 billion for highway aid.

At a time of substantial unemployment, the President's actions are particularly outrageous. Prompt release of these funds would provide thousands of jobs in local communities across the nation, as well as providing state and local governments with urgently needed federal revenues in a variety of priority areas. The present total of impounded funds is more than twice the amount proposed by Mr. Nixon for general revenue sharing.

On April 27, 1971 the Democratic leadership introduced a joint resolution instructing the President to release these impounded funds. We strongly request the immediate passage of this resolution by both the House and the Senate.

### FISCAL DIVIDEND

Each year this nation produces, under its current tax scheme, a fiscal dividend of about $12 billion. At the end of the tenth year, that fiscal dividend will total $120 billion annually. Today, this fiscal dividend is swallowed up each year by defense, maritime subsidies, space and other programs. These funds have been appropriated almost as a matter of course while social and domestic needs have been an afterthought forced to compete—and invariably lose out to—programs of business subsidies, space and defense. Programs in the domestic and social areas have, in the past, either been underfunded or forced to justify new taxes. We think the time has come for the burden of justifying the need for increased funds to be placed on the proponents of additional funds for business subsidies, space and defense.

We urge the Congress, by joint resolution, to commit that fiscal dividend to such major public sector domestic problems as housing, education, crime, health care and pollution—an action which could be achieved without raising a single existing tax rate or by asking private consumption to grow at less than the public sector.

### GIFT AND ESTATE TAX REFORM

As a result of a relatively progressive federal income tax, we have achieved a situation where the top three percent of our population in terms of income receives 15 percent of the total after-tax income. However, we have in this nation today no effective estate or gift tax. As a result, the top three percent of our people in terms of wealth owns 90 percent of the wealth in our nation. The time has long since passed when this kind of situation can be tolerated in a democracy with such urgent domestic social needs.

Pending consideration of uniform progressive taxation of all forms of enrichment, we recommend a complete overhaul of estate and gift taxes so that massive concentrations of wealth cannot continue to be passed from generation to generation without taxation. Even modest reforms in this area would provide at least $3 or $4 billion in additional revenues that could be committed to the public sector. More significant reforms would produce substantially more. For example, individuals owning some $80 billion in assets die each year. If those assets were effectively taxed at an average of 25 percent, an additional $20 billion would be available to federal, state and local governments.

### BREAKING OUT OF THE NIXON RECESSION-INFLATION MUDDLE

The gap grows between political rhetoric and economic record. Despite some $75 billion of goods and services going down the drain forever, with nearly a doubling of unemployment, a stepped up pace of inflation, and a crisis in the value and role of the dollar in world markets, Mr. Nixon continues to bury problems and resurrect promises.

Given the deficiencies in housing, health, education, diets, ecological quality, law enforcement, transportation and other essentials, it is a national tragedy that we must resign ourselves not just to the $75 billion loss of potential output to date, but also to the $50 billion of potential output that will be sacrificed in the remaining months of 1971. These losses also reflect intervals of involuntary unemployment of varying duration for many tens of millions of American workers.

The hard facts are these:

After two years of stagnation and decline, recovery from the Nixon Recession is barely perceptible. The prospects for substantial recovery are bleak. Performance is so far behind promise that the administration's goal for the year 1971 is already judged to be impossible.

Yet, hardly a day goes by without some glowing statement by the President or one of his top advisers bragging about the encouraging progress and the favorable signs for vigorous recovery ahead. But talk alone will not pull the economy out of the doldrums.

THE RECORD IN 1971

Every serious economic analyst agrees that the performance of the economy so far this year has been disappointing. That includes many government economists when talking off-the-record. The increase in production in the first quarter was due mostly to the rebound from the General Motors strike in the fourth quarter of 1970. The change between the third quarter of 1970 and the "auto-rebound" first quarter of 1971 failed to reveal a strong underlying uptrend. Here are the changes that took place between these two quarters:

Gross National Product, measured in constant dollars, was up at an annual rate of only 1.2 percent.

Industrial production declined 1.6 percent.

Unemployment rose from an average of 5.2 percent of the labor force to 5.9 percent (6.1 percent in April, 1971).

Prices, as measured by the overall GNP price index, rose at a yearly rate of 4.5 percent in the third quarter of 1970 and 5.2 percent in the first quarter of 1971.

There is no evidence in these figures that the recovery is progressing at a satisfactory rate nor that inflation has been brought under control. The April rise in wholesale prices at an annual rate of 6 percent is far from reassuring.

Just to keep unemployment from rising, the economy must normally grow at the rate of more than 4 percent a year. During the past six months, growth has been at far less than half this rate and unemployment has increased. When the economy moves ahead again, productivity will improve, the labor force will grow and average hours worked will lengthen; large increases in output will be needed to make any dent in the level of unemployment. There is not enough stimulus in the administration's program to get the economy moving vigorously enough to reduce unemployment in the months ahead.

President Nixon proclaimed his economic conversion to the Keynesian fraternity early this year. The huge deficit for fiscal year 1971—now reluctantly projected at near $20 billion—should have taught the President that a recession inevitably brings large deficits. Yet the President does not distinguish between deficits resulting from recession and deficits resulting from constructive measures to pull the economy out of recession. The former is passive and only cushions the decline in incomes; the latter is active and stimulates recovery.

The President says that he is now resigned to a balanced budget at full employment. But on a national accounts basis the Nixon program calls for a surplus and not balance at full employment. Nor is there magic in an exact balance at full employment. Sometimes a full employment budget balance does not provide enough restraint on private spending to prevent excess demand and inflation. At other times, a balance in the full employment budget does not provide enough stimulus to the private economy to reach full employment. As happens so often, Mr. Nixon embraces a slogan but not a policy.

THE NEED FOR FISCAL STIMULUS

Recent developments make it quite clear that we are in the midst of a sluggish recovery that will not bring the economy back to full employment without additional stimulus. The situation is reminiscent of 1959–60 when the Eisenhower-Nixon administration assured us that full employment was just around the corner. Then, as now, the Republican administration refused to recognize the urgent need for fiscal stimulus. Then, as now, the administration revealed no serious interest in reaching full employment. Restrictive policies aborted the 1959–60 recovery and, unless current policies are changed quickly, the recovery which is barely visible is also likely to be aborted.

AN $8 TO $10 BILLION ADDITIONAL FISCAL STIMULUS IS NEEDED TO MOVE TOWARD FULL EMPLOYMENT

We are painfully mindful of the fact that, despite stagnation in output—industrial production is still below the level when the Nixon administration took office—and the sharp rise in unemployment, inflation has not been brought under control. The Nixon administration has relied exclusively on overall monetary and fiscal policies to moderate the inflation, without much success. We have repeatedly warned the President that a price-wage or incomes policy, backed by labor and management and including a range of government action, would be needed to supplement monetary and fiscal policies if inflation is to be contained.

A VIGOROUS INCOME POLICY

These actions will embrace governmental purchase policies and practices, stockpile dispositions, temporary variations in import policies, selective credit controls and above all focusing the inflation concern of the public on management and labor decisions. This will require active governmental intervention in influencing and setting prices and, in conjunction with unions, in establishing standards for wage increases. The President has shunned this advice. Private firms have continued to increase prices at record rates even in the face of weak demand. The Democratic Congress has twice enacted stand-by controls for use by the President, but he has only seen fit to use them in one industry. The problem is an economy-wide problem, and must be tackled by a coherent, comprehensive, national system of price-wage restraints.

The policies that should now be pursued include more stimulus to private demand through monetary and fiscal actions, together with new approaches and leadership for moderating price and wage increases. The stimulus is needed to accelerate economic recovery, and the price-wage policy is needed to prevent prices and wages from rising too fast as recovery accelerates.

The major emphasis in the effort to stimulate demand should be on fiscal policies and primarily on larger public expenditures for meeting the essential needs of our people. Fiscal stimulus should be achieved by more spending and not tax cuts. Any action taken now to promote quicker recovery should not under any circumstances permanently reduce the revenue potential of the federal tax system. Nor should it involve long-run rigid expenditure commitments which might be inappropriate when—hopefully—full employment is restored.

A proper example of the application of this principle was the decision by the Democratic Congress to delay the social security tax increase—a tax which falls most heavily on the low income groups—from January 1, 1971 to January 1, 1972. This delay, opposed by the President, increased disposable income in 1971, but will not affect disposable incomes in 1972. By contrast, the proposed liberalization of depreciation allowances—which is now under attack by legal and economic experts—would not only have the effect of reducing taxes for business by $2.5 billion this year and by over $4 billion a year five years from now when the revenues may be needed to contain inflation or to finance urgently needed government programs, but is also a subsidy devoid of principles of equity.

A PROGRAM OF ACTION

There are a number of responsible fiscal actions that could be adopted now without permanently impairing the strength of the federal fiscal system. These include:

Benefits for the aged, the incapacitated and the victims of broken families through social security and welfare programs should be increased substantially and immediately. There is no better time for providing more fully for our poor than when added benefits will stimulate a lagging economy. The nation's economy is now operating at some $60 billion below potential so that not only can we afford better provisions for our less privileged, but we need to do it to help restore full employment. Increased Federal resources for these needs and for other purposes will help states and localities cope with their fiscal crises resulting from rising needs and diminishing revenues attributable to the Nixon Recession.

Release impounded funds for all essential authorized purposes toward the combined goals of more fully meeting needs that the Congress has provided for and to stimulate recovery.

Enactment of a strong and flexible program of public employment to give jobs to those who cannot find them in the private economy. This program would also automatically decline or disappear when private jobs become plentiful.

Increase minimum wages to generate more consumer income.

Immediate implementation on a national basis of the extended unemployment compensation program which is scheduled to go into effect not later than January 1, 1972. Under this legislation, unemployment compensation is extended for a period of 13 weeks when insured unemployment exceeds 4.5 percent. This is too high because total unemployment will have to reach about 6 percent to assure this added duration of benefits. A 4.5 percent total unemployment rate is more reasonable. Also, full federal financing of this supplement would speed implementation and would be fully compatible with the more expansive fiscal policy that is required.

Only if increased expenditures cannot be accomplished quickly, the income tax cuts now scheduled for 1972 and 1973 can be accelerated. Such action, which would reduce taxes $4.5 billion this year, would help to strengthen consumer demand now, but it would not reduce taxes in 1973 below the levels now legislated for that year.

A constructive program of fast-start and rapid-implementation public works projects that will help overcome some basic deficiencies in state and local facilities.

The unemployed are not the only Americans whose income has been eroded by the recession and inflation. For the first time in more than a generation highly trained professionals in large numbers cannot find jobs that utilize these valuable skills. These talents should be put to work by the government in improving and protecting our environment and providing efficient public services.

We believe these actions should help achieve full recovery in a reasonably short period of time. But we are not certain. It depends on how soon and how far the administration goes in supporting these expansionist economic policies.

This nation cannot afford to wait until there is a new administration 20 months hence to cut unemployment and to restore economic growth and price stability. The Democratic Party is therefore determined to do its utmost to promote the earliest and most vigorous recovery that can be achieved, irrespective of its political impact in November 1972. We are prepared to cooperate in the formulation of the policies needed to achieve these objectives. But we cannot force the administration to carry out these policies. Unless and until President Nixon moves forward aggressively and vigorously, the nation will continue to suffer serious unemployment, huge losses in production, and painfully slow progress toward price stability.

## BANKING COMMITTEE EMPLOYEES RETIRE

Mr. SPARKMAN. Mr. President, I would not want the occasion to go by without commenting briefly about the retirement of two faithful and longtime employees of the Committee on Banking, Housing and Urban Affairs. I refer to Mrs. Caro MacNeill Pugh and Mr. Charles L. Egenroad who will retire from the committee staff—and thus as employees of the Senate—at the end of this month.

CARO MACNEILL PUGH

On May 31, 1971, Caro Pugh will return to her native State of North Carolina and thereby will terminate a 30-year career of Federal employment. Except for 1 year when Caro was employed by the Home Owners Loan Corporation, her entire Federal service has been with the U.S. Senate. Caro came to the Senate in 1942. In 1945 she worked for a short while for the Senator from her home State, former Senator Josiah William Bailey, of North Carolina. In 1947 she joined the then Banking and Currency Committee staff as a clerical assistant where she has continued her employment with the Senate.

During her tenure with the committee and with the Senate, Caro has carried out her duties in a fashion which exemplifies the highest tradition of the Senate and the committee, and in turn we have benefited and have been enriched by her enthusiastic, dedicated, and conscientious work.

Indeed, we shall miss Caro Pugh around the committee and around the Senate, and we express our gratitude to her. We wish her the very best in her future and for her happiness.

Just in passing, I might comment that Caro has served the committee under six chairmen. To some degree that is quite a feat in itself. She served under the chairmanship of former Senator Charles W. Tobey, of New Hampshire; former Senator Burnet R. Maybank, of South Carolina; former Senator Homer E. Capehart, of Indiana; Senator J. W. FULBRIGHT, of Arkansas; former Senator A. Willis Robertson, of Virginia; and the present chairman of the committee, the position in which I have the honor to serve.

CHARLES L. EGENROAD

On May 31, 1971, Charles Egenroad will retire, terminating 21 years of Federal service. Charlie commenced his career in the Senate in 1947 with former Senator Homer E. Capehart, of Indiana. He served in progressively important positions in Senator Capehart's office and was administrative assistant to Senator Capehart in 1955 when Charlie left Senate service for a position in the private enterprise sector. Charlie returned to the Hill in 1958, joining the then Banking and Currency Committee staff as a professional staff member.

During Charlie's service on the committee he carried out his duties in a way that exemplifies the highest tradition of the Senate and our committee. He has always worked very diligently, and members of the committee, as well as the Senate, have benefited from his advice and counsel over the years during which he has served us.

Naturally, we hate to see Charlie leave, but we understand his desire to retire, and though he will be missed, we all wish him good luck, good health, and I might say in an endearing way, "good golfing" in the future.

I might also say that Charlie Egenroad has served under three chairmen of the committee: Senator J. W. FULBRIGHT, former Senator A. Willis Robertson and, of course, the incumbent chairman, me.

## MAJOR GENERAL SUTTON RETIRES

Mr. ALLEN. Mr. President, Maj. Gen. William J. Sutton will soon retire as Chief, U.S. Army Reserve, and I wish to pay tribute to this outstanding soldier and patriot. He is due the thanks of a grateful Nation for his distinguished service with the U.S. Army and as Chief, U.S. Army Reserve. He has a host of admirers in the State of Alabama including all of the members of the Alabama congressional delegation in the House and Senate.

The Department of Alabama, ROA has recently saluted Major General Sutton in the following language:

A SALUTE

On the occasion of His Retirement, the Department of Alabama, Reserve Officers Association, proudly salutes Major General William J. Sutton, Chief of the Army Reserve. General Sutton's untiring defense of the Reserve Program and his unflagging efforts in behalf of the nation's defense qualify him as a true modern Minute Man. General Sutton cared enough for his belief in the Reserves to put his own career on the line in challenging powerful forces who would have abolished the Reserve Program as we know it.

His courage in standing up for what he believed was in the highest traditions of the nation and those who have defended it throughout its history.

As the first Chief of the Army Reserve since Congress gave the position permanent status, General Sutton continues to carry out his duties with the same zeal and distinction which marked his efforts in the years preceding Congressional sanction of his office. He continues to work tirelessly in improving the Reservists' position in the defense structure.

Knowing this, the Department of Alabama, ROA, salutes a singularly distinguished American, Major General William J. Sutton.

## THE SILENT PALESTINIANS

Mr. HATFIELD. Mr. President, there are many aspects of the present status of negotiations in the Middle East that have been of particular concern in public debate. However, as a New York Times editorial points out, little attention has been given to the involvement of the Palestinians in reaching a settlement.

Mr. President, I ask unanimous consent that the editorial from the May 26, 1971, edition of the New York Times be printed in the RECORD.

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

THE SILENT PALESTINIANS

Secretary of State Rogers' effort to promote a disengagement along the Suez Canal as a first step toward a Middle East settlement has tended to divert attention from other key issues in the Arab-Israeli dispute. One of these concerns the future of two-and-a-half-million restive Palestinians. The Palestinian cause has also been eclipsed lately by the defeat and dispersal of Palestinian guerrilla forces in Jordan and because of deep divisions within the Palestinian leadership.

It would be a serious mistake, however, to conclude that the disruptive potential of the guerrilla movement has been permanently destroyed or to imagine that any agreement negotiated in the Middle East can endure if the aspirations of the Palestinians as a people are ignored.

King Hussein's recent military victories over the *fedayeen* are due at least in part to the substantial withdrawal of support from the guerrilla movement by Arab states which have begun to see in the Rogers initiatives hope for a diplomatic solution to their problems. If that hope should be destroyed or, as one Jordanian scholar put it, "if the guns start firing on the Suez Canal again, the *fedayeen* will be racing down the main streets of Amman."

To complete the rout of Palestinian extremism, which has done so much over the year to exacerbate conflict in the Middle East, it will be necessary not only to maintain the momentum toward peace but to begin at an early date to include in the negotiations for a settlement some spokesmen for the more moderate, relatively silent majority of Palestinians.

It is unfortunate that during his recent visit to the area, Secretary Rogers apparently ignored petitions for a hearing from West Bank Palestinians who have courageously rejected the noncompromising position of the guerrilla leaders but who do not accept King Hussein as their spokesman either. Their plea for Palestinian self-determination on the West Bank under international supervision, free from pressure from Israel or Jordan, deserves the sympathetic hearing in the United States and the United Nations that it has already received in some quarters in Israel.

## THE SPACE RACE: DO WE LET THE RUSSIANS MAKE OUR DECISIONS FOR US?

Mr. PROXMIRE. Mr. President, a few weeks ago a column by Mike Hughes appeared in the Wisconsin Sun Prairie Star-Countryman entitled "Onward to Mars." The column is a spoof about how this Nation can be prodded into new space and defense programs by Russian moves in these areas—wholly without any inquiry whether such programs are actually needed.

For example, the author conjures up a speech by a Soviet official in which he refers to Jules Verne's Fantastic Voyage, a novel about a space crew which is miniaturized and injected into man's bloodsteam. The Soviet official says:

How strange it is, when fiction and nonfiction blend into one. This very process has been nearly perfected by the Soviet Union.

Later in the day, after the Soviet announcement is reported in the United States, a prominent Senator takes the floor of the Senate to proclaim:

We must be the first nation to land a man on the liver.

The same thing happens in the House of Representatives, where a ranking Congressman is heard to declare:

I'm not going to have no g— d— commie walking around on my spleen.

The result: the United States ends up spending some $100 million a year to perfect the process of injecting a space crew into man's bloodstream.

Mr. President, naturally this is a parody. But there is a substantial element of truth in it. We are currently embarking on a $9 billion program to construct a space shuttle, and plans are also in the works to build a space station.

One of the principal arguments advanced for going ahead is that the Soviet Union plans to put up a space station of its own.

Mr. President, it may be that we need a space station. And it may be that we need a space shuttle to get us there. But I have written to NASA on a number of occasions to ask whether, in fact, there is a need for the space shuttle-space station. All NASA has told me in reply is that first, the shuttle would enable us to continue to have an active space program, and second, it would reduce the costs of the space program. But why do we actually need it? What would it help us to accomplish that we could not otherwise accomplish? NASA seemingly has no answers to these questions.

Mr. President, we must insist on a firm, solid justification for the space shuttle before we pour out any money for it. And if such a justification cannot be made, Congress simply ought to strike this item from the space budget.

Mr. President, I ask unanimous consent that the column entitled "Onward to Mars" be printed in the RECORD.

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

ONWARD TO MARS

A large building near the Ukraine is an important keystone to Russia's national and international policy.

The building is known as Stradavaresk. The name, among members of our CIA and State Department, has become legendary. Russia's Stradavaresk ranks with the most feared institutions of the Third Reich.

Unfortunately, none of our government workers have ever successfully translated the name. It's made up of contractions from several Soviet dialects, but a good, rough translation is: Factory For the Production of Space Stations, Moon Rockets, SST's, and Frisbees.

The origin, and the manner in which it became a legend, is this:

During the 1950's, Russia and America were competing evenly in the battle to get to the moon.

One day, Igor Margavak, chief engineer in charge of space exploration, was appearing before the Central Budget Committee. "You'll note that I am requesting only seven billion dollars for the biennium, which is less than my American counterparts are getting," he said.

"Very fine," Bureau Chief Nicholai Narsty said. "And could you explain again why we need the space program?

"Certainly," Igor said. "The view from up there should be just terrific."

There was a very long silence.

"Uh . . . We could bring back some rocks and analyze them and send them around to stamp, coin, and rock shows."

Another long silence.

"We could take some swell snapshots and show them to the leaders of neutral nations during cocktail parties . . . Or we could . . ."

Igor Margavak is currently working as a laundromat repairman in northwestern Siberia.

That night, Willie Pallaas, head of the Committee on Thinking, heard about it from Narsty. He approved of the decision.

"Then we'll forget about our space program?" Narsty asked.

Pallaas thought about that, "No, No, we won't. If we forgot about it, America will forget about it. Instead, we'll take advantage of the situation. You see, Americans have a dreaded fear of not being first at anything."

"But why?"

"I'm not sure, but I'll demonstrate."

The next morning a prominent Soviet official commented publicly that, "The Soviet Union has grown rapidly in the field of retroactive introspection. Within a decade we will have doubled the United States in this area."

The reaction was immediate. Two southern senators immediately announced. "We must close the retroactive introspection gap." The Defense Department received a 2.5 million dollar allocation to face the problem. And the Readers Digest even asked, "Are we periled by retroactivity?"

(Eventually, of course, someone looked up the words in a dictionary, and the matter was quietly dropped. However, it's interesting to note that the Defense Department never did admit its mistake. It still receives its 2.5 million every year for Retroactive Introspection Defense. The money is slipped off to provide tanks for a fishing village just south of Sicily.)

To be doubly sure, Pallaas offered two more illustrations. He referred to a Jules Verne novel, Fantastic Voyage, in which a space crew was miniaturized and injected into a man's bloodstream. "How strange it is, when fiction and nonfiction blend into one," Pallaas said. "This very process has been nearly perfected by the Soviet Union."

That afternoon, (a Southern Senator) waved his fist and shouted, "We must be the first nation to land a man on the liver."

And (a ranking Congressman) said, "I'm not going to have no ——— ——— commie walking around on my spleen."

And to this day, America is still spending over $100-million annually on the project.

And then Pallaas announced to the world press, "The Soviet Union is without a doubt the world leader in the production of pneumatic tire pumps." Within a year, Americans had manufactured enough tire pumps to supply the world for 47 years. They are currently filling silos throughout the middle west.

With all of that proof to support his theory, Pallaas went into the plan.

To begin with, he selected a former insulated underwear factory near the Ukraine. This was picked for two reasons: 1) It was in the open and easily viewed by spy planes, satellites, etc. 2) It was very solid and official-looking.

For added effect, he constructed an 18-foot-high electrified fence around it, along with a moat, 73 trained German shepherds, and a half-dozen machine gun turrets. Five smokestacks were placed on top, and a dry ice machine was used to pour out artificial smoke. Windows were placed everywhere, so that passersby could see what appeared to be rockets, space stations, and SST planes. (Actually, all of them were mock-ups, purchased from a Japanese movie company.)

A total of 110 people were employed there. They were broken down as follows: 35 men to guard the place, two semi-senile scientists, one pretty lady who mingled with CIA spies and whispered secrets to them, 72 people who were employed manufacturing Frisbees.

It worked beautifully. Every now and then the semi-senile scientists would shoot off a 'moon rocket', which usually landed in a wheat field seven miles away. The pretty lady told the CIA "They've almost got it. They're almost to the moon." Americans spent billions to try to beat them there. Meanwhile, Soviet scientists were free to follow their real interest, which was trying to discover the formula for Coca-Cola.

When America landed on the moon, the pretty lady immediately spread a new secret. "The Russians are bypassing the moon. They say it isn't important anyway. They're going on to Mars."

And Soviet officials began announcing. "Our nation WILL be the first to orbit a space station."

And American generals were spotted running about the halls of the Pentagon, screeching, "They're going to Mars!"

By this point, Americans had spent over 35 billion dollars on space exploration, the SST project, etc. And the Russians had surpassed even Malibu in frisbees-per-capita.

And by this point, Willie Pallaas was a Soviet hero of epic proportions.

"How long do you think this can go on?" the pretty lady asked him one evening. "Surely the Americans will question this some day."

Willie pulled out a cosmic map. He pointed to Saturn, Jupiter, Neptune, Uranus, Pluto. "That should be good for a century, at least." He smiled softly. "And by then we'll have it. We'll have the formula to Coca-Cola. The world will be ours."

And he began polishing up his next speech. "Within a decade, the Soviet Union will become the first nation to land a man on the sun . . ."

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## GOVERNOR OGILVIE'S MESSAGE ON WELFARE REFORM

Mr. PERCY. Mr. President, on May 20, Gov. Richard B. Ogilvie delivered a special message on welfare reform to the Illinois General Assembly. Recognizing that Illinois literally faces a crisis in its welfare system, which is draining the State's resources without adequately meeting the needs of welfare recipients, the Governor proposed a comprehensive, 11-point reform plan involving manpower, medical, and administrative changes.

For almost 2 years, the Congress has been considering President Nixon's family assistance plan, which would bring relief to financially burdened States and dignity to millions of unfortunate Americans. As we have delayed action on this proposal here in Washington, the conditions in many States have grown worse, as Governor Ogilvie's report on Illinois testifies.

Mr. President, in order that my colleagues may better understand the disastrous effects of our present welfare system on my State and may measure the response to the welfare crisis offered by a very able executive, I ask unanimous consent that Governor Ogilvie's message be printed in the RECORD.

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

SPECIAL MESSAGE ON WELFARE REFORM

(By Richard B. Ogilvie, Governor of Illinois, to the 77th General Assembly, Thursday, May 20, 1971)

To the Honorable, the President of the Senate, the Speaker of the House, and the Members of the 77th Illinois General Assembly:

The failures of this nation's welfare system are failures of historic magnitude. The example of Imperial Rome may prove to be prophetic for us.

Welfare is warping our nation. The President did not overstate the crisis when he called the system "a monstrous, consuming outrage."

It is a human outrage and a fiscal monster. It robs the poor of their dignity, and the taxpayers of their hard-earned dollars.

The welfare system embodies all the worst of our failures—moral, fiscal, administrative and legal.

Where in the system do we find charity, service, work, dignity, respect and responsiveness?

Think of the children whose lives are being distorted by this hopeless environment, and what that means for the future.

I do not propose to offer any simplistic solutions to this tragic and complex problem, for "easy" solutions are flights from reality. It is not enough just to condemn deadbeats, to blame the southern states, to propose miraculous increases in benefits, or to indulge in other forms of oversimplification.

The Congress has considered this issue for two years, yet the impact of any action it may take now appears to be several years away. Meanwhile, we must act to solve our own problems as best we can.

This is the challenge we face. It is a challenge to be met before this General Assembly completes its work on pending appropriations on June 30.

THE PROGRAM

The program I am proposing today embraces manpower, medical and administrative changes. It has 11 major parts:

1. A strengthened work requirement for all able-bodied recipients of welfare.
2. Creation of new jobs in public service to make use of this work force.
3. New training, day care and other backup support for job placement efforts in all parts of the economy.
4. Revamping of our least effective program—General Assistance—to permit funds within the welfare budget to be shifted to job-related programs.
5. A clamp-down on the escalating cost of the medical assistance program.
6. Tightening of welfare procedures to prevent improper use of public funds, and even the appearance of impropriety.
7. Simplification of our absurdly complex system of welfare administration to free caseworkers to concentrate on essential services.
8. Administrative efforts backed by strong sanctions to secure all available existing federal funds.
9. Development of a long-range program to improve family planning and family stability among our low-income population.
10. Top-to-bottom restructuring of the entire social service function of state government at the earliest opportunity.
11. Reform of our basic private laws to insure that every poor family has legal and economic rights equal to others in our society.

In all, execution of these 11 major initiatives will require completion of dozens of separate but interrelated actions which I am outlining today.

Before discussing these initiatives in detail, however, it is important to understand the nature of the situation in which we now find ourselves.

THE FISCAL CONTEXT

Two years ago at this time, the members of the General Assembly were beginning legislative hearings on the income tax.

After extended debate, the tax was enacted with bi-partisan support. It was designed to provide—and should have ensured—revenues adequate to finance this state during a period of rising costs extending beyond this fiscal year.

Had it not been for one factor, Illinois today would possess resources sufficient to provide ample funds for the schools and the other major programs that we all desire for our state.

That factor—which overshadows every other fiscal consideration—is the runaway cost of welfare.

The demands of welfare are producing a crisis in Illinois state financing which is every bit as serious as the crisis which led to passage of the income tax.

Even with the income tax, state revenues grow less than 7 per cent a year, while expenditures in state government typically rise between 10 and 15 per cent a year.

This increase results in part from the requirements placed upon state government by a population which more and more demands improved health services, better education, additional recreation lands, and the other vital services that government can provide.

The welfare budget, by contrast, has increased by approximately 30 per cent in each of the past two years.

This year, the welfare budget will exceed $1.12 billion, *double the amount of three years ago.*

The growth of welfare costs will absorb 85 per cent of the growth in all state revenues the coming fiscal year.

If we are unable to secure relief and if current rates of increase continue, the welfare budget next year *could well exceed $1.5 billion.*

The single most important change we must make is to reorient the welfare program to the concept of work.

Altered federal regulations and the recent economic downturn have greatly reduced the significance of work as an element in the total welfare program in Illinois. In the early 1960s, work relief programs were common. With the advent of the Work Incentive (WIN) Program in 1967, Congress in effect prohibited work relief programs for persons receiving aid to families with dependent children (AFDC). As a result, the former programs all but vanished.

The recent economic situation has compounded the problem by bringing more persons onto welfare rolls and by making it more difficult for those who are on welfare to get off.

All of this has occurred at a time when people are becoming more aware of the need for expanded services, better health care, a cleaner environment—in short, at a time when there is much to be done.

The program I am proposing today is founded on the old-fashioned notion of working for a living.

This reflects no conclusion on my part that welfare recipients are less inclined to work than are other members of our society. The program, instead, stems from my conviction that so much needs to be done in our society that every able-bodied citizen should be hard at work. And I include in this number the persons who are receiving welfare assistance from the state.

For this reason, the program I am proposing today rests on the fundamental requirement that all recipients of public assistance who are able to work should work. And for the first time, we are offering a realistic opportunity for them to do so.

1. STRENGTHENED WORK REQUIREMENT

To enable this emphasis on work to be effective I am proposing the following requirement:

Each applicant for welfare benefits will be examined for employability before assistance is given. "Employability" should be redefined so that the burden is shifted to the recipient to prove that he is unemployable. Present definitions of employability are vague and scattered throughout the statutes. They should be combined and revised so that each recipient is clearly classified as either employable or unemployable before he goes on the rolls. Persons who are temporarily incapacitated, in full-time attendance at an approved educational institution, or required to remain at home for family reasons will be classified as "temporarily unemployable." Their cases will be reviewed every six months.

*Regular efforts will be made to place recipients in available jobs.* Under present conditions once a person goes on welfare he is rarely visited by a caseworker. He receives his checks by mail. We will require all employable recipients in metropolitan areas of the state to visit a state employment office at least once a month to pick up their checks. At this time, they will meet with employment counselors. Rural recipients will make similar visits to appropriate offices.

*The work requirement is to be strictly enforced.* The Department of Public Aid last year dropped only 60 persons from the rolls because they refused a job opportunity. We hereby serve notice that any recipient who refuses work will be summarily denied further benefits.

2. NEW PUBLIC SECTOR JOBS

The work requirement I have proposed will have meaning only if there are jobs available. In the present economy, it is evident that not enough jobs are available in the private sector to employ persons with considerable skills, to say nothing of relatively unskilled welfare recipients.

Nonetheless, there is much work—particularly in the public sector—crying out to be done. We are simultaneously doling out millions of welfare dollars to persons who could be working on these jobs that need to be done. In these circumstances, the establishment of an innovative job program is in order.

Welfare statistics provided by local units of government indicate that there are more than 20,000 employable recipients of General Assistance. This number has almost doubled in the past twelve months. I propose that a work relief program, developed jointly by the state and by local units of government, be established to provide useful and constructive employment for these persons.

Able-bodied men among these recipients will be put to work in jobs such as cleaning lakes and waterways, removing rubbish, and providing protection in the parks. Certain of these men should be employed directly by the state. The remainder should be employed by local governments.

Direct compensation for those jobs should be provided. Hourly wages should be set at levels sufficient to provide each man an amount of money at least equal to what he would have received as a welfare grant. Instead of receiving a dole, he will be compensated for services actually performed.

I am also proposing an institutional work program. Under this program, recipients will work in hospitals, nursing homes, child care facilities and comparable public and quasi-public institutions. The program will be especially tailored for AFDC recipients.

This initiative is possible because of recent improvements in the WIN program. During fiscal 1971, the number of persons trained by WIN will triple, and in spite of the economic downturn, the number actually placed in jobs should increase one and one-half times. Recognizing this dramatic progress, the federal government will nearly double the program in Illinois next year, which means training opportunities for an additional 7,000 persons.

By coordinating efforts with institutions, individuals will be trained for useful and constructive jobs which can meet some of the immediate service needs of the people of this state.

3. NEW TRAINING, DAY CARE AND OTHER BACK-UP SUPPORT FOR JOB PLACEMENT EFFORTS

We can point with pride to our progress in the difficult area of manpower training and support. Nonetheless, we must do more.

The success of the new work programs will

be dependent upon major organizational changes and administrative improvements within the Department of Labor.

Legislation has been submitted to combine the Welfare Rehabilitative Service (WRS) and the Work Incentive Program (WIN) to enable comprehensive manpower services in Cook County to be delivered in an effective, coordinated way by the state Department of Labor. An employability review is to be made for each recipient as fast as jobs can be developed.

This combination of WRS and the WIN program represents a new approach to the development of manpower services. In the past, WRS and WIN have *competed* to provide services to the same recipients, and this duplication of effort has been far too common. With a common effort, they can provide a strong and integrated program which can furnish manpower services better than ever before. As a part of this change, it will be possible to place the burden of the employable recipients on the Department of Labor, freeing public aid caseworkers to deal with other services.

While I believe that the proposals for employability review and the institutional work program are sound, they do not go far enough. There are too many other potentially employable persons, including 25,000 AFDC mothers with no children less than six years old who could be working. Most important, there are also 14,000 unemployed males whose families are recipients of aid under the AFDC-U category. In two key ways, we must insist upon changes in federal requirements:

1. The requirement that severely restricts work relief programs for recipients of AFDC and AFDC-U should be changed.

2. The federal government currently imposes upon the states an income-exemption formula for recipients of AFDC that is so open-ended that it is virtually impossible to terminate assistance to recipients who do find a job. In addition to disregarding $30 plus one-third of the monthly income, states must also deduct all work-related expenses. Under these restrictions, it is possible for a family making more than $10,000 per year to continue receiving a welfare check and full medical coverage as well. I am requesting a federal waiver for Illinois to limit the application of the $30 and one-third formula to an income level not exceeding 133 per cent of the recipient's grant. I am also asking that the state be permitted to define work expenses.

Changes are vital in another area. I am proposing today another in a series of measures to expand greatly the availability and use of child care so that mothers with children will not be prevented from working.

Currently, the state pays rates that are not consistent with the minimum cost of adequate child care. As a result, the rates discourage welfare mothers from finding child care for their children so that the mothers may seek work or training. Therefore, I am directing that the child care rates paid by the Department of Public Aid be raised substantially.

Not only will these higher rates provide an incentive for welfare mothers to participate in work and training, but also they will stimulate the development of much-needed day care centers in low-income neighborhoods. Three-fourths of the cost of this increase will be borne by the federal government. This investment should be repaid many times in the form of decreased welfare costs because of the increase in the number of working mothers.

#### 4. REVAMPING THE GENERAL ASSISTANCE PROGRAM

Undertakings of the magnitude I have proposed cannot succeed without substantial additional funds. In the past, we have assumed that a public job program would be undertaken only if more federal funds were made available.

Illinois can act now on its own, however, if we have the will to revamp our least effective and most abused welfare program.

In most states, aid for persons who are ineligible under the federally-assisted programs is administered and largely paid for on a county or local basis. Illinois follows that pattern with regard to administration, but 90 per cent of the cost is borne by the state. This is a responsibility with which I do not quarrel, but it has led to anomalous and unfortunate results.

Foremost among these is the waste resulting from minimal efforts by certain local personnel to ensure that the state money is spent wisely and properly.

Quality control reviews, for example, have indicated that the state may have been losing as much as $20 million annually in federal matching funds because Cook County caseworkers have been placing recipients on General Assistance rather than applicable federally-funded categorical programs.

Despite a work requirement which applies in theory to General Assistance in the state's most populous county, a dismal failure to enforce it has made the provision virtually meaningless.

One alternative would be for the state to take over administration of this program. But this would not be sensible for several reasons, among them that local government—not the state—has the most potential as an employer. To take full advantage of manpower which could be productively employed, programs must be run by local governmental units concerned.

For these reasons, I propose a complete revamping of the existing General Assistance program.

A first step will be an intensive review of all recipients to shift every possible case to federally-supported programs. Second, Department of Labor specialists will review all potentially employable General Assistance recipients and inventory all potential jobs—both public and private—with which they might be matched. Recipients determined to be employable will be assigned to local governments and quasi-public institutions as fast as jobs are identified.

It is important to recognize that this program can be made operable only if each local governmental unit will assume the responsibility for putting into productive employment individuals it might not otherwise hire. To provide the incentive, I am proposing that payments be made, in the approximate amount of present General Assistance payments, to local governments and suitable institutions to employ persons who are now on welfare.

This initiative will mean that state dollars saved by transferring recipients to federal programs can be shifted to more productive use. It will mean that dollars spent will be for work performed.

Because of the complexity of these undertakings, I recommend that existing public aid legislation be revised to permit these transfers to be made gradually, as the work program evolves, and at the discretion of the state director of public aid. As we progress—and as local governments cooperate by putting people to work in jobs which their citizens want done—it is my hope that all able-bodied employable Illinois citizens will be engaged in productive work.

#### 5. CLAMPING DOWN ON MEDICAL COSTS

The program which has absorbed the largest share of the increased welfare dollar during the past five years has been the medical assistance program. Today it accounts for more than 40 per cent of the total of state and federal welfare expenditures.

Spending for Medicaid has grown at an unbearable rate. Projected program costs for Fiscal Year 1972 are four and one-half times greater than medical assistance costs in 1966, the first year of the program—$360 million compared to $80 million. In Fiscal Year 1971, Medicaid expenditures are projected to increase by more than 40 per cent over the 1970 level, an increase almost six times greater than the growth of state revenues.

Medicaid in Illinois has provided unlimited access to most services with little or no regard for standards of need or proper levels of utilization. This program of unrestricted benefits, far broader than the coverage available through private plans to almost all the taxpayers of Illinois, has forced up the costs of care for everyone. The state is currently paying more than $800 a year for health care for an average family of four on welfare medical assistance.

In my recent special message on health care, I outlined steps to increase the availability of health care and to control medical costs generally. The development of prepaid health plans in Illinois was specifically proposed, and such plans can have a major impact on reducing the costs of our Medicaid program. We are making the initial efforts to develop prepaid health care plans in areas where large numbers of state and federal employees are now purchasing forms of health care.

Several measures must be taken now, however, to reduce abuses and over-utilization, to prevent excessive cost increases and to ensure that our dollars buy only essential health services.

1. To place some restraint on unnecessary utilization without limiting vital services, a system of co-payment should be provided which will require the person receiving service to *share* the cost on a token basis. This is a principle present in every major private health insurance plan and also in the federal Medicare program under Social Security. It is a sound procedure and should be established this year for all state-supported medical assistance programs.

Under the co-payment plan, the person receiving the health care would pay directly to the provider of care. This amount would then be deducted from the amount billed to the state. We believe a fair payment schedule for this purpose would be:

$1 for each visit to a doctor, dentist, or other health provider.

$1 for each prescription or pair of eyeglasses.

$3 for each day of a hospital stay.

It will be necessary to obtain the cooperation of the federal government in making changes in its current restrictive regulations in order to accomplish this reform in Illinois.

2. The state can no longer tolerate the present open-ended method of hospital payment for assisted full cost. To encourage sound hospital management and to limit the unacceptable growth of state expenditures on hospital care, we will establish a new system of hospital reimbursement based on rates determined in advance and set for fixed periods of time.

3. More Department of Public Health medical review teams of nurses and physicians will be created to follow up patients in nursing homes to ensure that each patient is receiving the medically appropriate level of care. These teams will also review each case strictly to see that each patient is actually receiving the level of care for which the state is paying.

4. The Department of Public Aid Medical Administration will take several steps to correct instances of abuse and over-utilization by the provider or the recipient. This will be accomplished by providing a quarterly summary of expenses to both the recipient and the caseworker for verification that services billed were actually rendered, and by a computerized review of all claims. All questionable items will be screened individually by a professional review team.

5. The Department of Public Aid and the Department of Public Health jointly will conduct a program to control hospital utilization by limiting the length of stays to

pre-established norms and by developing a system of advance approval for non-emergency admissions.

6. TIGHTENING WELFARE PROCEDURES

Few subjects so irritate the taxpayer as abuse of our welfare procedures—and for good reason—because the misapplication of welfare payments is tantamount to theft of state tax money.

The irony is that many of the most flagrant abuses can be attributed to defects in the system itself. Reviews of erroneous payments have revealed, for example, that more than two-thirds of what at first appeared to be abuses were in fact mistakes made by caseworkers themselves.

It is imperative, therefore, that we tighten procedures to avoid abuse. In welfare, just as in the administration of justice, it is important to avoid even the appearance of impropriety.

Today, I am ordering implementation of the following steps:

An applicant for welfare will be required to verify his economic status before receiving assistance. There is a school of thought among welfare administrators that initial eligibity determinations should be made on the basis of a simple declaration.

Although I agree that the process can be simplified, I believe also that the process should require more than the potentially self-serving statement of an unknown person walking in off the street. This situation is far different from that of the income tax, to which it is some times compared, inasmuch as there is substantial machinery to enforce the tax laws and, because of the withholding mechanism, the dollars involved are less. Accordingly, careful vertification of address, income, and family size, through Social Security information and other documentation, will be strictly required.

The fraud detection unit in the Department of Public Aid will be strengthened by the addition of trained investigators. The new fraud detection personnel will function like inspectors-general. Additionally, I am asking court administrators to provide better facilities to judges trying to dispense justice in this most painful category of cases.

Food stamps will be denied to those who are not truly in need. Federal regulations have permitted college students perfectly able to secure support from their parents to obtain free food stamps intended for poor persons. I intend to insure that no college student receives public assistance of any kind unless he produces a signed affidavit from his parents stating they are unable to provide for his support and have not listed him as an exemption on their income tax return.

Eligibility for assistance for all recipients who are not classified as "permanently unemployable" will be reviewed every six months. Currently we are redetermining eligibility by mail. Henceforth we will require that all potentially employable persons appear in a public aid office every six months for review of eligibility.

I am confident that these measures will help stem actual and potential abuse of this system.

7. SIMPLIFYING THE WELFARE SYSTEM

Our welfare system has evolved in patchwork fashion. Each new regulation—each new attempt to meet human needs—has resulted in program additions. Today the system is so complex that it is unmanageable by its administrators and incomprehensible to its users. Its tortured regulations fill some 3,000 pages.

Major simplification is essential if public aid employes are to perform their major tasks of eligibility determination, on the one hand, and on the other, provide the services designed to promote self-sufficiency.

The method of computation of a public assistance grant for example, is extremely complex.

As a result, numerous computational errors are made. In addition, there are so many components of the grant and so many items tailored for special circumstances that employes spend most of their time on these matters.

I am providing, effective July 1, a complete simplification of this process. Basic needs, including food, clothing, household supplies and personal essentials, will be reduced to a single figure set by family size, with an additional amount for children more than five years old. Special needs for aged, blind, and disabled persons relating to their particular circumstances, and special needs which are employment-related for AFDC recipients will be retained. All other needs will be incorporated into the basic grant.

These simplifications will enable public aid employes to devote more time to essential tasks. It is estimated that these changes will free up as much as 50 per cent of their time. This will enable major emphasis to be placed on other matters, including the application process. Under the new program, the department can process applications within 30 days, as mandated by the federal courts, without sacrificing attention to questions of eligibility.

In addition to these administrative simplifications. I have requested in the budget for the Department of Public Aid 900 new positions for the coming fiscal year, and I have instructed the department to begin filling those positions immediately.

8. INCREASING FEDERAL SUPPORT

During the past two years, I have placed high priority upon the effort to increase the level of federal aid. As a result of this effort, I was able to announce in my budget message our intention to secure for the state an additional $75 million in 1972.

I intend to conduct this search for additional funds more aggressively than ever, and in several ways.

*Efforts will be intensified to secure an additional $75 million from the federal government for reimbursement for services to former and potential welfare recipients.* Under federal law, a state is entitled to three-for-one reimbursement for social and rehabilitative services provided to persons who might become recipients of public aid if these services are not provided. Few states have thus far taken full advantage of this opportunity.

If we are successful, we estimate that we will increase our collections of federal dollars by $75 million in Fiscal Year 1972. The limitations currently being considered by Congress, however, could reduce this amount by as much as $50 million.

This is one of our most important efforts. If this effort is not successful—if the federal government denies funds to programs designed to provide services to people *before* they have to seek welfare—then we will have to give serious consideration to reducing affected budgets for the Departments of Mental Health, Corrections, and Children and Family Services.

I have designated the Department of Public Aid as the state agency responsible for the coordination of the service program for potential recipients, and have instructed the heads of all the human service agencies to cooperate in every conceivable way.

Unfortunately, not all state and local government employes have shared the concern we have shown for maximizing federal dollars. Consequently, I am constrained to announce the application of sanctions to require the requisite cooperation:

*Immediate suspension will be required for any public aid employe who places a recipient upon a program funded by state money when a federal alternative is available.* In light of the state's fiscal condition, losses of millions of dollars for reasons of bureaucratic lassitude and ineptitude are inexcusable. Henceforth, the loss of a single dollar will be unacceptable.

*Regular audits of each local General Assistance unit will be made and payments will be withheld for the percentage of those recipients found eligible for federal programs.* The only way I know to make governmental administrators accountable is to make their unit of government pay for their mistakes.

I have discussed a number of initiatives with immediate impact upon our welfare problem. There are, in addition, initiatives in three areas with a potential long-term effect upon our welfare population which I feel we must address. They include family planning, basic government reorganization, and poverty law reform.

9. FAMILY PLANNING AND COUNSELING

No child is so likely to become a ward of the state as the unwanted child of a poor family. Simple planning and counseling services are a prerequisite to stable and happy families. For this reason, the budget for the Department of Children and Family Services has been granted larger percentage increases under this administration than has any other state agency. More action is necessary.

*Family planning information should be disseminated to all public aid recipients of child-bearing age.* Family planning guidance is not being made available to the broad spectrum of public aid recipients and to other indigent persons. Public assistance employees have no definite guidelines for dispensing this information to aid recipients or for referring them to appropriate family planning agencies of the Department of Public Health and local agencies. Every public aid recipient of child-bearing age has the same right to this kind of information as do the more well-to-do, and should be made aware of available family planning. This will become the policy of the Department of Public Aid.

*Divorce should be as accessible to welfare mothers as to other women.* Statistics from legal aid programs indicate that divorce is the most frequently sought legal service. Thousands of Illinois mothers receiving AFDC payments for their families long ago were deserted by their husbands, but are precluded from the possibility of remarriage and renewed family life by their inability to secure a divorce. To end this demoralizing situation, I am instructing the Department of Public Aid to authorize payments for divorce services for AFDC mothers.

10. RESTRUCTURING OF STATE HUMAN SERVICES

Illinois now has at least 15 separate agencies reporting directly to the governor and theoretically providing human services related to welfare. Sometimes they duplicate each other's efforts and work at cross-purposes. Often they leave gaps in service on the assumption that the responsibility belongs elsewhere.

I believe it is imperative that we reorganize the entire agency structure in the general human services area. This must be a well-conceived, thoroughly planned, top-to-bottom change.

*A plan under the executive reorganization powers accorded the governor in the 1970 Constitution will be submitted to the General Assembly next year.*

Change of this magnitude should take place, however, only after the most intensive analysis and research. Clearly, organizational change is needed, but we should not have organizational change for the sake of change. We must know more about program results and our own objectives before we act.

*Continuing funds are required for the Illinois Institute for Social Policy's research program and for its two operational programs in the Peoria area and the Woodlawn district of Chicago.* Much of the content of this

message reflects the work of the institute, and its innovative programs may well chart the way to national leadership for Illinois in the field of welfare reform.

II. BASIC POVERTY LAW REFORM

Our basic laws often act arbitrarily to deprive the poor of their rights and their possessions. This is not only demoralizing and destructive of initiative and hope, but it is economic bad sense. Often the result of unjust private gain is an increase in the cost of public welfare. It makes sense, then, in terms of the welfare budget alone, to protect the poor from victimization by unscrupulous loan sharks and landlords. Basic reforms are in order. The General Assembly should act positively on the bills now before it to give additional rights to tenants and consumers.

The long-term measures I have outlined will be of scant assistance if we are unable to meet the challenges of this year, and the next.

For all the 11 steps that I am recommending, there is only so much that we can do here in Illinois to help ourselves, and to meet the overwhelming challenge of skyrocketing welfare costs.

The challenge, and the need, are basically national in nature and dimension. In all candor, I cannot report that the outlook is bright.

We have budgeted $65 million this year in new federal welfare revenues, yet the funds are not yet assured. Thus, we are left with the prospect of a budget badly out of balance.

In this extremity, several attitudes are important. It is important not to strike out wildly and prematurely. We must not be pushed into grant cuts until the last possible moment. If cuts must be made, they should first be made in services such as Medicaid which are of least direct impact upon those in need.

It is important that we see the problem clearly as one for *all* Illinois, rich and poor, Chicago and rural communities. And it is important that action be taken *now*. I have been to Washington on numerous occasions on this issue. I plan to go again, and again, and again, if it is necessary.

Finally, we should not have a falling out here in Illinois on this most divisive issue. The battleground is in Washington, and to press our case successfully there, we must rise above partisan politics here.

The issue and the need are of historic dimensions. Let our actions here rise to the challenge we face.

## NORTH GEORGIA COLLEGE

Mr. TALMADGE. Mr. President, it was my privilege to address the Honor's Night program on May 14, 1971, at North Georgia College in Dahlonega which has one of the finest Army corps in the entire United States.

I was very pleased to read in the June edition of "Soldiers," the official magazine for the Department of Army, an excellent article on North Georgia College. This is a well deserved salute to an outstanding college and a meritorious Army ROTC program, and I ask unanimous consent that it be printed in the RECORD.

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

REVEILLE ON CAMPUS

(By Larry Mitchell)

A cannon booms. Reveille sounds. It is 6:15 a.m., not at any Army post but at North Georgia College. The cannon and reveille sound for the 500-man Corps of Cadets at the school—but they are also heard by almost an equal number of women students.

Women students at a military school? Unheard of any place else, doubtless, but since its establishment back in 1873 on the site of the original U.S. Government Gold Mint at Dahlonega, Ga., the school has been coeducational.

North Georgia College was started as "a school for the study of agriculture and mechanical arts, accompanied by military training." Today agriculture and "mechanical arts" are no longer in the curriculum, but it remains the only 4-year, coeducational, liberal arts, state-supported, military college of its type in the country. About 1,200 students—cadets, coeds and commuters—are registered.

Classified by the Department of the Army as a military college, North Georgia College requires that all male students participate in the Corps of Cadets. Qualified cadets who so desire are placed on contract status at the end of their sophomore year as a first step to commissioning upon graduation. To facilitate administration and training, the corps is organized into a brigade and two battalions, each consisting of three or more companies.

Immediately upon arrival the freshman cadet is assigned to a company which quickly becomes the focal point of his campus life. Regular Army officers on ROTC duty conduct the military program at the college. Training closely resembles that of the Regular Army. Cadets wear a slightly modified Regular Army uniform until off duty which for most cadets comes at 5 p.m.

Following ROTC classroom work in military history, communications, combat intelligence, map reading, organization and related subjects, the cadet applies his knowledge in practical field problems.

The formal ROTC courses are basically those prescribed by the Army. However, several aspects of the overall military program are unique. The local unit of the National society of Scabbard and Blade prepares junior class ROTC cadets for summer camp at Fort Bragg, N.C. Says Cadet Captain Bill Hauserman, captain of the Blue Ridge Rifle Drill Team, "You get practical experience here through field problems and you come out with self-confidence that you'll later need on active duty and then in civilian life."

As one result, in 5 of the last 10 years the "Outstanding Cadet" designated at Fort Bragg summer camp has been from North Georgia.

Under guidance of the ROTC instructor group, Scabbard and Blade also provides seniors with experience in small unit tactical problems, leadership reaction courses and map and compass work.

Additional military skills in mountaineering and counter-guerrilla operations are the specialty of the Order of Columbo Mountaineering Platoon. Volunteer members of this organization become experts in rappelling in the mountainous terrain of the Blue Ridge mountains. They are often coached and aided by soldiers from the nearby U.S. Army Ranger training camp.

The North Georgia Cadet Corps also provides the structure for an intramural athletic program. On-campus sports include football, volleyball, track, tennis, swimming, table tennis and horseshoes. Intercollegiate competition is offered in basketball, baseball, soccer, tennis, drill and rifle marksmanship.

The cadet system also encourages involvement in management of student affairs with cadet officers and noncoms responsible for the conduct of most activities and organizations within the corps. The wide range of student organizations includes a scuba diving club, a parachutists club, a mining club which explores abandoned gold mines in the North Georgia area, men's and women's drill teams (the Blue Ridge Rifles and the Blue Ridge Ruffles, respectively), rifle teams and local fraternities and sororities.

These organizations, along with the sports program, offer a break from academic routine. At the new Student Center cadets and coeds have available a cafeteria, bookstore, bowling alley, a 300-seat theater, television, stereo music in living room areas and organizational meeting rooms.

The full schedule of college courses plus military training mean that the life of the North Georgia student is a busy one. As Cadet Captain Jim Johnson, commander of Foxtrot Company and captain of the newly chartered chapter of the Association of the United States Army, says: "I think the one word that best describes the life of a cadet at North Georgia is 'demanding.' I wouldn't try to fool anyone and say it's easy, and it's not always fun. But I do think that in the end all the pressures and responsibilities that are thrust upon you do help to make both your educational and military experience beneficial."

In this setting the student grows each day academically, physically and socially, while preparing for a military career. Attesting to the success of the program, approximately half of the officers commissioned from North Georgia College in the past decade remain on active duty.

North Georgia College holds fast to the invitation that first marked the opening of its doors on January 6, 1873: "Whosoever will may come."

## "NO WONDER WE'RE BROKE"

Mr. FANNIN. Mr. President, a constituent, James Morse of Yarnell, Ariz., brought to my attention an advertisement in the May 24, 1971, U.S. News & World Report.

He suggested—and after looking at the advertisement, I agree—that it should be brought to the attention of the U.S. Senate.

This ad was put in the magazine by the Warner and Swasey Co. I ask unanimous consent that it be printed in the RECORD.

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

NO WONDER WE'RE BROKE!

Here is the tragic list of 138 billion dollars (one hundred and thirty-eight *billion!*) this country has been giving or "loaning" to foreign countries, 1946 through 1969 (even higher today). We have *borrowed* billions so we could give them away—the interest alone on our debt is now in the billions of dollars every year! And we are *still* borrowing *more* to give *more* away.

Yet every few days we hear that another one of these nations has insulted Americans, stolen even more of our property, driven us out of its country which we saved and rebuilt.

What—*what*—have all these American billions accomplished?

| | |
|---|---|
| Afghanistan | $407,000,000 |
| Ceylon | 165,600,000 |
| Cyprus | 22,200,000 |
| Greece | 3,886,500,000 |
| India | 8,246,700,000 |
| Iran | 2,336,000,000 |
| Iraq | 102,000,000 |
| Israel | 1,226,100,000 |
| Jordan | 643,000,000 |
| Kuwait | 50,000,000 |
| Lebanon | 93,000,000 |
| Nepal | 137,500,000 |
| Pakistan | 3,721,600,000 |
| Saudi Arabia | 93,200,000 |
| Syrian Arab Republic | 60,500,000 |
| Turkey | 5,600,400,000 |
| United Arab Republic (Egypt) | 912,200,000 |
| Yemen | 42,600,000 |
| Central Treaty Organization | 54,100,000 |

| | |
|---|---|
| Near East and South Asia Regional | $1,510,600,000 |
| Argentina | 888,000,000 |
| Bahamas | 35,100,000 |
| Barbados | 100,000 |
| Bolivia | 548,100,000 |
| Brazil | 3,779,300,000 |
| British Honduras | 5,300,000 |
| Chile | 1,704,300,000 |
| Colombia | 1,205,500,000 |
| Costa Rica | 191,500,000 |
| Cuba | 52,100,000 |
| Dominican Republic | 463,900,000 |
| Ecuador | 311,200,000 |
| El Salvador | 135,200,000 |
| Guatemala | 331,000,000 |
| Guyana | 61,000,000 |
| Haiti | 118,700,000 |
| Honduras | 119,000,000 |
| Jamaica | 74,800,000 |
| Mexico | 1,168,200,000 |
| Nicaragua | 176,000,000 |
| Panama | 246,300,000 |
| Paraguay | 135,700,000 |
| Peru | 759,400,000 |
| Surinam | 10,500,000 |
| Trinidad and Tobago | 62,900,000 |
| Uruguay | 162,200,000 |
| Venezuela | 490,600,000 |
| Other West Indies | 8,000,000 |
| Central America Regional | 144,200,000 |
| Latin America Regional | 1,891,300,000 |
| Vietnam | 5,895,400,000 |
| Burma | 100,500,000 |
| Cambodia | 341,300,000 |
| China (Republic of) | 5,141,800,000 |
| Hong Kong | 43,700,000 |
| Indochina, Undistributed | 1,535,200,000 |
| Indonesia | 1,128,300,000 |
| Korea | 7,829,000,000 |
| Laos | 641,100,000 |
| Malaysia | 90,200,000 |
| Philippines | 2,078,800,000 |
| Ryukyu Islands | 387,400,000 |
| Singapore | 40,000,000 |
| Thailand | 1,192,400,000 |
| Western Samoa | 1,500,000 |
| East Asia Regional | 767,100,000 |
| Algeria | 185,300,000 |
| Botswana | 16,500,000 |
| Burundi | 6,800,000 |
| Cameroon | 32,900,000 |
| Central African Republic | 5,000,000 |
| Chad | 8,700,000 |
| Congo (Brazzaville) | 2,100,000 |
| Congo (Kinshasa) | 430,700,000 |
| Dahomey | 12,200,000 |
| Ethiopia | 375,700,000 |
| Gabon | 7,500,000 |
| Gambia | 2,200,000 |
| Ghana | 267,300,000 |
| Guinea | 107,800,000 |
| Ivory Coast | 73,400,000 |
| Kenya | 66,200,000 |
| Lesotho | 4,800,000 |
| Liberia | 272,100,000 |
| Libya | 229,700,000 |
| Malagasy Republic | 13,200,000 |
| Malawi | 25,000,000 |
| Mali, Republic of | 25,300,000 |
| Mauritania | 3,300,000 |
| Mauritius | 1,500,000 |
| Morocco | 758,900,000 |
| Niger | 16,600,000 |
| Nigeria | 289,100,000 |
| Rwanda | 6,900,000 |
| Senegal | 38,100,000 |
| Sierra Leone | 43,100,000 |
| Somali Republic | 76,800,000 |
| Southern Rhodesia | 7,000,000 |
| Sudan | 104,800,000 |
| Swaziland | 700,000 |
| Tanzania | 65,000,000 |
| Togo | 15,100,000 |
| Tunisia | 627,100,000 |
| Uganda | 36,000,000 |
| Upper Volta | 12,700,000 |
| Zambia | 40,800,000 |
| Central and West Africa Regional | $8,000,000 |
| East Africa Regional | 26,400,000 |
| Africa Regional | 165,300,000 |
| Malta | 8,200,000 |
| Spain | 2,228,100,000 |
| Yugoslavia | 2,890,700,000 |
| Oceania-Trust Territory of the Pacific Islands | 230,800,000 |
| British Oceania | 1,500,000 |
| Non-Regional | 6,610,400,000 |
| Albania | 20,400,000 |
| Austria | 1,166,600,000 |
| Belgium-Luxembourg | 2,005,200,000 |
| Czechoslovakia | 193,000,000 |
| Denmark | 919,600,000 |
| East Germany | 800,000 |
| Finland | 151,500,000 |
| France | 9,415,900,000 |
| Germany (Federal Republic) | 5,020,300,000 |
| Berlin | 131,900,000 |
| Hungary | 31,500,000 |
| Iceland | 89,300,000 |
| Ireland | 193,000,000 |
| Italy | 6,043,000,000 |
| Netherlands | 2,470,300,000 |
| Norway | 1,253,300,000 |
| Poland | 577,300,000 |
| Portugal | 534,400,000 |
| Sweden | 188,100,000 |
| United Kingdom | 9,697,500,000 |
| U.S.S.R. | 186,400,000 |
| Europe Regional | 2,763,900,000 |
| Japan | 4,137,900,000 |
| Republic of South Africa [1] | 150,600,000 |
| Canada | 51,600,000 |
| Oceania-Australia | 825,900,000 |
| Oceania-New Zealand | 88,100,000 |
| Non-Regional | 1,434,000,000 |
| Grand Total | 138,028,500,000 |

Source: Agency for International Development, U.S. State Department.

[1] Repaid in full with interest. Some other countries have paid some interest and principal (18½ billion) on some of their borrowings from the United States.

"Charity begins at home", and that always seems to mean America. Maybe it should have stayed here.

## THE JUVENILE JUSTICE SYSTEM

Mr. BAYH. Mr. President, in an article which appeared recently in the P.I.C. News, the newsletter of the Public Information Center in Washington, D.C., Mr. Stephen Clapp describes vividly and forcefully the shortcomings of our juvenile justice system.

Entitled "A Child's Day in Court," the article reviews the processes by which youngsters are handled from their first encounter with the police to their subsequent adjudication and commitment to an institution, from which they leave far worse in most instances than when they entered.

Mr. Clapp's incisive comments with regard to the manner in which the juvenile justice system abrogates its responsibility to work with, treat and rehabilitate delinquent youth, is certainly worthy of studied consideration by this body.

Under the guise of "parens patriae," the philosophy of the juvenile court as it was first conceived, the court today has failed not only with regard to its intended purpose, but with regard to providing youth with basic constitutional rights.

This occurs, despite recent Supreme Court decisions, which have set forth clearly the rights which must be afforded juveniles during the adjudicatory stage of the juvenile court proceeding.

The conditions which Mr. Clapp alludes to in this Nation's detention centers, in so-called correctional institutions and in training schools for juveniles, are a matter of record of the Subcommittee to Investigate Juvenile Delinquency.

The brutalizing and inhumane treatment and conditions which exist in many leave lasting scars upon youngsters who are subjected to these humiliations.

Mr. President, the inescapable fact is that the juvenile justice system has failed with regard to the treatment and rehabilitation of not only delinquent youth, but with regard to youngsters who have been dumped into the system, because of neglect, truancy, or being beyond parental control and for our failure to provide alternatives to the institutional process.

The Subcommittee on Juvenile Delinquency has recently concluded a series of hearings on the status of, and shameful conditions in some of our juvenile detention and correctional institutions, and I intend in the near future to propose legislation that I believe will help ameliorate or eliminate such conditions.

I ask unanimous consent that the article, entitled "A Child's Day In Court," written by Stephen Clapp, be printed in the RECORD.

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

### A CHILD'S DAY IN COURT

(By Stephen Clapp)

The youth crime rate is accelerating at a pace almost four times faster than youth population growth. One reason for this is the nation's juvenile court system, which frequently serves to foster, rather than prevent, delinquency in the young.

Treatment of children in juvenile proceedings is frightening and bewildering at best; brutal and dehumanizing at worst. Frequently, youths held in detention for reasons they cannot understand have committed suicide. The remainder are apt to enter a lifetime of crime.

"I think it is clear to everybody that the juvenile justice system is not fulfilling its mandate," Richard W. Velde, associate administrator of the Law Enforcement Assistance Administration (LEAA) told the Senate Juvenile Delinquency Subcommittee on March 31. "It does not correct. It does not rehabilitate. Sadly, it does not even meet ordinary standards of human decency in some cases."

Juvenile courts, along with mental hospitals and treatment centers for alcoholics and drug addicts, belong to the growing therapeutic sector of the nation's social control effort. In theory, they offer rehabilitation, rather than punishment, to individuals whom society has judged unacceptably deviant in behavior. Juvenile courts operate on the premise that society should serve as a loving parent (*parens patriae*) in place of the child's own inadequate parents.

But the juvenile court system does not offer its ministrations without a price. In exchange for supposedly kindly treatment, the juvenile offender gives up the rights and protections afforded individuals under the criminal justice system. Although a series of recent Supreme Court decisions have established a juvenile's rights to adequate notice, counsel, silence and the opportunity to confront his accusers before he is deprived of liberty, other areas of juvenile

justice remain a lawless limbo of discretionary authority.

"There may be grounds for concern that the child receives the worst of both worlds," said a 1966 Supreme Court opinion, "that he gets neither the protections afforded to adults nor the solicitous care and regenerative treatment postulated for children."

As the court's responsibilities have grown, the promise of treatment has come to seem little more than a polite fraud, in which such magic words as "juvenile delinquent" (i.e., youthful criminal) "stopping" (arrest) and "detention" (jail) are substituted for more realistic language.

The police are the initial contact for most children who are later labeled juvenile delinquents. They decide whether the child will become more deeply involved in the criminal justice system. But many police officers receive no training in how to deal with juveniles. Officials have never reached a consensus as to proper procedures, labels, or controls.

"Are juveniles arrested, or 'detained,' or what?" asks Jonathan Weiss of Columbia University's Center for Social Welfare Policy and the Law in the current issue of the Dusquesne Law Review. "Often police, security guards, and others are given broader powers to detain children than they normally possess for adults. Courts have decided that juveniles may be arrested and held for appearance on information and belief alone. Yet whether an actual arrest has been made is not always clear. Parents have no way of knowing what an arrest means or why the police believe their child needs extra controls; for the child it is an ambiguous and frightening act of authority."

In theory, police "stop" children, rather than arrest them, as a favor to the child. Arrest records are harmful to an individual's permanent record. But "stoppings" can be used as a cover for police misconduct and brutality, since no standards for false arrest apply. Because detention is not labeled arrest, police can extract confessions from youths for eventual use in court, which they could not do against arrested adults without proper safeguards.

Little is known about the effect on children of various police procedures, including such seemingly innocuous habits as fingerprinting. No State absolutely prohibits fingerprinting of juveniles and fingerprinting is routine in some states no matter what the cause of detenton. No effort has been made to assess the psychological impact of fingerprinting, which most people associate with criminals, and no judicial or procedural safeguards surround the event.

In many localities, police officers, probation officers, and social workers have the power, at any time, to place a child in detention with no way out. Bail frequently does not exist for children, and officials are reluctant to release a child into the custody of parents whom they feel are responsible for the problem in the first place. All that is needed to prolong confinement for weeks or months is the signature of a judge, which is often pro forma.

Recently, a 13-year-old boy from Browns Valley, Minnesota, hanged himself in the Wilkin County Jail after waiting 41 days for a hearing on a delinquency petition. Like many juveniles awaiting disposition, he had been placed in a solitary cell for protection from hardened adult inmates. Youths in Philadelphia, on the other hand, have no problems with loneliness. There, because of overcrowding in city jails, juveniles are subject to homosexual gang rape—even in the sheriff's van that take them to court.

The National Council on Crime and Delinquency (NCCD) estimates that every year about 100,000 children under 18 are locked up in jails. Many are there as a result of poor court policies or the absence of shelter facilities for children who need temporary care but not secure custody. (See "Crash Course for Crime" P.I.C. News 1:9)

"Anyone who knows anything at all about the deplorable state of jails in this country will begin to have some insight into the problem of juvenile recidivism," says LEAA's Velde. "Virtually none of the jails in this country offer any programs that can be called rehabilitative."

Even where detention facilities are designed especially for children, they may be virtually indistinguishable from adult jails. A case in point is the District of Columbia's Receiving Home, which has been condemned by a series of investigators, beginning with a Presidential crime commission in 1966.

The Receiving Home is a two-story, red brick building on a three-acre tract in Northeast Washington. The doors are always locked, the windows are barred, and a small playfield is surrounded by a high wire fence. Enlarged to a capacity of 90 beds in 1957, the Home has held as many as 200 children at one time, some for as long as six months. Although none of these children has been tried or convicted of a crime, a 1968 Children's Bureau study found that the Receiving Home "is so overcrowded that delinquency contagion, assaults, excessive isolation of children, attacks on staff, breakdown in controls and security, and general failure of program should normally be expected . . . The majority of the time the children vacillated between . . . boredom and bedlam."

Last fall, Judge Harold H. Greene, chief judge of the D.C. Juvenile Court, said the facility was not an acceptable substitute for a home and ordered a new institution built within two years. Judge Greene found that children who merely talked back to a counselor could be placed in a cell measuring five by ten feet and containing only a bed, a washbowl and a toilet. During the day, the mattress was removed from the bed, and the child sat either on the bedsprings or on the floor throughout the daylight hours.

"Those in isolation are provided with no instruction, guidance, counseling, recreation or even reading materials," Judge Greene found. "They are simply left in their cells for periods as long as 18 days, with but the most minimal contact with anyone. The isolation cells are locked, and they are located inside a ward which is itself locked and in which no counselor is on duty. Thus, a child in isolation confronted with some urgent need or emergency can secure assistance only if he is able to pound the doors with sufficient force to attract the attention of a counselor in a neighboring ward, who may be more than 70 feet and two locked doors away."

After outlining the horrors of the Receiving Home, Judge Greene—in the same opinion—recommended that "detention, both pre-trial and post-conviction, of juveniles accused of law violations, should be resorted to more frequently than it has been in the past." Needing no encouragement, D.C. police stepped up their already questionable juvenile detention practices, and the Juvenile Court sent the "overflow" from the Receiving Home to two institutions for convicted youth offenders at Laurel, Maryland.

For the future, the welfare department plans a fortress-like 288-bed-capacity Receiving Home in direct contravention of a survey by the National Council on Crime and Delinquency, which recommended a 110-bed facility as a maximum. The District still lacks solidly planned alternatives to locking up detainees, and accused delinquents still spend an average of seven weeks in detention before disposition.

"The community's wealth—its children—are being destroyed by the unreasonable and arbitrary detention controls presently maintained by the juvenile court in the District of Columbia," NCCD's 1970 survey concluded. "As long as these obsolete controls exist, and as long as the juvenile court refuses to acknowledge its legal responsibility in the control of juvenile detention, misuse and overuse of detention will prevail."

When an accused offender comes to trial, juvenile courts generally operate on the principle that criminal trial procedure is a poor way to discover the facts. Prosecutors do not have to make their case beyond a reasonable doubt, and there is no necessity for corroboration of a child's confession.

Abuse of juvenile court procedure led to *In re Gault*, a landmark Supreme Court decision in 1967. Gerald Gault, a youth in Arizona, was arrested on the complaint of a neighbor for making an obscene telephone call. His parents were never formally notified of the event or, in fact, of any other proceeding. At the two hearings on the complaint, the neighbor never appeared in court. When Mrs. Gault asked why, she was told by the judge that it was not necessary. None of the witnesses were sworn in, no transcript was made. Gerald Gault was questioned by the judge and made damaging admissions. At the end of the second hearing, the judge committed the boy—who was 15 at the time—to a juvenile institution for the remainder of his minority. When the case reached the Supreme Court, that body overturned the decision, noting that "under the Constitution the condition of being a boy does not justify a kangaroo court."

Weiss, the Columbia lawyer, cites the similar case of Gregory W. in New York. After a victim had described an attack by a 20-year-old, police picked up 12-year-old Gregory. After repeated quizzing and coaching, Gregory produced a confession that suited the facts. The police then found out that during the time the crime was committed, Gregory had been confined to a security ward. Undaunted, they went to his place of confinement and resumed their questioning, producing a confession indicating that he had escaped before committing the crime.

"The highest court in New York finally ordered the confession excluded over a dissent that said it was clear the child needed custodial care," says Weiss. "Gregory was schizophrenic. One doubts that any doctor would consider his experience therapeutic."

Another category of proceedings involves allegations of "delinquency." Here the usual pattern of criminal procedure receives a Kafkaesque twist; instead of determining whether a juvenile's acts are criminal, the court tries to decide whether his character is criminal.

"A concept of delinquency is hard to deal with as a lawyer since it is a description rather than a sharply focused fact, or a label based on sharply defined fact," says Weiss. "More important, it is difficult for a juvenile to comprehend an investigation of delinquency dealing with acts, personal description, and issues of specific 'morality.' In short, his whole character and its weak spots receive a thorough assault from all directions. What is at stake? What are the issues? What is being examined? What does all this mean to him? If the lawyer is at sea, the juvenile drowns."

Even more damaging are cases in which children are accused of being "wayward" or "beyond parental control." Once this vague concept is applied to a child, it usually means commitment and confinement. Some parents have used beyond control proceedings as a means of punishing their children. A parent calls the court, and the child is arrested and incarcerated. A hearing is held somewhat later. If the parent wants the child back, the punishment is generally over. If not, off to jail. In New York City, if the parents file a beyond control complaint in order to get psychiatric or social assistance for their child, they lose control and must beg the court's permission to visit him.

"'Beyond control" in Washington was recently renamed PINS ("persons in need of supervision") as part of the Nixon Admin-

istration's "model" crime bill for the District of Columbia. Maple Glen, a converted correctional facility, currently holds about 50 runaways and other children judged uncontrollable by the court. Once committed, a child can be held in PINS for up to two years at the discretion of social workers. PINS children can be any age. Almost half are girls, an unusually high percentage for detention population. The Maple Glen director says his biggest problem is that neither he nor his staff is accustomed to working with girls.

Although PINS is a new program, it has received no new funds. PINS staff are simply reform school personnel retooled for a new mission. When the program began, staff morale was so low that counselors threatened a strike. There is one part-time psychiatrist for the PINS population, and four caseworkers. The casework supervisor resigned shortly after the program began.

"Nobody knows what PINS is, including the staff," a D.C. welfare department social worker told *P.I.C. News*. "Basically, it's just locking kids up so they won't run away. Nobody is helping them with their problems there. It's a device to get problem kids out of Junior Village (the District's center for homeless children) into the country. They've told social workers to get the kids out to Maple Glen and not to worry about what services are available when they get there. After PINS, the kids will probably go to reform school and then on to prison."

To the child, a "beyond control" proceeding is a devastating experience. "Arrayed against him are his parents and the officers of the state," says Weiss. "He feels often, and often justly, that his parent is at fault. He knows he risks imprisonment and is being described as immoral. Yet often he has no one to stand up for him. Here is the potentially most traumatic situation of them all—in a court theoretically designed to protect him, all the forces he knows attack him. In the author's opinion, 'beyond control' hearings and proceedings are the worst aspect of juvenile courts."

After the experience of the trial or hearing, a youth confronts a determination of what is to be done with him. At this point the crucial figure is the juvenile court judge, who often lacks staff or even basic qualification for the job. Many juvenile judges are adult criminal court judges temporarily wearing a different hat. A study of juvenile court judges in the mid-1960's revealed that half had no undergraduate degrees; a fifth had received no college education at all; another fifth were not members of the bar. More than 80 percent of the judges reported no psychologist or psychiatrist available to them on a regular basis.

In El Paso, Texas, Juvenile Judge Edwin F. Berliner sent about 75 children each year to juvenile homes hundreds of miles away without a hearing or legal counsel until the practice was uncovered by antipoverty lawyers. The judge's technique was to get parents of troublesome children to sign an "agreed judgment" that committed their child to a state institution.

Steven Bercu, the lawyer who disclosed the practice, calls Judge Berliner "the greatest single cause of crime" in El Paso County.

In New York City, the Family Court routinely spends four minutes in disposing of a case. Dr. Sol Chaneles, president of Urban Resources, Inc., watched a Family Court Judge commit a 15-year-old girl to six months observation in an adult psychiatric ward of a public hospital on the basis of a typographical error in a court document. The girl had run away from a convent leaving a note saying, "I don't want to live here anymore." By mistake, the court typist had transcribed the note without the word "here," leaving the impression that the girl was suicidal. But in the four minutes allotted to the case there was no time for verification or correction.

Dr. Chaneles also observed a Family Court judge "verbally crucify" an eight-year-old boy for three weeks of truancy from his second grade class. The judge then committed the child to a state training school for two years—"to correct his ways."

For many judges, there is no alternative to committing a child to an institution. Entire states have no probation services for juveniles. Florida, for example, told the Law Enforcement Assistance Administration that 60 per cent of its youth offenders are committed to institutions without prior experience on probation. Iowa also reported that the lack of juvenile probation services forced the court to depend on state institutions.

A recent study of 208 inmates of the Indiana Girls School showed that 125 were committed solely because they were runaways and 19 because they were truants. Indiana reformatories also include such "criminals" as a 16-year-old boy who stole 75 cents and a girl who was arrested in a small town for carrying a can of beer.

Institutionalization virtually destroys whatever hope remains that a child can be helped by the juvenile justice system. Most training schools and reform schools are little better than jails. "In state after state I have seen children held under inhuman conditions," reports Howard James, author of *Children in Trouble*. "And, with one or two exceptions, even the best institutions are cold and unloving—places where children either give up, or fight back, or run."

At the Ferris School for Boys in Wilmington, Delaware, James found that it was the policy of the Youth Commission to discipline boys by slapping them; this resulted in several punctured eardrums. In Florida, he found boys beaten black and blue with a weighted leather paddle—sometimes until they bled. At the Marianna School in Florida he found a boy in bloody pajamas who had eaten a light bulb and was trying to cut his wrists with a broken light cover. James had to notify the nurse on duty himself, because the guard had not bothered to do so.

"With the exception of a relatively few youths, it is probably better for all concerned if young delinquents were not detected, apprehended or institutionalized," comments Milton Luger, director of the New York State Division for Youth. "Too many of them get worse in our care."

Rhode Island, which spends $12,400 a year to maintain a child in a training school, acknowledges a 75 per cent failure rate. Nationwide, according to an FBI study, some 72 per cent of youths under 20 arrested in 1963 were arrested again within five years.

Recent court decisions granting mental hospital patients a "right to treatment" as compensation for their loss of liberty have broad implications for the juvenile justice system. (See also "Lawless Prisons" *P.I.C. News* 1:9). But there is little agreement over what "treatment" consists of in juvenile delinquency, let alone whether "right to treatment" also means "right to cure." Can a youth demand release from an institution if it fails to cure him of homosexuality, for example?

Right to treatment also poses political problems. "If . . . a delinquent youth may demand and secure his release, does the youth's 'right' thereby override the community's 'need' for protection?" asks Dr. Nicholas N. Kittrie, a law professor at American University. "The right to treatment must be so defined and construed as not to deprive it of broad public support."

As much as judges may shake their heads over what goes on inside juvenile institutions, they find it difficult to make meaningful changes in the absence of other machinery. A judge is legally responsible for what happens to a youth until he is discharged from care. In practice, however, a youth is usually sent to a large state-run institution far removed from the court that committed him. And most juvenile judges are only too happy to get a troublesome child out of their immediate jurisdiction and into the care of a remote facility.

"As the law is now devised, we have more responsibility for aftercare than an adult court does," Judge Orman W. Ketcham of the D.C. Juvenile Court told *P.I.C. News*. "How can a judge control what goes on at our Children's Center at Laurel, Maryland? Legally, he should. The problem is how to make it work."

Reform of the juvenile justice system will take place only when judges, and those who appoint them, show as much interest in protecting children from society as they do in protecting society from its children.

Weiss, the Columbia lawyer, suggests a number of first steps that juvenile courts could take to reduce the probability that they will harm children rather than help them:

The courts should protect children's rights by supervising commands or requests to families, by schools, police and social workers. Misbehaving public officials should be held liable for their actions.

No police officer should be allowed to stop or detain a juvenile except to prevent him from damaging property or person—and actual knowledge of this should be required. Any other arrest should be made by juvenile officers, who should also be called on immediately in cases of detention by a police officer.

A lawyer devoted entirely to the child's interest should be offered to accompany the child through every step of the juvenile process, beginning with the first expression of interest by public officials in the child's well-being.

A child should be tried only for specific acts of law violation. He should receive all traditional criminal safeguards in the process.

"Beyond control" hearings should be abolished as an ugly, misdirected and destructive procedure.

A finding of delinquency should be made only at a special hearing concerned with past acts proved.

"Suffering children deserve no less," Weiss concludes.

## THE THREAT TO NATO

Mr. GOLDWATER. Mr. President, during the recent debate over the Mansfield amendment to cut American NATO forces by 50 percent we heard repeated references to the strength of the Warsaw Pact nations in relation to those of the NATO Alliance. However, I believe it would be instructive for us to read a point-by-point appraisal of this important situation by one of the men directly responsible. Mr. President, recently General David A. Burchinal, deputy commander in chief, U.S. European Command, testified as to the relative strength of the East/West forces in Europe before a House Appropriations subcommittee on the Department of Defense.

In reading General Burchinal's cold, statistical assessment of the threat faced by the allied forces in Europe I shudder to think what would happen if our Government had been shortsighted enough to adopt as policy the Mansfield proposal. It may come as a surprise to some Members of the Senate to learn that American commanders in Europe believe that at the present time—without any force

reductions whatsoever—the Warsaw Pact enjoys a superiority of over twice the number of ground divisions as are available to our NATO forces. It might further interest the Senate to learn that General Burchinal regards the Soviet naval and air buildup in the Mediterranean area alone as a significant military threat to United States and NATO forces.

Among the more important points developed by General Burchinal are the following:

First, the ground force threat to NATO Europe consists of over 160 Warsaw Pact divisions of which more than two-thirds are Soviet.

Second, the Warsaw Pact ground forces are prepared either for nuclear or conventional warfare and are equipped with the very latest weapons and equipment.

Third, Warsaw Pact air operations against Allied Command Europe could be carried out by some 6,000 tactical fighters, light bombers, medium jet bombers, and reconnaissance aircraft based in the pact forward area.

Fourth, to facilitate air defense of pact territory and enhance offensive capabilities to penetrate NATO defenses, the Communists have massed in Eastern Europe's forward area "the densest and most sophisticated electronic environment in the world."

Fifth, the naval threat to NATO Europe includes the Black Sea, Baltic, and northern fleets, plus the forces from these fleets deployed in the Mediterranean Sea.

Sixth, the strategic missile threat to NATO Europe is posed primarily by some 600 medium- and intermediate-range ballistic missile launchers at sites in western U.S.S.R. This strategic missile threat is one for which we in Europe have no truly comparable force.

In summarizing his view of the military threat to NATO, General Burchinal told the House subcommittee:

I believe that Soviet policies and objectives are aimed at changing the strategic offensive/defensive power balance in order to explore their current and growing conventional superiority in the European area.

Mr. President, because of the recent debate on the Mansfield amendment and the promise of some Members of the Senate to renew the demand for large reduction of our forces in NATO at a later date, I believe General Burchinal's complete statement to the House subcommittee would prove highly instructive. I ask unanimous consent that General Burchinal'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 DAVID A. BURCHINAL, DEPUTY COMMANDER IN CHIEF, U.S. EUROPEAN COMMAND, BEFORE THE APPROPRIATIONS COMMITTEE, SUBCOMMITTEE ON DEPARTMENT OF DEFENSE, U.S. HOUSE OF REPRESENTATIVES

Mr. Chairman, Members of the Committee:

I welcome the opportunity to meet with this Committee for discussions on the United States European Command and its contribution to the defense of NATO. In these times, we firmly believe that a strong and continuing United States military presence is essential to the NATO Alliance, to the security of North America and to peace in Europe.

I will sketch in broad outline the threat we face, review our forces, their readiness, and how we are working with our allies to improve their capability so they can assume a greater share of the defense burden. I will touch on some of our very real problems and what we are doing about them. Let me add, Mr. Chairman, that the deliberations of your Committee are of the greatest importance to us, because the budget requests of the Services provide and support the forces for the European Command.

Before turning to the substance of my presentation, I would like to identify my position and relationship to the Commander in Chief of the United States European Command, General Goodpaster. He has command responsibilities both as the Supreme Allied Commander Europe—SACEUR—and as the United States Commander in Chief Europe—USCINCEUR. As USCINCEUR, his command encompasses all United States military forces assigned to him to carry out his mission, including those committed to the NATO Alliance. As a unified commander of United States forces, General Goodpaster is responsible to the Secretary of Defense and the President through the Joint Chiefs of Staff.

The scope and nature of General Goodpaster's NATO functions as Supreme Allied Commander, Europe are both demanding and time consuming. They require that he be physically located most of the time at his NATO Headquarters in SHAPE, Belgium. Because of this, he has delegated to me and the Joint Staff of Headquarters United States European Command in Stuttgart, Germany, broad authority to run the day-to-day activities of the US Command, and we operate at all times within policies and procedures approved by General Goodpaster, the Joint Chiefs of Staff and the Secretary of Defense. Thus, I devote most of my time to unilateral United States matters so that General Goodpaster can devote the greater part of his time to the military problems of the Allied Command Europe.

THREAT

Before addressing the US and Allied forces in Europe, I would like to briefly mention the threat to Europe and the US by Soviet and Warsaw Pact forces, because it is principally in this context that the US contribution to the defense of Europe should be viewed.

Beginning about 1965, it became apparent that the Soviets had begun a priority program to improve their strategic offensive and defensive posture. Concurrently, they made intensive efforts to increase the capability and readiness of the Soviet and other Warsaw Pact air, ground and naval forces for conventional warfare.

The primary mission of the military forces of the USSR and its allies is to protect the Soviet homeland, to guarantee the inviolability of the entire Soviet Bloc under the Brezhnev Doctrine, to cast doubt on the efficacy of the NATO shield and thereby to increase Soviet influence in the affairs of Western Europe, and to promote Moscow's expansionist objectives in the Mediterranean, North Africa and the Middle East. We have seen positive indicators—in 1953 in East Germany, in 1956 in Hungary and 1968 in Czechoslovakia—of Soviet readiness to employ military force to maintain the Communist system established within the captive nations of Eastern Europe during and following World War II. Outside Continental Europe, we are now witnessing the employment of the USSR's rapidly growing naval power and to some extent, her air power, in the pursuit of Kremlin goals. North Africa and the Middle East, in the Indian Ocean and the Caribbean.

The ground force threat to NATO Europe consists of over 160 Warsaw Pact divisions of which more than two-thirds are Soviet. The Warsaw Pact ground forces are well prepared for either nuclear or conventional warfare. They are equipped with very modern weapons and combat vehicles, with massive inventories of tanks and armored personnel carriers, an impressive and growing number of tactical missile launchers and larger numbers of artillery weapons.

Warsaw Pact air operations against Allied Command Europe could be carried out by some 6,000 tactical fighters, light bombers, tactical reconnaissance aircraft and medium jet bombers based in the Pact Forward Area and western USSR. The Pact air forces are being steadily modernized with new generation fighters and bombers, and the Soviets have recently introduced into operational units advanced interceptor types.

To facilitate air defense of Warsaw Pact territory and enhance offensive capabilities to penetrate NATO defenses, the Pact nations have many thousands of pieces of ground based military electronics equipment in the East European forward area—the densest and most sophisticated electronic environment in the world. At the same time, major improvements are being made in their strategic defenses by expanding surveillance and tracking systems, increasing the density of deployed air defense weapons—SAMs, AAA, improved interceptors—and by undertaking extensive passive defense measures for vital installations. For example, many hangarettes to protect aircraft have been built on Soviet airfields and at some national airfields in the forward area. A mobile surface-to-air missile system has been introduced into the forward area to protect field armies on the move.

The naval threat to NATO Europe includes the Black Sea, Baltic and Northern Fleets, plus the forces from these fleets regularly deployed in the Mediterranean Sea. These naval forces have more than 150 operational major surface combatants and about 250 operational submarines. Aerial surveillance and air strike capabilities are provided by some 600 light and medium bombers and reconnaissance and antisubmarine warfare aircraft of Soviet Naval Aviation.

For the US European Command, the Soviet build-up in the Mediterranean is of major significance. The initial Soviet naval presence in the Mediterranean in 1963 and 1964 was primarily for the purpose of "showing the flag" and for psychological effect on the littoral governments and populations. Since the Arab-Israeli war, however, the naval force in the Mediterranean has been built up to an average strength of some 40 to 50 units—with peaks much higher. A typical force in the Mediterranean would have ships equipped with SAMs and ships/submarines equipped with SSMs. This Soviet naval power has been significantly augmented by the introduction more than two years ago of land-based air into Egypt. Today, the Soviet naval and air forces in the Mediterranean constitute a significant military threat to US and NATO forces.

The presence of this substantial military force, the ongoing aid programs to the more radical Arab states, and the presence of Soviet military personnel in the role of technicians, advisers and, in the case of Egypt, operators of air defense systems, support their objective of gaining a position of political dominance based on military power along the southern littoral of the Mediterranean and throughout the Middle East.

The strategic missile threat to NATO Europe is posed primarily by some 600 medium and intermediate-range ballistic missile launchers at sites in western USSR. This strategic missile threat is one for which we in Europe have no truly comparable force.

With respect to the intercontinental missile threat, it is our view that the USSR is attempting to gain clear strategic advantage so as to weaken the viability of the US deter-

rent force. The current Soviet inventory of operational ICBM launchers is about 1,400 and deployment is continuing with newer types. This contrasts with our own ICBM force of 1,054 launchers. Moreover, the USSR's submarine-launched strategic missile program is gaining momentum with production and deployment of the Y class nuclear-powered submarines with 16 missile launch tubes, and could surpass our Polaris force in number of launch tubes during 1974.

To summarize the threat, I believe that Soviet policies and objectives are aimed at changing the strategic offensive/defensive power balance in order to exploit their current and growing conventional superiority in the European area. Should the Soviets gain confidence in their ability to deter resort by the West to the use of nuclear weapons in response to massive conventional aggression in Europe, new options would open including the threat of employment of the USSR's and Pact's powerful conventional forces to achieve political aims. Already—as we currently see in the Middle East—the Soviet Union is pursuing much more aggressive policies in situations which would have been unthinkable a few years ago. I think that as Soviet strategic and conventional power mounts, the Kremlin will consider that the risks to them in such expansionist moves progressively are decreasing.

NATO VERSUS WARSAW PACT FORCES

Since I am speaking as a US commander, I will address only US forces and their readiness in detail. However, I believe it is significant to present an overview of opposing force levels in Europe particularly in regard to the Central Region of Europe where we have the vast majority of US forces.

Comparisons of relative military potential are difficult and complex, and must be carefully assessed to avoid misleading conclusions—especially in the broad scale of NATO versus the Warsaw Pact.

In terms of existing ground divisions of all categories the Warsaw Pact enjoys a superiority of over twice the number available to our NATO forces. The preponderance of Pact ground forces is particularly significant in the Central Region. While we are generally a match for the Pact in APC's, in terms of tanks the Pact has better than a 2 to 1 advantage with in-place forces. The Pact has about a third more artillery in-place than NATO. NATO plans to increase its tactical aircraft strength in the Central Region during a build-up, but even this substantial gain will not fully overcome the pact's 50 percent quantitative superiority in tactical aircraft strength.

It is significant to note that the United States contribution of army forces in Europe contained in the NATO totals amounts to 4⅓ divisions and two Armored Cavalry Regiments in-place with some increase after build-up based on today's readiness posture. In regard to the US Air Force contribution, we have more than 400 tactical aircraft in the Central Region during peacetime, and a planned augmentation capability to expand this number. Essentially all of NATO's air augmentation is provided by the United States. Overall, US forces on hand in Central Europe in peacetime represent about 25 percent of NATO's total force.

USEUCOM FORCES

Our primary mission in USEUCOM is to maintain the readiness of our assigned forces to meet the United States commitment to NATO and be prepared to protect the interests of the United States anywhere in our assigned area. For this purpose we have a total military population of about 240,000. The Army provides the bulk of this strength.

Table A shows our major U.S. Army forces in Europe. These forces are commanded by Lt. General Collins, with headquarters in Heidelberg.

TABLE A: USAREUR FORCES

3—Mechanized Infantry Divisions—Less ⅔ of one Division Dual-Based in CONUS
2 Armored Divisions
3 Armored Cavalry Regiments—Less 1 Dual-Based in CONUS
1 Brigade in Berlin
SETAF in Italy
1 Air Defense Command
Chaparral/Vulcan Battalions in Divisions
Non-Divisional Artillery

Table B lists our assigned naval forces—the Sixth Fleet, operating in the Mediterranean and composed of units on rotation from the Atlantic Fleet. Admiral Wendt's European Naval Headquarters is located in London. NAVEUR's personnel strength is about 27,000 men. The naval forces have no equivalent of dual-basing, but our Sixth Fleeet directly reflects the commitments, readiness and availability of forces in the Atlantic Fleet.

TABLE B: EUCOM NAVAL FORCES

Attack Carriers, with embarked Air Wings
Cruisers
Destroyer Types
Submarines (including Polaris)
Amphibious Force, USCM Battalion Landing Team
Patrol Squadrons, land-based.

Our Air Forces in Europe, numbering about 44,000 officers and men, are under the command of General Holzapple. His headquarters is at Wiesbaden. Listed in Table C are the major USAFE forces.

TABLE C: USAFE FORCES

Tactical Fighter Squadrons—Some Dual-based in CONUS
Tactical Fighter Air Defense Squadrons
Tactical Reconnaissance Squadrons
Some Dual-Based in CONUS
Tactical Airlift Squadrons
Others committed from CONUS
Tactical Electronic Warfare Squadrons
Some Dual-Based in CONUS

DUAL BASING

Over the past several years, a significant number of US Army and Air Force units have been relocated from Europe to the United States under a concept known as "dual-basing." Initiated primarily as a means of reducing the Balance of Payments deficit, it has actually increased defense expenditures due to the requirement of maintaining two sets of equipment for many dual-based units and rotating elements of these forces to Europe annually for exercises.

The bulk of these forces were redeployed in 1968 with the codeword designation REFORGER (for Army units) and CRESTED CAP (for Air Force Units), and just last year additional Air Force squadrons were added to the dual-based list. Dual-based forces are not a substitute for in-place forces in or near their combat positions on a daily basis.

OPERATIONAL READINESS OF USEUCOM FORCES

I would like now to review the readiness of our forces. Not all are currently considered fully combat ready.

There are many reasons for this, including our share of reductions the Services have been forced to make, lower assigned personnel strengths and skill levels, funding constraints such as less money for training and exercises, and the priority of Vietnam requirements. I have listed separately for you the primary reasons some of these forces are considered not fully combat ready.

*Army Example:* For example, of the units reporting in USAREUR, a number of units have reported they are below their programmed strength, are short the required critical skills or do not have the required personnel distribution by category or grade.

Let me touch on some of the details of this particular example. Our Army forces are not only short in the number of men; the turn-over rate is also high. This shortage and turbulence is further compounded by a shortage in some specialties and grade imbalances in middle grade officers and senior enlisted grades. These shortages, combined with the austere funding, have a direct impact on the other measurement categories of training and equipment readiness. It should be noted that one of the immediate consequences of a reduction in funds has been the reduction of foreign national workers we can employ. This has required use of military personnel for housekeeping duties, and a number of troops are thus diverted daily from their primary military duties.

*Naveur:* Our naval component also has personnel problems; however, these are primarily shortages in specific critical skills at the petty officer level rather than shortages of manpower. These critical skill shortages plus the lack of readily available repair parts for the aging fleet, combine to degrade combat readiness of the fleet.

*Usafe:* The conversion of one wing from F–100 to F–111 aircraft is reflected in both the equipment and personnel figures shown for our Air Forces in Europe. The remaining shortages are temporary in nature and do not constitute a trend or chronic deficiency.

*Dual Based:* The readiness of dual-based forces is of direct interest to the European Command. A breakout of the readiness of these dual-based forces has also been furnished separately to the Committee.

IMPROVEMENTS

I do not wish to convey to the Committee that these deficiencies prevent us from performing our primary combat mission. We still maintain a very respectable capability to provide—with our Allies—for the initial defense of Europe; however, it does place us in the position of relying heavily upon rapid and massive augmentation for any sustained action.

And I wish to emphasize the qualitative improvements which have been and are being made in our forces as a direct result of past budgetary actions by the Congress. The ongoing conversion of our F–100 squadrons to F–4 and F–111 aircraft significantly increases our combat capability, as do the A–6A and A–7 aircraft presently operating with the Sixth Fleet.

The Army forces are receiving excellent modern equipments in the form of new, improved armored reconnaissance vehicles, as replacements for the M60 tanks in armored cavalry squadrons. We are replacing the older H–13 and H–34 helicopters with the newer OH–58 and UH–1D/H equipment.

We have recently completed the conversion of our Pershing missiles to an improved configuration, have equipped a number of battalions with the self-propelled versions of the Hawk anti-aircraft missile system, and now have Chaparral/Vulcan anti-aircraft battalions in the field.

The combat capability of our Marine forces was significantly improved with the deployment of the USS GUAM with its amphibious landing craft and vertical assault, helo capability.

There has been a marked improvement in the survivability of our Air Forces both with the introductions of the Chaparral/Vulcan low level defense systems and the completion of several hundred aircraft shelters in the Central Region.

PERSISTENT PROBLEM AREAS

These and other qualitative materiel improvements have made it possible for the command to maintain a very respectable fighting capability in spite of the reductions in forces and funds over the past years.

Conversely, we have some problem areas which continue to impair somewhat our combat capability. As I mentioned previous-

ly, we are dependent on rapid, timely and substantial augmentation if we are to undertake sustained combat operations and strike action. In order to have the capability to accept this augmentation we need more reception air bases for our Air Forces in order to reduce the high density base utilization now required and to increase survivability. We must have access to the ports, both sea and air, and we must have the men to operate them if we are to move the mass of personnel and great quantities of material which is required for any sustained operation. We must have the associated communications capability to provide for direction and supervision of these movements. We must establish the prepositioned equipment for a usable line of communication (LOC) from these ports to the battlefield. I will discuss this in greater detail later.

The Sixth Fleet requires increased and improved antisubmarine warfare capability to insure its freedom action, as well as increased capability to counter the growing surface-to-surface missile threat.

While we are making improvements in our electronic warfare capability, the Warsaw Pact continues to make major improvements in this area. Development and procurement programs are underway in each of our Services; however, by the time the products of these programs enter our inventory, we will probably see a greatly increased and new capabilities in the enemy's electronic warfare forces.

The US communications network in Europe as presently configured requires considerable modernization and improvement if it is to continue to be able to carry out its essential tasks.

Most of these problems are outgrowths of the current minimal force posture and budgetary constraints, and there are no short term quick or easy solutions.

REQUIREMENT FOR AUGMENTATION RECEPTION CAPABILITY

One of the most pressing problems we face in planning for wartime operations is the growing need for early augmentation forces from the US. Every military force reduction we experience translates into that many more troops which must be brought back to Europe if we are threatened by war, in order to regain our essential fighting capability. Dual-based Army and Air Force units are scheduled to return and additional rapid reaction Air Force units are to be deployed. Also the Army units designated to work the ports and man the lines of communication must be moved in. Additionally, filler personnel for the in-place 4⅓ division force structure are scheduled to be brought in to bring the units up to wartime strength, as are additional combat service support units to assure the necessary effectiveness of logistic units to support our combat forces. Since strategic cargo airlift is at a premium in the initial phases of deployment, where possible, equipment for redeploying units has been prepositioned in Europe so that the troops with their individual arms and equipment can be quickly moved.

Army units, as a rule, do not have great strategic mobility; therefore, it is these units which present the greatest problems in a situation requiring rapid buildup. Equipment for the Army dual-based units (REFORGER), is already in place in Europe.

NECESSITY OF A LOC

I also have a few brief comments on the UK/BENELUX/FRG LOC, Mr. Chairman, a project which your staff reviewed in depth in January 1970. The LOC must be in existence for us to support both the planned augmentation of forces in Europe in an emergency, and the Army and Air forces already there. Without the peacetime preparations necessary to establish a LOC in wartime is to leave our committed forces without wartime support and therefore unable to carry out their assigned missions.

BENELUX ONLY LOC ROUTE

The LOC route through the BENELUX is certainly far less desirable than a route through France, but it is—at present—the only real and practical option open to us. The Bremerhaven LOC, less than 100 miles from the Iron Curtain in the Federal Republic of Germany, is the most vulnerable access route of all available in wartime, not only from air action, but from ground attack. Austria's and Switzerland's neutrality blocks all routes from the south, and France who asked us to remove our facilities from her territory, will make no promises to allow us back in wartime. We simply cannot accept these risky alternatives as a basis for war planning. Our logistic weaknesses can be seen by both the Warsaw Pact nations, and our NATO Allies.

LOC AGREEMENT STATUS

We are making progress in this area. I am pleased to report that an Overall LOC Agreement is very close to completion. In the meantime, we have 12 draft annexes in the final stages of preparation to be presented to the host governments. These technical annexes will identify, in detail, how the specific support will be provided the US by the host nation.

ARMY LOC/PORT PACKAGE

We are very near in most respects, to realizing the prerequisites essential to establishing an LOC in wartime. Although the LOC will depend primarily on host nation support, Army units must also be designated and be capable of immediate response to requirements for operation of the US LOC. These units, with their equipment, have been identified by the Army, and as necessary, will be airlifted into their areas of employment to activate the LOC. Some of the equipment required for their use is too heavy and bulky for airlift, and the logical solution is to preposition it in the area of intended use. For this reason, the Army needs PEMA funds to buy heavy equipment to be prepositioned, and OMA funds to maintain the equipment when in storage. NATO funds will be available to construct what additional facilities may be needed.

COLLOCATED BASES FOR USEUCOM AUGMENTATION AIR FORCES

Two major problems face this command with respect to basing of tactical air forces: First, there would be serious overloading of the relatively few air bases we currently have by US wartime augmentation air forces which emphasizes our need for additional bases to support these planned deployments. And, secondly, additional bases are needed to provide SACEUR the flexibility to shift planned deployments to different base areas in the event the situation dictates.

We plan to make maximum use of all available Allied airfields to alleviate these problems. The Allied airfields would not be used by US augmentation air forces during peacetime. However, to reduce critical delay in the wartime employment of air forces, these airfields must be maintained during peacetime in a status that would permit their early operational use by US tactical air squadrons should augmentation of the US European Command be directed.

We would depend on varying degrees of host nation support at the Allied airfields until adequate US logistic support is established. The US has surveyed a number of potential "collocated" bases, nominated by the countries concerned for the collocation of our forces, to determine the facilities that could be made available and what is required on our part.

While the concept of collocated basing with our Allies is desirable for dispersal of forces and flexibility of operations, there are certain disadvantages. The distances from these Allied bases to existing US Main Bases complicate resupply and introduce problems in communications for command and control. There will be entry costs for those bases where storage areas are inadequate for prepositioned WRM and where peacetime safety criteria that has been specified by NATO, US and the host nation for the munitions portions of the prepositioned WRM must be met.

Unless we can preposition some personnel and materiel on the bases in peacetime, delays in effective utilization at the outbreak of war will occur until personnel and WRM can be moved to the bases.

FRANCE AND NATO

Basic strategic relationships in Europe have been directly affected by the uncertainty regarding possible French participation as a wartime partner of the west. In 1966, France disengaged herself from the military organization of NATO, and has since given no assurances about what role she might play in the event of war.

President Pompidou has not altered this official political position, although our rapport with the French military continues to be excellent in all respects.

However, their refusal to let us make necessary arrangements in peacetime and the risks involved in the possibility that they would not fully cooperate with NATO are so great that we must make alternative provisions now, for access to and support of our forces in the Southern Region, as well as to maintain an assured LOC to the Central Region as I discussed earlier.

Inability to count on French forces, airspace, facilities and geography in our wartime plans, coupled with the neutrality of Austria and Switzerland, effectively cuts NATO into two separate parts; we therefore, have a clear need for a well-planned system of bases throughout the Mediterranean area. While there are many obstacles to developing such a system in the unsettled political situation that exists in many parts of that area today, there are steps which we can take to improve our position there.

SOVIET SUBMARINE ACTIVITY IN THE MEDITERRANEAN

In view of Soviet submarine activity in the Mediterranean, it is essential that we continue to improve our ASW forces in that area. Continuous surveillance of submarines is a key peacetime requirement. It is too late to go searching for them after a war starts.

MEDITERRANEAN BASES

In our attempts to create a better basing situation in this region, we have taken a careful look at such possibilities as expanding certain facilities we must have in the Mediterranean to meet a wider range of requirements. Such actions could provide much needed military and political flexibility. They would help to avoid some of the constraints in contingencies, and greatly assist in our peacetime surveillance of the Mediterranean. They may be eligible for NATO infrastructure support, which could result in our realizing at least modest improvements.

SPAIN

We believe that our excellent port and airfield complex in Spain and our operating rights there enhances considerably our operational effectiveness in Southern Europe and in the Mediterranean. Spain is the key to military access to that area, as the United Kingdom is, and has been for Central Europe in the two great wars of this century. The new agreement that went into effect last September guarantees five more years of US tenure in this geographically critical area. Spain's growing military potential could provide needed assistance in the defense of the Mediterranean.

MAP AND FMS

At least a brief word is in order on the effect of Military Assistance on the US presence in Europe. To a great extent, US Military Assistance Programs (MAP) and Foreign Military Sales (FMS) have since World War II bolstered the defense capabilities of our NATO Allies, and have helped to a substantial degree in reducing the need for US forces within the European Command. From 1950 to 1967, more than 12 billion dollars in US military grant aid was furnished to nine NATO countries in Western Europe. All of those countries today sustain their own defense requirements and have, since 1962, purchased over six billion dollars' worth of defense articles and services from the United States.

Only three NATO countries—Greece, Turkey, and Portugal—still receive US grant aid military assistance. Portugal's program has always been quite small, and those for Greece and Turkey have been decreasing in recent years. For these countries, too, the transition from grant aid to sales is being made as rapidly as possible.

It is appropriate to note at this point that the cash which our other NATO allies pay for their FMS purchases from the United States improve our balance-of-payments position. The funds which are used to finance Foreign Military Sales credits (to Greece, for example) are repaid with interest.

BURDEN SHARING FOR NATO DEFENSE

In May of last year, the NATO Defense Planning Committee approved a proposal to study Alliance Defense Problems for the 1970s (AD–70). The study included a review of resources and identified burden sharing problems. The NATO Defense Ministers agreed to study areas of cooperation, recognizing the principle that major US disengagement from Europe would seriously endanger the Alliance. The Ministers also recognized the need for assisting the US Government in alleviating the financial problems associated with maintaining its forces in Europe.

In September 1970, President Nixon at Naples stressed the importance of NATO nations doing more for their own defense. The President stated that while we are concerned that we get all the financial help that we can, the long-term need was for members of the NATO Alliance to shore up and build up the strength and capability of their armed forces.

The NATO Defense Planning Committee, meeting in Ministerial Session in December 1970, endorsed the conclusions of the AD–70 Study which identified specific areas of improvements in NATO's conventional deterrent. In addition, ten European Ministers launched a purely European effort to improve their own defense. The program is known as the European Defense Improvement Program (EDIP) and consists of the following:

Financial contributions to NATO infrastructure program over five years for aircraft shelters and NATO communications.

Force additions/improvements over five years.

Military assistance to Turkey is provided by the Federal Republic of Germany (FRG).

The NATO ministers will meet on 28 May 1971 to review progress on the Defense Program.

OFFSET

In addition to these NATO efforts on burden sharing another opportunity for DOD budget relief is the bilateral offset talks with the FRG.

US–FRG offset agreements were traditionally based on military procurement in the United States. As German need for U.S. equipment declined, the agreements also included financial arrangements and understandings on financial cooperation. In the negotiations going on for a new agreement beginning in FY 1972, U.S. and FRG officials are considering German measures of direct budgetary support, in addition to a considerable amount of military procurement. The negotiations are now centered on the size of such a budgetary contribution.

FORCE REQUIREMENT/REDUCTIONS

The last matters I want to discuss today are force requirements and the impact of past reductions.

Military personnel and cost reduction programs have been underway since 1965, and the pressure for more reductions in Europe has continued through 1970. The basic rationale underlying many past reductions is that we can cut supporting organization, base and facilities without reducing combat effectiveness. But the U.S. European Command is well beyond the point where such a rationale is at all credible. If there was any fat in our programs, it was trimmed long ago.

Any further reductions will require us to eliminate complete functions and programs, whole base complexes, and major combat units. Such reductions, without corresponding negotiated reductions in Warsaw Pact forces, will inevitably damage our operational effectiveness, our NATO relations, and will bring into serious question the military capability of the Alliance and the U.S. commitment to it. Actions of this nature would be clearly contrary to the NATO AD–70 conclusion that the commitment of substantial North American forces deployed in Europe is both politically and militarily essential for effective deterrence and resistance, and to insure NATO solidarity. It would seriously undermine the presently agreed—and sound—NATO concept for defense and agreed strategy, as well as destroying its credibility in the eyes of the Soviets and Warsaw Pact.

President Nixon put it very clearly in his Foreign Policy Report in February of this year, when he said:

"No token presence could serve our purpose. Our substantial contributions of United States forces—about 25 percent of NATO's peacetime capabilities in Central Europe—insures the viability of the strategy of flexible response. It enables us to found Alliance defense on something other than reliance on the threat of strategic nuclear war. It is the basis of our Allies' confidence in us. It links European defense to a common strategy and to the nuclear power of the United States."

Since 1962, we have made substantial reductions in our military strength in Europe. The current levels are, in my judgment, the absolute minimum needed if we are to maintain credible deterrence and thereby hope for a lessening of tensions and the realization of some detente in Europe. To further reduce this force—already weakened by deficiencies in its readiness as we have discussed today—is an open invitation to Soviet and Warsaw Pact adventurism. I believe that this risk directly increases as the Soviets continue their move to a position of relative nuclear parity with the United States.

We in Europe do not believe that a war between NATO and the Warsaw Pact need inevitably to escalate from conventional to all-out nuclear war. There are strong constraints on both sides against resorting to nuclear exchanges. But, this very fact emphasizes our need to build up and maintain strong conventional fighting forces—forces that can hold-the-line while we reinforce, mobilize, and give people time to talk. The Soviets, by nature, are pragmatic, and strong, in-place conventional forces can make them realize that any confrontation, conventional or nuclear, will be an adventure so costly that they cannot afford it.

So much for the status of our US European Command and our ongoing efforts to carry out—effectively—the United States commitment to NATO. We will continue to seek—and find—solutions to our US and NATO problems in Europe, and we can use all the help we can get, including the very essential support of this Committee in our endeavor. We firmly believe that our Nation's security is unequivocally involved in the security of Europe—that the defense of North America starts at the Iron Curtain.

The NATO Alliance has been successful in Europe for a generation. The relative military and political stability that has been achieved is, in fact, one of the elements that has, paradoxically, produced a euphoria of detente. But the threat is still present and growing, and Europe and the Middle East remain potentially the arena for a most serious confrontation between the powerful and sophisticated military forces of the Communist Bloc and those of the West. There is now no clash of arms, but the clash of ideologies, wills, opposing aims and doctrines is clear enough. In this area we still have most at issue—and most at stake.

We in Europe recognize that the involvement in Southeast Asia has, of necessity, placed us in a relatively lower priority for resources. During this period we too have made our contribution to that effort in reduced manpower, delay in modernization and loss of funds. We have made continual adjustments to lessen the impact of these shortfalls, and we have paid a price in our readiness posture. The services are making major efforts to reverse this trend, but the ever increasing requirements for resources to meet problems here at home and steady inflation have not yet permitted a total resolution of our problems in Europe.

Today we are prepared to fulfill our NATO commitments. At the same time, we find the military capabilities of the Warsaw Pact nations increasing—substantially and dangerously. It is my firm belief that support for this essential US contribution to NATO in the European theater should be high on the priority list of this Congress.

We recognize that, from a practical standpoint, we cannot recoup overnight; that our present situation has resulted over a six year period; but now is the time for the turning point, for action to begin to increase the readiness of our forces.

Mr. Chairman, it has been a personal privilege and pleasure to meet with you again and to appear before this distinguished Committee today. I wish to thank you for the opportunity to discuss the status of the US European Command as we see it. I hope that it will contribute to your deliberations on the current budget requests of the Services, upon whom we depend to carry out our missions in Europe. I am prepared for questions or discussion of any subject of particular interest to you.

## NASA'S SPACE SHUTTLE PROGRAM

Mr. MONDALE. Mr. President, an authoritative study has concluded that NASA's proposed multibillion-dollar space shuttle program cannot be justified on economic grounds.

This study thus destroys NASA's principal justification for developing this enormously expensive project.

The NASA budget request for fiscal year 1972 contains $100 million for further development of the space shuttle.

This figure is only the tip of an iceberg. The ultimate cost of developing a shuttle could be well over $12 billion.

The shuttle, along with the space station, represents NASA's next commitment to a huge manned space program. The total development costs of both the shuttle and station will be at least $20–$25 billion over the next decade.

Yet, in October 1970, a Rand Corp. report for the Air Force—RM–6244–1–

PR—concluded that the development of the shuttle is "not easy to justify."

The summary of this Rand report concludes that:

. . . the total space funding requirements over the next 20 years are not significantly different for plans that use the shuttle for space transportation and those that accomplish the same missions without the shuttle. All of these results indicate that criteria other than cost should be used to evaluate the desirability of the space transportation system.

Rand's conclusions are devastating.

NASA's primary justification for development of this multibillion-dollar project is that it would be more economical than existing boosters.

But since the shuttle is not cost-effective—as Rand concludes—then there is no basis whatsoever for spending billions to develop it.

Using traffic rates based on NASA and Defense Department estimates, the Rand report considered eight alternative space plans for use of the shuttle. Only in one of these eight plans did the shuttle demonstrate a net monetary gain by 1990. And Rand concluded that even those savings "seem to be marginal."

Moreover, since the report was written last fall, the research and development cost estimates of the shuttle have increased by almost $3 billion—from $9 billion to approximately $12 billion.

This increase thus obliterates even the marginal savings originally projected by Rand.

Most significantly, Rand makes it clear that unless we are committed to a greatly expanded space budget, the shuttle makes no economic sense at all.

Acording to the Rand report, the decision to proceed with the shuttle will mean a NASA spending level of $75 billion to $140 billion between 1975 and 1990—depending on which options are adopted. In short, it will mean a vastly expanded space program—designed primarily to accommodate more costly manned space extravaganzas.

The report observes that shuttle development requires a peak civilian space budget for 1 year in excess of $7 billion, about double the present annual budget. Other annual funding levels, the report notes, will not be as large as the peak levels, but "would also exceed current budgets by significant amounts."

While these budget peaks could be somewhat alleviated by deferring various types of missions, the report concludes that:

None of those—plans—examined in this study resulted in savings in space transportation costs sufficient to compensate for the space shuttle's research, development, test, engineering and investment costs through 1990.

For as the report points out, reducing shuttle operations reduces the shuttle's cost-effectiveness. Heavy traffic and heavy payload favors the shuttle concept, "while light traffic favors the use of current or new expendable launch systems."

For example, under one NASA projection for use of the shuttle between 1978 and 1990, there would be 970 NASA missions—or an average of 74 missions per year. The weight of the payloads launched would peak at a maximum of over 6 million pounds in a single year—or 3,000 tons.

Yet, during the decade of the 1960's, NASA exceeded 30 launches per year only once—36 in 1966. And in terms of the weight of cumulative payload launched, 1969 was NASA's biggest year with 442,358 pounds—221 tons—over 97 percent of which was attributed to the four Apollo flights.

It is obvious that a system designed to place in orbit up to 3,000 tons of payload per year is intended to do far more than accommodate unmanned, instrumented flights. For in 1969 and 1970, the total payload of such unmanned flights was approximately 5 tons for each year.

It is no wonder, then, that eminent space scientists like Dr. James Van Allen and Dr. Thomas Gold strongly oppose the shuttle. They argue that there is no scientific justification for such an expanded space program and that real progress can be made in space with lightweight, instrumented flights—without men.

In its conclusion, the Rand report states that:

It is possible that within 50 years, space will be frequented by vacationers, tourists, and industrial manufacturing concerns, as a result of launch systems descended from the first reusable shuttle. At some time the urge to start toward that goal will be great enough to warrant the development of a reusable space transportation system. The principal question is whether that time is now.

I believe that the American taxpayer will conclude that there are more urgent needs here on earth which deserve priority.

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

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

THE SPACE SHUTTLE AS AN ELEMENT IN THE NATIONAL SPACE PROGRAM

(By R. D. Shaver, D. J. Dreyfuss, W. D. Gosch and G. S. Levenson)

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PREFACE

In September 1969, the President's Space Task Group recommended that the Department of Defense and the National Aeronautics and Space Administration jointly develop a low-operating-cost space transportation system (STS), the principal element of which would be a two-stage, fully reusable, low-operating-cost earth-to-space shuttle. Although a space shuttle may make the transportation of men and materials into space more efficient, and may also reduce the cost per pound of payload in orbit, compared with present booster systems, many important questions remain unanswered:

1. What levels of space traffic are necessary to justify economically the development of a shuttle?
2. What should the size and operating characteristics of the shuttle be?
3. When should development start?
4. How would the shuttle help the Air Force and NASA realize their respective goals?
5. How will technological obsolescence affect operations, in view of the expected 20-year (or longer) operational lifetime of the STS?

This Memorandum concentrates on questions of economic justification and potential STS funding problems. It is believed that the economic issues discussed here will have important implications for future Air Force actions on the STS and on possible alternative booster programs.

This is an interim report of an STS study that is presently under way at Rand. Additional results will be published when the study is completed.

This Memorandum is an updated version of RM-6244-PR, which was published in April 1970. The original report was based on research completed in January 1970, before the fiscal 1971 budget was announced. Changes and modifications in the mission models and system concepts have occurred since the original report was prepared; the more significant of these have been incorporated in this revision. These changes, however, do not affect the basic conclusions of the original report. Neither the original nor this updated version reflect the more recent changes in the DOD and NASA space budgets.

A talk based on the text of the original report was presented at the AIAA Advanced Space Transportation Meeting in Cocoa Beach, Florida, on February 5, 1970.

SUMMARY

The concept of a two-stage, fully reusable launch vehicle that can place a 50,000-lb payload into low earth orbit is currently being studied by the Department of Defense (DOD) and the National Aeronautics and Space Administration (NASA) for possible inclusion in a future space transportation system. Although such a vehicle has been recommended for development by the President's Space Task Group (STG), that development is not easy to justify. Based on traffic rates derived from conservative options in the STG and DOD space plans, this space shuttle, with an estimated RDT&E[1] cost of almost $9 billion, could show a net (undiscounted) transportation cost saving of $2.8 billion by 1990. However, shuttle development would require a peak civilian space budget in excess of $7.0 billion in 1975, about double the present level. Other annual funding levels, while not as large as the peak levels, still exceed current budgets by significant amounts. Alternative space plans might be adopted that would alleviate budget peaks by slipping various elements in the basic space plan (e.g., reduced shuttle operations), but none of those examined in this study resulted in savings in space transportation costs sufficient to compensate for the space shuttle's RDT&E and investment costs through 1990. Also, while a saving of $2.8 billion seems large, total NASA program costs for a variety of plans range from about $75 billion to about $140 billion (1975 to 1990), and any program uncertainties could cancel these savings or make them appear small by the time they are predicted to be realized.

Some transportation cost savings might be augmented by redesigning satellites to use the excess payload potential of the shuttle, by employing the shuttle to recover and reuse satellites, or by using the shuttle for satellite maintenance in orbit. Very preliminary estimates have shown cost savings directly attributable to satellite redesign to be between $150 million and $200 million per year. These savings could strengthen the economic rationale for the shuttle.

While primary emphasis has been placed on a shuttle with a 50,000-lb payload capability, preliminary cost estimates indicate that there is little difference in total space transportation costs through 1990 for design payload

Footnotes at end of article.

weights as low as 25,000 lb, as long as the cargo-bay volume remains at 15-ft diameter and 60-ft length. Furthermore, the funding peaks in the civilian space budget would not be reduced markedly by designing the space shuttle for a smaller payload weight. At the same time, considerations such as flexibility in satisfying unanticipated future requirements and the ability to realize promised satellite cost savings argue for the larger shuttle.

It appears that estimated costs for individual designs of generic shuttles having a given payload capability would not vary significantly, using presently available cost-estimating techniques. Also, the total space funding requirements over the next 20 years are not significantly different for plans that use the shuttle for space transportation and those that accomplish the same missions without the shuttle. All of these results indicate that criteria other than cost should be used to evaluate the desirability of the space transportation system.

### I. INTRODUCTION

Despite the recommendations of the President's Space Task Group (STG) for expeditious development of an earth-to-orbit shuttle system, (1) and the strong support of various governmental agencies for such program, (2–4) the prospects for an operational space shuttle before 1980 are not bright. The long-range attractiveness of a low-recurring-cost reusable space transportation system (STS) whose prime element in the shuttle is widely acknowledged—many feel that such a system will be necessary to exploit the full potential of space. Nevertheless, the appropriateness of and justification for immediate shuttle development are being challenged on two principal grounds: (1) the development risks are too high, and (2) national funding priorities presently exclude a space program sufficiently large to warrant shuttle development. (5) Others question the depth and completeness of the favorable analyses advocating this development. (6)

We need not repeat the criticisms of shuttle development here. Instead, by reviewing the case for shuttle development, we shall illuminate some potential trouble areas. Since the most persuasive case for the shuttle derives from its supposed economic advantages, the bulk of our remarks will deal with funding of space programs and the effects of shuttle development and operation.

The STG, the Department of Defense (DOD), the National Aeronautics and Space Administration (NASA), the President's Scientific Advisory Council (PSAC), and many engineering and scientific organizations and societies, e.g., the AIAA (7) have all identified the shuttle as an important element in a future national space program. In the time period since these reports were made public, support for their proposals within the administration and the Congress has not mounted noticeably, and both the administration and the Congress are now deeply immersed in reducing "nonessential" government spending. Space programs are particularly visible targets for cost reduction, and those that lack solid scientific worth or are unduly expensive are certain to be questioned. Still, strong pressures for maintaining current U.S. preeminence in manned space flight remain; many feel that Congress would act favorably on a modest proposal to support a civilian space program, possibly at a dollar level somewhat less than one-half of one percent of the GNP per year, on the grounds that it would help basic scientific research, maintain a viable national technology base, contribute to national security, and build national pride and prestige.[2] Assuming the existence of a modestly funded manned-space-flight program, it remains to be determined whether a shuttle system should be developed to support this program.

Footnotes at end of article.

### II. IS THE SHUTTLE ECONOMICALLY ATTRACTIVE?

Could the RDT&E [3] costs of the shuttle be recovered within an acceptably short period of time? To address this question completely, the analyst must consider (1) estimated space traffic rates (hence, national space plans), (2) shuttle design (size, configuration, etc.), and (3) the availability of the requisite technology. This Memorandum will not address questions about technology or their relevance to the desirability and philosophy of shuttle development; [4] nor do we treat the important questions of which shuttle design or configuration is the most attractive. Further, we have restricted our attention to new two-stage launch vehicles that are fully reusable, LOX–$LH_2$ rocket-propelled, and have vertical-takeoff and horizontal land-landing capability, automatic self-checkout, and other desirable features that make routine shuttle launch and recovery operations conform more nearly to aircraft-like operations than to current launch-vehicle procedures. Our primary consideration is a shuttle having a 50,000-lb payload capacity and a 10,000-cu ft cargo bay; secondary consideration is given to shuttles having a cargo bay of the same volume but smaller design payloads.[5]

To estimate space traffic rates, we have used the STG National Space Plan Option III and DOD Space Plan B, a modest military space plan that emphasizes current, well-defined military support missions.(1) Because of the generally conservative traffic-rate estimates implied by these plans, this is a more severe test of the economic justification of the shuttle than would result from using the more ambitious plans found in the STG report.

For simplicity, in this study the shuttle will be regarded as economically desirable if after a specified period the total savings over other methods for accomplishing the same total effort exceed the costs of the shuttle's RDT&E and investment. (This very narrow definition will be expanded later.) Obviously, the total number of shuttle launches required during that period importantly affects the shuttle's desirability; heavy traffic favors the shuttle concept, while light traffic favors the use of current or new expendable launch systems. In estimating traffic rates from the various space programs defined by the STG and DOD, care must be taken to determine which payloads (and how many) can fit in the shuttle's cargo bay and how many launches are needed to support the various military, unmanned civilian, and manned NASA programs (scheduled crew rotations, space-station logistics, in-orbit propellant-transfer demands, etc.).

Given our tentative launch-traffic estimates (both DOD and NASA launches), an estimated cost for shuttle RDT&E plus facilities of $9.0 billion, an assumed 100-flight useful lifetime, and a two-week-shuttle turnaround time, the money recovered by the shuttle would exceed its cost after about 11 years of operation (late in 1987).[6] The annual launch cost savings in the mid- and late 1980s would often exceed $1 billion per year. Ignoring other factors, our estimated traffic rates (about 60 launches per year in the mid-1980s) seem to justify initiation of shuttle development.[7] However, neither NASA nor DOD alone would have sufficient space traffic by 1990 to warrant separate shuttle developments.

The estimates of the shuttle's useful lifetime and its turnaround time were taken directly from the STG report. (1) Together, those estimates largely determine the total number of vehicles to be purchased over a specified time and therefore strongly influence conclusions about shuttle desirability. We have estimated a requirement for 10 shuttles (exclusive of the three vehicles required for test and evaluation) through 1990 to support the basic space plan. Were the vehicles never to crash, wear out, or become too obsolete to use, the space plan could be supported with only three shuttles, saving $3.3 billion in investment. Similarly, if turnaround times were doubled (four weeks rather than two), we would have to add three more vehicles, at an incremental cost of $1.3 billion. If the shuttle's useful lifetime were halved (50 flights rather than 100), six additional vehicles would be required, at a cost of $2.45 billion. The final decision to develop a fully reusable shuttle must, of course, reflect much more than a simple cost summary. For example, the space plan used to generate a traffic model should be analyzed carefully, since the average yearly expenditure required for it is larger than the current (and declining) space budget, and the amount by which its peak funding exceeds current funding levels is substantial. This latter peak, occurring as early as 1975, is particularly troublesome as it is caused primarily by the shuttle's development schedule. These points are discussed in more detail later in this Memorandum.

As well as we can estimate at this time,[8] the civilian space plan proposed by the STG cannot be implemented if the NASA budget is limited to $4 billion, or even $5 billion, per year (see the Appendix for a brief description of the major hardware items and their estimated costs). Excluding all consideration of a manned flight to Mars, a follow-on manned lunar exploration program, and a 50-man orbital space base, the joint funding of the shuttle and an earth-orbital space station could lead to a NASA budget in excess of $7 billion in 1975.[9]

Slippage of the shuttle's initial operational capability (IOC) date past that of the space station would help reduce these funding peaks. At the same time, such delays could seriously perturb current space planning.

Other hardware would have to be modified or developed to support crew rotations to and from the space station. If new expendable boosters were developed and the Apollo Spacecraft modified, this hardware would then tend to encourage further delay in the shuttle's development schedule by weakening the uncertain case concerning the shuttle's economic advantages. Not only would there be a desire to exploit the new expendable boosters at least to the point of recovering their development costs (savings over current launch hardware), but also the existence of a new, cheaper-than-current launch system would increase the shuttle's break-even level of launching traffic, hence moving the break-even point further into the already uncertain future. Previous justifications for rapid shuttle development have hinged explicity upon acceptance of the STG space plans, and hence on a large space funding peak in the mid-1970s. Thus, the case for shuttle development is still open.

If the shuttle is desirable economically but may not be funded because of annual budget limitations, then it is important to extend the analysis to include alternative space plans that may be more acceptable from a funding standpoint and to reassess shuttle cost benefits for these new plans.

### III. IS THE SHUTTLE ECONOMICALLY DESIRABLE, GIVEN ALTERNATIVE SPACE PLANS?

To generate alternative space plans that still attempt to satisfy the objectives for U.S. activities in space described by the STG, we have modified the basic STG Option III by delaying, stretching, or eliminating various program elements in the basic plan (which we shall call Plan 1). These modifications suggest seven alternative plans (see Table 1): Plans 2, 3, and 4 aim at reducing NASA's mid-1970s funding problems, and Plans 5 through 8 represent attempts to reduce the overall space budget level by eliminating the lunar exploration program. Some plans achieve both goals, but only at the cost of decreating the scope of the national space program. None are recommended as replacements for those in the STG report; rather, they serve as comparisons for the purposes of our analysis.

TABLE 1.—ALTERNATIVE SPACE PLANS, IOC DATES FOR MAJOR PROGRAM ELEMENTS

| Program element | IOC date | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Plan 1 | Plan 2 | Plan 3 | Plan 4 | Plan 5 | Plan 6 | Plan 7 | Plan 8 |
| Space station | 1977 | 1977 | 1981 | 1981 | 1977 | 1977 | 1981 | 1981 |
| Space base | 1984 | 1985 | 1987 | 1987 | 1984 | 1985 | 1987 | 1987 |
| Lunar station | 1981 | 1983 | 1983 | 1983 | (1) | (1) | (1) | (1) |
| Lunar base | 1983 | 1985 | 1985 | 1985 | (1) | (1) | (1) | (1) |
| Shuttle | 1977 | 1982 | 1977 | 1981 | 1977 | 1982 | 1977 | 1981 |
| Nuclear ferry | 1981 | 1983 | 1983 | 1983 | (1) | (1) | (1) | (1) |
| Lunar tug | 1983 | 1985 | 1985 | 1985 | (1) | (1) | (1) | (1) |

[1] Program eliminated.

In examining these alternatives, we shall focus on several closely related issues regarding the shuttle and its development:

1. At what level of the annual nonmilitary space budget is a space shuttle economically advantageous?

2. Should the shuttle and a space station be developed simultaneously, and if not, which should be given priority?

3. If the shuttle's IOC is delayed into the 1980s, how are the current civilian and military space plans affected? And should a new expendable launch vehicle be developed in the interim?

The remainder of this Memorandum will be concerned primarily with the first issue; the others are touched on only in passing.

We have subdivided the alternative space plans into five interrelated programs:

1. A manned earth-orbital program consisting of a 12-man space station that grows to a 50-man base and scientific and experimental modules located near the station; the cost of supporting the station is included (along with the transportation costs).

2. A manned lunar exploration program consisting of a 6-man orbiting lunar station, a 6-man permanent lunar base, scientific modules for both the station and the base, and hardware to construct the lunar base; the transportation costs are included.

3. A program containing all the elements of the STS, including their RDT&E costs, investment costs, and support costs.

4. A residual program including all other (unmanned) civilian programs and overhead costs.

5. A military space program.

Table 2 lists the major elements of these programs and the Plan 1 schedules for each.

TABLE 2—PLAN 1 SCHEDULE FOR PROGRAM-ELEMENT PROCUREMENT AND YEARLY SHUTTLE FLIGHTS

| Item | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Number of items to be procured | | | | | | | | | | | | | | |
| Manned earth-orbital program: | | | | | | | | | | | | | | |
| Living module | 1 | 0 | 0 | 0 | 1 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Working module | 1 | 0 | 0 | 0 | 1 | 0 | 3 | 3 | 0 | 0 | 0 | 0 | 0 | 0 |
| Nuclear-power module | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Manned lunar program: | | | | | | | | | | | | | | |
| Lunar-station module | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lunar base | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| STS program: | | | | | | | | | | | | | | |
| Shuttle | 2 | 0 | 1 | 0 | 1 | 1 | 1 | 0 | 1 | 0 | 1 | 1 | 0 | 1 |
| Nuclear ferry | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| Lunar tug | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 0 |
| Saturn V | 0 | 0 | 0 | 0 | 2 | 0 | 2 | 2 | 0 | 2 | 0 | 2 | 0 | 2 |
| Saturn V (downrated) | 1 | 0 | 0 | 1 | 3 | 0 | 5 | 1 | 1 | 0 | 0 | 1 | 0 | 1 |
| Orbital fuel depot | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of shuttle flights | | | | | | | | | | | | | | |
| NASA | 14 | 9 | 10 | 12 | 36 | 34 | 42 | 41 | 39 | 40 | 39 | 39 | 46 | 46 |
| Military | 27 | 22 | 24 | 22 | 17 | 20 | 20 | 17 | 17 | 20 | 20 | 20 | 20 | 20 |

The breakdown in year-to-year total obligational authority (TOA) for the various programs is shown in Fig. 1 [not printed in the RECORD]. Costs for all of the unmanned portions of the basic space plan are taken directly from Refs. 1 and 3. We shall not vary these costs as we examine alternative plans, except as necessary because of changes in the STS, on the assumption that neither the scientific nor military programs will depend explicitly on the existence of the shuttle but will be funded on their own merits. We have arbitrarily placed the shuttle's entire RDT&E and investment costs under NASA's budget. This, of course, accentuates NASA's budget problems while lessening those of the DOD.[10]

The previously mentioned NASA funding peak in 1975 is evident in Fig. 1, as is a somewhat lesser peak in 1981 (due to preparations for the lunar program and the space base). The cumulative space-plan costs through 1990 are estimated to be $141 billion, an average of $7.0 billion per year (an average NASA budget of $4.9 billion per year). Figure 2 compares annual NASA costs for Plans 1 through 4 (those plans that include a lunar program). The attempts to reduce the funding peak in the mid-1970s by delaying various program elements are seen to be effective, although a peak occurs between 1980 and 1982 for Plans 2 and 4 because of concurrent shuttle and lunar-program developments. Plan 3, in which the space station is delayed but not the shuttle, does not result in as great a decrease in the 1975 peak as do Plans 2 or 4, but it has no sharp peak in the early 1980s. The total costs of each space plan are shown in Table 3. The differences among the totals seem small.

TABLE 3.—TOTAL COSTS THROUGH 1990 FOR PLANS 1 THROUGH 4

| | Costs (billions) | |
|---|---|---|
| | NASA | NASA plus military |
| Plan: | | |
| 1 | $97.6 | $141.4 |
| 2 | 97.4 | 142.7 |
| 3 | 94.6 | 138.4 |
| 4 | 94.9 | 139.0 |

Figure 3 shows comparative year-by-year costs for Plans 5 through 8. (These plans are, in essence, Plans 1 through 4 without a lunar-program component.) The cost trends noted for Plans 1 through 4 also occur in these four plans, except that peaks caused by the lunar program in the early 1980s are reduced. The total cumulative costs are less than those for plans 1 through 4, as shown in Table 4.

TABLE 4.—TOTAL COSTS THROUGH 1990 FOR PLANS 5 THROUGH 8

| | Costs (billions) | |
|---|---|---|
| | NASA | NASA plus military |
| Plan: | | |
| 5 | $80.4 | $124.2 |
| 6 | 81.4 | 126.7 |
| 7 | 78.3 | 122.1 |
| 8 | 77.9 | 123.0 |

It is possible to consider each of these eight alternative plans without a shuttle, replacing it with Titan III and Saturn V derivatives and modified Apollo hardware where necessary. Ignoring the effects on space planning arising from funding considerations,[11] we have examined the cost differences that would result from removal of the shuttle in each plan. Figure 4 shows the cumulative savings or cost increases caused by development and use of the 50,000-lb-payload shuttle for each plan. In only the base case, Plan 1, does the shuttle demonstrate a net monetary gain by 1990, and even under this plan, the savings seem to be marginal. Unanticipated increases in the shuttle's RDT&E or operating costs would quickly deplete any savings indicated, and because of the basic uncertainty in our cost estimates, such increases cannot be ruled out.

If the entire STS were to be abandoned (i.e., the shuttle, the nuclear ferry, the lunar tug, the orbital fuel depots, and the orbit-to-orbit chemical shuttle for synchronous-orbit flights), the total costs to accommodate the projected space traffic through 1990, using the basic space plan, would be increased by $3 billion over the costs that would result if only the shuttle were abandoned. Since this cost differential appears after an operational lifetime of less than 10 years for the lunar-specific elements, a lunar program using existing hardware (modified as necessary) seems inefficient, i.e., the nuclear ferry is a worthwhile investment compared to employing existing hardware.

Even though there are apparent large differences in pace among Plans 1 through 4, their total costs through 1990 are nearly iden-

Footnotes at end of article.

tical. Delaying various program elements within the plans does not produce a sharp decline in total expenditures; such delays only vary the years in which these expenditures occur. Clearly, different plans are not equivalent in their effects on U.S. manned-spaceflight activities. Delaying the space station would affect many aspects of these activities; similarly, delaying the shuttle's IOC date past that of the space station would increase costs for both NASA (about $300 million per year for support of the 12-man station) and the DOD (about $150 million per year). We urge further study of the tradeoffs between funding-peak problems associated with concurrent shuttle and space-station development, the loss to U.S. manned-space-flight activities associated with funding the shuttle first, and the added yearly cost penalty (to both NASA and the DOD) associated with giving priority funding to the space station.

IV. WHAT IS A GOOD SIZE FOR THE SHUTTLE?

There continues to appear in the literature discussions about shuttle size selection. Protagonists for shuttles smaller than that recommended in the STG report argue that the decreased capability per launch would be compensated for by the decreased cost of development and procurement, and in addition might lessen development risks. We will test this assertion for shuttles sized to carry payloads between 25,000 and 50,000 lb by estimating their RDT&E, investment, and launch-operations costs through 1990.

The estimated RDT&E costs for a space-shuttle development program are shown in Fig. 5 as a function of design payload for a constant cargo-bay volume of 10,000 cu. ft.[12] The costs do not vary directly with design payload; only modest RDT&E cost savings result from a large payload reduction. Total space-program transportation costs (through 1990) for Plan 1 (which includes the lunar program) and Plan 5 (no lunar program) are shown in Fig. 6 for space shuttles with design payloads of 25,000, 40,000, and 50,000 lb. Included in these costs are RDT&E, investment, and operational costs of an orbit-to-orbit shuttle.[13]

Several cost factors interact to make total transportation costs insensitive to design payload: (1) RDT&E costs decrease only slightly with decreasing design payload weight at a fixed payload volume; (2) reducing the design payload increases the number of shuttle flights for those missions the shuttle can support, thus increasing both operational and investment cost per mission; (3) smaller-payload shuttles cannot support all the project missions, forcing the use of expendable launch vehicles for some payloads; and (4) the orbit-to-orbit shuttle frequently cannot be recovered as shuttle design payloads are decreased, so an increasing number of orbit-to-orbit shuttles must be expended rather than recovered and reused. These cost advantages and disadvantages tend to cancel each other for the range of design payloads considered. Thus total cost provides little basis on which to choose between different shuttle sizes.

Several other factors influence the selection of a size of a shuttle. These include (1) annual funding problems; (2) future mission-model uncertainties; (3) obsolescence; and (4) uncertainties in current cost estimates. Although we have touched only on the first of these factors (and we note that the annual funding peaks for a 25,000-lb-payload shuttle would be nearly as great as those shown earlier for a 50,000-lb design), the other considerations would appear, on balance, to favor larger shuttles.

V. WILL SATELLITE COST SAVINGS JUSTIFY THE SHUTTLE?

Transportation cost savings are not the only benefits promised by the shuttle development. It is often asserted that the availability of a low-cost earth-orbital STS will produce significant savings in total space-system costs, over and above those directly associated with launch vehicles. Satellite R&D and hardware costs could probably be substantially reduced if satellites did not have to be designed to an irreducible minimum weight but could take advantage of the excess shuttle payload capacity. Recovery and reuse of satellites might pay a handsome cost dividend for certain satellite systems, while in-orbit maintenance might save money for others. The magnitude of these additional savings is often implied to be great, or at least sufficient to erase any nagging doubts about the desirability of the shuttle, but it has remained unquantified. Such savings are difficult to measure but bounds can be crudely estimated.

In seeking an upper bound to payload cost savings, we ask, "How much money, in theory, is invested in satellite programs whose cost will be affected by the existence of a low-launch-cost shuttle, and what fraction of this investment can be recovered by changes in satellite design or system operation?" In practice, only a moderate portion of the entire space budget will be influenced by the development of the shuttle (ignoring launch costs and procedures). Some space programs, particularly those involving manned space flight, are already designed to take advantage of the shuttle. Other missions, such as placing hydrogen fuel in orbit for nuclear ferry flights to the moon, are simply not subject to cost-benefit tradeoffs. Still, many unmanned satellites, mainly military, mostly modest in volume and weight, are theoretically subject to design or operational changes resulting from reduced launch and recovery costs per payload. For the military and civilian space programs mentioned above, which might be benefited by the shuttle, we have tentatively estimated the total costs to be between $1.5 billion and $2.0 billion per year.

Were all these costs recoverable, or nearly recoverable, the shuttle would quickly pay for its R&D costs, and few would question its worth. However, ignoring satellite recovery and reuse, the savings resulting from redesigning satellites are likely to be less than the reductions in launch costs,[14] which we estimate to be between $300 million and $400 million per year. Assuming that each shuttle flight costs on the average only one-tenth as much as a current launch operation, we estimate total satellite cost savings of between $150 million and $200 million per year. These savings are not negligible; nor are they stupendous. Figure 7 shows the sum of transportation and satellite cost savings for Plans 1, 4, and 5, using the lower of these two bounds.

Potential satellite cost savings do affect shuttle selection and the development schedule. Smaller shuttles offer less potential than large shuttles for realizing satellite-redesign cost savings. In fact, many future payloads that require synchronous orbits already approach the equivalent of a 25,000-lb low-earth-orbit requirement; thus the possibility of satellite redesign being affected by the lower launch costs of a smaller shuttle is already doubtful. Also, most satellite systems involved are likely to be funded, whether or not a shuttle is developed. Thus programs calling for early shuttle development are favored.

We have said little about potential cost savings arising from recovery, reuse, or in-orbit maintenance of satellites. Such savings probably affect a smaller percentage of the total budget than do those from satellite redesign, but a higher fraction of the former may be actually recoverable. No inclusive estimates of cost savings from satellite recovery, reuse, and in-orbit maintenance exist, but as an order-of-magnitude estimate, we place them at about equal to those from satellite redesign. We also note that the two satellite cost savings are not directly additive. The same satellite systems are involved in both, and the two options are competitive methods for reducing system costs.

VI. OTHER CONSIDERATIONS

If neither total transportation cost savings nor total satellite cost savings are sufficient to justify the shuttle's large RDT&E expense, it is still possible that other attributes of the shuttle might trip the decision in favor of it.(11) Most of these attributes involve convenience of operation or an enhanced use of space. We shall not discuss convenience here; however, arguments about the increased use of space imply a major impact on the space program and deserve further consideration.

It seems inevitable that low-cost transportation to earth orbit will open up space to an extent that cannot be fully anticipated. If space transportation resembles other transportation systems, in effect, the impact of low-cost space transportation may be difficult to overestimate. But how low does this cost have to be for space to be fully exploitable? Surely, space transportation systems have a long way to go before they will be available to the general public. Tourism, for example, would require that recurring costs be reduced by at least an order of magnitude below those attributed to the shuttle.(12) Moreover, it does not seem likely that commercial enterpreneurs will become involved in space in the next 20 years, although there is some disagreement on this point.(13)

What, then, are the space activities that present shuttle designs are supposed to engender? Probably not scientific missions. Some space-exploitation missions, e.g., communications or navigation, might be created, but the biggest impact of the shuttle will probably be in the military domain. Military missions that have unique capabilities when performed from space have already been identified and, where justified, acted upon. There are other missions, however, that have ground-based competitors, and the cost-effectiveness of these missions will undoubtedly be sensitive to launch-vehicle costs.[15]

Some space systems that lack ground-based counterparts have not received serious consideration for funding simply because they are too expensive. Some of these programs (usually experimental feasibility investigations) would clearly benefit from low-cost transportation. As has been true in many similar nonspace enterprises, promising but nonessential programs might be funded if they were inexpensive, in the hope that the additional expenditures would produce a useful system. The ultimate worth of untried programs is impossible to estimate; only direct experience is likely to help.

This brief discussion by no means settles the question of whether or not new mission potentials justify a shuttle development. Some new space programs would likely be funded once a shuttle became operational, and no doubt, some of these would turn out to be very worthwhile. To attempt to justify the shuttle on this basis would, however, be risky—a gamble on an uncertain future.

VII. OBSERVATIONS AND CONCLUSIONS

The space shuttle promises many future advantages, including cost savings, if the STG schedule for an orbiting space station, space base, and lunar programs can be implemented. However, serious funding difficulties exist that may force rescheduling of the STG programs, in which case near-term development of the currently proposed two-stage fully reusable shuttle may or may not be desirable. Viewed over the long term, the shuttle has definite merit, but its immediate economic justification depends on the pace that is finally adopted for the national space program.

Our studies to date have produced these tentative observations:

1. Cost considerations provide little basis

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Footnotes at end of article.

for selecting an optimum shuttle size; on the other hand, flexibility in meeting unanticipated launch requirements, potential for satellite cost savings, and growth potential favor a larger rather than a smaller shuttle.

2. Cumulated over a time period of 20 years, the differences between total space funding requirements for shuttle-supported and no-shuttle plans are insignificant. This may suggest that cost criteria should be regarded as secondary in the evaluation of shuttle desirability.

3. The STG schedules calling for shuttle IOC by 1977 should be studied further. Such an IOC date at once raises two concerns: Is present technology adequate to plan on only a five-year R&D and procurement program (from 1972 to 1977)? And could adequate funding be obtained to support such a program within so short a time span, while the program itself remains subject to question?

4. Shuttle system appears most advantageous with an early IOC date and heavy expected space traffic. However, early IOC dates cause large, near-term funding peaks. While these peaks can in some measure be reduced through judicious rescheduling of the various space-program elements, the amount of early funding required and the need for immediate program start are still formidable problems. Furthermore, any significant delay in the shuttle's IOC date will seriously reduce whatever economic advantage the shuttle has over competing, nonreusable systems.

Finally, it may be that the proper way to take a longer view of a new STS is to consider it as the first in a long line of reusable launch systems, leading eventually to a truly low-cost, high-utility system. It is possible that within 50 years, space will be frequented by vacationers, tourists, and industrial manufacturing concerns, as a result of launch systems descended from the first reusable shuttle. At some time the urge to start toward that goal will be great enough to warrant the development of a reusable space transportation system. The principal question is whether that time is now.

APPENDIX.—HARDWARE DESCRIPTIONS

To compare the budgets of the proposed alternative space plans over the next 20 years, it is necessary to consider the costs of the various hardware items required in each plan. The items considered are *representative* of the types that would be required but are not necessarily those currently being studied by NASA, nor are they necessarily the elements that NASA would actually procure for a given plan. General descriptions of the major hardware items and their development and production costs are given below.

*Space shuttle*

The space shuttle represents a unique type of vehicle. There are no previous historical data upon which its development and production costs can be based; therefore, analogs of current hardware cost data and estimating relationships have been applied.

Assumptions about applicable estimating relationships have been made by breaking the space shuttle into appropriate components for which there are available data. The major-component breakdown and the relevant data base are as follows:

1. Structure: high-speed aircraft.

2. Propulsion: Liquid-rocket and turbojet engines.

3. Subsystems: manned-spacecraft components, primarily non-structural, such as avionics, environmental control systems (ECS), electrical power, etc.

4. Thermal protection: high-temperature materials.

The gross weight and estimated costs of the 50,000- and 25,000-lb.-payload shuttles are given in Table AX1. Estimated costs for the 40,000-lb.-payload shuttle were obtained by interpolation between the 25,000- and 50,000-lb.-payload shuttles.

TABLE A-1.—ESTIMATED COSTS FOR VARYING PAYLOAD CAPABILITY

[In millions of dollars]

| Payload (lb.) (polar launch) | R.D.T. & E. | Facilities | First unit [1] | Launch operations [2] Fixed | Launch operations [2] Recurring |
|---|---|---|---|---|---|
| 50,000 | 8,735 | 250 | 436 | 1.0 | 2.52 |
| 40,000 | 8,100 | 250 | 385 | 1.0 | 2.22 |
| 25,000 | 7,400 | 250 | 342 | 0.9 | 1.97 |

[1] First-unit costs are following ground- and flight-test articles. These costs include spares and AGE at 30 percent. Other numbers of units can be estimated by using a 95 percent cumulative-average log-linear learning curve.

[2] The fixed launch-operations costs include propellant, launch control and recovery, program integration, command and control facility, equipment maintenance, etc. First-flight recurring costs are based on 0.75 percent of first-unit shuttle costs less spares and AGE for refurbishment, and were arbitrarily selected to follow a 90 percent cumulative-average log-linear learning curve.

*Space Station and Base*

We have assumed that the space station and base would be built from common modules that would require the development of only three unique modular forms. The complete 50-man base would consist of the following modules: maneuvering, zero-g, artificial g, nuclear power, hub, hangar, warehouse, hospital, living quarters, and assorted booms and fairings.

The core, zero-g, warehouse, hospital, and living-quarters modules have been assumed, for the most part, to be common and have been designated the A Module, for estimating purposes. The hub and hanger modules have been assumed common and designated the B Module. The third module, the nuclear-powered module, is unique and has no commonality with the other two. Development costs are related to the other forms of modules, although there are functional differences among them all. The assumptions on commonality were based on similar form, structural weight, and subsystems (reaction control, electrical power, communications, ECS, and crew stations and controls).

The components of the large space base would be grouped in eight A Modules, four B Modules, and two nuclear-power modules. The initial small space station (12 men) would require only one A Module and one B Module. Weights and costs of space-station and base components are given in Tables A–2 and A–3, respectively. The modules of the space station and base would be equipped for experiments to be performed in earth and lunar orbit and at the base. First-unit cost for equipped experimental and scientific modules would be from $120 million to $160 million.

TABLE A-2—WEIGHTS OF SPACE-STATION COMPONENTS

| Subsystem | Weight (lb) A module | B module | Nuclear-power module |
|---|---|---|---|
| Structure | 64,000 | 45,700 | 47,200 |
| Adapter | 2,600 | 2,600 | ---------- |
| Electrical power | 6,000 | 2,750 | 4,700 |
| ECS | 9,000 | 3,000 | ---------- |
| Communications | 2,110 | 1,100 | ---------- |
| Stability and control | 170 | ---------- | ---------- |
| Navigation and guidance | 1,500 | ---------- | ---------- |
| Crew system and display | 8,260 | 2,000 | ---------- |
| Shielding | ---------- | ---------- | 100,000 |
| Electrical power (nuclear only) | ---------- | ---------- | 26,450 |

TABLE A-3—COSTS OF SPACE-STATION COMPONENTS

| Module | Cost (in millions of dollars) Development | First unit | Launch operations |
|---|---|---|---|
| A module | 2,500 | 190 | 90 |
| B module | 1,065 | 96 | 53 |
| Nuclear-power | 250 | 70 | 0 |

*Lunar station and base*

Two modules would be used for the lunar station and one for the lunar base. The station, which is to be capable of housing 12 men, would consist of a living module and a zero-g module; the lunar base, also to be capable of housing 12 men, would be a single module. Because there are major differences between the station and the base, additional development cost is incurred for the latter, although other costs are common to both station and base. Weights and costs of lunar-station and base components are shown in Tables A–4 and A–5, respectively.

TABLE A-4.—WEIGHTS OF LUNAR-STATION AN BASE COMPONENTS

| Subsystem | Weight (pounds) Zero-g module | Living module | Lunar-base module |
|---|---|---|---|
| Structure | 40,000 | 40,000 | 40,000 |
| Adapter | 2,600 | 2,600 | 2,600 |
| Electrical power | 14,000 | 14,000 | 16,000 |
| ECS | 5,000 | 5,000 | 7,500 |
| Communications | 650 | 200 | 650 |
| Stability and control | 200 | 200 | ---------- |
| Navigation and guidance | 1,000 | 0 | 0 |
| RCS | 900 | 900 | ---------- |
| Crew system and display | 3,000 | 5,000 | 3,000 |

TABLE A-5.—COSTS OF LUNAR-STATION AND BASE

| Item | Cost (In millions of dollars) Development | First unit [1] | Launch Operations [1] |
|---|---|---|---|
| Lunar station<br>Lunar base | 2,800<br>1,400 | 190 | 90 |

[1] Costs are common to station and base.

The construction module that would be used to build the lunar base has a gross weight of 10,000 lb, a development cost of $75 million, and a first-unit cost of $25 million.

A lunar-descent stage would also be required to place payload on the moon (the lunar base, the construction module, etc.). This stage would have a gross weight of 150,000 lb., a development cost of $380 million, and a first-unit cost of $16 million.

*Space booster*

For those periods when the shuttle is not in use or when payloads are of such volume or weight that the shuttle cannot accommodate them, we have assumed that several boosters would be employed, including the Saturn V (SIC, SII, SIVB, and IU), Saturn VD (SIC, SII, and IU), Titan III–D, and Titan III–M.[16] Costs for the first units of these boosters procured after development are given in Table A–6. (The costs used in this study reflect the learning-curve effects of these prior units.)

Footnotes at end of article.

TABLE A-6—COSTS OF SPACE BOOSTERS

| Booster | Cost (In millions of dollars) 1st unit | Launch operations |
|---|---|---|
| Saturn V | 215 | 40 |
| Saturn VD | 185 | 25 |
| Titan III-D | 31 | (1) |
| Titan III-M | 26 | (1) |

[1] Costs included in hardware.

*Six-man Apollo spacecraft*

For those alternative space plans in which the shuttle operation would be delayed or in which there would be no shuttle, a six-man modified Apollo spacecraft would be used. This vehicle would have a gross weight of 20,000 lbs., a development cost of $1 billion, a first-unit cost of $300 million, and a launch-operations cost of $73 million.

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FOOTNOTES

[1] Research, development, test, and engineering.

[2] See Refs. 8, 9, and 10 for arguments supporting this position.

[3] Research, development, test, and engineering.

[4] This topic is treated in Ref. 5.

[5] In this Memorandum, a 50,000-lb-payload shuttle is a shuttle that can place 50,000 lb of discretionary payload into a 100-n-mi-high circular polar orbit. Its payload capacity for other orbits varies, being as high as 80,000 lbs at 100-n-mi-high circular orbits of 28.5-deg inclination.

[6] In most cases, our conclusions are based on comparisons of the shuttle with current launch systems. When other launch systems are used as a comparison, we shall so note.

[7] In this preliminary study, we have generally not considered such economic factors as discount rates and inflation, although these will be important considerations in any final decision.

[8] Our current estimates are quite crude. At the completion of the ongoing NASA space-base studies, substantial improvements in these estimates should be possible. Nevertheless, we do not feel that this crudeness alters our principal results.

[9] The annual funding estimates developed at Rand and those in the STG report (for Option III) compare as follows:

| | Costs (In billions of dollars) Fiscal year 1974 | Fiscal year 1975 | Fiscal year 1976 |
|---|---|---|---|
| Rand estimate | 6.4 | 7.1 | 6.7 |
| STG estimate | 5.0 | 5.4 | 5.5 |

These differences are almost entirely attributable to contrasting estimates of the shuttle's RDT&E costs, the STG estimate being only $5.0 billion, compared to our estimate of $9.0 billion, or possibly more.

[10] It might be suggested that the DOD provide funds for a portion of the shuttle development, on the basis that the shuttle is responsive to their transportation needs. One possibility would be for the DOD to pay a percentage of the total costs commensurate with its projected use rate. Another would have the DOD and NASA share the costs at the same ratio as their anticipated launch cost savings. Regardless of the total costs subsumed in the military budget, we will anticipate funding-peak problems, and, in fact, the burden might be shifted to two agencies rather than one.

[11] It might be noted that removing the shuttle program altogether diminishes most of the funding-peak problems mentioned above, i.e., if the shuttle is not developed, much of the pressure for delaying other programs would be relieved.

[12] Other studies (e.g., classified work by I. Rattinger, et al., Aerospace Corporation) have demonstrated that the ability of the space shuttle to support military, lunar, and interplanetary flights is drastically curtailed if the volume of the cargo bay is reduced significantly below this figure. However, total RDT&E costs appear to be a strong function of this bay size. Whether shuttles of smaller bay size are worth considering depends on the anticipated mission model, but preliminary investigations indicate that small-volume shuttles do not support the military and deep-space requirements sufficiently to amortize even the smaller RDT&E costs.

[13] The costs of Saturn and Titan launch vehicles required for launching NASA payloads that exceed either the volume or weight capabilities of the shuttle are not included in Fig. 6. Most of the large NASA hardware (e.g., space-station and space-base models) for earth-orbital and lunar missions are launched using the Saturn vehicles. In the case of the delayed IOC of the shuttle, Titan vehicles are used for operational resupply.

[14] This tentative conclusion was reached by Carl Builder, of Rand, in a theoretical analysis of the relative savings resulting from a new low-cost booster and redesigned satellites. He discovered that if satellite design were assumed to be optimized for current high-cost boosters and then reoptimized to make use of a new low-cost shuttle, it would be possible to estimate the total savings without detailed design knowledge. For example, if the launch costs are reduced by 90 percent, two-thirds of the total savings will be the result of differences in launch costs, and only one-third will be due to satellite savings.

It is possible that future systems using current launch hardware would not be optimally designed, for whatever reasons present systems are not minimum-cost. The existence of a shuttle could have a catalytic effect, spurring changes in present satellite design and management practices. In that case, the shuttle could produce cost savings larger than those indicated by present studies.

[15] An enhanced use of space could increase the total costs of the space program. It is assumed in this discussion that other, nonspace costs could be reduced by an even greater margin, thus showing a net gain for the country as a whole.

[16] The Titan III–D and Titan III–M are uprated versions of the Titan III–C.

## MEMORIAL DAY

Mr. DOLE. Mr. President, on Memorial Day we pause to honor the memory of those who died in the fight for freedom for our country and our way of life. This commemoration of our dead servicemen originated on the 25th of April 1866, when the Daughters of the Confederacy at Columbus, Miss., decorated the graves of Federal and Confederate troops alike. Today, we pay honor, not only to those soldiers killed in the tragic War Between the States, but to all Americans who have given their lives that we may enjoy freedom.

During the lifetime of our Nation more than 1 million men and women have lost their lives defending her borders and her ideals. Their sacrifice has made America free, but it is now our job, our responsibility, to keep America free.

Today, as often in the past, there is unrest in America. We have been engaged in a war in Southeast Asia since 1962, a long and difficult war. Many have doubts and reservations about this war—as I do myself. But, American involvement in Vietnam is ending. President Nixon promised deescalation of our involvement in Southeast Asia, and he is keeping that promise. And, he is keeping that promise in such a way that those who answered America's call during this time of crisis will not have spent their lives in vain. The heroism and courage of those men and women has not been wasted in the war in Vietnam.

During this Memorial Day as we honor our fallen heroes, it is proper that we think of another group of heroic men who have given and sacrificed a great deal for America. I speak of those who now languish in enemy prison camps.

As American involvement in the war is wound down, more attention is being focused on the plight of the 1,600 American servicemen who are held captive or who are listed as missing in action in North Vietnam, South Vietnam, Laos, and Cambodia. President Nixon has consistently urged the release of these pris-

oners and has repeatedly stressed the United States' desire for the immediate release of all prisoners by all parties to the conflict. However, every proposal including the recent Swedish initiative to provide for internment of prisoners in a neutral country has been categorically rejected by the North Vietnamese.

Nonetheless, we must continue to do everything possible to obtain the freedom of these men. We must show by our resolution that we stand ever ready to support them as they stood ready to defend us.

And so on this Memorial Day as we honor our dead, let us also remember those who still live and who need our continuing and determined support. Let us unite to give them the support they so justly deserve. And let us resolve that they shall not be forgotten by their fellow citizens. And let us make our concern a living memorial to their sacrifice and an end to their imprisonment.

## GOVERNMENT REORGANIZATION

Mr. BROCK. Mr. President, Government reorganization stands as one of the most critical pieces of legislation facing the 92d Congress. As a member of the Government Operations Committee, I am most anxious to see this workable, viable piece of legislation pass.

President Nixon's plan to reorganize and consolidate seven Cabinet-level departments, emerges as a progressive key to opening doors for a more responsive Government.

In an article published in the Chattanooga Times, my point has been succinctly stated. I ask unanimous consent that this article be printed in the RECORD.

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

A NEW DIRECTION

No one has to support every detail of President Nixon's drastic plan for restructuring the sprawling bureaucy we call "the government," in order to agree with his basic premise that essential public policies and programs can surely be carried out more effectively through a more efficient organization.

In his legislative message to Congress, he spelled out proposals to reorganize and consolidate seven Cabinet-level departments into four new ones. It is by far the most ambitious plan since the post-war unification of the armed services under the Defense Department. Other changes have been made, to be sure, such as the creation of the Health, Education and Welfare, Housing and Urban Development, and Transportation departments. But these were extensions rather than consolidation.

What Mr. Nixon has in mind is basically a new approach to the problem of policy making, program planning and project administration. He would abandon the idea of fixing the interrelationship between the government and segments of the nation grouped on the basis of special interest, for the more sensible one of bringing together agencies according to their mission.

Thus, the Department of Natural Resources would retain the functions of the Interior Department while taking in the Forest Service from Agriculture, and policy control of water programs from the Army Corps of Engineers. Both are desirable shifts.

The Department of Human Resources is a broadened HEW. It would acquire manpower training programs and the Women's Bureau from the Labor Department. Again, the change makes sense in corollating functions already underway but separated by bureaucratic lines.

A Department of Economic Affairs would encompass the programs of Labor and Commerce, as well as many of those now in Agriculture and Transportation. Coordination in planning and carrying out programs so directly centered on the economy of the country would be made much simpler by the reform.

Finally, the new Department of Community Development would center around HUD, while gathering in functions of various other agencies now concerned with strengthening communities, new or old, urban or rural, over the nation.

It would be easy to criticize details of the sweeping proposal, but hard to suggest specific improvements. No doubt congressional committees, always jealous of their prerogatives, as well as entrenched interests, will make their voices heard in protest. But no fundamental shift in government comes easy and no drastic change is swiftly made. The important thing right now is that President Nixon has drawn a new and better map, and invited Congress to take a first step down its roadway to progress.

## WALTER S. JACKSON, CHIEF OF THE NORTH CAROLINA CHEROKEE INDIANS, DIES

Mr. ERVIN. Mr. President, on April 26, 1971, Walter S. Jackson, principal chief of the eastern band of the Cherokee Indians, died at the National Institutes of Health in Bethesda, Md. Through close personal association, I knew Chief Jackson as a man who was devoted to the welfare of his people and whose efforts in their behalf went far beyond the call of duty. He will be sorely missed, not only on the Cherokee Reservation, but throughout North Carolina.

My deepest condolences go to his wife, Sally O. Jackson, who steadfastly watched at his side throughout his long illness, to his children, and to his mother.

I would be derelict in my duty if I failed to acknowledge the extraordinary medical assistance which Chief Jackson received at NIH. The entire staff of the cardiac unit, sixth floor west, building 10, of the National Institutes of Health deserves recognition for the professional care and the humane concern which they gave to the chief, and for their personal kindnesses to Mrs. Jackson during the chief's lengthy and critical illness. No effort was spared by these fine members of the medical profession in their attempts to restore the chief to health. Scores of people gave him constant attention—doctors, nurses, technicians, and supporting personnel. And when the end came, the chaplain, the social worker, and the entire administrative staff assisted Mrs. Jackson with every difficult detail.

Mr. President, words are not adequate to express the loss which North Carolina experienced with Chief Jackson's passing. However, I would like to insert in the RECORD excerpts from "The Cherokee One Feather" of May 5, 1971, which express more ably than I could, the deep loss of the Cherokee people.

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

[From the Cherokee One Feather, May 5, 1971]

PRINCIPAL CHIEF DIES IN MARYLAND HOSPITAL

Principal Chief Walter S. Jackson died Monday, April 26 at the National Institutes of Health in Bethesda, Maryland. He is succeeded by Noah Powell.

Jackson, 47, had been a patient there since January 29 when he underwent open heart surgery, then developed a kidney disorder.

He was elected principal chief in a landslide victory in 1967 succeeding Jarrett Blythe. Other tribal service included four years as vice chief and 12 years on the council. He served as North Carolina's delegate to the Indian Affairs Commissioners Conference in Nevada in 1969 and to the 1968 conference in Kansas of the Governors' Interstate Indian Council.

Chief Jackson was born and raised on the Qualla Indian Boundary and received his education in the Indian schools here. He served three and one-half years in the navy and was discharged as a Shipfitter 1st Class.

On his return home he trained under the G.I. Bill until he accepted a job as a pipefitter at Fontana Dam.

In 1951 Jackson accepted employment with the Cherokee Historical Association where he worked as manager of the Oconaluftee Indian Village.

During his tenure as vice chief he was in charge of the tribal police, fire and sanitation departments.

An active councilman, Jackson served as Chairman of the Council during a portion of his six terms. Some of the objectives he championed were:

1. Improvement of reservation roads by blacktopping
2. Reopening of tribal rolls
3. Securing a new gymnasium for the school
4. Obtaining a new elementary school
5. Prevention of the removal of the BIA hospital and establishment of the present PHS hospital
6. Formation of the Cherokee Boys Club

Working as a community leader in his native Soco, he was chairman of the Soco Community Club for approximately ten years.

Jackson was a member of the Steve Youngdeer Post of the American Legion and a member of the Veterans of Foreign Wars. He was an active member of the Macedonia Baptist Church.

Chief Jackson is survived by his wife, Mrs. Sally Sneed Jackson; a son, Walter Jr., and a daughter, Mrs. Mary West, of Cherokee; two stepsons, George and Richard Sneed of Cherokee; the mother, Mrs. Mary Queen Jackson of Cherokee; three brothers, Boyd and Jack of Cherokee and Johnny of Raleigh; six sisters, Mrs. Naomi Bowman, Mrs. Edith Bradley, Mrs. Barbara Robie and Miss Sadie Jackson of Cherokee, Mrs. Mackie Abram of National City, Calif., and Mrs. Jean Bryant of Charleston, S.C.

ABOUT 1,200 ATTEND LAST RITES

Last Friday was a strange day.

Puzzled tourists wondered at the street lined with shuttered shops.

Flags whipped briskly in the spring wind—at half mast.

Friday was the day that the Cherokee nation buried their chief—the first chief to die in office in 91 years. It was a day of sadness, of pomp and of pride. When the day was over the people began to realize just how important the position of principal chief is to the Eastern Band of Cherokee Indians.

The funeral was held in the Charles George Memorial Gymnasium so that all who wanted to attend would be seated. And they came—from Big Cove, Snowbird and Soco; from Birdtown, Cherokee and Painttown the people who elected Chief Jackson came. From other reservations, tribal leaders came

along with representatives from the state, county and federal governments. The local business community was well represented. All the people came to pay their respects to the Cherokee's dead leader.

The night before had been spent in the traditional Cherokee sitting up at the Macedonia Church, then on Friday the body was taken to the gym that Jackson had fought for during his days as a councilman.

Banked by flowers the services began with the Snowbird Quartet singing in their native language. Rufus Edmisten, Mr. and Mrs. Jaskson's friend and assistant to Sen. Sam Ervin, delivered the eulogy. Then Lou Crowe in a high sweet voice sang "The Holy Hills of Heaven Call Me." The Rev. Enoch Owl and the Rev. James Parris officiated.

Ushers were Robert Evans, John Standingdeer, Alvin Chiltoskie, Frank West and Issac Welch. They estimated that 1,200 people attended the funeral.

Pianists were Rosilee Teesateskie and Lucy McLaughlin.

Pallbearers were members of the Cherokee Boys Club. Honorary pallbearers were members of the tribal government. The Steve Youngdeer Post provided a 12 man honor guard.

The entire tribal police force stood at attention as the chief's body was brought through the honor guard to the waiting hearse marked by the seal of the Cherokee nation in the window.

Chief Jackson was buried with full military honors at the Jackson Family Cemetery in Soco Valley.

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### Chief's Death Noted by Congressional Leaders

During Chief Jackson's last illness his condition was the concern of many of his friends in Washington, D.C. These friends visited with Walter when it was allowed and comforted Mrs. Jackson and the chief's sister, Mrs. Naomi Bowman, when he was too sick to have visitors.

After Walter's death, Sally Jackson asked special friend, Rufus Edmisten, Sen. Sam Ervin's assistant, to deliver the eulogy at the Chief's funeral.

North Carolina's congressional representatives immediately issued statements.

Sen. Sam Ervin, Jr. said, "North Carolina has lost a great leader. He virtually ignored his own material well-being, indeed his own health, in order to serve the Eastern Band of Cherokee Indians. He was a true friend."

Sen. B. Everett Jordan said, "Jackson was willing to sacrifice everything for the good of his fellow man. He was a great leader of the Cherokees and served them as an ambassador of the highest caliber. Our state will sorely miss him."

Rep. Roy A. Taylor issued the following statement concerning the death of Chief Jackson:

"I was very sorry to learn of Chief Walter Jackson's death. He was a warm, friendly individual whom we all looked forward to seeing when he came to Washington. He always seemed to have the welfare of the Cherokee Indians at heart, and vigorously pursued those programs which he felt would improve their social and economic conditions.

"The chief's ability to combine his congenial manner with serious purpose caused him to be one of our favorites and we join the people of Cherokee in missing him."

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### Jackson Only Second Chief To Die in Office

Walter S. Jackson was the 20th man to hold the position of Principal Chief since the tribal reorganization in 1869. He was only the second chief to die in office. The first was Lloyd Welch who served from 1875 to 1880. Welch was succeeded by the famous Nimrod Jarrett Smith.

Carl Lambert, Official Historian of the Eastern Band, noted recently that Jackson will be the tenth chief to be buried in the Soco Valley. The others are Yonagusta, Stillwell ,Saunooke, Andy Standingdeer, Jesse Reed, Bird Saloneeta, John Goins Welch, David Blythe, John Tahquette and Henry Bradley.

Lambert is concerned that some of the graves of former chiefs are unmarked and that when the people who know the locations die, the knowledge will die with them. He believes that putting appropriate headstones would be a good project for the tribal government or some local service organization.

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### Editorial From the Cherokee Boys Club Newsletter

We at the Cherokee Boys Club had the honor and privilege of working closely with Chief Jackson since our beginning. When he was Vice-Chief he went to the Council and helped us get the land and the original donation which the Tribe gave us to get us started.

Throughout the years we have had the privilege of working with him on many projects, not only for the club, but for the entire Reservation. We have had the privilege of traveling with him on many, many trips. We know without a doubt that every decision he made was not made for his personal benefit, but for the benefit of our Cherokee people and our Reservation. We know that he made many trips, made many phone calls, wrote many letters, saw many people, to help promote ideas and projects for our people when he was not physically able even to be working.

We could go on and on with his accomplishments, but we are very thankful for the fact that while he was alive, even before he became ill, that we always thanked him and told him of our appreciation for the job he was doing, not only for us but for all of his people.

We thank God for having had the opportunity of knowing him and working with him. We pray that with the help of God we will be able to continue the many projects which Chief Jackson has helped us to start and has helped us to develop. We thank God for the great leadership which Cherokee has always had and for the great leadership which we know we will continue to have. We must remember that our leaders however, can accomplish only as much as we as followers help them to accomplish.

We learned many years ago that there is no limit to what can be accomplished if we will pray for each other, rather than criticize each other. Since our leader was a Christian, he is now being rewarded for his faith and for his work. Since we who remain were his friends, we will be rewarded throughout the years by his inspiration and ideals which will continue to live with us.

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### Many Travel To Attend Funeral

One of Walter Jackson's qualities was that a man's station in life made no difference in whether he liked him or not. However, Walter was the leader of the Eastern Band of Cherokee Indians and in paying respect to both the man and the position many people attended the Chief's funeral Friday representing groups.

Tribal leaders attending were: Tribal Chairman Bety Mae Jumper of the Seminole Tribe of Florida, Choctaw Chairman Emmett York and Community Action Program Director Phillip Martin and Chairman Buffalo Tiger of the Miccosukee Tribe of Florida. Jarrett Blythe, former Principal Chief of the Eastern Band was present.

From the United Southeastern Tribes came: Wayne Zunigha, Joe Long, Sherman Carter and Key Wolfe.

The Cherokee Historical Association was represented by Carol White, Harry Buchanan and Francis Haezel.

Others in attendance were: Harry Rainbolt, Assistant Commissioner of the Bureau of Indian Affairs; Keith Snyder, U.S. Attorney from Asheville; Tom Woodard, Superintendent of Swain County Schools; Bob Goforth, North Carolina Department of Conservation and Development; James Baily, Tribal Attorney; John Bacon and Wilbur Creaswell, Tribal Auditors; June Myers, former tribal clerk, and representatives from each of the plants on the reservation.

Special friends from Washington were Wilbur Paul, Nick French and Martha Moore.

Both the state police and the park service were represented.

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### Eulogy for Walter S. Jackson, Delivered at Cherokee, N.C., April 30, 1971

(By Rufus L. Edmisten)

Friends of the Chief, I want to express a tribute to a man whom we mourn today in these hills he loved so much. I come to you today with a sad heart, but in a spirit of thanksgiving because we shared the privilege of knowing Walter Jackson. Although the man has passed away, his spirit and his accomplishments are with us.

One of the great things about this Country is that a man, regardless of his station in life, can achieve great things. America has produced many leaders of the people, and Walter Jackson was such a man. Walter's life bore witness to the rewards of a lifetime spent in devotion to high principles and to the improvement of the lot of his fellow men.

The man we honor today struggled hard and steadfastly against the forces of death, with the stoic courage for which his people have long been admired. But he did not struggle alone. By his side in a strange and distant city were his faithful, devoted wife Sally, and his sister Naomi Bowman. As winter waned and spring came to these hills of North Carolina, they waited and watched through countless hours of agony and silence. hoping against hope, while the signs of life rose and fell. Not one time did Sally Jackson cease in her absolute devotion to the man she loved and the man who loved his people so deeply. She bore the burden with a rare dignity, befitting the wife of the Chief.

Perhaps the highest tribute that can be paid Walter is to proclaim that he was a man of the people, be they high or low, black, white, or red, rich or poor; indeed, he was a friend to all. The history books may not often record this virtue, but it makes a man great in the book of life.

Rudyard Kipling, in his famous poem "If", said:

If you can talk with crowds and keep your virtue,
Or walk with Kings—nor lose the common touch,
If neither foes nor loving friends can hurt you,
If all men count with you, but none too much:
If you can fill the unforgiving minute
With sixty second's worth of distance run,
Yours is the earth and everything that's in it,
And—which is more—you'll be a Man . . .!

Walter Jackson was a man. He walked with the great and powerful, yet he never forgot the common man. Walter believed that true worth was in doing, not in seeming. His great contribution was that he did something each day; he did not merely dream of great things to do by and by.

On the many ocasions when Walter came to Washington to do something for his people, he worked in his quiet and effective

way; yet when he was victorious, as he often was, he never attempted to take the honor for his achievements. Whether Walter was working in Washington for a new high school on the reservation, or whether he was here at Cherokee seeking to establish the Boy's Club, he had in mind one steady purpose: the advancements of his people. Never did he seek tribute for himself. In fact, as Senator Ervin said upon hearing of Walter's death, "North Carolina has lost one of its finest leaders. Walter Jackson devoted all of his life to his people. He virtually ignored his own material well being—and indeed, his own health—in order to serve the Eastern Band of the Cherokee Indians. He was a true friend."

Walter loved these mountains, these valleys, and these coves, and often he spoke of them and the people they have produced. As these mountains tower in Western North Carolina so did Walter's character and his devotion to the simple people of his home place. Walter derived his strength from these mountains, and he was always mindful of the 121st Psalm, which opens with the words "I will lift up mine eyes unto the hills, from whence cometh my help."

My friends, this is the way Walter Jackson lived. I do not attempt to make him larger in death than he was in life. I simply want him to be remembered as the good and decent man he was, a man who devoted his life to the needs of his people, and who was always able to defeat the forces of hate and jealousy with forgiveness and compassion.

Those of us who admired and loved him, and who accompany him to his rest today, pray that what he was to us during his life on earth will be an abiding inspiration to those of us who remain to carry his torch.

## FRANK DRYDEN—OUTSTANDING ALUMNUS OF PARIS HIGH SCHOOL

Mr. COOK. Mr. President, this past Saturday, Mr. Frank Dryden, executive vice president of the Tobacco Institute, was presented an award as the outstanding alumnus of Paris High School, Paris, Ky.

I think it most appropriate that this honor was accorded to Mr. Dryden, as most of his career as a public servant has been directed toward serving the needs of Kentucky as well as the Nation.

Upon graduation from the University of Kentucky he became a marketing specialist with the U.S. Department of Agriculture until 1953. He has also held the following positions:

Administrative assistant to former Senator Earl Clements, 1953–56;

Member of professional staff, U.S. Senate Committee on Appropriations, 1957, 1958, 1962, and 1964;

Deputy chief clerk, U.S. Senate Committee on Rules and Administration, 1958–62;

Director, Joint Congressional Inaugural Committee for 1961 Presidential Inauguration;

Deputy Director, Office of Emergency Planning, Executive Office of the President of the United States, 1964–66;

Alternate member of President's Conference on Administrative Procedures, 1962;

Executive Vice President, Tobacco Institute, 1966 to present;

World War II, lieutenant and captain with the 111th Infantry Combat Team—bronze star, beach arrowhead, combat infantryman's badge, honorably discharged as major.

Member: Baptist Church, Kiwanis Club, Capitol Hill Burro Club—past president—former Senate Office Building Administrative Assistants, and Phi Delta Theta.

## VIETNAM REVISITED

Mr. MONDALE. Mr. President, my distinguished and extraordinarily able colleague from Hawaii (Mr. INOUYE) recently addressed a gathering at George Washington University on the tragic war in Vietnam.

His words capture the horror and folly of this war. More importantly, he provides a clear analysis of the lessons we must learn from this tragedy.

Senator INOUYE's speech should give all of us renewed hope that America can emerge from this experience a wiser people, able to avoid any repetition of the mistakes of the past.

I ask unanimous consent that Senator INOUYE's remarkable speech be printed at this time in the RECORD.

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

VIETNAM REVISITED

I wish to speak to you this evening about the most tragic difficulty which has faced our nation this past decade and which despite the claims of some political pundits is still very much responsible for the death in our spirit—I speak of Vietnam.

Some who claim to measure the public mood have told us Vietnam is no longer an issue—but I do not agree. I do not think the people are apathetic about Vietnam—they are rather discouraged—they rather have a feeling of some impotence concerning their ability to bring significant change to American policy.

These feelings are fully shared by many of us in the Congress but I think we must continue to face up to the issue which is Vietnam and to exert our maximum effort to bring about a truly new policy.

Vietnam is and remains the crucial issue facing our nation.

I believe that but for this we would not see our Nation so torn by violence, so pummeled by bombing, and so wracked by inflation, or so polarized into opposing groups. If it were not for Vietnam our many problems of inadequate housing, and inadequate funds for education, health, pollution control, the problems of the draft, and innumerable other difficulties with which we wrestle would be immeasurably easier to resolve.

I believe, therefore, that the time is overdue that we re-examine the problem which is Vietnam despite the understandable desire of most Americans to push this unhappy subject from their minds.

I can understand the reluctance of many Americans to think about what we are doing in Vietnam and elsewhere in Indochina.

I can appreciate their reluctance to let it intrude on their thoughts. It is unpleasant to hear of massacres such as occurred at My Lai. It is unpleasant to talk of American war crimes. It is a most unpleasant task to bring criminal charges against American soldiers who, under the stress of combat, commit acts which no civilized people can tolerate or ignore.

Distasteful as it may be, Vietnam remains a problem that must be discussed and dealt with, if it is ever to end.

It would seem that the conflict raging in Southeast Asia is now entering a new and perhaps critical phase. The broader nature of this conflict bcomes ever more evident.

The whole question of our continued and increased involvement in these areas which recent events raise, directs our attention to what should be the lessons of Vietnam. I believe it would serve us well to take a good look at them.

This war has, to date, cost our nation the lives of over 45,000 of our finest young men. And the grim toll continues to mount each week. This climbing death toll is a tragedy fully appreciated only by those loved ones who bear the primary burden.

We must add to this total of dead the more than 295,000 Americans who have been wounded in battle—more than half of whom were wounded seriously enough to require hospital care. And of these numbers, many horribly scarred and mangled.

A new dimension has ben added to this problem of the wounded. Because of the helicopter and the advances of medical science many more seriously wounded survive than was the case in previous wars. Men who formerly would have died on the field of battle are now living—though some exist as virtual vegetables.

Such has not always been the case. In my own situation, I remember well that day in World War II when I was wounded. It was about three o'clock in the afternoon. It was nine o'clock in the evening, six hours later, that I reached a forward aid station, and 1 a.m. by the time I got to a field hospital. Today, that time lag has been cut to less than an hour in most cases. The result has not only been a reduction in loss of life, but also a rapid increase in the number of permanently disabled who now flood over veterans hospitals; invalids whom we are not caring for with adequate funds, facilities, and programs.

This war has also brought forth a new breed of Americans—Americans bitter with their government—Americans without faith in our institutions or our leaders.

And our cost in this conflict is, of course, not a measure of the war's total cost. We must add the more than 125,000 South Vietnamese troops who have died to date. These still die at a 20,000 annual rate. We must also add the 4,000 dead among our other allies, who have been fighting there.

And we must add the 25,000 Vietnamese civilians who were killed last year and the more than 25,000 the year before plus the more than 100,000 civilians who were wounded each year.

This war's cost must also be measured in the number of enemy dead, which are estimated at more than 700,000, in addition to their uncounted wounded.

We must add further the awesome cost of the damage wrought on the Vietnamese countryside by the use of modern weapons of conflict. This includes the destruction of plant and animal life and the changes we have wrought in the ecology of the land—changes which will endure for many years.

The cost of warfare is fantastic. World wide military expenditures now total $200 billion a year. These are increasing at a 7 percent annual rate with no limit in sight. This is more than three times the rate of increase in the value of our gross world product. Meanwhile education and health expenditures remain not only far less but are showing no per capita increases. Today, the nations of this earth spend an average of $7,800 per year for each man in military uniform while spending an average of $100 per year for education for each child of school age.

As we bear these awesome burdens of war, and witness our many other pressing, but as yet unmet needs, we must ask ourselves—why don't we stop? Why don't we bring this Vietnam war to an end?

It is to this question that I wish to address myself today.

We had taken an important step towards ending this war. We had publicly and officially concluded this war could not be won militarily.

While this was a significant move, I regret that the steps we have taken subsequent to this declaration have not been consistent with that conclusion. Our actions have not demonstrated acceptance of that fact. We still speak blithely of Vietnamization of the war—of a military victory for the Saigon government. We named our adventure into Cambodia "Operation Total Victory". We stage and support a South Vietnamese incursion into Laos. We verbally unleash the South to invade the North. As long as we pace our withdrawal to the take-over of our share of the fighting by the forces of Thieu and Ky and to the level of military activity of the Viet Cong and the North Vietnamese forces, we will be unable to end our involvement in Vietnam. We can be forced to retain our military presence We will not be the master of our own forces nor of our destiny in Southeast Asia.

The one essential step which we must take to bring this war to an end is to admit to ourselves—and to the world—that we made a tragic mistake. We must acknowledge that the Vietnam war has been a failure—that victory is unobtainable.

This is a difficult admission to make—especially when we remind ourselves of the enormity of this war's cost. Few want to admit error in judgment—and even fewer, when it involves a cost of nearly 50,000 American lives.

It is difficult to face up to the charge that these men's lives may have been wasted. And so we continually struggle to come up with a justification for continuing this war. We walk a tight rope of uncertainty.

We say we will withdraw our American troops—but there is to be no deadline. The grand justification for our continuing presence—the Vietnamization of the war—means merely we will substitute to the maximum extent possible, Americans killing and being killed by Asians, with Asians killing Asians.

The success of Vietnamization demands the military success of the government in Saigon and the defeat of the Communist forces. To achieve this success will require the continued presence and involvement of American troops in vast, if unknown, numbers.

There was a time when nearly all Americans supported the Vietnam war. On the important Tonkin Gulf Resolution only two Senators voted in opposition. Our most vocal doves of more recent years were not in that number. And neither, I must say, was Senator Daniel K. Inouye.

Looking back, I was convinced that there was legal and technical justification for our involvement in Vietnam. There were our treaty obligations under SEATO and other agreements. There were the reports of inhumane killing and slaughter of South Vietnamese civilians by the Viet Cong. There were the reports of some 8,000 political assassinations by the end of 1964.

Yes, one can agree that there may have been justification—but events have clearly demonstrated there was at the same time an error of judgment—an error of judgment which has involved four American Presidents as well as the lives of almost 50,000 Americans.

The rationale for our involvement in Vietnam assumed our ability to win the war and, thereby, gain the peace, and rebuild a nation—a nation at peace with itself, and the world.

Not only have we been unable to "win the war", but we now find our actions almost indistinguishable from those of the enemy. We developed operation Phoenix—employing mercenaries to torture, assassinate and murder members of the Viet Cong infrastructure. The ends now justify our means. We have adopted those tactics which we self-righteously condemed a few years ago.

We employed instruments of war we deemed too horrible for use on European battlefields. We have used chemical agents. Defoliants and tear gas. We have employed tear gas not as a non-lethal weapon to avoid the killing of non-combatants, but as an agent to drive the enemy from his lair so we can gun him down.

Yes, we entered Vietnam as friends. We embraced the people of South Vietnam as brothers and sisters. An untold number of Americans made the welfare and the freedom of these Vietnamese people their personal cause. We tried to heal the bodies of the sick, and the injured. We tried to educate the children and help the farmers increase the food supply. In so many ways our cause was certainly humanitarian and moral.

But as we increased our presence, and as the conflict became increasingly an American war, we found a change taking place—a change in our national attitude as well as a change in the character of the war. The Vietnamese, whether friendly, neutral, or unfriendly, became "gooks." Our soldiers viewed them increasingly with contempt and suspicion. Some came to consider all Vietnamese as enemies in their inability to distinguish friend from foe in the kind of guerrilla war we were fighting. "The only good 'gook' is a dead one," became their philosophy.

And so now we have My Lai. We have American soldiers and officers charged with the murder of women and children. And we have American generals charged with trying to keep these tragic incidents from becoming more widely known, and the perpetrators from being punished.

We established a price list for the accidental killing of Vietnamese in non-combat accidents. For instance, our military trucks, careening through narrow village streets, have killed many Vietnamese natives. The relatives of accidental victims of our unconcern can collect from Uncle Sam, $318 for a year old child. $201.95 for a ten year old. And if the son or daughter is twenty years of age the family gets just over $30 whereas we may pay as much as $100 for a water buffalo, and 400 times his daily wage to the surviving wife of a wage earner who loses his life through an American's misadventure. In 1969, we paid out a total of $1,231,920.16 in claims to the South Vietnamese. Is this our war reparations?

I was deeply saddened by what happened at My Lai—but I was not surprised. When men are trained to hate and to kill with proficency, and when they reach the frame of mind where those whom they have come to help are called "gooks", and when we place impersonal price tags on human beings, we should expect My Lais to occur. When we consider a six months old baby an enemy—when war reaches such a stage—when it causes Americans to so act—it is time we called a halt. There can no longer be any justification for the war's continuation. Nor can any legal argument be considered a sufficient reason for continuing the fighting and killing.

Almost all our leaders have admitted that there is no military solution to this conflict—that it must be resolved politically.

I know it is the prayer of every American that the course upon which the President has now embarked our Nation in Indochina is a correct one. This is a prayer which I share deeply and fully. As a member of the United States Senate and as an American citizen, I want very much to support my President, particularly on an issue of such magnitude, in these trying times.

But if the experience of this past decade has within it any lessons—particularly for the Congress—for those of us who are fixed with some direct responsibility for the conduct of our Nation's foreign policy—then we must recognize and act on that higher responsibility to our Nation's welfare. We cannot abdicate our responsibility.

I, therefore, could not support the President's decision to widen the war. I deplored the President's decision to launch an American attack into Cambodia.

Neither could I welcome the more recent incursion into Laos.

The President's words and actions must make us doubt our ability to learn from the past. His are the same arguments which were summoned forth in sending advisors to South Vietnam a decade ago. These are but a repetition of what we heard when advisors became combat divisions. It is but a reiteration of the voices which were raised in justification of the bombing of North Vietnam. Must each American President learn anew from the experience of his own administration?

Our President's arguments indicate that this may be so. He opened other and even more dangerous chapters in the tragedy of our involvement in Indochina. History shows that this involvement came in a three step phase. First, American advisors were sent to assist the South Vietnamese. Second, with the Tonkin Gulf Resolution, our President requested of the Senate the authority to deploy American combat troops to Vietnam. Third, was the bombing of North Vietnam. The war escalated and still there was no victory in sight, and President Johnson then moved to de-escalate the war.

And now, President Nixon, has expanded the conflict, to Cambodia and to Laos and increased the bombing once again.

Our President presented us with a fait accompli. These expansions were initiated without prior consultation with the Congress much less its approval.

President Nixon has renounced his own earlier statements of policy and purpose. This is no longer a war to be curtailed, contained or settled politically, this is now once again a war for military victory.

The President justifies his action as necessary to prevent the defeat and humiliation of our great Nation. Frankly, what is so wrong with a great people swallowing some pride and admitting mistake? What is the test to true greatness? Is it to continue and expand a bankrupt policy? I think not. I pray not.

Can we possibly achieve peace by insisting that Hanoi, and China, and the Soviet Union, must acknowledge defeat and admit humiliation? I think not.

If we are to be true to ourselves—to our highest ideals—we must be big enough to place the peace of the world and the saving of human life above saving face. We must be willing to admit error and so adjust our policy. For neither our conscience nor the conscience of mankind will permit us to use our awesome weapons of war which will be essential if we insist on military victory and expand this conflict to that end.

Yes, a political solution will require that we swallow some pride—that we even lose some face. Difficult as that may be for the United States, I believe it will be essential and we must face up to the unpleasant task.

By so doing we can close an unfortunate chapter in our history. We can ring down the curtain on the Vietnam war, and do so a little stronger for lessons we have learned.

It is not our will or courage which is being tested. It is our judgment.

If we truly learn our lesson from this tragic experience and apply it as a guide for future action, then we can say our Nation's sons have not died in vain. Their sons and younger brothers, and your sons and mine, may be saved because of their suffering and sacrifice.

To learn our lesson we must look to the origins of our Vietnam involvement. How did this come about?

It grew out of a period in our history when out of our fear of Communism and fear of being called "soft on Communism", we went to the aid of every self-proclaimed anti-Communist on the face of the globe. It grew out of the McCarthy era. It was part of the fall-out from charges of a China sell-out,

and the public condemnation of a great American patriot, General George Marshall.

Vietnam grew out of an oppressive atmosphere which produced a Title II as part of our Internal Security Act authorizing the establishment of American concentration camps. It grew out of times which approved the destruction of an Oppenheimer for his views and friendships.

Vietnam grew out of a post World War II period in which we held unchallenged military supremacy in the air, at sea, and in nuclear power. It grew out of the mistaken belief that such power provided an adequate response to "wars of liberation". Military might became a substitute for understanding.

Vietnam grew out of an almost religious fervor to fight monolithic Communism wherever and whenever we sensed its presence.

Vietnam grew out of an American public opinion which encouraged our intervention at any time and place whenever a leader of a foreign government found himself insecure in his seat of power and could "con" us into the belief that the only alternative to coming to his rescue was a Communist takeover and, therefore, a threat to our national security.

Having described the conditions which led to Vietnam, what then are the lessons?

I believe there are several.

Vietnam should teach us to be very cautious in making commitments less we be "conned" into offering our men and our treasury to scoundrels who proudly proclaim "send me help and I will fight the Communists for you". Some of these now live in fancy European villas and have fat Swiss bank accounts. We must be very selective when and where we involve our Nation. Every currently non-Communist part of the world is not necessarily vital to our security.

Vietnam should teach us that we must whenever we have the opportunity, decide in favor of people and not tyrants.

Vietnam should teach us that though we may have superior weapons and military hardware, conscience will not permit, or circumstances may prevent, their use. Our possession of this vast arsenal may encourage our engagement in circumstances where it is of no value. Therefore, weak countries may be able to nip with relative immunity at the heels of the mighty.

Vietnam should teach us that it is very easy to get embroiled on a very limited scale in conflicts where the pay-off may look good, but which have a capacity to spread, dragging us in ever deeper in a futile effort to salvage our investment.

Vietnam should teach us a greater realism of our limited ability to effect change in the social, economic, and political order of a Nation or a people, as well as the possibility disastrous affects of such misdirected efforts on ourselves as a people, and as a Nation.

These then are some of the lessons which must be clearly kept in mind as we look to the future in Cambodia, in Laos, and in Thailand. Our involvement now may be quite limited. The pay-off may look good. But the dangers are also great. It is much easier to get in than to get out.

Despite the Nixon Doctrine—or Doctrines which have now been enunciated, our future course in Southeast Asia is far from clear. It is certainly not clear to Hanoi and Peiping. How could it be when it is unclear to us?

It can only be clarified if we go beyond Vietnamization. We must, therefore, take additional steps.

The first of these is, as I have said, to acknowledge failure for our Vietnam policy. We must admit error in judgment. Neither we, nor the governments we support, can militarily win the war in Indochina. We must make clear that we seek a political settlement.

Second, we should propose an immediate and complete cease fire without terminal date. To secure such a cease fire, we should if necessary, be prepared to unilaterally halt all offensive operations and limit our forces and those under our control to purely defensive roles. Negotiations with an enemy is always a difficult process, but it is more difficult while the fighting rages, than after it has been halted.

The talks in Paris are getting no place. There is no sign of progress. But Vietnam is not isolated from the larger problems of Southeast Asia—from the problems of Cambodia and Laos.

We should, therefore, call for a conference on the over-all problems of this area known as Indochina. This should be an Asian conference, and not a European conference trying to impose European solutions on Asian problems.

It is time that we and other Western powers realize that these Asians are no longer wards of Western colonial powers. We should recognize not only their weaknesses, but also their apparent strengths—the desire, capacity, and ability to govern themselves.

We should make it crystal clear that we will abide with the outcome of these political negotiations. Accordingly, we must forthrightly face the possibility of an Indochina in the sphere of influence of Hanoi.

It is true that such a policy is not without risks. But neither is the current policy—a policy with no end in sight after nearly a decade of fighting.

Throughout most of my years in public life, I have wrestled in my own mind and conscience with the problem. I have joined Presidents and bishops, as well as military men, in support of some of our actions. I hope that I have learned—that we have all learned—from this tragic experience. I hope that we as individuals have learned more humility—and also that we have learned some humility as a Nation.

This knowledge will serve us and mankind well in the years ahead.

## A RICH ENVIRONMENTAL LEGACY IN ALASKA CAN BE INSURED

Mr. STEVENS. Mr. President, one of the most perplexing problems facing our Nation today is the question of how we may make sufficient use of the great natural resources of the State of Alaska and, at the same time, preserve and insure a rich environmental legacy for our own and succeeding generations.

A great debate over this question has been carried on at all levels of Government, in the media, and has even reached into the campus and the home. As a representative of the people of Alaska, and as a resident and frequent beholder of its natural beauty, I have been deeply concerned with this problem and have been active both as a participant and as an auditor of the debate.

You will be pleased to know that at least one company in one recent situation found a viable and workable answer to this problem, a solution which should be of benefit to the people of Alaska while having a minimal present and future impact upon the ecology.

This solution is described in a recent U.S. district court decision in Alaska, Sierra Club against Hardin, in which the plaintiffs sought to have the sale of timber in Alaska's Tongass National Forest by the U.S. Forest Service declared invalid. There is an aspect to this decision which will be most reassuring to all of us who have sought an answer to the problem of how to use and simultaneously protect the environment of Alaska. The court's decision in favor of the defendants was based to a significant degree upon the fact that the company purchasing the timber, U.S. Plywood-Champion Papers, Inc., had selected and retained a "blue-ribbon panel of conservationists" to supervise the selection of a site for the company's mill which would have the least environmental impact.

In the language of the court:

. . . U. S. P. (U.S. Plywood-Champion Papers) had expended substantial sums to insure that the impact of the mill would be minimized by comprehensive site planning and the most advanced technology available. The mill site selection was supervised by a blue-ribbon panel of conservationists selected from universities in the United States and Canada. A specially commissioned field study sponsored by U.S.P. resulted in a seventy page technical report published in November of 1969 by the Institute of Marine Science of the University of Alaska. It seems unlikely that in investigation by federal experts would have been more comprehensive and unbiased.

Considering the impressive credentials of the U.S.P. panel of environmental experts assigned to the project, the high quality of its research product, the advanced stage of planning as of January 1, 1970, and the exorbitant cost of any further delay, the Forest Service was justified in its reliance upon U.S.P.'s environmental studies.

In its conclusions, the court adds:

The Forest Service was justified in relying on the environmental impact investigation conducted by U.S.P., and under the circumstances the Act was complied with "to the fullest extent possible."

The decision includes the names of the members of this blue-ribbon panel, and I would like to cite them here, as they are a most impressive group of environmental scientists. They are: Dr. Donald J. Zinn, professor of zoology, University of Rhode Island; Dr. R. Van Cleve, dean of the College of Fisheries, University of Washington; Dr. A. Starker Leopold, professor of forestry and zoology, University of California, Berkeley; Dr. Stanley Cain, professor of natural resources, University of Michigan; and Dr. Ian McTagart, dean of graduate studies, University of British Columbia.

Certainly, U.S. Plywood-Champion Papers, which is one of our Nation's leading forest products companies, is to be commended for its foresight in selecting and using this panel of eminent conservationists. In the first place, they have found a viable solution—one acceptable to a Federal court—to the development of one of Alaska's great natural resources. However, in the broadest sense, the company has demonstrated that through the right cooperative effort between industry and people who understand the environment, Alaska and our Nation can, indeed, progress while preserving and ensuring the protection of our natural beauty and our resources.

## EVENTS IN EAST PAKISTAN

Mr. BAYH. Mr. President, all of us have watched with deep concern the events of the past 2 months in Pakistan. We watched first as the Government of Pakistan, reportedly with considerable disregard for human life, suppressed those in East Bengal who favored either a looser confederation of the two halves of the country or complete separation.

We read that the West Pakistan armed forces employed arms we had given or sold them on credit to kill their fellow countrymen. We watched as the members of a political party which won a majority in all Pakistan in a freely contested election was destroyed—its members jailed or killed.

And after that we watched in the hope that the Pakistan Government would begin to make genuine efforts at reconciliation with the people of East Bengal. We waited in the hope that that Government, to which we have given nearly $4 billion in economic aid alone, would undertake serious relief efforts in the aftermath of the fighting.

For many weeks that Government insisted that no outside relief assistance was necessary. Despite continuous reports from East Pakistan of disrupted communications and potential starvation, despite a flow of refugees from East Bengal across the Indian border, that Government insisted that all had, in fact, returned to normal. In the face of such divergences between official assurances and reports from the field, I have made known my concern regarding the relief effort being made in East Pakistan.

Several weeks ago I and several other Senators sent a telegram to the Secretary of State urging that he instruct our representative to the Pakistan aid consortium to withhold further economic assistance to Pakistan until international inspection provided assurance that relief needs in East Bengal were truly being met. Whether such a step was taken still remains uncertain. However, the Pakistani Government has finally reversed its stand. It has agreed to permit some officials of United Nations affiliated agencies into East Pakistan.

I believe our Government should not intervene in internal political issues which must be settled—hopefully by conciliatory means—among the people of Pakistan themselves. But we do have a responsibility to see that our aid not be used to exacerbate the problem. We have a humanitarian responsibility, too, regarding relief. I believe those responsibilities must be actively fulfilled.

With a similar view in mind the Members of Congress for Peace through Law issued a statement on Tuesday stressing the necessity of an immediate and vigorous relief effort in East Pakistan. The statement indicates that the Pakistan Government's intentions toward its own people are, in effect, on trial now. It indicates, too, that attitudes in the U.S. Congress toward future economic aid to Pakistan cannot help but be affected by the speed and authenticity of that Government's effort to succor its own citizens.

Mr. President, I ask unanimous consent to insert that statement into the RECORD.

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

MCPL URGES RELIEF FOR EAST PAKISTAN

WASHINGTON, D.C., May 25—The following is a statement endorsed by members of the World Trade and Economic Assistance Committee of Members of Congress for Peace through Law:

We welcome the announcement that the Government of Pakistan is prepared to mount a relief effort in East Pakistan and is seeking aid from the United Nations and several countries.

The promise of this report must soon become a reality, since emergency relief assistance is essential if the famine which threatens in the East is to be averted.

The evidence is increasingly clear that catastrophe threatens the long-suffering people of East Pakistan.

It may not occur all at once. Some people may die sooner and some later, but the odds are high that millions of lives will be lost in a famine of immeasurable proportion unless relief efforts begin soon. The precedent is certainly there. In 1943, over one million Bengalis died in a major internal famine when transport facilities were disrupted by the Second World War. East Pakistan is, in fact, chronically short of food and has been heavily dependent on foreign food aid during the past decade. It is one of the most densely populated areas in the world.

There are serious problems inherent in mounting the major relief effort that is required. During a time of civil strife, feeding starving people may be a political act. Such aid may be misused.

We certainly cannot tell the Pakistanis what to do. But we can make clear our urgent concern that every possible step be taken to avert mass starvation.

Various claims have been made that the situation in the East is under control, but formidable problems still remain.

The Civil Administration is functioning normally only in the very few large urban centers. In the rural areas and district level towns day to day administration was adversely affected by widespread defections of Bengali civil servants. In addition, the victims of the cyclone of last year have no food and the hardships they suffered have not been significantly alleviated in the interim period between the beginning of cyclone relief efforts in November 1970 and the outbreak of disturbances in March of this year.

Although sufficient stocks for perhaps two months may exist in these urban areas, over 80% of the population lives in the countryside.

Transportation facilities (and medical health services) have been crucially disrupted by the fighting which took place during the civil strife. The major railway bridge on the road that connects Chittagong Port (the primary entry port for shipments of foodgrains) with Dacca, the capital, and all points north has been destroyed. It will be six months before it can be rebuilt.

Vehicles provided for cyclone relief efforts have been appropriated by the Central Government Army for military purposes. These vehicles were originally provided by many countries bilaterally and by international relief organizations for relief purposes.

The U.S. has already reacted favorably to the request of the Indian Government for assistance in caring for the estimated 3 million Pakistani refugees who have crossed the border into the Indian states of West Bengal, Assam and Tripura. Their need is great and the Indian Government does not have the resources to cope with it alone. The special social and political problems their presence poses for that Government are considerable and we should not underestimate them.

It is because we recognize how much needs to be done that we welcome the new position taken by the Government of Pakistan in requesting international relief assistance.

There is no wish in Congress to withhold economic assistance to the Government of Pakistan if appropriate and necessary relief measures are being taken.

*But there must not be another Biafra.*

No one will know, until it is too late, the dimensions of the disaster which could occur in East Pakistan without concerted action now. No one will know how many children will die—or how many of them will grow up with minds stunted because of protein deprivation during the crucial years of early childhood.

We take no position on the independence of East Pakistan or on the political demands of the Bengalis, though we hope for some resolution short of further violence.

But we *do* take the position that people should be saved from starvation and pestilence, regardless of political factors.

We intend to watch closely the events of the coming weeks in East Pakistan. We hope that the Government authorities there will continue to move in the right direction—and move with the despatch the situation requires—in pursuing a humanitarian relief program for all the people of East Pakistan.

U.S. economic assistance to the Government of Pakistan has been suspended since the outbreak of civil disturbance in the East at the end of March. The position of the Congress on further economic assistance to Pakistan will, of course, be affected by the alacrity and progress of relief efforts in the East.

Senator Birch Bayh, Senator Lee Metcalf, Senator Walter Mondale, Congressman Peter Frelinghuysen, Congressman Michael Harrington, Congressman Parren Mitchell, Congressman John Moss, Congressman Thomas Rees, Congressman James Scheuer, Congressman Charles Whalen.

## RECENT ADDRESS BY SENATOR MAGNUSON ON OUR RELATIONS WITH CHINA

Mr. COOPER. Mr. President, the distinguished senior Senator from Washington (Mr. MAGNUSON) delivered an address in Seattle before the spring reunion of the Seattle Scottish Rite on May 22, on the subject, "China, a Chance for a Change."

In his prepared remarks, Senator MAGNUSON points to the readiness of President Nixon to take the intiative for improving relations with China, and Senator MAGNUSON outlines certain areas in the field of international trade, health, and peaceful exchanges which both China and the United States should explore as steps for advancing the cause of international peace and cooperation between our two countries.

Senator MAGNUSON has long been a leader in encouraging the development of East-West trade and for improving our relations with China. His views are thoughtful and timely, and I am very happy to bring them to the attention of Members of the Senate and the American public.

Mr. President, I ask unanimous consent that the recent address by the distinguished senior Senator from Washington (Mr. MAGNUSON) be printed in the RECORD.

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

CHINA: A CHANCE FOR CHANGE

(By Senator WARREN G. MAGNUSON)

It is a pleasure for me to address this meeting of the Scottish Rite. I am familiar with your organization in some detail, having participated often in various of its activities over the years.

But additionally, I wanted to come here to have the opportunity to discuss a subject that is of immense importance to the United States and its future in the world commu-

nity, and of importance to you as concerned citizens of Washington State and this nation.

The subject is the relationship of the United States to the Peoples Republic of China.

Until just a few weeks ago the Peoples Republic of China was referred to by politicians and the media as "Red China." Ping-Pong diplomacy has now made it respectable to address that nation by its national title: The Peoples Republic of China.

Call it what you will, China is a nation of 800 million people that is just as real as Mount Rainier and just as much an inescapable factor in our lives as the present sorry state of our economy.

Over the years—about 15 of them to be exact—I have been the subject of considerable political criticism because of my advocacy that the United States take its head out of the sand and recognize the reality of mainland China.

For 15 years I have urged that peaceful trade in nonstrategic items with China would be to our advantage and further the cause of world peace.

I am sure a few of you have seen some of the literature attacking my patriotism as well as my judgment on this issue—it flourishes about once every six years, just when I am seeking reelection.

But last month, half a dozen ping-pong players with a strong assist from Premier Chou-En lai and President Nixon redeemed my patriotism for the doubters and made some of my previous pronouncements words of prophecy.

But my purpose this evening is not to say "I told you so". Let's get down to substance and talk about the merits and the guidelines of a responsible and productive relationship with the Peoples Republic of China.

There are certain basic premises that we must recognize and always keep in mind:

1. The political system of mainland China totally repudiates the basic concepts of individual liberty to which this nation and all democratic institutions must and should adhere. And I oppose Communism in any form or guise.

2. The Peoples Republic of China must be considered a skillful and devoted adversary of the United States in the conduct of world affairs.

3. It is against the national security of the United States to assist the Peoples Republic of China in any manner which tends to bolster China's strategic strength or military power.

4. We are totally justified and prudent in being skeptical of the motives of mainland China and we must recognize that China for its own reasons of national security must no doubt view this nation with a similar lack of trust.

With these premises in mind, let us focus for a few minutes on our previous China policy under a harsh light and realistically judge its wisdom and effectiveness.

In 1949, the armies of Mao Tse-Tung, routed the nationalist Chinese and gained control of the mainland. In November of 1950, Chinese armies swarmed over the Yalu River separating North from South Korea, and for the first and up to now only time, clashed with American forces. By 1954 they had withdrawn.

We viewed China, not unreasonably, as an enemy and aggressor and a threat not only to her non-Communist neighbors, but to world peace. Accordingly, we proceeded to encircle her, pursuing a policy of containment with a chain of military bases extending through South Korea, Okinawa and Taiwan, to Vietnam and Thailand.

Diplomatically, we not only refused to recognize the government in Peking, but utilized our military and economic power to convince our allies to withhold recognition. And we manned the barricades of the United Nations to prevent the admission of Red China.

We established a total embargo on Sino-American trade and sought to force our allies to do the same.

Cherishing the illusion of our own power which followed our victories in World War II we expected the Peking political regime to shrivel up and collapse. I even had hoped it would. So far, it hasn't happened.

So with inflexibility, we maintained the same basic policy for two decades, while one by one our allies faced up to the realities of China.

We sought diplomatic isolation of China. Today it is we who are becoming increasingly isolated from vast numbers of the world's peoples who view us as the one holding up self-determination for that nation.

Fifty-nine nations in the world presently have diplomatic relations with or recognize mainland China. Of these, 7 are members of NATO and among our closest allies: Britain, Canada, Italy, France, Denmark, Norway and the Netherlands. Eight non-Communist nations have extended recognition to China within the last two years.

We believed in isolating China from World Trade. China's foreign trade has now reached $4 billion annually. Through 1960 three quarters of China's trade was with other Communist states. Today Japan and West Germany are China's chief trading partners, followed closely by Britain, Australia, and Canada.

In 1969, Sino-Japanese trade amounted to $625 million. The Japanese view the China market as one of great potential, as the Chinese economy continues to develop, and its market for imports accelerates.

With the exception of a narrowing list of strategic items, that embargo is not working. China can import from Europe and Japan virtually everything it wants or needs.

The embargo is successful only in depriving American businessmen and farmers of access to the China market—and in reinforcing Chinese hostility and suspicion.

So maybe, just maybe, there are better alternatives.

Maybe twenty years of uncompromising, twenty years of embargo, twenty years of encirclement and containment, or cold war rhetoric have left us less secure than we might have been.

Though at the time it appeared a reasonable policy, we are now living in a changing world. Today we are testing the waters of change, and our modest steps have elicited a response in kind from Peking. It was not so much the mere admission of a Table Tennis Team to China, but the extraordinary welcome that signaled a new opening for some sensible approaches to Peking.

You and I know that it is not sentiment that moves hostile regimes toward accommodation, although a healthy respect for the fact that life itself has a tenuous hold on this planet in the nuclear age, cannot be dismissed as mere sentiment. Realistically, it is the hope and expectation of mutual benefit that moves governments as well as man. And the mutual benefits to be derived by civil Sino-American relations can be of profound significance.

In the geopolitical framework, there is a clear benefit in strengthening the Chinese-American axis of the Soviet-Chinese-American triangle. In 1949, at the inception of our China policy, we perceived mainland Chinese quite accurately as Soviet fueled and dominated. Today the independence of China from the Soviet Union cannot be doubted.

The development of normal relations between China and the United States may well tend to restrain Soviet foreign adventures, particularly in the Far East. As for current negotiations on arms control and disarmament, to exclude China with its home grown nuclear capacity, from such talks is attempting to assemble a jigsaw puzzle while excluding a third of the pieces.

But perhaps the most immediate mutual benefits are to be derived from a sharing of experience and techniques in solving the problems of 20th century survival: health, housing, population density, education, transportation, compatible resource development and anti-pollution techniques.

While China remains in many ways industrially primitive who can say that we cannot benefit in unimagined ways from the lessons it is learning in coping with the care and feeding of 800 million people—coping, let's face it, far more successfully in material terms than any densely populated nation in the world.

I am told that the Chinese have made sharp advances in medical research and, perhaps more significantly, they have developed techniques for bringing basic medical care simply and economically to even the most primitive and isolated communities. While our own agricultural techniques remain one of the marvels of the modern western world, China, too, has been able to move from chronic famine to food surplus in several basic crops. Surely the sharing of agricultural and conservation techniques will not prove a one-sided venture.

While the centralized manipulation of and control of thought and behavior are offensive to our cherished concepts of individual freedom, there is little doubt that our social scientists and educators can gain extraordinary insights into the human condition from observing closely such strenuous experiments as the movement of Chinese university students from the cities to rural areas and the integration of work and study.

Of course, our technology can be of enormous benefit to the Chinese people in areas which have little bearing upon the military or strategic capacity of the Peking regime. For example, in Tacoma, Washington, we have a firm that has pioneered in the development of the technology of prestressed concrete for a variety of purposes including housing. Is there any doubt that the Chinese could benefit from knowledge of the unclassified technology involved in this technique? It there any doubt that out of any such exchanges new markets for American technology and "know how" would logically flow, unless inhibited by self-imposed trade barriers?

Of course, trade is the traditional avenue of mutual benefit among nations. Despite the economic buffetings we have suffered this year, Washington remains a great exporting state. Our port operations have expanded an average of 12% in each of the past ten years. Yet we have been handicapped by the off-limits signs which we ourselves have posted upon one of our greatest potential traditional trading partners, mainland China. And now we are faced with the need to overcome the 20 year handicap which we have imposed upon ourselves, as against our European and Asian trading competitors. If we overcome the handicap we can begin to realize the economic benefit from having the closest U.S. ports to the Orient and China.

Today China represents a strong potential market for food grains, chemical fertilizers, certain types of metals and a wide range of machinery products. However, with the exception of manufactured fertilizer and advanced producer goods China is capable of fulfilling her needs from her present trading partners. Thus, the mere dropping of trade barriers will not propel us into the China market. It will take an aggressive and competitive sales effort against strong and entrenched competition. That is precisely the kind of challenge which Yankee traders have met successfully in the past.

Aside from direct trade between the United States and China our share in the volume of third country trade with China has significant potential, once trade controls are

liberalized. The Department of Commerce has now authorized the use of U.S. origin commodities or materials as components in certain farm products destined for mainland China. Thus, last year General Motors sold 80 truck engines to an Italian company for export to China as a component of Italian dump trucks. As yet minimal, this third country market promises substantial future business.

The time is ripe for change. While winding down the Indo-China war, the President, to his great credit, has indicated a readiness to take the initiative and to respond to signals of reciprocity from Peking by dismantling the structure of embargo and discrimination against normal nonstrategic trade with China.

I believe it is up to each of us, to the extent of his ability, to contribute to the forming of a new constructive and realistic China policy.

To this end, I have recently conferred at length with Secretary of State Rogers who shares my belief in the need for new directions in our China policy.

In January I created in the Senate Commerce Committee a new Subcommittee on Foreign Commerce and Tourism whose first assigned task is an exploration of the potential for trade with mainland China.

I have also proposed and the Senate has unanimously endorsed, a proposal for the creation of a World Environmental Institute to serve as a pool of knowledge and talent on environmental problems, to which all nations will have equal access. It was an express objective of this proposal that China not be excluded.

We are working with the organizers of the World Environment Conference scheduled to be held under the auspices of the United Nations in Stockholm in the summer of 1972 to assure that nations who are not members of the United Nations, such as the Peoples Republic of China, will be extended invitations to participate.

In my work in the Senate as Chairman of the Appropriations Subcommittee on Health, Education and Welfare, and as Chairman of the Senate Commerce Committee with its primary interest in problems of transportation and commerce, I am convinced that the potential for a new cooperative relationship with the Chinese exists.

To our benefit and the benefit of the world we can re-discover one-third of the world's population. And there is so much we can share that would not detract from our security, yet enrich our nation and the multitude of millions that live across the Pacific in China.

As Chairman of the Senate Subcommittee that considers all appropriations for health, education and welfare I have a deep and—due to events in my own family—personal commitment to the goal for finding a cure for cancer.

Of late there has been considerable political rhetoric about the importance of a moon shot approach to finding a cure for cancer. Surely we should intensify our efforts and there is much we can do in cooperation with other nations. Would it not be a great service to humanity as well as a safe and prudent national effort to enlist the cooperation of other nations such as China in a common effort of pooled research and resources to wipe this dread disease from the earth?

There are so many dread disasters that mar the fabric of society! Why cannot nations of different political persuasion find a common and peaceful bond in the effort to rid all nations of tragically high infant mortality rates, or the deforming menace of Ruebella (German Measles)? Even though a nation may be our adversary for purposes of national security can it not be our ally in a war against disease?

In recent years our nation has learned more about transportation safety than any nation in the world. Yet there is much more to be learned—55,000 people a year are still dying on our highways. And while we have the safest airline system in the world, even that can be improved upon by better air traffic control systems and landing aids.

We surely do not wish the Chinese any success in the race for might in this world, but is it important to our national security that their citizens have a high risk of death or injury on their highways or airways? These present productive areas for exchange and export of technology.

Similarly, we are learning much more about farming the seas to provide foods and medicines for the world. It cannot possibly be important to our national security that people die in China or elsewhere from malnutrition. Are we the kind of people that could knowingly seek political advantage from such an awful fact?

Surely it is possible to work cooperatively with China and other nations in exploring what science can do to find food from the sea for hungry children.

In the common effort to solve such problems we might learn to live with political diversity in the world community. We pride ourselves in having a national society in which diversity is welcomed and respected as solid evidence that we are in fact a free people. We must learn to exist with political diversity in our world community.

It is my own view that if we can move ahead with peaceful exchange in non-strategic matters such as health care, transportation, environmental control and trade, that we may find such efforts are successful and productive methods of asserting our influence in the world community.

War is no longer a very acceptable or even successful method of securing international objectives. I hope no one is surprised or disappointed that we may be emerging as a more civilized nation looking upon war as a last resort rather than an automatic response to conflict.

If we really want to compete for world leadership and influence let us intervene with trade, and technological exchange and sound ideas for advancing the quality of life for all humans. That is so much better and so much more consistent with the will of our people than killing and maiming and then footing a large tax bill to try to patch things up again.

Now I am not naive and I am keeping in mind the basic harsh facts about China that I outlined earlier. I understand that whether we want bloodshed and war is not always a decision we alone can make. Thus as it takes two sides for war it also takes two sides for peace. But if we at least show that we are willing to try peace—without letting down our guard—we might start a new way of living for people all over the world.

President Kennedy in his last, perhaps most significant major address, a "strategy for Peace" delivered in June of 1963, spoke of a need to alter our relations with the states of the Communist world to seek out areas of common interest and mutual benefit. His words have not lost their point and I would close my speech with President Kennedy's words:

"Let us not be blind to our differences—but let us also direct our attention to our common interests and to the means by which those differences can be resolved. And if we cannot end now our differences at least we can help make the world safe for diversity. For, in the final analysis our most basic right is that we all inhabit this small planet. We all breathe the same air, we all cherish our children's future. And we are all mortal."

## COMMENCEMENT ADDRESS BY DR. GORDON W. BLACKWELL

Mr. THURMOND. Mr. President, Dr. Gordon W. Blackwell, the distinguished president of Furman University, Greenville, S.C., delivered the commencement address during recent graduation exercises at Winthrop College, Rock Hill, S.C., on May 9, 1971.

Dr. Blackwell is noted for his outstanding administrative capability and his accomplishments at Furman University. His remarks reflect his keen insight into the processes of education development.

Mr. President, I ask unanimous consent that this commencement address be printed in the RECORD.

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

WINTHROP COLLEGE COMMENCEMENT ADDRESS BY GORDON W. BLACKWELL, PRESIDENT, FURMAN UNIVERSITY

President Davis and I have several things in common. We both flatter each other in public. We both spent happy years at the Florida State University. We both have headed distinguished public colleges for women. Your president is doing a great job here at Winthrop. He is an outstanding educator.

Finally, President Davis and I share the distinction of having survived in our present respective positions somewhat beyond the current average tenure for college presidents which is five years. This may actually be the greatest feat of all!

I am always pleased to participate in a commencement, for here we have dramatized the progress of young people in their education. At commencement time we recognize that our nation has no need for young men and women fitted all to the same pattern, content to sit back and enjoy a prosperous conformity. Educators and students must be aware that these times require creative people—individuals with independent minds—individuals who seek the truth—individuals who can and will meet the challenges and opportunities of the future with vigor, with imagination, with courage.

There is a statement which I am sure you graduates have heard around here, but I shall repeat it for your parents and friends. Almost a century ago Charles Duncan McIver, illustrious crusader for women's education in North Carolina, was wont to say: "Educate a man and you educate an individual; educate a woman and you educate a family." Truer words were never spoken.

And how would Dr. McIver react to the women's liberation movement if he were here today? Of course, I don't know but it is interesting to speculate, perhaps a look at some basic trends with reference to women in American society will help give perspective.

Well, first off we can say that there are more women than men since women live longer, a baby girl born today has a life expectancy of 74 years.

Especially in the cities does the single woman predominate. She is enjoying independence at an earlier age than formerly. She will usually have her own apartment, even when remaining in her home town. She wants independence early and generally gets it. Apartments and vacation cruises for "singles" are the in-thing these days.

Another trend has been for more and more American women to work outside the home. In 1890 Governor Ben Tillman recommended that South Carolina should have a state college for women and so we have Winthrop College. In that same year, 1890, less than a fifth of the American women were work-

ing; today the proportion is nearer one-half. With women earning $36 billion yearly in salaries and wages, women are entering technical occupations and the professions with increasing frequency. Furthermore, one of every two wives with husband present and children six to seventeen years of age are working.

In 1890 the average age of a mother when the youngest child reached six years was 38. By the early 1960's it had dropped to 32. Mothers now have a longer potential period in which to follow a career since they bear their children at an earlier age.

Furthermore, women have accounted for most of the increase in the American labor force since World War II. For example, between 1950 and 1970 the female labor force increased by 71 percent, while the male labor force rose only 18 percent.

Also the more education a woman has, the more apt she is to be working. About three-fifths of the 3 million women college graduates are working or seeking work. College girls today will work not three or five years but some say an average of more nearly 25 years.

There are many reasons which lead women to work in increasing numbers. Many become dissatisfied with the chit chat at afternoon bridge or with listening to the perennial minutes at the garden club. They desire to feel productive. Many want to keep intellectually alive and consequently they move into one of the professions. And many families find it difficult to make ends meet in the face of the high cost of living, so the wife works as soon as the youngest child reaches school age.

Moving now to another point, a peculiar characteristic of American communities has significance for women. The local community is the social milieu in which women play their multiple roles. There are many voluntary organizations in every community and women provide most of the leadership for these groups. De Tocqueville in the last century, and Charles and Mary Beard later, noted that Americans are great "joiners" and volunteer workers. The number and variety of these organizations are a source of wonderment to visitors from abroad.

An analysis of *Who's Who of American Women* shows that by far the largest single grouping is notable because of leadership in voluntary organizations. Women may be expected to play increasingly important parts in these local groups. And these groups will play an increasingly important part in preparing the woman of tomorrow to make the adjustments that tomorrow will demand.

In addition to gains by women in the world of work and in voluntary community leadership, women in America have achieved a large measure of equality of opporunity with men in the ballot, in family life, and in other important matters. Women cast approximately as many ballots as men in the presidential elections. Women are significant as stockholders in America's great corporations. Women control at least 60 percent, some say as high as 85 percent, of all personal expenditures.

Progress has been made also toward equality in education. For example, in 1890 less than 3,000 women graduated annually from American colleges and universities. Eighty years later the number is over 300,000, and it appears certain that women will secure a college education with increasing frequency in the future.

But what has been the significance of all these changes for the personality development of women? Each woman faces the necessity of charting her own course of development somewhere between putty-like conformity to prescribed cultural norms on the one hand and autonomous personal action on the other hand as called for by women's liberation. In American society the pressure for conformity by women has always been great, varying of course from region to region, from community to community, and among different social strata and ethnic groups. But the problem for the contemporary woman has become conformity to what? The many new social patterns and new aspirations encouraged by women's liberation provide a maze of multiple statuses and roles fo reach woman, often involving frustrating conflict.

Her probable mobility adds to the complexities facing her. Changing values in the society make it difficult for her to keep her social moorings. The culture and social structure do not provide her with sufficiently clear guidelines and high predictability in interpersonal relations. The social situation is not clearly defined for her. Social adjustment often proves difficult. According to a noted sociologist Robin Williams, "If such disillusion of the social pattern involves values central to the person's self-identity, the shattering of stable social expectations seems catastrophe for personality integration." It just could be, then, that the trends I have noted and the further precipitate changes called for by women's liberation may constitute a mental health hazard for the very people the movement seeks to free.

From what I have said, it should be clear that the objectives of education for women are more complex than for men. The educational needs of a woman relate to her potential roles as homemaker, mother, citizen, worker, and an attractively intelligent, feminine person. If a career becomes a reality for a woman, as we have seen is more and more frequently happening, the career may be of the split type occupying only a brief period before and immediately after marriage, then a longer period after the children are of school age. Many women experience the two-way stretch of home and job in tandem. These are among the complexities of the adjustment problem of women.

A study of sophomore girls at Vassar College some years ago revealed that the chief goal of most of them was to marry and have their 2.7 children. This still remains the primary objective of college women, I trust.

Why then is it good that you who are graduating today have successfully completed a college education? I suggest, first, that it is good because you who have experienced a liberating education will more likely have the maturity, the serenity, the breadth of interests and the fundamental sense of values which are required in the effective handling of the trying responsibilities of motherhood and homemaking.

Next, in your role as responsible citizens you will require the ability to discriminate between the significant and the trivial, the true and the false, the relevant and the irrelevant, the objective and the biased. As educated women you stand out from the rest and must be ready, yes eager, to assume community leadership.

Furthermore, in view of occupational trends, you should have or should plan to secure the preparation for work at levels commensurate with your own potential. You should be prepared to take your places in the many professional or technical positions which are now open to women. Especially has the profession of teaching at all levels of education never been more important, nor the need more urgent for effective teaching techniques and sound mastery of subject matter.

And now I shall conclude with an excerpt from a radio script, "The Educated Woman," broadcast by CBS a few years ago. At one point in the program, as explained by the narrator, the late Edward R. Murrow, the distinguished Pulitzer prize-winning poet and playwright, Archibald MacLeish, argues with his self-made antagonist in an original dialogue. The antagonist speaks first.

ANTAGONIST. A hundred years ago, there were still silly people around who thought women were so inferior to men that they couldn't be educated beyond the female seminary level, which is why the sensible people had to found women's colleges. We know much better today; we know that men and women do not differ at all in intellectual capacity. There are even women at Harvard!

MACLEISH. A great advance, but does science really believe now that there is *no* difference?

ANTAGONIST. Oh, of course, there are still the obvious biological . . .

MACLEISH. Well *vive* those differences anyway. But is it merely biological? Physiological?

ANTAGONIST. You mean to say you still think there are intellectual differences?

MACLEISH. I don't know that "intellectual" is the word. But differences other than architectural, yes. The great revealer of the human animal is the art he makes. Do you really see no difference between the poems made by men and the poems of women from Sappho down to Emily Dickinson and Marianne Moore?

ANTAGONIST. You are going to say that poems by women are inferior?

MACLEISH. Sappho inferior?

ANTAGONIST. Well then what difference?

MACLEISH. The greatest of all differences. A difference in sensibility, in perception.

ANTAGONIST. A difference which affects the education of women?

MACLEISH. Yes.

ANTAGONIST. How?

MACLEISH. By making the education of women more important than the education of men.

ANTAGONIST. Well, the court will hear you on that.

MACLEISH. Two reasons. One, the sensibility of women makes them more susceptible to the kind of education which our time most deeply needs.

ANTAGONIST. What education is that?

MACLEISH. The education of the emotions, of the power to feel. Our danger in this time is that we will perish of the dry rot of abstraction—of factual information, of intellectuality.

ANTAGONIST. And what's the second reason?

MACLEISH. That women, as long as children go on being born as they now are, are in a far better position than men to affect the human future, to keep the civilization alive. For civilization is not just knowing. Civilization is a way of feeling what you know, what you think you know, at least.

In summary, I agree with Charles Duncan McIver that women have a unique role in the furtherance of civilization. In his words, "The proper training of women is the strategic point in all culture." But proper training must take into account social and economic trends and must be related to the needs of women not of yesterday but of the tomorrow to which women's liberation is leading us.

And so I congratulate you as young college educated women. For you, this day is an open door to a future that can be as full and rewarding as you are willing to make it. My best wishes go with you.

## ERVIN HEARINGS ON PRIVACY, IV—TESTIMONY OF ROBERT F. FROEHLKE

Mr. ERVIN. Mr. President, during the past several days I have introduced into the CONGRESSIONAL RECORD prepared statements from former Army intelligence agents who testified at the Subcommittee on Constitutional Rights hearings on computers, data banks, and the Bill of Rights. These men have described how military intelligence was conducted and the uses to which the raw data collected was put.

Today I would like to place in the RECORD the testimony of Mr. Robert F.

Froehlke, Assistant Secretary of Defense (Administration) that relates to military surveillance activities. Mr. Froehlke informed the subcommittee what the Department of Defense has learned about such activities and what changes in policy and organization have been initiated to conform investigative and counterintelligence activities to the rights of our citizens and the requirements of our Nation.

I would also like to put in the RECORD a document detailing the Army's intelligence gathering requirements prior to the first disclosures about the civil disturbance program. This document, dated February 1, 1968, is entitled "Annex B (Intelligence) to the Department of the Army Civil Disturbance Plan (U)."

Mr. President, the Department of the Army Civil Disturbance Information Collection Plan has already been placed in the CONGRESSIONAL RECORD. Senator BAYH of Indiana, a member of the subcommittee, introduced this document on Tuesday, March 2, 1971. It begins on page 4553 of the RECORD for that day. I am calling attention to this document because of its pertinence to the Army's intelligence gathering program. I think that it should be read in conjunction with the materials I am introducing today.

I ask unanimous consent that the statement of Mr. Froehlke and the February 1, 1968, Annex B (Intelligence) be printed in the RECORD as this point.

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

STATEMENT OF ROBERT F. FROEHLKE, ASSISTANT SECRETARY OF DEFENSE (ADMINISTRATION), TO THE SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS OF THE SENATE JUDICIARY COMMITTEE, MARCH 2, 1971

Mr. Chairman, distinguished members of the Subcommittee: The Department of Defense welcomes this opportunity to discuss with the Subcommittee the activities of the Department of Defense as they relate to the general right of privacy of citizens and to respond to the inquiries which you, Mr. Chairman, have addressed to the Department.

The Secretary of Defense and his civilian and military assistants in the Department of Defense share your concern that activities of the Department of Defense be and remain consistent with constitutional rights and other legal protections of individual citizens in the performance of its national security mission. Adequate safeguards must be maintained to insure the continuation and strengthening of civilian control and cognizance of such activities.

On December 23, 1970, I was directed by Secretary of Defense Laird to review all policy directives relating to the conduct of investigative and counterintelligence activities in the Department of Defense. In addition, I was directed to inform the Congress and the public of the changes which are being made in policy and organization.

It is my purpose today to inform you of the situation I have found and the changes in policy and organization initiated to insure that DoD investigative and counterintelligence activities are completely consistent with constitutional rights, all other legal provisions, and national security needs.

I will first address the specific subject of information collected primarily through Military Service investigative organizations and utilized by the Department of Defense and other Departments and Agencies of Government, which is obtained from, or relates to, the civilian community—that is, persons not affiliated or connected with the Department of Defense.

Within the past year, there has been a focus of official and public attention on the fact that for a period of time during the 1960's the Military Services were engaged in the collection and analysis of information on persons and organizations not affiliated with the Department of Defense. Clearly there is no precedent for the scope and intensity of information collection and analysis related to the civilian communities which occurred in the period in question. The character and extent of information collection undertaken by the military and the curtailment of this activity during the past two years can only be understood if related to the circumstances which initially led to the military involvement.

The collection, storage, and analysis of information related to the civilian community has been the focal point of current discussion and concern. This informational aspect of military involvement is only a part of, and inseparably related to, the more direct and comprehensive involvement of the Military Services in civil disturbances, namely the prepositioning or actual use of military forces to cope with violence in civilian communities.

The history of the United States contains a number of instances when civilian authorities used National Guard or Federal troops in connection with domestic disturbances. Article IV, Section 4, of the Constitution of the United States provides: "The United States shall guarantee to every State in this Union a Republican Form of Government, and shall protect each of them against Invasion; and on Application of the Legislature, or of the Executive (when the Legislature cannot be convened) against domestic Violence."

As early as 1795, the Congress passed statutes implementing this Constitutional provision. Currently applicable enabling statutes include Sections 331, 332, and 333 of Chapter 10 of the United States Code.

Between 1786 and 1921, Federal military forces were used in connection with domestic disturbances approximately 30 times, according to a list compiled by the War Department for the Senate. Approximately seven of these instances occurred in the aftermath of the Civil War. Some five of them occurred in territories, rather than in states.

It is apparent that prior to 1960 instances of civil disturbances necessitating the use of Federal troops were sufficiently infrequent and isolated as to preclude any necessity for detailed contingency planning by Federal civilian or military authorities. Therefore, there was no need for collection of information to assist in such contingency planning.

In the early 1960's incidents of civil disturbances, unfortunately, increased in frequency and intensity. Federal troops were deployed in Oxford, Mississippi, in 1962 and 1963. Federal troops were again committed in Tuscaloosa and Huntsville, Alabama, in June 1963. Federal troops were deployed, although not committed, in Birmingham, Alabama, in June 1963 and were pre-positioned, but again not committed, in Washington, D.C., in August 1963. Federal troops were deployed during the Selma-Montgomery, Alabama, march of 1965. During this period, there were also a number of other instances of civil disturbances which occasioned alerts but not deployments of Federal troops.

Officials charged with responsibility for the commitment, deployment, or potential deployment of Federal troops in this period foresaw and expressed the need for improved planning in connection with Federal activities and participation in assistance to states and local communities during civil disturbances.

Following the commitments or prepositioning of Federal forces during the 1962–63 period, each at the orders of the President, the Joint Chiefs of Staff delegated specific responsibilities in connection with future use of Federal troops in civil disturbance situations. The Commander-in-Chief of STRIKE Command was assigned responsibility for the selection, movement and prepositioning of Federal forces when the Department of Defense was so directed by the President. The Chief of Staff of the Army was designated as Executive Agent for the Joint Chiefs of Staff to command Federal troops either personally or through a designated personal representative when Federal troops were committed in connection with civil disturbances by order of the President.

In 1964, although there was no prepositioning or commitment of Federal troops in connection with civil disturbances, the Department of Defense received a number of requests for information and assistance of various types related to and in anticipation of civil disturbances. In June 1964, the Deputy Secretary of Defense, by memorandum, directed that any requests for assistance by the Department of Defense in connection with civil disorders be referred to either the Secretary of Defense or the Deputy Secretary of Defense. In July 1964, the Secretary of Defense, by memorandum, reiterated that such requests could only be approved by the Secretary or Deputy Secretary of Defense. He further directed that any such requests be immediately reported to the Secretary or Deputy Secretary.

In 1965, Federal troops were committed only once—in Selma, Alabama. There were, however, four other major riots and civil disorders in the country, the largest having taken place in the suburb of Watts, Los Angeles, California. During the latter riots, 3 law officers and 33 civilians were killed and more than 1,000 persons injured.

In 1966, according to the compilation of the Permanent Subcommittee on Investigations of the Committee on Government Operations, U.S. Senate, there were 21 major riots and civil disorders. Seven of these necessitated the use of National Guard troops. In 1967, according to the same compilation, there were 83 major riots and civil disorders and the National Guard was used in 25 of them. The 1967 riots and disorders resulted in 83 killed and almost 2,00 injured. Out of the 83 disorders, sniping occurred in 35 and looting in 50 of them. The largest and the most destructive of the major disorders in 1967 were those in Newark, New Jersey, and in Detroit, Michigan. In July 1967, Federal troops were alerted but not prepositioned in Newark, New Jersey. Federal troops were committed for the restoration of order in Detroit.

In the first seven months of 1968, there were 57 major riots and civil disorders. The National Guard was used in connection with 29 of these disturbances and Federal troops were prepositioned or committed in four of them, three of which were concurrent.

Strife continued during the remainder of 1968, 1969 and into 1970. The National Guard, under control of State officials, was employed 78 additional times during the latter part of 1968. Federal troops were prepositioned in Chicago in August, 1968, in connection with the Democratic Convention. In 1969, Federal troops were prepositioned on two occasions at Washington, D.C. Events in New Haven, Connecticut and Washington, D.C. in 1970 generated a requirement again to preposition Federal troops. While the intensity of the disturbances may have diminished in 1969 and 1970, State officials still found it necessary to employ National Guard forces on 67 occasions in 1969 and on 49 occasions in 1970.

Prior to the summer of 1967, the involvement of the Military Services in collection of civil disturbance information could be characterized as minimal but increasing. July and August of 1967, however, marked a turning point.

In mid July, Federal troops were alerted

for Newark, New Jersey, in connection with large-scale disorders which were occurring there. The riots in Detroit began on July 23 and continued until July 31. Federal troops were committed. Shortly after the beginning of the Detroit riots, the Secretary of Defense created a Civil Disturbance Task Force under the Chairmanship of the Under Secretary of the Army. This was an interdepartmental task force and included membership from the White House and the Department of Justice, as well as other agencies.

During the riots in Detroit in July 1967, Mr. Cyrus Vance, who had previously served as Deputy Secretary of Defense, was the personal representative of the President and the senior Federal official in Detroit. In September 1967, Mr. Vance filed an extensive report on his experiences in Detroit. In his report he stated, "In order to overcome the initial unfamiliarity of the Federal troops with the area of operations, it would be desirable if the several Continental Armies were tasked with reconnoitering the major cities of the United States in which it appears possible that riots may occur. Folders could then be prepared for those cities listing bivouac sites and possible headquarters locations, and providing police data, and other information needed to make an intelligent assessment of the optimum employment of Federal troops when committed." His report also stated, "The assembly and analysis of data with respect to activity patterns is needed. I believe it would be useful to assemble and analyze such data for Detroit, Newark, Milwaukee, Watts, etc. There may be 'indicator' incidents; there may be typical pattern of spread; there may be a natural sequence in the order in which the several types of incidents occur. All of these should be studied."

In response to the increasing frequency and intensity of civil disorders, the Army's experience in Detroit, and to Mr. Vance's after-action report, the Department of the Army undertook through a task group to evaluate the roles and functions of the active Army and of Reserve component units in urban riots. This task group subsequently became the Army Civil Disturbance Committee. It made numerous recommendations which resulted in the formulation and issuance of a comprehensive civil disturbance plan on February 1, 1968.

Through the period 1965–1968, there was a crisis-oriented attitude with respect to civil disorders. During the entire period, and particularly in 1967 and 1968, heavy emphasis was placed by civilian and military officials at the highest levels of Government on improving the preparedness of the Federal Government structure, including the military, for dealing with multiple, large-scale, concurrent civil disturbances.

It is significant that around 1967, the character of the major disturbances underwent a change. Prior to this point in time, the civil disturbances had largely arisen in connection with racial matters, and had apparently been precipitated by a chance incident. Later, although racial incidents continued, a new potential for major civil disturbances also arose. This potential centered on planned and usually pre-announced assemblies of persons from across the nation to protest the war. Many of the potential participants in these pre-announced assemblies announced their intention to disrupt the government. It was the cumulative impact of these developments which led to the Army being tasked to plan for possible commitment of Federal troops in as many as 25 major cities concurrently.

On April 10, 1968, the National Advisory Commission on Civil Disturbances, known as the Kerner Commission, filed its report. This Commission reported that the Army Staff Task Group had conducted a study on which the Commission had relied heavily. The Commission commended the Army for undertaking this over-all review. One of the Commission's recommendations was:

"The Commission further recommends that Federal-State planning should ensure that Federal troops are prepared to provide aid to cities not presently covered by the Army's 'planning packet' effort."

It is also significant to note that a Commission finding stated that "the absence of accurate information, both before and during disorder, has created special control problems for police."

Primary responsibility for assistance from the Military Services in connection with civil disturbances was placed on the Army. As I mentioned earlier in my statement, the Chief of Staff of the Army was designated as Executive Agent for the Joint Chiefs of Staff for civil disturbance matters in 1963. On April 5, 1968, the Secretary of the Army was formally designated Executive Agent in civil disturbance matters for the Secretary of Defense.

It was against this general background, and in this period of crisis, that the involvement of the Military Services in collection and analysis of information on civilians and organizations not affiliated with the Department of Defense occurred. These so-called intelligence activities were only one facet of the overall planning and operations required from the Military Services in connection with civil disturbances.

Although all of the Military Services were subjected to requirements connected with information collection related to civil disturbances, the Department of the Army had the responsibility for the principal effort. The other military departments had a collateral role consisting primarily of responding to intelligence requirements developed by the Army planners to the extent the other Services possessed information which filled the specified need.

Essentially two types of organizations and information collection and handling activities became involved in information collection on people and organizations which were part of the civilian community. The first of these organizations and activities was that which normally conducts background investigations on Department of Defense personnel and others who have a need for access to classified information. This is essentially an investigative organization located in field offices throughout the country. The organizational structure of this type of activity in the Army varied over the period 1963–1969, but since 1965 has comprised the United States Army Intelligence Command.

The second of these organizations is the tactical intelligence units organic to combat units, such as a division. The primary mission of such units is to be prepared to support their command when committed to combat operations. In only a few known instances, did such a tactical military intelligence detachment become involved in collection of information on civilians and civilian organizations. At this point, I will confine my discussion to the activities of investigative-type units, and thereafter I will address the activities of tactical intelligence units.

Neither the investigative-type organizations nor the tactical intelligence units organic to combat operations stationed in the United States are engaged in positive or foreign intelligence activities. Neither the Defense Intelligence Agency nor other organizations concerned with foreign military intelligence were involved in the collection or utilization of information on United States civilians and civilian organizations not affiliated with the Department of Defense.

Turning back to the involvement of investigative-type activities, it is relevant that in the Air Force and in the Navy background investigations are conducted by the same organizations and the same personnel charged with the responsibility of conducting criminal investigations. In the Army, criminal investigations are conducted by the Criminal Investigation Division, a separate agency from the United States Army Intelligence Command, which conducts background investigations. In all three military departments, the organization or activity which conducts background investigations also is tasked with such related counterintelligence requirements as are authorized and necessary for that military department.

Investigative and related counterintelligence collection activities can be divided into categories based on the nature or techniques utilized for collection of the information. Generally, these categories are: (1) liaison, (2) public media, (3) direct agent observation, and (4) covert. Liaison collection involves the obtaining of information from Federal, state and local authorities by personal contact and written inquiry. Collection by public media involves the clipping and noting of news publications, and the monitoring of commercial telecasts and radio broadcasts. Direct agent observation involves the use of personnel to personally observe activities and events and would include personal surveillance. Covert collection involves deception and the attempt to preclude awareness by those on whom information is being collected. Covert collection includes, for example, agent penetration of an organization by the use of credentials other than those identifying the agent as a military investigator.

The involvement of Army investigative and related counterintelligence organizations in the collection and utilization of information related to civil disturbances had its genesis in 1963. At that time, after several deployments of Federal troops, the Chief of Staff of the Army was designated as Executive Agent for the Joint Chiefs of Staff to command Federal troops committed to civil disturbances. Concurrent with this designation, the investigative and counterintelligence organizations of the Army, at that time organic components of the several Continental Armies, were assigned the mission of briefing the personal representative of the Army Chief of Staff on the scene. In addition, directives specified that upon the issuance of an executive order by the President committing Federal troops in connection with the civil disturbances, the investigative and related counterintelligence units in that particular Continental Army area immediately came under the operational control of the personal representative of the Chief of Staff of the Army.

From 1963 to 1965, the investigative and related counterintelligence units of the Continental Armies had the mission, in connection with civil disturbances, of being prepared to provide initial briefings to the Commander at the time of commitment of Federal troops by the President. In addition, they were to be prepared thereafter to provide the informational needs of the Task Force Commander during the period of troop commitment. In order to prepare for the requirement of an initial briefing, civil disturbance information began to be collected. The collection means which were authorized by directives of the Continental Army Command were by liaison and reviewing the public media. Generally, direct agent observation could be resorted to in an emergency situation by authority of the Continental Army Commander. Covert collection was prohibited without the specific approval in each case of the Commander, Continental Army Command, after coordination with the Federal Bureau of Investigation as provided in the Delimitations Agreement.

On January 1, 1965, the United States Army Intelligence Command was activated. It included all Army investigative and counterintelligence units in the United States which had formerly been parceled out among the various Continental Armies. It did not, of course, include the tactical units assigned to combat operations organizations. The same policies authorizing and restricting methods of collection which previously pertained were

incorporated into the directives of the Intelligence Command. The Commander of the United States Army Intelligence Command reserved to himself the authority to approve any covert collection.

As early as 1963, there are records of complaints about the failure, or inability, of the Army's investigative and counterintelligence units to provide adequate civil disturbance information prior to the commitment of Federal troops. In retrospect, it is clear that such Army units could not satisfy the requirements for civil disturbance information by authorized collection means, namely, liaison and public media review.

Early in 1965, it appears that the Army staff was tasked to provide a daily Civil Disturbance Situation Report. There is no record to indicate who imposed this requirement. However, in September 1965, the Secretary of the Army, in a memorandum to the Deputy Secretary of Defense, recommended that the daily Civil Disturbance Situation Report be discontinued. The recommendation of the Secretary of the Army was based on a similar recommendation by offices in the Army Intelligence Command. The recommendation was approved.

Nevertheless, the number and variety of requirements for specific information related to civil disturbance continued to increase through 1967. Following Detroit, direct agent observation was increasingly used to fill requirements.

Let me emphasize, however, that even during this period a small proportion of the total time and effort of personnel assigned to investigative and counterintelligence organizations was used for collection or processing of civil disturbance information. The great majorty of investigative personnel were at all times engaged in the routine personnel background investigations.

It is also evident that both civil and military authorities continued to be dissatisfied with the quality and quantity of civil disturbance information provided.

The increased concern, activity and planning led to the issuance of the comprehensive Army Civil Disturbance Plan in January 1968. On February 1, 1968, the Intelligence Annex to the Civil Disturbance Plan was issued. The Intelligence Annex contained a one page list of general essential elements of information, and there was limited tasking by specific units and types of units.

In the first six months of 1968, however, the level of riots continued high and at an even greater intensity. It was in this period that the extensive riots following the assassination of Dr. Martin Luther King occurred. Official concern grew. Law enforcement agencies, including Federal agencies, made known to the high civil authorities their lack, in quantity and quality, of the necessary resources to cope with the increasing demands for information. As a consequence, a more comprehensive and detailed intelligence document was issued on May 2, 1968. This was the Department of Army Civil Disturbance Information Collection Plan. It was classified Confidential. It was rescinded on June 9, 1970 and declassified on February 24, 1971. I will provide a copy for the record.

This Civil Disturbance Information Collection Plan provided that predisturbance information would be obtained by drawing on other Federal as well as state and local forces. These forces secure such data in the course of carrying out their primary duties and responsibilities. It further provided that United States Army Intelligence Command personnel would not be directly used to obtain civil disturbance information unless specific direction to do so had been received from Headquarters, Department of Army. Covert operations by United States Army Intelligence Command personnel were prohibited without the prior approval and direction of the Assistant Chief of Staff of Army for Intelligence.

This collection plan contained the following preamble:

"It is recognized that Army assistance to local or state authorities in peacetime, as well as in wartime emergency, is a long standing tradition in our country. In most instances to the past, such assistance was rendered with a minimum of advance information concerning the situation. The current civil disturbance situation dictates a change in the degree to which the Army must seek advance information concerning potential and probable trouble areas and trouble makers.

"The Army is well aware that the overwhelming majority in both the anti-war and the racial movements are sincere Americans. It also realizes that in both groups there is a small but virulent number who are out to tear America apart. During demonstrations and disturbances these are the activists that control the violent action. These are people who deliberately exploit the unrest and seek to generate violence and terror for selfish purposes. If the Army must be used to quell violence it wants to restore law and order as quickly as possible and return to its normal protective role—to do this it must know in advance as much as possible about the well springs of violence and the heart and nerve causes of chaos. To do less means the professional violence purveyors will have a better chance to achieve their end aims—law breaking, social disintegration, chaos, violence, destruction, insurrection, revolution.

"In obtaining the information called for in this plan the Army seeks only to collect that needed to exercise honest and sound judgment of the measures to be taken in suppressing rampant violence and restoring order—to assure that only the mildest effective measures are exercised—to insure that no overstepping of the degree of force or circumscription needed is applied—to conserve military resources and to avoid infringement on the responsibility and authority of civil government agencies—to insure pervasive vigilance for the fundamental rights of private citizens by the selective and enlightened use of force in restraint against those who are truly violating the rights of their fellow citizens."

The Collection Plan directed specific tasking of organizations within the Army to provide civil disturbance information. In addition, it contained a standing request for pertinent information which might be obtained by the Department of the Navy, Department of the Air Force, the Defense Intelligence Agency and other Department of Defense agencies. In addition, it requested civil disturbance information from a number of non-DoD Federal agencies and offices.

This Collection Plan received wide distribution including the Office of the Secretary of Defense, the National Security Council, and the Department of Justice.

This Civil Disturbance Information Collection Plan imposed requirements in extensive detail in four categories: predisturbance activities, activities during civil disturbance, post disturbance activities and international activities related to civil disturbance. The requirements were both comprehensive and detailed, and, in the light of experience, substantially beyond the capability of military intelligence units to collect. They reflected the all-encompassing and uninhibited demand for information directed at the Department of the Army.

Despite the limitations in the Civil Disturbance Information Collection Plan on the methods of collection, it is apparent that many of the requirements which the United States Army Intelligence Command was asked to satisfy could not conceivably be collected by liaison or public media-type collection. It is highly improbable that many of the requirements listed could be obtained by other than covert collection. Indeed, many of these requirements could not be satisfied by any collection means and certainly not with the resources available. So comprehensive were the requirements levied in the Civil Disturbance Information Collection Plan that any category of information related even remotely to people or organizations active in a community in which the potential for a riot or disorder was present, would fall within their scope. Information was sought on organizations by name or by general characterization. Requirements for information were even levied which required collection on activities and potential activities of the public media, including newspapers and television and radio stations.

In summary, the Department of Army Civil Disturbance Information Collection Plan was widely distributed throughout the Federal Government, and to officials of each state government. It expressed the need and desire for every conceivable type of information related to civil disturbances and the people and organizations who were or might become involved in civil disturbances. The United States Army Intelligence Command vigorously attempted to comply with the Civil Disturbance Information Collection Plan requirements.

The Army's Civil Disturbance Information Collection Plan was rescinded on June 9, 1970.

At this point, I would like to turn to the source of legal authority for the use of the military in collecting civil disturbance information and to the matter of civilian control of the military in connection with these activities.

Basic authority for the use of the Armed Forces in connection with civil disturbances is Article IV, Section 4 of the Constitution and Sections 331, 332 and 333 of Title 10 of the United States Code.

The civil disturbance information collection activities of the Military Services were all integrally connected to the use or potential use of Federal troops under this authority. This information collection was obviously considered necessary and essential to the effective use of Federal military forces in connection with the widespread riots and domestic disorders occurring in this period.

In none of the documents of record, however, during this period of crisis do we find a specific legal rationale for this use of military resources to collect civil disturbance information. Indeed, it would be surprising, had such a rationale been prepared, since the information collection was so inseparably a part of the total use of Federal troops. In order to carry out the President's order and protect the persons and property in an area of civil disturbance with the greatest effectiveness, military commanders must know all that can be learned about that area and its inhabitants. Such a task obviously cannot be performed between the time the President issues his order and the time the military is expected to be on the scene. Information gathering on persons or incidents which may give rise to a civil disturbance and thus commitment of Federal troops must necessarily be on a continuing basis. Such is required by Sections 331, 332 and 333 of Title 10 of the U.S. Code since Congress certainly did not intend that the President utilize an ineffective Federal Force.

It is worthy of note that none of the activities referred to above were prohibited by Federal or state law. Two cases have been decided in the lower Federal courts where action has been brought by individuals seeking to enjoin collection by military organizations of civil disturbance type information on persons and organizations not affiliated with the Department of Defense. One suit, the *ACLU et al v. Westmoreland et al* was recently heard in the Federal District Court in Chicago. This action was ordered dismissed by the District Judge and that order is now on appeal. In the other case, *Tatum et al v.*

*Laird et al,* the court dismissed plaintiff's motion for a preliminary injunction on the grounds that plaintiff failed to state a cause of action and showed no unconstitutional action and alleged no unlawful action on the part of defendants. The appeal from the order of the District Court has been argued before the Court of Appeals and a decision on the appeal is pending.

Since no use of civil disturbance information was made or intended to be made that would result in any action to the prejudice of any individual or organization, it is difficult to perceive how the Constitutional rights or even the right of privacy could be impinged by the collection of such information. Even were the individual rights of some individuals indirectly affected, however, the Supreme Court has repeatedly held that such rights of individuals are not absolute but are under certain conditions subject to incidental limitations upon their exercise. (*United States* v. *O'Brien,* 391 U.S. 367 (1968))

We recognize, of course, the fact that their activities were legal does not resolve the question from a policy standpoint of whether such activities, at any particular point in time, are appropriate.

It is evident from the record during this period that all of the officials involved—military, as well as civilian—recognized at all times that Federal troops could not be committed in connection with civil disturbances except by Executive Order by the President. While House personnel participated in the general planning and direction of the total civil disturbances planning. They were also involved in the establishment of requirements for and the tasking of the Military Services to provide the civil disturbance information needed. The records also demonstrate that the Attorney General was recognized by all as the Chief Law Enforcement Official of the Federal Government. The Department of Justice similarly participated in the planning and direction of the civil disturbance activities, including civil disturbance information collection by the Military Services.

Nonetheless, the records reveal that little, if any, direction and guidance was provided to the Military Services from the White House or the Department of Justice in written form. There were, of course, the several Executive Orders, which during the period, committed Federal troops to assist in controlling major disorders. Numerous memoranda of record of inter-agency group meetings at the White House and elsewhere, however, demonstrated that the highest level of civilian officials participated. Even in the detailed planning performed by the civil disturbance task force, headed by the Under Secretary of the Army, both the White House and the Department of Justice had representation.

The degree of civilian participation was in some cases, quite detailed. For example, civilian officials at times dealt directly with collection groups in the field. In one case, it appears that there were attempts by a civilian official to deal directly with an individual agent while he was engaged in direct agent observation.

I might also mention that the committees of the Congress were made aware of the military's participation in the collection of civil disturbance information. For example, on April 25, 1968, the Permanent Subcommittee on Investigations of the Committee on Government Operations of the Senate held a "conference on problems involved in the Poor People's March on Washington, D.C." Both the Under Secretary of the Army and the Assistant Chief of Staff for Intelligence of the Department of the Army were interrogated intensively to determine whether their efforts to collect information on the potential for civil disturbance in connection with the Poor People's March were adequate. The conference was also attended by the Attorney General, who was similarly interrogated.

In a number of instances during this period, the potential for disorders was perceived from announced intentions of various organizations to promote mass demonstrations of large numbers of people from all over the country for demonstrations in a specific city, often Washington, D.C. Some demonstration leaders publicly announced their intent to disrupt the functions of government. Information was desired on the numbers of persons from a variety of organizations from many locations across the country who might attend such demonstrations. No organization had sufficient trained personnel of the types needed to collect such information except organizations within the Military Services.

The records clearly indicate that military resources were employed because civilian agencies—Federal, state and local—had demonstrated a lack of capability to provide the quantity and types of information believed to be necessary effectively to cope in a timely fashion with the emergency then prevailing.

At this point, I would like to discuss briefly some of the types of collection activities which were conducted. The collection requirements levied on the United States Army Intelligence Command, both in the form of specific requests for information and by the Civil Disturbance Information Collection Plan, necessitated an increasing use of direct agent observation as a means of collection to supplement information collected by liaison and from public media. Direct agent observation included such activities as attendance at civilian meetings and gatherings, personal photography and the recording of what was said at the meetings attended.

There is, of course, a rather hazy distinction between what has been characterized as direct agent observation, on the one hand, and covert collection, on the other. When major riots and civil disorders were prevalent, as well as in their aftermath, covert collection was authorized by the appropriate authority. The instances of covert collection were coordinated with the Department of Justice as required by the Delimitations Agreement.

Since mid-1967, there have been four events, in connection with which Army personnel have conducted major covert operations. These operations included, in some instances, penetration of civilian organizations connected with pre-announced assemblies with a high potential for civil disturbances. These events were the march on the Pentagon in October 1967, the Washington Spring Project in May to June 1968, the Democratic National Convention in August 1968 and the Presidential Inauguration in January 1969. For example, during the Democratic National Convention agent personnel were used as photographers under cover of fictitious firms to photograph and record interviews with leaders and members of the demonstrations and to film actual demonstrations in Chicago. During the same period, agent personnel, consisting of Negro teams and hippie teams, joined with potentially violent elements across the country and travelled with them to Chicago. To a lesser degree than occured in Chicago, the same methods were employed during the Inauguration activities in January 1969.

In addition to these instances, a civil disturbance related covert collection was authorized for an agent to enroll at New York University to monitor a special course entitled "New Black Revolt" in early 1968.

Military investigative personnel performed two distinct and different functions during the Democratic National Convention in Chicago and the Republican National Convention in Miami in 1968.

At the request of the Secret Service, personnel from the Army's Criminal Investigation Division, from the Naval Investigative Service and from the Office of Special Investigations of the Air Force were loaned to the Secret Service for augmentation of their security forces for the protection of the President, Vice President, and Presidential and Vice Presidential candidates. These personnel, used in connection with the Convention and Convention facilities for security protective purposes, were on loan to the Secret Service under the provisions of Section 2, P.L. 90–331, enacted June 6, 1968. These personnel from the Military Services were under the operational control of the Secret Service. They were not engaged in any type of information collection activities.

Personnel from the Army Intelligence Command were used for information collection activities in connection with civil disturbances and demonstrations in Chicago and in Miami during the Conventions. In Chicago, Army Intelligence Command personnel were augmented by personnel from the Naval Investigative Service.

Those engaged in information collection activities had no connection with the official activities of the Conventions. They were concerned solely with civil disturbances. They were not on duty in the Convention Halls. Subsequent inquiry has revealed that several of these personnel individually attended Convention sessions, but not in any official capacity. According to the best information available, there were a total of three such spectator visits—one in Miami and two in Chicago.

Electronic surveillance was not employed by Defense personnel either at Miami or in Chicago. No private communications—radio or wire—of any political headquarters or political persons were monitored. During the riots in Chicago, Army personnel acting in support of the Federal troops prepositioned there, did use radio receivers to listen to citizens' band broadcasts.

As I mentioned earlier, the primary responsibility for collecting civil disturbance type information was assigned to the Department of Army. The other Military Services were requested to provide such information as was in their possession or as came to their attention which fell in the categories of civil disturbance information. Other than the Army, the Services were not tasked for collection of civil disturbance information.

With reference to the entire record of the collection of civil disturbance information by the Military Services, several conclusions are apparent.

The Army investigative and related counterintelligence organizations were the units primarily tasked for collection of information in connection with civil disturbances. Until about 1967, they generally responded slowly and unenthusiastically to this assigned task. Beginning in 1967, however, the tasking of the Army investigative and related counterintelligence organizations was more formal and comprehensive. The units thereafter responded, in many cases, quite aggressively.

From the vantage point of hindsight, the guidance and direction to the military for collection of civil disturbance information was too often general and oral rather than in written form. Directions flowed from meetings of civilian officials, attended by military officers. In many cases, requests for specific civil disturbance information were transmitted by telephone. For example, a senior Justice Department official would telephone a request to the Department of the Army to know immediately what was occurring at a specific corner in a specific city at that moment.

Particularly after 1967, it appears that the volume and variety of information requested to be collected, originating both in the Civil Disturbance Information Collection Plan and in specific requests from various officials of Government, was so great that it obviously could not be collected by the means of collection authorized. Thus, there was a practical inconsistency between the level of demand

for information imposed and the methods of collection authorized.

In attempting to meet the demands for immediate information, the investigative and related counterintelligence organizations of the Army relied increasingly on direct agent observation. In some cases, the rather obscure demarcation between direct agent observation and covert collection was probably transgressed. Where covert collection clearly was considered to be needed to fulfill the information request imposed, authority was sought and often received from proper authorities. The general requirement for coordination of covert collection with the Department of Justice was strictly followed.

As I mentioned earlier, the collection of civil disturbance information by the Army was primarily the responsibility of its investigative and related counterintelligence organizations. It is the activities of these that I have been discussing. In addition, however, in some instances, tactical intelligence units assigned to combat forces stationed in the United States, engaged in information collection activities in the civilian community. While few such units were so engaged, it appears that these units were less constrained in their methods of collection than were the investigative and related counterintelligence organizations. Civilian control or even knowledge of these few activities did not exist. These instances were few. We are aware of one unit that was so engaged and there are indications that one additional unit may have been so engaged. At this point, it is not clear whether such collection activities were directed at civil disturbance potentials or were conducted for the ostensible purposes of installation security or both. Both cases are now under formal investigation, and it would be inappropriate for me to discuss them in more detail at this time.

The product of collection activities which I have described were assembled in various files.

In 1963, Army investigative and counterintelligence units were assigned the mission of briefing the Army Chief's of Staff personal representative immediately upon the commitment of Federal troops in connection with a civil disturbance. Files began to be compiled and maintained in field offices to provide data from which to prepare the required briefings. These files covered individuals and organizations who were believed to have a potential for influencing civil disturbances. Files where kept on persons and organizations who conceivably might contribute directly or indirectly to the creation, exacerbation or continuation of civil disturbances. They were also kept on persons and organizations who were believed to have a potential for assisting in preventing or ending civil disturbances.

Such files, as you know, were ordered destroyed in the spring of 1970. Therefore, it is impossible to examine such files to determine to what particular individuals and organizations they related or the specific contents of the files. All the evidence strongly indicates that the files were comprised primarily of voluminous newspaper clippings. They also contained a number of reports from third agencies, both Federal, state and local. To a lesser degree, they also contained the products of direct agent observation reports.

There were undoubtedly files prepared containing material relating to a large number of well-known public figures. The degree to which files were kept on political office holders and political candidates cannot at this time be ascertained with a high degree of certainty. For example, the evidence indicates that there was a file bearing the name of Senator Adlai Stevenson III, in the field office of the Army's investigative and counterintelligence unit in Chicago and that this file consisted wholly or primarily of newspaper clippings.

There is some evidence, that a clipping file was prepared or maintained on Congressman Mikva. Further, in the 5th Army Daily Intelligence Summary, dated July 6, 1970, Congressman Mikva was among those reported as attending an anti-war demonstration on the 4th of July at NIKE HERCULES site (ARADCOM Site 19) at Promontory Point. There is no way to determine how this information was collected. There is a dossier on Judge Otto Kerner containing a personal security background investigation in the Army's Investigative Records Repository related to his assignment as a National Guard officer, but there are no entries since 1952.

It is also clear that the existence or nonexistence of a file bearing an individual's name is not determinative as to whether there was information collected in some form which related to that specific individual. Material collected and filed on one individual or organization could have and often did contain references to others.

Most of the information on civil disturbance incidents collected in the field offices of the Army's investigative and related counterintelligence units was forwarded to Directorate of Investigations at Headquarters of the Intelligence Command. There it was incorporated into a civil disturbance data file. The primary uses made of the material collected and filed locally was for the purpose of answering specific requests from higher authorities for information in the event of civil disturbances, and to familiarize new personnel with the community in which the unit was located.

Some civil disturbance type information was forwarded from Headquarters, Intelligence Command to the Investigative Records Repository also located at Fort Holabird. In some cases, the information was integrated into files kept for other purposes at the Investigative Records Repository. Civil disturbance information was also disseminated to other command headquarters and to other agencies in the Federal Government and, in some cases, undoubtedly, to state and local agencies.

As I previously indicated, the civil disturbance material collected was voluminous. Some headquarters units, including the Army Intelligence Command, undertook to reduce civil disturbance information to a computer data system in order to manage the unwieldy mass of information with which they were attempting to deal. There is no evidence that there was any attempt to conceal the establishment of computer programs to handle such material. These undertakings were treated as purely management decisions.

While the records do not reveal senior official civilian participation in the creation of the data banks, a need for such a step had for some time been realized and discussed by civilian officials. For example, in an extensive report of civil disturbance planning and operations prepared for the Under Secretary of the Army to send to the Secretary of Defense on 2 August 1968, it was noted that at that time:

"Jurisdictional and budgetary restrictions currently preclude expansion and improvement of the Army's analytical personnel staffing and the automation of the Army's data base for Army production of CONUS civil disturbance intelligence."

This detailed report, incidentally, demonstrates very vividly the awareness of civilian officials in considerable detail of the civil disturbance information collection activities by Army units and the problems which existed. For instance, the Under Secretary stated in this memorandum:

"The effectiveness of the intelligence apparatus to provide advance notice of unrest is limited by the Delimitations Agreement which restricts Army involvement. This agreement assigns the FBI the responsibility for advising the other subscribing organizations of important developments in the categories of domestic espionage, counterintelligence, sabotage, subversion, and other intelligence matters affecting internal security. Because of the regulatory restraints imposed by this agreement, it has been DA policy that the procurement of domestic intelligence on subversive activities by Army counterintelligence agents be accomplished by liaison with civil law enforcement agencies at all levels (primarily the FBI). When the security of Federal forces is endangered or where employment of Federal forces is imminent, on-the-spot physical observation may be undertaken by military personnel. The FBI and the Army must rely heavily upon reports from local police whose intelligence gathering systems vary widely both as to operating philosophies and efficiency."

The memorandum also stated:

"In addition to the jurisdictional and budgetary restrictions, effectiveness of the intelligence apparatus in providing advance notice of impending unrest is impeded by the fact that the occurrence of racial disturbances has defied prediction. Racial incidents in nearly every case have been precipitated by seemingly innocuous incidents, usually alleged police brutality.

"In the collection and reporting of information during quiet periods, coordination of field elements of USAINTC, FBI, and local enforcement agencies is outstanding and no problems are known to exist. During disturbances, however, the need for a rapid flow of factual information to the task force commanders becomes acute. Although a major contributor of raw information to the Army, the FBI does not produce the type finished intelligence needed by the Army. This situation has required the Army to establish a costly DA Counterintelligence Analysis Element to collate, evaluate, and disseminate civil disturbance intelligence.

"At the national level, the Attorney General is responsible for the supervision and coordination of intelligence relating to civil disturbances. A need exists for a committee or board to explore, at the national level, means for improving the production and dissemination of civil disturbance intelligence information. Recognizing this problem, efforts are underway to alleviate coordination problems.

"On 12 April 1968, the USofA sent a letter to the Department of Justice, proposing the establishment of a domestic Civil Disturbance Intelligence Board. Justice, DOD, and other appropriate agencies would be represented on the Board. The Board would explore means for improving the collection, production, and dissemination of intelligence related to civil disturbances. The status of this proposal is unknown.

"The Department of Justice has established an Interdivision Information Unit (IDIU) to gather and computerize civil disturbance information. U.S. Attorneys throughout the country have been tasked to collect information during disturbances. When IDIU has completed and computerized its data base, Justice will be able to provide the Army with finished intelligence. A matter of greater importance would be the ability to forecast on the potential for civil disturbances in the United States through the mid-1970's.

"The Department of the Army has developed collection plans, improved the supporting communications, preselected emergency operations centers, recruited additional Negro agent personnel, established a Civil Disturbance Intelligence Office, published a Counterintelligence Estimate and supporting Compendium, and assisted the District of Columbia in improving its collection evaluation and dissemination of intelligence."

This report to the Secretary of Defense was based on the activities of the Civil Disturbance Steering Group, chaired by the Under Secretary of the Army, which according to the records, met formally at least 13

times between April and August 1968. There is, incidentally, no record that this report was ever transmitted to the Secretary of Defense.

I would also like to call the Committee's attention to DOD Directive 3025.12 dated June 8, 1968, entitled: Employment of Military Resources in the Event of Civil Disturbances. This is a directive which formally provided for the establishment of a Department of Defense Civil Disturbance Steering Committee, which had already been informally established and had been operating for some time. It is also the directive which designated the Secretary of the Army as Executive Agent for the Secretary of Defense in matters relating to civil disturbances. It also assigned specific responsibilities to the Secretary of the Army, including the responsibility of providing intelligence data to the National Military Command Center on a daily basis to insure that national command authorities were adequately informed. I shall be glad to provide you a copy of this directive.

I would like to turn now to the steps which have been taken and are being taken to deal with the type situations which I have described in my testimony.

In December 1968, at a meeting of the Civil Disturbance Steering Committee, the Under Secretary of the Army expressed concern at the Army's efforts to obtain civil disturbance information which might not be worth the effort. He expressed a desire that the civil disturbance information collection efforts be more sharply focused on essential requirements and that the mission be more precisely delineated. As a result, efforts were undertaken in the Army staff to accomplish this objective. In early January 1969, the Army staff proposed a new mission statement for the Army's counterintelligence role in civil disturbances. The staff also proposed a primary mission for the civil disturbance branch of the Office of Army Assistant Chief of Staff for Intelligence. It was to "foster Department of Justice leadership in development of agreed roles and missions for various Federal agencies in civil disturbance intelligence collection and production."

In the latter part of January, the Army Assistant Chief of Staff for Intelligence advised the Under Secretary of the Army by memorandum of the complete background on the development of the Army's civil disturbance intelligence mission which resulted from the review of the activities of the Intelligence Command.

On February 5, 1969, the Under Secretary of the Army wrote a memorandum to the Vice Chief of Staff. In this memorandum, the Under Secretary expressed concern that the Army's intelligence activities related to civil disturbance problems might exceed the strict requirements. He noted that past Army intelligence activities had resulted from gaps in the effort of civilian agencies who "have been unable or unwilling to pursue collection efforts in a satisfactory manner." The Under Secretary further expressed concern that the efforts related to civil disturbances intruded into essentially civilian areas of concern and could result in a diffusion of the Army's limited manpower. The Under Secretary then expressed what he believed to be proper concept for the role of the Army concerning collection and utilization of information related to civil disturbances.

The Under Secretary, in this memorandum, approved with modifications, the revised mission which had been recommended to him by the Director, Civil Disturbance Planning and Operations. He directed that in the collection of civil disturbance information, primary reliance be placed on liaison with local, state, and Federal police and law enforcement authorities. He directed that covert collection operations were prohibited unless approved by the Federal Bureau of Investigation and approved in advance in each specific case by the Under Secretary of the Army. The Under Secretary concurred in the recommendation that efforts be made to persuade the Department of Justice to accept a larger role in systematically reviewing the entire civil intelligence area. He designated the General Counsel of the Army to explore the matter with the Department of Justice.

The Under Secretary also designated the General Counsel of the Army to develop for consideration of the Secretary of the Army appropriate guidelines for future collection activities, and directed that the Assistant Chief of Staff for Intelligence provide information and assistance to the General Counsel.

Following the memorandum of the Under Secretary of the Army on February 5, 1969, a detailed review was made on many aspects of the civil disturbance related activities of the U.S. Army Intelligence Command. During this period, specific requests for civil disturbance collection were forwarded from higher authority to the Army's Assistant Chief of Staff for Intelligence. They were consistently returned with a recommendation that the Department of Justice be requested to fulfill the collection requirement in accordance with the intent of the memorandum from the Under Secretary of the Army dated February 5, 1969.

The discussions between the General Counsel of the Army and the Department of Justice continued during this period and on March 18, the Department of Justice established an Inter-Agency Committee to coordinate and evaluate intelligence pertaining to civil disorders. During the remainder of 1969, the Department of the Army continued its review of the U.S. Army intelligence involvement in civil disturbances for the purpose of determining the methods and effects of reducing the Army's role. The full implementation of the memorandum of the Under Secretary of the Army of February 5, 1969 was held in abeyance while discussions with the Department of Justice, related to primary roles in this area, continued.

On April 24, 1969, the Under Secretary of the Army directed that distributions by the Army of civil disturbance information be limited to Department of Defense agencies and to specified Federal agencies unless permission was obtained from the Under Secretary of the Army for distribution to others. In May, 1969, the Army Assistance Chief of Staff for Intelligence advised the U.S. Army Intelligence Command not to initiate civil disturbance studies and collection activities unless specifically approved in advance by Headquarters, Department of the Army. On June 17, 1969, the same guidance was forwarded to the Continental Army Command and through them to all Army units based in the Continental United States.

As a result of an internal review, the civil disturbance and biographic data bank at Fort Holabird was ordered destroyed on February 19, 1970 by the Army Assistant Chief of Staff for Intelligence. Just prior to that time, the U.S. Army Intelligence Command was directed to take a number of specific actions with reference to civil disturbance information. These included the destruction of personality lists, the discontinuance of spot reports to the Department of the Army, except those which indicated situations likely to require use of Army troops, the discontinuance of the daily civil disturbance summary to the Department of the Army, and the discontinuance of input of civil disturbance information into computer programs. On 5 March 1970, the Continental Army Command was advised to destroy its computerized civil disturbance data bank and so ordered on April 1. On March 6 the Secretary of the Army in a memorandum to the Chief of Staff, established new policy on the use of data banks for civil disturbance information. This memorandum resulted in a Department of the Army letter on April 1, requiring approval at the Secretary of the Army level for use of automated data banks for civil disturbance information, and requiring destruction of any such computerized data bank operations unless they could be justified to the Secretary under the new policy.

On March 20, the Army took action to have all copies of civil disturbance publications Vol. 1 (Cities and Organizations of Interest) and Vol. 2 (Personalities of Interest), known as the "Compendium", destroyed. A certificate of destruction was requested. The destruction of all copies has not yet been assured.

On June 9, 1970, the Department of the Army promulgated a new and comprehensive policy on the collection, reporting, processing, and storing of civil disturbance information.

The cornerstone of this new Army policy is that the Department of the Army relies on the Department of Justice at the National level for civil disturbance planning, threat, and early warning information.

This new policy prescribes that Army intelligence resources will not be used for collection of civil disturbance information until the Director for Civil Disturbance Planning and Operations has made a determination that there is a distinct threat of civil disturbance beyond the capability of local and state authorities to control. The policy further provides that even after such a determination had been made, that collection will be limited to liaison. Overt collection, other than liaison, requires approval by Headquarters, Department of the Army. Covert methods of collection continue to require concurrence of the Federal Bureau of Investigation and specific prior approval by the Under Secretary of the Army. All civil disturbance information reporting was ordered stopped and not resumed except by order from Headquarters, Department of the Army.

The policy further provides that civil disturbance plans and support material will not include listing of organizations and personalities not affiliated with the Department of Defense, with the exception of listings of local, state, and Federal officials who have duties related to the control of civil disturbances and appropriate data on vital installations and facilities. Material prohibited by this policy, then in storage, was required to be destroyed.

A June 9, 1970 Army message also rescinded the Army's Civil Disturbance Information Collection Plan of May 2, 1968.

On December 15, 1970, the Department of the Army issued a formal policy on counterintelligence activities concerning civilians not affiliated with the Department of Defense. The intent and purpose of this policy was to make applicable to all counterintelligence activities concerning civilians not affiliated with Department of Defense the type of constraints that had been imposed in the June 9 policy with respect to civil disturbance activities.

The Department of the Army, in order to assure compliance with the Directives of June 9 and December 15, 1970, has instituted an extensive inspection exercise for all appropriate Army activities. An Inspector General team has been utilized for this purpose.

As I mentioned earlier, the prior activities of two tactical intelligence units are being formally investigated by a special board at the direction of the Secretary of the Army.

On December 23, 1970, The Secretary of Defense also instituted a review of information collection activities of all defense organizations which impacted on persons and organizations not affiliated with Department of Defense.

On February 17, 1971, the Secretary of Defense issued a Department of Defense Directive on a Defense Investigative Program, making changes in the organization of Department of Defense investigative and related counterintelligence activities. The purpose of the organizational changes was to

ensure that in carrying out Department of Defense missions, investigative and related counterintelligence activities are consistent with individual Constitutional rights, legal provisions, and traditional understandings of the American public of relationships of military investigative activities and the civilian community.

DoD Directive 5200.26, designates the Assistant Secretary of Defense (Administration) to act for the Secretary of Defense for all investigative program matters. It requires the Assistant Secretary of Defense (Administration) to direct and manage the Defense Investigative Program and to conduct or provide for inspections of program activities and to monitor program accomplishments within established policy. Within each Military Department, responsibilities for investigative activities are vested in the Under Secretary or a designated Assistant Secretary.

In addition, this Directive establishes a Defense Investigative Review Council. This Council is chaired by the Assistant Secretary of Defense (Administration), and its membership consists of the General Counsel for the Department of Defense, the Under Secretary of each Military Department and the Director, Defense Intelligence Agency. The Council is charged with responsibilities to assist the Assistant Secretary of Defense (Administration) in preparation of policy guidance and the development or review of recommended changes in procedures or practices for the Defense Investigative Program. It is also to review standards, criteria and scope as appropriate of investigations and related counterintelligence activities.

One of the first actions of the Defense Investigative Review Council was to review and make recommendations with respect to the Secretary's then proposed Directive on acquisition of information concerning persons and organizations not affiliated with the Department of Defense.

DoD Directive 5200.27 was issued effective March 1, 1971.

This directive provides for the first time a Department of Defense wide policy on this subject. It establishes for the Defense Investigative Program general policy, limitations, procedures, and operational guidance pertaining to collecting, processing, storing, and disseminating information concerning persons and organizations not affiliated with the Department of Defense.

This Directive is applicable to all Department of Defense personnel, components, and organizations within the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and U.S. territories and possessions.

It prohibits collecting, reporting, processing, or storing information on individuals or organizations not affiliated with the Department of Defense except where essential to the accomplishment of the following Department of Defense missions:

1. Protection of DoD functions and property.
2. Personnel Security.
3. Operations related to civil disturbances.

With respect to the mission of protection of DoD functions and property, the Directive specifies that acquisition of information is justified by only the following types of activities:

1. Subversion of loyalty, discipline, or morale of Department of Defense military or civilian personnel by actively encouraging violation of law, disobedience of lawful order or regulation, or disruption of military activities.

2. Theft of arms, ammunition, or equipment, or destruction or sabotage of facilities, equipment, or records belonging to DoD units or installations.

3. Acts jeopardizing the security of DoD elements or operations or compromising classified defense information by unauthorized disclosure or by espionage.

4. Unauthorized demonstrations on active or reserve DoD installations.

5. Direct threats to DoD military or civilian personnel in connection with their official duties or to other persons who have been authorized protection by DoD resources.

6. Activities endangering facilities which have classified defense contracts or which have been officially designated as key defense facilities.

7. Crimes for which DoD has responsibility for investigating or prosecuting.

With regard to the third Department of Defense mission—operations related to civil disturbance—the Directive specifies:

"Upon specific prior authorizations of the Secretary of Defense or his designee, information may be acquired which is essential to meet operational requirements flowing from the mission assigned to the Department of Defense to assist civil authorities in dealing with civil disturbances. Such authorization will only be granted when there is a distinct threat of a civil disturbance exceeding the law enforcement capabilities of state and local authorities."

DoD Directive 5200.27 specifies a number of prohibited activities which include the following:

1. There shall be no physical or electronic surveillance of Federal, state, or local officials or of candidates for such offices.

2. There shall be no electronic surveillance of any individual or organization except as authorized by law.

3. There shall be no covert or otherwise deceptive surveillance or penetration of civilian organizations unless specifically authorized by the Secretary of Defense or his designee.

4. No DoD personnel will be assigned to attend public or private meetings, demonstrations, or other similar activities for the purpose of acquiring information the collection of which is authorized by this Directive without specific prior approval by the Secretary of Defense or his designee. An exception to this policy may be made by the local commander concerned, or higher authority, when, in his judgment, the threat is direct and immediate and time precludes obtaining prior approval. In each such case a report will be made immediately to the Secretary of Defense or his designee.

5. No computerized data banks shall be maintained relating to individuals or organizations not affiliated with the Department of Defense, unless authorized by the Secretary of Defense or his designee.

I would like to call your attention particularly to the third prohibition which I enumerated. It states that there shall be no covert or *otherwise deceptive surveillance.* As I noted earlier in my statement, there has been confusion as to the demarcation between direct agent observation and covert collection. The prohibition of "deceptive surveillance" is specifically designed to prevent the occurrence of any marginal or even slightly questionable cases.

By way of operational guidance, this Directive provides that access to information obtained under its provisions shall be restricted to Governmental agencies which require information in the execution of their duties. The Directive further provides that information within the purview of this Directive, regardless of when acquired, shall be destroyed within 90 days unless its retention is required by law or unless its retention is specifically authorized by criteria established by the Secretary of Defense or his designee.

In a number of provisions of this Directive, authority to approve specific actions or to waive prohibitions is reserved to the Secretary of Defense or his designee. At the time this Directive was issued, the Secretary of Defense also issued the appropriate delegations of authority. Depending on the specific provision, these delegations are made to the Secretary of the Army, the Chairman, Defense Investigative Review Council, or the Under Secretary of the Military Department. This delegation of authority by the Secretary of Defense specifically provides that the authority so delegated may not be further delegated.

In order to assure compliance with this policy, a system of scheduled and unscheduled inspections and visits to all potential military collectors of information is being initiated. Each member of the Defense Investigative Review Council will personally participate in these inspections. It is the intention to begin with a small staff element to carry out the newly assigned responsibilities. However, as much staff as is needed will be provided to insure compliance with this Defense-wide policy.

One of the high priority items currently being addressed by the Defense Investigative Review Council is the matter of eliminating prohibited information from existing investigative files. The physical screening of all these files would obviously be a monumental undertaking. Before the release for use of any such file, a requirement has been imposed to screen out and destroy all materials which are not authorized to be filed under the new policy.

The Defense Investigative Review Council is also currently reviewing both the organization and management of military department investigative activities with a view toward improving the efficiency and responsiveness of such activities.

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ANNEX B (INTELLIGENCE) TO DEPARTMENT OF THE ARMY CIVIL DISTURBANCE PLAN (U)

Reference: Maps, Civil Disturbance Planning Packets (where available) or special editions of commercial map reproductions provided by Army Map Service.

1. (C) SITUATION

*a. General*

(1) Civil disturbances which are beyond the control of municipal or state authorities may occur at any time; however, in the past the majority have been a summer occurrence. The majority will probably continue to occur in hot weather which is particularly unsettling in crowded, urban centers. Dissatisfaction with national policy manifested in the anti-draft and anti-Vietnam demonstrations, and the environmental conditions contributing to racial unrest and civil disturbances in the United States are recognized factors within the political and social structure. As such, they might provide a preconditioned base for a steadily deteriorating situation leading to demonstrations and violent attacks upon the social order. The consistency and intensity of those preconditions could lead in time to a situation of true insurgency should external subversive forces develop successful control of the situation. Federal military intervention may be ordered to save life and property, alleviate suffering, and restore law and order.

(2) Analysis of civil disturbances: see OACSI, DA, Counterintelligence Research Project, CI Special Study, subject: Civil Disturbances CONUS—1967 (U), dated 31 July 1967.

*b. Dissident Elements*

(1) Civil rights movements

Although widespread, civil disturbances have occurred as individual, localized actions apparently resulting more from a general climate of opinion than from specific covert orders from a single source. There is no indication of directional control by any single organization, nor does any one organization appear to have sufficient authority or power to exercise such control. An effective consolidation of organizations or the formation

of a supra-control agency could alter the situation in a short time and provide an improved capability for the development of subversive direction of civil disturbances. Meaningful degrees of subversive influence and organized control are distinct future possibilities in the United States civil disturbance problem.

(2) Anti-Vietnam/Anti-Draft Movements

Anti-Vietnam and anti-draft movements have increased in scope and number in the past two years. Protests against war have been common for many years and have generally followed the pattern of marching, picketing, and distributing literature by individual groups. The first nation-wide attempt to coordinate these peace movements was effectively made in the spring of 1966 by the Spring Mobilization Committee to End the War in Vietnam (SMC). In 1966 the SMC coordinated and staged anti-war rallies in San Francisco, New York City, and a number of minor demonstrations in other cities. Because of the success of the SMC's initial endeavor, the anti-war movement established the National Mobilization Committee to End the War in Vietnam (NMC) to act as a permanent coordinating committee for demonstrations. Originally distinct from, but aligned with the NMC in ideology, were the anti-war/anti-draft groups. At the present time, even though the anti-war/anti-draft groups profess individuality and separation from other groups, their similarity of aims and actions operate to have almost the force and effect of an interlocking directorate similar to the NMC. Very strong support to the anti-war movement is also forthcoming from such "left" groups as the Communist Party, USA (CPUSA), the CPUSA youth front group, the W. E. B. Du Bois Clubs of America (DCA), the Students for a Democratic Society (SDS), Youth Against War and Fascism, the Progressive Labor Party and a veritable host of smaller organizations. Tactics of the various organizations have undergone a change from passive actions to more militant actions, with "direct confrontations" now the main objective. Although the majority of anti-war protesters appear reluctant, for moral, practical, or legal reasons, to engage in public demonstrations of a nature which violate existing laws, there is a significant minority of professional agitators and young students who advocate either violent action or so-called disobedience of such a nature that violence is almost sure to ensue. Although many of the more articulate voices in the peace movement counsel against illegal actions, it appears that they have slight influence on those persons already committed to such action.

(3) Subversive Conspiratorial Aspects

a. Peace movement

Although it cannot be substantiated that the anti-war and the anti-draft movements are acting in response to foreign direction, it must be pointed out that by their activities they are supporting the stated objectives of foreign elements which are detrimental to the USA. Many leaders of the anti-war and anti-draft movement have traveled to foreign countries, including Cuba, East Europe and North Vietnam to meet with Communist leaders. Therefore, the possibility exists that these individuals may be either heavily influenced or outright dominated by their foreign contacts. They may, in turn, influence their followers, the majority of whom have no sympathy for the Communist cause, but are unaware of their leaders' affiliations. Groups, such as The Resistance and the Students for Democratic Society (SDS), have openly announced their continuing intention to violate the law by aiding and abetting individuals desiring to criminally evade the draft. Both these groups have become increasingly more militant and are co-sponsors of illegal demonstrations against the draft, the military, and civilian and government recruiters on college campuses.

b. Civil rights movement

The Progressive Labor Party (PLP), a Marxist-Leninist group, was able to capitalize on an incident in order to spur Negroes to violence in Harlem and Bedford-Stuyvesant, New York City in 1964. Another Communist oriented, Marxist Leninist group, the Revolutionary Action Movement (RAM) has been shown to be conspiring to commit murder and wanton acts of vandalism. The Student Nonviolent Coordinating Committee (SNCC) and in particular its chairman, H. Rap Brown, has been instrumental in aggravating tense situations in ghetto areas and in prolonging civil disorder. While most civil rights leaders are moderates and the majority of the Negro population abhors violence, a sufficient number of individuals seem susceptible to the violent rallying cries of the militants to make these individuals dangerous to society.

c. Friendly forces

USCONARC and CONUS Armies, and the U.S. Army Intelligence Command support the Department of the Army by continuing current reporting of information on civil disturbances.

2. (C) ESSENTIAL ELEMENTS OF INFORMATION (EEI)

All CONUS-based major Army commands and subordinate commands will report information as obtained to satisfy Department of the Army EEI relative to:

a. Plans, operations, deployment, tactics, techniques, and capabilities of individuals, groups or organizations whose efforts are to reduce U.S. military capabilities through espionage, sabotage, subversion, treason, propaganda and other disruptive operations.

b. Patterns, techniques, and capabilities of subversive elements in cover and deception efforts in civil disturbance situations.

c. Civil disturbance incidents or disorders which involve CONUS military installations or personnel.

d. Thefts of significant quantities of weapons and ammunition from civilian companies or industries. Thefts of significant quantities of government weapons and ammunition from Active Army, Reserve, National Guard, or ROTC installations and facilities.

e. Strikes, civil disturbances, and labor disturbances which affect military installations, or other strikes or labor and civil disturbances of sufficient magnitude to indicate a probable employment of federal troops to preserve or restore order.

f. Information concerning opposition that may be expected by military forces if called upon to maintain or restore order. Specifically, possible courses of action, methods and capabilities, weapons and support.

g. Impact or significance of changes in federal, state, or municipal laws, court decisions, referendums, amendments, executive orders, or other directives which affect minority groups.

h. Cause of civil disturbance and names of instigators and group participants.

i. Indicators of potential violence:

(1) High unemployment rate among minority groups.

(2) Noticeably heightened crime rates among minority groups.

(3) Dissatisfaction and complaints arising from disparity of average income between the whites and the non-whites.

(4) Declining rapport between law enforcement officials and minority groups.

(5) Migration of large numbers of a minority group into a city slum area.

(6) Protests of the minority community relative to conditions in slum areas, such as de facto segregation in housing and schools, lack of jobs, lack of recreational facilities, police brutality, and overcharging of goods and services by local merchants.

j. Indicators of imminent violence:

(1) Presence or participation in local activities by militant agitators.

(2) Increase in thefts and sales of weapons and ammunition.

(3) Increase in efforts of extremist, integrationist, and segregationist groups to instigate violence, e.g., increase in numbers of handbills, pamphlets, and posters urging acts of violence.

(4) Increase in number of incidents of window breaking, false fire alarms, thefts, and other harassments of damaging nature to the community.

(5) Reports and rumors of planned violence.

(6) Presence of known instigators of violence.

3. (C) ORDERS AND REQUESTS FOR INFORMATION

a. Supporting plans of USCONARC and CONUS Armies, and the U.S. Army Intelligence Command will include provisions for rapid reporting and dissemination of responses to the above EEI in the following priority consistent with appropriate security regulations:

(1) Task Force Commander

(2) Army Operations Center (AOC), DA

(3) MDW or CONUS Army wherein the disturbance is imminent or in progress.

(4) USCONARC/USARSTRIKE

(5) CINCSTRIKE

b. Comanders will insure that units and personnel are familiar with announced EEI.

c. Local liaison with federal and civilian agencies by the military intelligence operating elements of the USAINTC is encouraged.

4. (C) INTELLIGENCE AND COUNTERINTELLIGENCE OPERATIONS

a. Information required to accomplish the mission of the Chief of Staff, U.S. Army, will be obtained through all resources available to the commanders, to include intelligence reports, estimates, studies, and special studies prepared by the commands.

b. OACSI, DA, will prepare and disseminate reports, estimates, studies, and special studies, as appropriate, from information obtained or received at the national level.

c. The primary organization for direct support of the Department of the Army in the coverage and reporting of information on civil disturbances is the U.S. Army Intelligence Command. The Command's operational planning will include provisions for providing civil disturbance information to the Task Force Commander upon announcement of his appointment and thereafter.

d. Upon dispatch of Personal Liaison Officer by the Chief of Staff, U.S. Army, to the area of anticipated trouble, ACSI, DA, will, in turn, designate an ACSI point-of-contact (ACSI-POC) who will respond to satisfy the requirement of the Chief of Staff, Army (CofSA) Personal Liaison Officer.

5. (U) MAPS—appropriate maps for the objective area will be provided by the Army Map Service.

6. (U) COUNTERINTELLIGENCE SUMMARY (see Section 4 of the Civil Disturbance Planning Packet pertaining to the objective area and current SPIREP).

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## GREECE

Mr. KENNEDY. Mr. President, the situation in Greece is a matter of continuing concern to Americans and people throughout the world. On April 21, Mr. Elias P. Demetracopoulos delivered an informative address to students at the Massachusetts Institute of Technology. I feel the address will be of interest to Senators, and ask unanimous consent that it be printed at this point in the RECORD.

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

GREECE—A NEW VIETNAM?

(By Elias P. Demetracopoulos)

I would like to discuss the situation in Greece; a situation which I believe not only denies the Greek people basic democratic rights but is also harmful to the national interests of the United States and contains the seeds of another "Vietnam." The element of time is terribly important in this connection, as the dangers posed by the current Greek situation leave little time for constructive action by the United States. In other words, I believe the clock is running out in Greece, and unless some major changes are forthcoming in American policy toward Greece, both the U.S. and NATO are apt to be faced with the reality rather than the potential of explosive political, military, and economic developments on NATO's Southern Flank.

U.S. foreign policy in Greece, inherited by the Nixon Administration, is based on the hypothesis that the present dictatorial regime provides sufficient military, political and economic stability to satisfy America's strategic interests in the area—the kind of stability, supposedly, which could not be guaranteed by any realistic alternative.

If that were true—if indeed the regime offered the only reasonable hope of stability in Greece—it would be possible for me to understand, even though both as a Greek and as a supporter of free democratic systems of government as a matter of moral and political principle, I am strongly opposed to dictatorship in any form. In my opinion, however, the premise that the Junta has or can bring stability to Greece is false. On the contrary, not only has the Junta failed to provide stability in spite of dictatorial and ruthlessly repressive tactics; it has actually created instability, uncertainty and the very real risk of civil war in Greece.

First, let us begin with the premise that the Junta has brought military stability. Both Pentagon and other senior U.S. officials claim that the Greek armed forces and terrain, as well as the U.S. and NATO bases in Greece, are necessary to maintain control of the Eastern Mediterranean, to deter direct communist aggression from the North, and to provide a vital link with Turkey which would otherwise not be a viable military ally. In addition they cite increased Soviet naval strength in the Mediterranean to strengthen their argument. I agree with their assessment as to the importance of a strong and stable Greece as far as NATO is concerned. They key question then is: have the Colonels indeed provided this stability?

The Greek armed forces today are far less effective than they were prior to the coup. They are mainly an internal security force in which the Junta-controlled elements watch not only potential civilian opponents but also the very real latent opposition in the armed forces themselves. To this effect the continuing purges of the Greek military establishment four whole years after the April 21, 1967 coup are a key indicator.

The Junta has systematically removed from the armed forces an alarming number of the officers they consider unreliable. These hundreds of officers were trained at enormous American expense in the U.S.; other NATO countries and Greece, since the Truman Doctrine of 1947. The officers purged were not and could not possibly be communist, considering the nature of the recruiting process and the close ties between the Greek Armed Forces and the U.S. military and intelligence communities. Indeed many of these officers fought against the communists in the Greek guerrilla war. In fact, the officers purged by the Junta were generally considered by Washington, the NATO authorities and the Joint U.S. Military Aid Group to Greece to represent the elite of the Greek officer corps. Their only sin was to have opposed the illegal seizure of power by a relatively small group of officers. It is interesting to note that "the hatchet fell with particular alacrity," according to the May 1969 issue of *Le Monde Diplomatique*, "on those officers who, during the German occupation . . . chose the path of resistance, either inside Greece or outside, especially those who served in the 'Sacred Battalion' which distinguished itself in all Mediterranean campaigns alongside the British forces. . . . For any man who was capable of choosing to fight against an oppression (the Nazis) is perfectly capable of fighting a new oppression. . . ."

The usurpers, the officers who seized power four years ago, are reliably reported to number no more than 300, with a good percentage of them having intelligence and security training and background.

The purging of the cream of the Greek officer corps and a preoccupation with the internal security duties make the combat effectiveness of the Greek armed forces in time of full mobilization of the reserves an agonizingly open question mark for NATO planners. Thus the illegal seizure of power by the Junta and its subsequent actions have not only seriously weakened the combat capabilities of the Greek armed forces; they have also undermined Greece's political and moral ability to fulfill its NATO commitments. For any crisis which required full mobilization would in all probability lead to the speedy overthrow of the Junta. This really explains why the Junta thought it wise to "defuse" the Cyprus crisis in November 1967. The armed forces have become mostly a police force which, under the new constitution, are also charged with preserving the "existing Social Order." The same reasoning applies to the U.S., NATO bases and other American listening posts and propaganda machinery operating on Greek territory. These bases are important. Yet in view of the climate in which they exist today it is a real question how much long-range strategy in the area can be built around them.

The Soviet naval build-up in the Mediterranean, the Middle East crisis, the events in Czechoslovakia and the outflanking of Greece and Turkey by the Soviet Union's rapid strategic deployment along North Africa's coastline and the Middle East, were used by the Johnson and Nixon Administration as reasons for supporting the Junta. This is indeed tragic, since the Junta's actions have weakened the military capabilities and stability of the Greek armed forces and consequently NATO's strength in the area.

Let us now turn to the key question of political stability which the supporters of the 1967 coup—including the Junta itself—cite as one of the price benefits of the current Greek dictatorship. Measuring political stability is not easy when there is martial law and press censorship, when no opposition is permitted, and when violence, although on the increase, is still sporadic. The Junta alleges that they stepped in to save the country from the danger of communism—yet even Greek Conservative leaders emphasize the fact that the danger of communism was nonexistent in Greece. They overthrew a conservative government.

Those who place too great an emphasis on the confused political situation in Greece as a justification for the Colonels' coup must remember that Greece fought a hard and dirty war against a foreign dominated and supported communist aggression at the peak of the "Cold War" in Europe. The victory, although assisted greatly by U.S. material help and advice, was finally wrested with Greek, and only Greek, blood. If Greece were able to win this victory under a parliamentary government with basic democratic institutions functioning it is inconceivable that the current military dictatorship is necessary to correct alleged political instability.

There are some who argue that there was no political stability prior to the Junta and that the present arrangement is at least an improvement. This argument is superficial. Its evaluation needs a detailed recording of the events and the over-all background that preceded the coup.

The fact is that political stability was damaged in the 1965–67 period by the intervention of the Greek Monarchy and its military establishment in the political process, thus perverting the institution of parliament and the mechanism of achieving political stability which had worked well until then. This was done by repeatedly denying the use of the best safety valve available to real democracies—free elections.

In 1963 and early 1964, the eight years of conservative (ERE) rule under Prime Minister XX Constantine Caramanlis, ended at the polls with the largest majority in modern times for the Center Union Party led by the late George Papandreou. The peaceful transfer of power was accomplished in the middle of the Cyprus crisis involving the threat of a shooting war with Turkey, following years of impressive aggregate growth and financial stability.

The victors (the Center Union) promised a better distribution of income, a more rapid modernization of Greece to enable it to enter the Common Market, and a reform of Greece's intsitutions which included a reduced role of the Crown in controlling the Armed Forces and the political processes. In short, a return to the intent of the constitution which would have the King "reign, not rule." In foreign policy, Greece was to become a fully equal member of the NATO Alliance, with a real voice in determining its own destiny. In pursuing these goals there is no question that the Papandreou Government committed a number of mistakes and lost many opportunities.

The Center Union party was soon faced with the violent and growing opposition of the Crown, the Armed Forces leadership, and the economic oligarchy—an opposition which was enjoying the support of a large part of the official American establishment in Athens. The result was the overthrow of the elected government and a series of almost comic-opera attempts to make parliamentary rump-governments from mid-1965 through Christmas 1966. The agreement of the Conservative and Center Union Parties to hold elections in 1967 in order to restore real parliamentary government, and thus political stability, led directly to the Colonels' coup, only a few weeks before the elections were to be held under the conservative government of Mr. P. Canellopoulos—who, by the way, has spent a good part of the last four years under strict house arrest.

The Athens Colonels have since persecuted the leaders of all of Greece's major political groupings, i.e., the conservatives, the royalists, the Center Union—among whom were several of America's best friends—as well as the left and the extreme left. They have resorted to systematic torture of opponents, as was shown at the Strasbourg hearings of the European Human Rights Commission and as has been publicly condemned by leaders of the British, Danish, Swedish, Norwegian, Dutch and Italian governments, among others.

Many senior U.S. government officials, at the time of the Colonels' coup, argued that there was little the U.S. could have done because the coup took the U.S. by surprise and once it was successfully carried out the U.S. was faced with a *fait accompli*. This is untrue as the threat of dictatorship in Greece was spotted early and this threat greatly disturbed politically prominent Americans well before the actual coup took place.

As early as September 4, 1962, and again on October 13, 1963, Senator Barry Goldwater (R-Ariz.) in published interviews with this writer stated: "I am particularly concerned about the political developments in that country (Greece) and I do believe that careful investigation should be carried out on those accusations against our U.S. Embassy

role in Athens in the last Greek elections." And in 1963 he said: "I am against the establishment of a dictator any place. That is why I strongly attacked the suggestion made that the establishment of a dictatorship in Greece would be an effective solution to Greece's problems. Oh, Lord, No. Greece is the most sophisticated, civilized country in the world. Our democratic way of government came from Greece. It would be tragic if Greece, where democracy itself was first founded, were to go back to a dictatorship. I can't even imagine the Greeks thinking about it."

And in the summer of 1966 a galaxy of highly placed and influential U.S. personalities, covering the spectrum of American political life, condemned publicly, very strongly and in no uncertain terms, the possibility of a military dictatorship of any kind in Greece, under whatever pretext. They also urged the Johnson Administration to take all necessary steps to ensure that such a catastrophic development for American interests will not occur.

Their names are: The Speaker of the House of Representatives J. McCormack, Senators V. Hartke, S. Thurmond, E. McCarthy, J. Javits, W. Morse and E. Kennedy; the Chairmen of the House Judiciary, Armed Services and Agriculture Committees, Congressmen E. Celler, M. Rivers and H. Cooley; the former Chief of Naval Operations, Admiral A. Burke, the former Supreme NATO Commander in Europe, General L. Norstad; and the Governor of California E. Brown.

They spelled out their views to me in question-answer format, taped, typed and in officially signed press interviews, which received wide coverage both in Europe and America. In short, there were numerous, early and authoritative warnings given to Washington, but to no avail.

Since 1947, America has played a decisive role in Greece, and, beginning in 1959 with Ambassador Ellis Briggs—now a strong advocate of the Athens Colonels—America has pursued disastrous, contradictory and vacillating policies—policies largely influenced by inter-service and personality rivalries. Should these policies be continued the communists will have an opportunity to organize and lead a liberation movement in Greece, for the first time since the late 1940's, with wide support and backing from non-communist elements in both Greece and Western Europe. Such a movement, even if led by communists, would ironically be formed under the banner of returning democracy to Greece. Thus, the tragic makings of a new Vietnam in Greece are all present.

It is very important for Americans to understand that there is widespread belief in non-communist Europe that Washington was involved, either by commission or omission, in the April 21, 1967 coup and is responsible for keeping the Athens Colonels in power. While the substance of the more extreme forms of these theories has not been proven yet, the U.S. should realize that these beliefs have done much more than the criticism of the Vietnam War or the de Gaulle policies to undermine basic U.S. positions and interests in this vital area. This point, in many ways the most telling, is supported by such a personality as Mrs. Helen Vlachou-Loundras, well-known publisher of the most influential conservative Greek newspapers, who was forced into exile in London, when, after the Junta seized power, she bravely refused to publish under censorship. Mrs. Vlachou-Loundras spoke about the Greek regime in London on October 17, 1968:

"So the moment of truth is approaching, and the first brand new European dictatorship since the war is about to emerge, born of The Pentagon by the CIO, reared by NATO, surrounded by doting businessmen. It is no use criticizing the Americans, divided as they are between those who would like to chase the junta but can not do it, and those who can and will not." In this connection it is very significant that the Johnson Administration in December 1967 let down, in a shameful, unbelievable and humiliating way, even the ultra-conservative greek monarchy which, since the Truman doctrine of 1947, has been a basic element of U.S. foreign policy towards Greece. This happened when King Constantine finally decided to overthrow the Junta in his armed but ill-fated attempt.

That is why I strongly believe that an over-all and thorough congressional investigation of the U.S. role vis-a-vis Greece would not only be completely justified but also urgently advisable if the blunders of the past are not to be repeated and a new "Vietnam" is to be avoided.

The European reaction to the Greek coup can be gleaned in the following statements: West German Deputy, Klaus Schultz, said, "It was 36 years ago that Hitler took power in my country. And he did it under conditions far more democratic than those imposed by the Greek colonels." British Deputy Robert Edwards, during the debate whether to expel Greece from the Council of Europe for violating the 18-nation organization's statutes on human rights, said: "I am amazed at some of these speeches. We heard them between the wars—Franco was going to hold elections. Hitler was no dictator and Mussolini made the trains run on time."

In a futile attempt to improve their international image, to buy desperately needed time and to overcome the stubborn refusal of Greeks of prestige and ability to work for the regime, the Junta announced a referendum on a new constitution in September 1968. This document, which received the private blessing of some American officials, in fact makes the Armed Forces the sole final source of power, the guardian of the status quo and the dispenser of civil liberties in Greece. Thus the constitution in effect gives the wolves the responsibility for guarding the lamb by giving the Athens Junta full power to "protect" the liberties they had already seized from the Greek people.

The subsequent referendum on the Colonels' constitution carried out under conditions of martial law, resulted in a Soviet-style vote of 92.2%. The really free sentiments of the Greeks became manifest a few weeks later when over 300,000 people in Athens spontaneously demonstrated against the regime and for democracy on the occasion of the funeral for George Papandreou, the last elected Prime Minister.

Let us turn now to the economic stability that allegedly the junta brought to Greece.

Under democracy the Greek economy had achieved one of the highest rates of economic growth in the world together with monetary equilibrium. Greece was officially and repeatedly cited as one of the two or three countries, which made the best possible use of American economic aid and achieved a spectacular recovery from the ravages of war. Sustained sharp increases in domestic saving, coupled with massive inflow of foreign long-term development capital, allowed for an accelerated capital formation and expansion of the industrial basis of the economy. But instead of burdening you with details I may simply refer to assessment of the free Greek economy by the Nobel prize winner Professor Paul A. Samuelson on May 22, 1967 in Newsweek.

In short, the junta inherited a sound and rapidly growing economy the momentum of which somehow survived the Colonels although there are increasing signs of deceleration and strain. It, indeed, takes some time to undo a good thing! . . . Reaping the benefits from the successful development efforts under parliamentary governments the junta in vain strived to buy popular support through measures of utter financial irresponsibility.

For example, a massive giveaway took place when all farm debts amounting to some $280 million to the formerly U.S.-financed Agricultural Bank were written off. This not only penalized farmers who had paid their debts but probably convinced all farmers, who constitute some 45% of the total population, that there is no point in paying future loans. What is perhaps worse is that the immense resources distributed in this way have not been directed towards raising farm productivity and bringing about the long needed structural reform of Greek agriculture.

The Government made numerous appeals to attract foreign capital. Its most publicized achievement for political, propaganda and lobbying reasons, was the signing of a lucrative contract with Litton Industries (a few weeks after coming to power) which guaranteed the latter a handsome annual fee as well as a commission on all investments it induced to come to Crete and the Western Peloponnesus. It is of interest to note that Litton withdrew its proposals prior to the coup, due to overwhelming parliamentary opposition. Litton produced some studies and very small investments coming mainly from the Litton group companies. It would seem that even their corporate name has not been sufficient to overcome the doubts of those who might have put their money in Greece. That is why this contract was terminated.

Although most foreign investors found pre-Junta Greece a favorable spot for private enterprise, a difficulty did arise in the case of the Esso-Pappas refining, petrochemical and steel complex. This contract was strongly criticized by the Center Union before it came to power and was renegotiated to Greece's advantage while they were in power. Oddly enough, Thomas Pappas of Boston has since then managed to avoid, with Junta approval, most of the less profitable investments he was supposed to undertake and he has emerged as one of the most influential and vocal backers of the Junta in the U.S.

Much has been made of an agreement of the Junta with Onassis to establish a new refinery, aluminum plant and tourist investments, reportedly totaling some $600 million. It is significant that the Onassis effort to build the alumina-aluminum plant in partnership with the U.S. Reynolds Metals Company has fallen through. On April 15, 1971 the Junta publicly and strongly hinted that the agreement with Onassis is likely to be cancelled while Onassis has requested international arbitration.

By contrast to the massive net inflow of capital from abroad for investment purposes in pre-Junta Greece, today this type of capital inflow is equal to zero on a net basis. It is the first time since the end of World War II that Greece has such a heavy short-term debt burden.

The overindebtedness created for the economy by the large amounts of short-term borrowing abroad in order to conceal the impending balance of payments crisis may well lead to external insolvency in the next few years.

In summary, instead of bringing about stable economic growth the Junta has presided over a tragic misuse and waste of national resources, in an attempt to buy acceptance and some semblance of legitimacy. The resulting "gold rush" to extract favorable concessions from the Athens Colonels in return for supporting their dictatorship has resulted in the sacrifice of important Greek economic resources and interests which no parliamentary government could have undertaken and remain in office.

The political anomaly of a new post-war dictatorship in present day non-communist Europe has led to a suspension of some $55 million of European Investment Bank loans to Greece under the Treaty of Association with the Common Market. The long-run fu-

ture of Greece's association with the Common Market, the first of its kind, is in fact in doubt. As Greece's chief Common Market negotiator John Pezmatzoglu, then Deputy Governor of the Central Bank, said in a 1966 Bank of Greece message, the economic union of Greece with the EEC was based on the mutually agreed, basic objective of an ultimate political union of Greece with its European partners.

Since then the Governor of the Central Bank, Professor X. Zolotas, an internationally respected central banker, and the equally prominent Professor J. Pezmatzoglu have resigned in protest over the Junta and its policies. In fact, the great bulk of Greece's trained professionals have refused to participate in the Government, a phenomenon which has seriously hindered efforts at rational economic policy formulation and implementation.

I believe that it is imperative for the Nixon Administration, which is in the advantageous position of having no responsibility for the events of April 21, 1967 and December 13, 1967 to conduct a basic and ugrent review of U.S. policy towards Greece on the following grounds:

A. The assumption that the current military regime in Athens has or can bring stability is incorrect.

B. The Junta has greatly weakened Greece's military capability and political ability to fulfill its NATO commitments.

C. The situation in Greece is potentially dangerous. If present policies are continued, a new Vietnam could result.

D. The widespread belief in Europe that the U.S. is responsible for the coup and for keeping the Colonels in power is seriously damaging to America's position in Europe.

E. The existence of a military dictatorship in Greece is morally and politically repugnant especially to the extent that it appears that the United States is supporting this regime.

In considering U.S. policy towards Greece I would like here to make several points directed primarily to American conservatives. It has been a tragedy that many American opinions and actions concerning Greece have been viewed as a political issue between conservatives and liberals. As a result of the opposition to the Greek Junta by many prominent American liberals, all too many American conservatives have not realized the true nature and intent of the current Greek regime. While Greek political liberals have suffered as a result of the coup, as many Greek conservatives with well-known anti-communist credentials have been suppressed, imprisoned, and driven into exile by the Junta. In fact, many of the most severe critics of the coup and the current regime could be described as conservatives.

In the light of the Athens Colonels' past and continued repression of anti-communist Greek conservatives and the often-forgotten fact that the Colonels seized power from a conservative government, I would ask some American conservatives who have either largely remained neutral or have supported the current Greek regime to reconsider their positions. For the situation in Greece cannot be described or understood along American political lines. In this case both American liberals and conservatives, perhaps for different but compatible reasons, should oppose the authoritarian dictatorship imposed on the people of Greece by a small group of colonels in Athens.

Thus, in reviewing U.S. policy towards Greece I would suggest that the following specific changes in the policies inherited by the Nixon Administration would be both in the interest of the United States and the Greek people:

1. A clear-cut public condemnation of the Greek Junta by the Nixon Administration and real efforts of disassociation from the Johnson Administration policies, attitudes and methods used in dealing with Greece.

2. Terminate immediately and completely all U.S. military aid to the Athens regime and reverse the disastrous decision taken on September 22, 1970 to resume delivery of major U.S. military equipment to the Athens Colonels. Such a decision gave in effect official public U.S. government approval to the Athens military dictatorship.

3. Take the initiative for joint NATO action against the Junta by exercising maximum diplomatic, economic and military aid pressure, on a well-coordinated basis, in behalf of the Atlantic Alliance. Such an American initiative will take options away from Moscow policy-makers and will build up U.S. influence in NATO and among the European liberals, intellectuals and youth. Such a U.S. initiative would have worldwide favorable repercussions and Washington will be in a better position to exploit existing turmoil among Moscow's Eastern European communist satellites, non-satellites and the communist parties in non-communist Europe.

4. Give full U.S. support to the efforts of the Common Market and the Council of Europe to isolate morally, politically and economically the Athens Colonels.

5. Find appropriate ways and means to support actively and effectively all anti-Junta, anti-communist elements who represent the vast majority of the Greek people.

6. Strong efforts should be made to dispel the belief of U.S. involvement and support of the Greek Junta in Greece and the rest of Europe, including the use of the Voice of America. Such efforts are essential to forestall violent anti-American backlash in Greece, which otherwise is a virtual certainty.

In evaluating the merits of the above basic recommendations it is important to understand the following points:

A. All the above peaceful measures are sufficient if used effectively, in my opinion, to overthrow the Greek dictatorship without bloodshed, and without risking American lives, as you do in Vietnam today, or you did in Korea, Lebanon and in the Dominican Republic. The Nixon Administration must have learned some very valuable lessons with the events in Pakistan, the crisis in Peru and the negotiations over the Spanish bases. These events proved the grave risks inherent in dealing with anti-communist military dictatorships and should help dispel the myth that such regimes serve effectively the U.S. interests.

B. If the Junta is overthrown by these peaceful measures proposed to the Nixon Administration, Washington will be in a much better position to deal also with the Middle East crisis, having the full support and cooperation of the liberated (with American support) Greek people, and the U.S. and NATO bases presently in Greece will not any longer be surrounded, as is the case today, by an increasingly hostile population, which makes their value presently, in the case of emergency, at least doubtful.

C. More than 100,000 hard-core Greek communists live in various parts of the Eastern European communist world, including the thousands of young children abducted by the retreating Greek communist guerrilla forces in 1949. These children are now completely trained militarily and indoctrinated. Greece has very extended and rugged mountain frontiers with her northern communist neighbors. These facts may represent, at a given moment, an ace in the hands of Moscow and Peking.

D. Greece's unique geographical position places her athwart the crossroads of Europe, Asia, the Middle East, and Africa. The Middle East and Africa are two areas where the Greeks for centuries have maintained the closest ties and interests. On the northern borders of Greece is a kaleidoscope of three different kinds of communism: the Peking style in Albania (where hundreds of Chinese advisors are stationed in this first Chinese beachhead in Europe), the Moscow style in Bulgaria, and the Tito style in Yugoslavia. This fact itself makes Greece a very good western "window," an ideal listening and influence post for the Southeastern European area. But it also makes Greece far more exposed to external communist and Slavic-chauvinistic pressures now greatly complicated by the current Sino-Soviet confrontation.

E. The U.S. record, over the last decade clearly shows a very benign attitude toward right-wing military coups while registering great alarm over left-wing ones. The so-called Schwartz doctrine (State Department senior official and former top Pentagon authority on international security affairs) makes clear the U.S. will not interfere with extra-constitutional, totalitarian rule by anti-communist governments. This double standard justified accusations all over the world and, naturally, Greece.

We were all dismayed at the ruthless crushing with Soviet military power of the modest liberal reforms which were taking place in Czechoslovakia. No satellite could be allowed to sway that far from orthodoxy and control in the minds of Warsaw Pact hard liners. Moscow paid a heavy price in terms of world condemnation and the discrediting of hard-core Czech communists. To many, the parallel of the U.S. position in Greece is disquieting. And Moscow's diplomats and propagandists are counter-attacking criticism aimed at their Czechoslovakian action by pointing to the U.S. role in Greece since April 1967. For the coup against the prospect of a liberal but pro-NATO government was carried out by people closely connected with the U.S. military, intelligence and financial complex, with U.S. weapons and using a top-secret emergency NATO plan. All in the name of anti-communism, the preservation of the orthodoxy of Greece in the Western Alliance and protecting the Monarchy—which the Junta forced into exile eight months later. Moscow intervened with Soviet troops to crush what she considered dangerous Czechoslovak liberalization tendencies.

While I do not believe that the use of U.S. troops to protect the freedom of the Greek people was, or is, necessary, it is a tragedy that the Johnson and Nixon Administrations played the role of Pontius Pilatus while U.S.-supplied tanks were used to crush Greek democracy even though ample warnings about the impending coup existed. That the Johnson and Nixon Administrations, on many occasions, has given the impression of supporting the dictatorship of the Athens Colonels, is doubly disquieting, considering that the freedom of the Greek people was guaranteed by NATO which Greece freely joined as a free nation in 1952.

In the process the U.S.'s best friends were systematically destroyed. In the end the Greeks will force their oppressors out of power. The process could be bloody and might well involve the U.S. in another Vietnam-type situation. It is, therefore, legitimate to ask why long-term U.S. interests are being sacrificed in Greece for the sake of an ephemeral appearance of security and stability and whether it is wise to continue along this road to disaster much longer.

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## ARTICLE SURVEYS IMPOUNDMENT OF APPROPRIATED FUNDS ISSUE

Mr. ERVIN. Mr. President, the Judiciary Subcommittee on Separation of Powers, of which I am honored to serve as chairman, has recently been studying the constitutional questions raised by the

practice of Executive impoundment of appropriated funds.

The subcommittee conducted hearings on this important issue in March, during which it was revealed that the Nixon administration has impounded more than $12 billion in funds that have been lawfully appropriated by the Congress for a variety of Federal programs and projects.

The magnitude of this impoundment raises questions about the proper roles of the President and the Congress under the Constitution, especially relating to the power of the purse of the Congress, and whether Congress, or the Executive, or a responsible interplay between the two, will determine our national priorities.

These questions are farreaching, and the subcommittee has been attempting to shed some light on them and recommend some possible solutions to what I regard as an erosion of the constitutional powers and prerogatives of the Congress. Within the next few days I expect to introduce legislation designed to help resolve some of these problems.

In the meantime, I recommend to everyone interested in this subject an article which appeared in the National Journal of May 15, 1971, entitled "White House Report/Impoundment Policy Fuels Political Struggle With Congress," by Andrew J. Glass.

This comprehensive article, representing a broad spectrum of views, surveys the impoundment issue and puts it into perspective. I believe that the questions involved here are of such importance that this article should be read by everyone concerned with a proper separation of the legislative and Executive powers.

Mr. President, I ask unanimous consent that the article from the National Journal be printed in the RECORD.

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

WHITE HOUSE REPORT/IMPOUNDMENT POLICY FUELS POLITICAL STRUGGLE WITH CONGRESS

(By Andrew J. Glass)

A major political battle is under way over $12,373,000,000 that Congress has appropriated for the current fiscal year but which the Administration is refusing to spend.

As the fight has progressed, White House officials have increasingly come to recognize that resentment over the frozen funds on Capitol Hill may cost President Nixon vitally needed support for his legislative program.

Consequently, the Administration is now taking a more conciliatory approach in its dealings with Congress on the issue. A net total of $389,000,000 has been released from previously blocked accounts since late March, when the unspent funds reached a peak 1971 level officially reported as $12,762,000,000.

The practice of declining to spend appropriations signed into law is known as executive impoundment.

Justification: Although impoundments rose to an all-time record level of $12,900,000,000 during fiscal 1970, political attacks against the policy remained relatively muted so long as Mr. Nixon could defend the practice as an essential instrument in his anti-inflation campaign.

But this year, the emphasis has shifted from combating inflation to spurring a sluggish economy and checking unemployment, which stood at 6.1 per cent of the work force in April. These were principal goals behind President Nixon's adoption of the "full employment" idea in his fiscal 1972 budget. (*See No. 6, p. 283.*)

In view of this change in focus, Democrats in Congress, aided by likeminded pressure groups, have attacked impoundments, raising four basic charges:

That a Democrat-controlled Congress substantially reordered national priorities in 1969 and 1970 by redrafting large portions of the Nixon budget, only to see this reordering undermined by impoundments;

That the money being withheld is heavily weighted with sums called from programs initially enacted during Democratic Administrations—programs aimed at easing the fiscal plight of big U.S. cities, which are for the most part under Democratic political control;

That the Administration intends to withhold the impounded money well into fiscal 1972 (which begins July 1, 1971), when it will eventually be released in conjunction with next year's appropriations in an effort to shock the economy out of its doldrums and cut the unemployment rate prior to the 1972 national elections.

That the President views the impounded money as a bargaining chip, with legislative approval of major Administration proposals as his price for releasing a substantial portion of the funds.

White House: Almost all of the impounded money is being withheld as a matter of policy not by the agencies to which the appropriations were made but by the Office of Management and Budget, formed last year as a successor to the Budget Bureau in an effort to give the President tighter control over federal outlays. (*For a report on OMB budgeting procedures, see No. 4, p. 151.*)

John D. Ehrlichman, assistant to the President for domestic affairs, told *National Journal* in an interview: "Impounding has been a magnificent propaganda achievement by the Democrats. I must say, you have to give them credit for doing a good job in telling a falsehood until it has become part of the daily lexicon."

Ehrlichman said that, aside from routine impoundments, the amount actually being withheld by OMB is $4,000,000,000.

Moreover, he said, the Kennedy and Johnson Administrations consistently impounded more money at any given point than the Nixon Administration has—whether the impoundment level is measured by the actual amount withheld or as a percentage of total spending. (*For impoundment trends, see graph, p. 1027.*)

Administration approach: "The President's budget managers justify the impoundments as a necessary process in order to:

release appropriated funds on an orderly basis;

meet spending limits imposed on them by Congress, such as the debt ceiling (currently $430 billion) and expenditure ceilings added as amendments to fiscal 1970 and 1971 appropriations bills;

reduce the danger of an inflationary spiral, particularly in construction costs, which is still held to be a serious problem.

OMB Director George P. Shultz has rebuffed an informal proposal by members of the House Appropriations Committee that his agency keep them abreast of specific impoundments. "I would not want to make a commitment that every time we turn around, we make a report and send it around. . . . If we did, we would be buried in paperwork," Shultz said.

But top OMB officials privately concede that Shultz has yielded to anti-impoundment pressures in recent weeks—at the very least halting an upward spiral in the level of withheld funds. Specific impoundments released since March 26 include:

All $109 million that had been withheld from private U.S. maritime interests for payment of operating-differential subsidies;

$20 million of $38 million for the Office of Economic Opportunity;

$48 million of $49 million for an emergency credit revolving fund run by the Farmers Home Administration in the Agriculture Department.

Still, the over-all downward trend is only a 3-per cent drop from the peak level, and many major accounts remain impounded.

For example, OMB officials have refused to release any of the $1,175,500,000 now blocked in four huge frozen accounts of the Housing and Urban Development Department—for low-rent housing, model cities, urban renewal and basic water and sewer grants.

On a selective basis, OMB also has staked out fresh areas for impoundment. Thus, in late April, an impoundment order froze $25,000,000 earmarked for Alliance for Progress loans in Latin America, on grounds that there was no current demand for these loans.

OMB officials estimate that impoundments will fall to between $12.2-billion and $12.0 billion by the end of the fiscal year. They expect another drop of about $1 billion on July 1 with the release of construction and public works funds.

HOUSE

Democratic leaders in the House have raised the issue of Administration impoundments as one of their major political themes this year.

Republicans have come to the President's defense, charging that the Democrats are indulging in partisanship. Democrats in Congress, they say, made no similar demands on Democratic Presidents who impounded funds.

Leadership resolution: The issue reached the House floor on April 27, when Majority Whip Thomas P. O'Neill, Jr., D-Mass., introduced a joint resolution instructing Mr. Nixon to release forthwith all impounded monies (H.J. Res. 577).

"The President is holding these funds back for one reason," O'Neal told his colleagues. "(He) hopes to make these funds available in September so that the economy of the nation will be high. He has his eye on the election of 1972, and he wants to look good. That is why it is unfair."

Joining the debate, House Minority Leader Gerald R. Ford, Mich., wondered why O'Neill had failed to voice similar concern over impoundments when they occurred in the Kennedy and Johnson Administrations. "If it was bad then, it is bad now. If it was good then, it is good now."

O'Neill replied that the situation is "sadly different," since joblessness is currently running above 6 per cent, against a 3-per cent average in the Johnson Administration.

O'Neill's proposal, if it should pass, would be subject to a Presidential veto and, if vetoed, would need a two-thirds majority in both chambers to gain enactment.

*Response to mayors*—The anti-impoundment drive, now in full swing as a publicity campaign, gained momentum in late March, when a heavily Democratic delegation of mayors from the nation's leading cities tried in vain to bring House Democratic leaders behind the Nixon revenue-sharing plan.

The main leadership response was to seek to change the focus to the impoundment issue, an area in which the mayors and the House leaders are in full accord.

Thus, while O'Neill was announcing his resolution in the House, Majority Leader Hale Boggs, D-La., said:

"It (impoundment) is particularly wrong now because the President is asking for revenue sharing with no strings attached. He is talking about revenue sharing for the cities when at the same time he is holding up funds that have been appropriated that are desparately needed by the cities. . . ." (*For reports on revenue sharing, see Nos. 14 and 15.*)

*Albert's role*—House Speaker Carl Albert, D-Okla., has lent his personal prestige to the

drive. At a March 25 press conference, the Speaker decried impoundments as "simply unacceptable."

His attack followed by two days a White House meeting between the President and big-city mayors at which, Albert learned, the mayoral delegation raised the impoundments issue.

Following the Speaker's initiative, two freshmen Democrats from Connecticut, Reps. William R. Cotter and Ella T. Grasso, announced that they would present a resolution to the House Democratic Caucus calling for "immediate release of all such appropriated funds." Their resolution was passed April 22 on a motion by Boggs. Appropriations Committee: To date, the anti-impoundment campaign has failed to secure the support of Rep. George H. Mahon, D-Tex., chairman of the House Appropriations Committee.

*Mahon's position*—Taking a stand long in favor among senior members of his committee, Mahon said that the "weight of experience and practice bears out the general proposition that an appropriation does not constitute a mandate to spend every dollar appropriated. . . ."

"I believe it is fundamentally desirable that the executive have limited powers of impoundment in the interests of good management and constructive economy in public expenditures," Mahon said.

A well-informed member of the Appropriations Committee, who asked anonymity, said: "George is too deeply into the economy-in-government bag to make any sort of fuss about impoundments. But he has a tacit understanding with Albert and Boggs not to break up their act."

Several members of the appropriations panel have spoken out against the Nixon impoundments. They include Reps. Robert N. Giaimo, D-Conn.; Edward P. Boland, D-Mass., chairman of the Subcommittee on HUD-Space-Science; Joe L. Evins, D-Tenn., chairman of the Subcommittee on Public Works-AEC; and Jamie L. Whitten, D-Miss., chairman of the Subcommittee on Agriculture-Environmental and Consumer Protection.

*Evins' position*—Evins' attitude is typical of the appropriations subcommittee chairmen whose sectors of the budget have been affected by the impoundments.

In a March 23 statement, he accused OMB of "arrogating power vested in Congress by the Constitution by disregarding priorities set by Congress and substituting its own judgment—rewriting legislation and appropriations—in effect, exercising what amounts to unconstitutional item vetoes."

An OMB decision to impound $600,000 for an American Museum of Atomic Energy at Oak Ridge, Tenn., has particularly infuriated Evins. The fiscal 1972 budget channels money for the museum (which would be built in his home district) into the general fund of the Atomic Energy Commission, a step that Evins calls "an unconstitutional item veto."

Until this year, Evins chaired the HUD appropriations subcommittee now headed by Boland.

A member of the White House staff told *National Journal* that in July 1970—shortly before the President vetoed the fiscal 1971 HUD appropriations bill—Evins, in a letter urging the President to sign the bill, said: "There is no requirement in the bill, of course, requiring the release of these funds."

Public works: Evins and others have focused much of their criticism on public works impoundments.

(The Administration has impounded $91,700,000 in fiscal 1971 funds which Congress appropriated to begin construction on 145 public works projects which had not been approved in the President's budget. Funds for all of the new projects initiated by Congress are impounded, although some Administration-budgeted starts are going ahead.)

Rep. William L. Hungate, D-Mo., has introduced a resolution (HRes 305) stating that it is the sense of the House that the President "should provide for the immediate release of funds which were appropriated by Congress for public works. . . ." The resolution has 78 cosponsors.

Rep. Charles E. Bennett, D-Fla., entered the dispute after the President on Jan. 19 indefinitely froze funds for construction of a cross-Florida barge canal, which was begun in 1964 and is about one-third complete. Some $60 million has been appropriated to date for the project.

"It is not a simple question of impounding funds," Bennett said. "It is a simple question of repudiating the Constitution. There is not a court in the land that is going to uphold the President in this action."

Mr. Nixon cited environmental protection as grounds for terminating the canal project. His action is being challenged in a court suit in which the state of Florida is a complaining party.

On March 30, Bennett introduced a resolution (HConRes 244) to create a Joint Committee on Impoundment of Funds, which would conduct a continuing review of impoundment practices.

Republicans: House Republicans have remained relatively quiet. Generally, GOP Members have defended the President only after he has come under Democratic fire for impounding funds.

Shortly before O'Neill introduced his resolution, Ford told *National Journal:* "I admit that in effect it's a line-item veto, but there's no question that he has the final authority to impound."

In Ford's estimation the Administration's initial loss in the House on the supersonic transport program was directly related to the President's impoundment policies. "The issue was decided by Members who opposed the President's project because he had put their projects on ice. They found it difficult to vote for jobs for aircraft workers in Seattle when the Administration had cut off jobs at home," Ford said. (*For House votes on the SST, see votes T2 and 25, No. 12, p. 644; votes 89 and 90, p. 1074.*)

Republicans who acknowledged to Ford that their SST votes were influenced to some degree by impoundments include Reps. H. Allen Smith, Calif., who has a half-completed freeway project in his district; John J. Rhodes, Ariz., whose district would benefit from the central Arizona water supply and irrigation project; and Joel T. Broyhill, Va., who has a yet-unstarted $10-million flood control project in his Washington, D.C., suburban district.

SENATE

The Senate matches the House in the intensity of its concern over impoundment. But Senate criticism has aimed more at an alleged erosion of legislative power over the public purse and less at specific impoundment actions.

Senate complaints range across the full ideological spectrum, but are lodged, for the most part, in the Democratic camp. (An exception is Sen. Charles McC. Mathias Jr., R-Md., who said: "The power of the purse—the power of Congress to determine the expenditure of public money—must be preserved if we are to preserve the fundamental balance between the legislative and executive branches.")

Leadership view: Majority Leader Mike Mansfield, D-Mont., told *National Journal:* "I don't think the President has the right to impound funds. They must spend the money, unless they have good and valid reasons for not doing so."

On April 5, Mansfield proposed that the House, which by tradition initiates all appropriations bills, should go to court to force the President to release impounded funds. "A grave constitutional question is involved," Mansfield said.

(The Supreme Court has not ruled on the constitutionality of executive branch impoundments, nor has it defined clearly who would have legal standing to bring a suit testing this executive practice.)

Mansfield has not brought the impoundments issue before the Senate Democratic Policy Committee, which he heads. One member of the panel said privately: "It's a damn good issue for us. But, right now, Ervin is running with the ball. I think the guys would like to see what develops over there first."

The informant was referring to Sen. Sam J. Ervin Jr., D-N.C., chairman of the Judiciary Subcommittee on Separation of Powers, which held hearings critical of impoundment practices in late March (*For background on the Senate Democratic Policy Committee, see No. 10, p. 499.*)

Presidential hopefuls: Two potential 1972 Democratic Presidential nominees have entered the impoundments dispute: Sens. Hubert H. Humphrey, Minn., and Henry M. Jackson, Wash.

*Humphrey*—In an interview, Humphrey told *National Journal:* "We're really going to have a ring-a-ding on this one. What is happening is another one of those great periodic reviews that involve a basic redistribution of power between the Presidency and the legislature.

"I don't have any immediate answer. We have no firm blueprint. We'll just have to try out one form of pressure, and, if that doesn't work, we'll have to try another.

"It's one thing, you know, to temporarily withhold funds. But it's quite another to cancel them—to impose their will over that of the people's elected representatives.

"There's no question that the President is going to open the flood gates of spending in 1972. No Democratic politician who thinks about these things can come to any different conclusion.

"But we may have to pay the bill later on. It would be ironic if a Democratic President had to impose spending restraints in 1973 as a result of essentially politically motivated decisions by the Republicans in 1972."

*Jackson*—although he is regarded by the White House as the least antagonistic to the President's policies of the potential Democratic candidates, Jackson is nontheless critical of impoundments.

In an April 14 Senate speech, Jackson said: "I believe the country would be benefited if a high rate of unemployment were to occur in the Office of Management and Budget. In particular, the President would be better advised if he had a 'Doctor Yes We Can' rather than a 'Doctor No We Can't.'"

Jackson was referring to OMB Director Shultz, whom he called "Nixon's Dr. No."

Appropriations: A powerful apostle of the anti-impoundments faction is Sen. Allen J. Ellender, chairman of the Senate Appropriations Committee.

Ellender's predecessor in that position, the late Sen. Richard B. Russell (D-Ga., 1935–71), firmly believed that a President could not be compelled to spend an appropriation.

Ellender feels differently. In an April 13 speech in Shreveport, La., Ellender took note of Mansfield's proposal that the House force a court test on impoundments, without mentioning the Majority Leader by name. "Frankly, I do not put much credence in this suggestion," Ellender said.

Next, he mentioned an Ervin proposal—that legislation be enacted requiring the President to lay a decision to impound funds before Congress, with the legislature having the option of overturning that decision through affirmative action of both houses within 60 days.

Ellender expressed no opinion on this alternative.

Finally, Ellender said: "A third proposal is for Members of Congress individually and as a body to say 'no' to other policies whose approval is being sought by the President.

It may be in the long run this will prove the most effective. . . . I suspect we are going to see more and more of this thinking in Congress in the days ahead if changes are not made."

Ellender views the impoundments issue as "a political question" and says "its ultimate solution must be found on political grounds."

Ellender's threat to use the powers of the Senate Appropriations Committee to combat future impoundments and to rescind old ones could be a serious one.

"There isn't a day that passes that they (OMB) don't come around and ask us for something," Thomas J. Scott, the committee's veteran chief clerk, told *National Journal*.

Ellender, however, has yet to take specific action against the Administration in retaliation for impoundments.

Hearings: Two companion sets of public hearings during the current session have brought the impoundments issue into sharper focus in the Senate.

The first was held March 3–4 by the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing and Urban Affairs. A second set was before Ervin's Judiciary subcommittee, March 23–25.

OMB Deputy Director Caspar W. Weinberger defended the Administration's position before both subcommittees.

Sparkman—Sen. John Sparkman, D-Ala., chairman of the full banking committee and the subcommittee holding the hearings, sought to require the Nixon Administration to justify its withholding of $1.3 billion in funds for public housing, model cities, mass transit and water and sewer programs.

Although Sparkman was critical of specific impoundment decisions, he told Weinberger: "I think that this is a wise use of power, when some occasion arises that justifies the impoundment. I think the President has the right, and I might even say the duty, to impound those funds. I think they should be a matter of deferral, and I think in the past they have been."

Ervin—The Separation of Powers Subcommittee hearings did not concentrate on any particular impoundments, turning instead to basic power relationships.

In a novel departure from customary Senate procedures, the chairman and subcommittee staff were buttressed, at Ervin's invitation, by six constitutional lawyers. The visitors sat on the dais and asked questions along with the Senators who were present.

Ervin's views differed somewhat from Sparkman's. As he put it: "Impounding—or reserving, freezing, withholding, sequestering, depending on semantical choice—is not a new concept and when undertaken for proper purposes, it may be quite useful in effective economy. . . .

"However, impoundment unfortunately occurs under circumstances when the executive branch, for reasons of its own, wishes to avoid expending sums which the Congress has explicitly directed to be spent for some particular purpose. It is this situation which poses a threat to our system of government and which so patently violates the separation of powers principle."

Ervin plans to introduce his legislation the week of May 17. It permits any Member of Congress to challenge impoundments from the House or Senate floor, without prior reference to a congressional committee.

THE ADMINISTRATION

High officials within OMB, where the chief impoundment decisions are made, are reluctant to discuss the fresh wave of congressional pressure to unfreeze funds—particularly on the record, lest their comments trigger further pressure.

But a top OMB official agreed to discuss the problem at length, provided he could present his views anonymously. The official said Members of Congress who have raised the impoundments issue are engaging in "a political charade."

"I question whether they really do want to resolve it in black-and-white terms," he said. "It's all one great big game. It's become a little battle. 'The Administration is impounding money Congress appropriated.' It makes good headlines. People can understand that. On the other hand, the Hill people can still scream economy."

CHIEF EXECUTIVE

President Nixon also inclines toward this view. When he was asked about impoundments March 22 in a televised interview with Howard K. Smith of ABC News, the President replied:

"When I was a Senator and a Congressman, I played all of these games, too, with very little success. These games are going to be played. The efforts will be made (by legislators), some of them with the very best of intentions, to hamstring the executive, the President. When it is the proper thing to do, it will be done."

Mr. Nixon went on to observe that "you can have only one Commander-in-Chief." He rested his case for impoundments on his national security powers, where Presidents have traditionally sought to defend impoundment actions; he did not comment on domestic-program impoundments.

In the past, Mr. Nixon has displayed sensitivity to the potential power of Congress to mandate spending in the domestic area.

In January 1970, President Nixon vetoed a Labor-HEW appropriations bill (HR 13111) that added $1.1 billion to his budget request, and included a requirement that impacted areas education money be spent.

He acted partly on the grounds that "nearly nine-tenths of these increases is for mandatory programs—which leave the executive branch no discretion whatever either as to the level or the purpose of the added expenditures." The veto was sustained.

(The President also grounded his veto decision on a legal memorandum from William H. Rehnquist, assistant attorney general (Office of Legal Counsel), which said: "With respect to the suggestion that the President has a constitutional power to decline to spend appropriated funds, we must conclude that existence of such broad powers is supported by neither reason nor precedent." Rehnquist's position was useful as a justification for vetoing the bill, but it has come back to haunt the Administration in the impoundment controversy.

(OBM Deputy Director Weinberger says he disagrees with Rehnquist's memorandum. Weinberger's reasoning is that other provisions of law may enable a President to decline to spend a mandated appropriation.)

White House staff: High-level members of the President's personal staff who must deal directly with Congress or with the press recognize that the President has suffered a blow from the high levels of impoundments.

*MacGregor*—Presidential Counselor Clark MacGregor told National Journal that some impounded funds would be released in mid-May. In meetings with the President, MacGregor has urged lifting impoundment on a selective basis. One purpose, he said, might be to aid sections of the country hit hard by unemployment, such as Seattle, where layoffs at the giant Boeing Co. have increased since termination of the SST program.

MacGregor said he also favors releasing funds for activities such as housing for the elderly—a program popular on Capitol Hill. Freeing funds for such programs as these, he said, will entail "small dollars, but big benefits."

As the chief Nixon liaison on Capitol Hill, MacGregor is mindful that the release of impounded funds would improve chances of passage for other Nixon-backed programs.

MacGregor said "there is no question" that the Administration lost an SST decision in the House March 16 because of executive impoundments. "You could say it was a determining factor," he said.

In response to letters from Democratic Members of Congress complaining about the impoundments, MacGregor tends to defend the practice by citing legal and statutory precedents, rather than deal with the problem directly. In responding to one letter, he added a postscript in his own hand which noted that impoundments were "a regular practice in the Kennedy and Johnson Administrations."

*Klein*—In a "deep background" session with reporters on April 7, Herbert G. Klein, director of communications for the executive branch, said the impoundment process has caused more individual complaints on Capitol Hill than any other issue.

Klein also predicted that some of the impounded money would be released within the next 45 days—by mid-May. He agreed with MacGregor that the controversy has made it difficult to obtain votes for other Nixon programs, such as revenue sharing and executive reorganization.

Klein said May 10: "It (the impoundment policy) is not locked in concrete. At least the concrete has not dried."

Budget office: The MacGregor-Klein view is discounted within some OMB circles.

Weinberger told *National Journal* that he knows of no plans to change policies, despite what the two White House aides said.

"They are trying to make it sound like a reversal of policy where none exists," another OMB executive said. "It's very interesting what's going on."

This official, while agreeing with Weinberger's assessment, nevertheless said that "a certain amount always gets loosened up under pressure."

*Weinberger*—In testimony before the Senate Appropriations Committee April 19, Weinberger announced that a peak level of impoundments reached in late March had been cut back at that point by $255 million in a selective thaw of previously frozen funds.

But Weinberger said that the released funds were routinely freed according to previous plan and not as a result of pressure from Capitol Hill or other sources.

A $33-million release for the emergency credit revolving fund of the Agriculture Department's Farmers Home Administration was included in the package. Sen. Robert Dole, R-Kan., the Republican National Chairman, has stressed in his recent political meetings with the President that the GOP was paying insufficient attention to the nation's farmers and might have to pay the consequences in the 1972 election.

The release also involved such items as foreign military credit sales and military construction—all areas where impoundments have not come under specific attack in Congress.

The White House arranged April 28 to have Weinberger defend the policy at a regular afternoon press briefing. Weinberger told reporters that the practice began when Thomas Jefferson would not release funds for two gunboats because the Indians had turned friendly along one of the rivers on which the gunboats were planned to be used.

Weinberger served as finance director for the State of California (1968–69) and as chairman of the Federal Trade Commission (1970) before assuming his present position. He is widely viewed in Congress as the chief instrument of the Nixon impoundment policy.

"He's the man with the ax," said Bill Keel, administrative assistant to Rep. Evins. "He did the same thing for (California Gov. Ronald) Reagan as he's doing for Nixon."

For his part, Weinberger told the Senate Appropriations Committee, "My experience in government has been an unceasing attempt to reduce government expenditures at all levels."

Weinberger also feels that the OMB is the only agency that has the overview necessary to make balanced judgments on government spending. As he put it in March 24 testimony to the Ervin subcommittee:

"The whole nature of the appropriations process is such that Congress is, in one way or another, virtually prevented from having—or at least from taking—an over-all look at the effect of their total actions . . . There is only one agency in the government that has, in a sense, the over-all responsibility or at least does look at the over-all picture at any given time."

While Weinberger carries the burden of blame for impoundments on Capitol Hill, he also has his defenders there. Sen. Charles H. Percy, R-Ill., said: "Without OBM, we would have fiscal insolvency. He is probably cursed by more departments than anybody else."

Shultz is known to be more cautious than Weinberger in asserting the political extent of OMB's power to impound. Thus, after Evins assailed Shultz over impoundments at House Appropriations Committee hearings, Shultz told Evins privately: "There is a lot of truth in what you said."

*Process*—Asked how and why impoundments occur, a top OMB official told *National Journal:*

"Sometimes the decision is rather drab and routine and bureaucratic. It's a management tool, really. It's as simple as all that. It can range from there to something that is so politically sensitive that you're not going to be told: you're going to have to figure it out for yourself."

Of the appropriated funds that were impounded March 26, OMB reports that $10,798,000,000 is being reserved for use in fiscal 1972 and beyond; $1,025,000,000 is being held "to contingencies"; $570,000,000 is being held up until specific projects for which these monies are earmarked are approved; $115,000,000 is impounded "to effect savings"; and the remaining $255,000,000 is being held up for a variety of reasons, including pending program changes, specific decisions by the agencies not to spend the money, and reductions required by acts of Congress.

A significant fraction of impoundments carry no policy implications whatever, OMB officials say.

As one example, they cite $957,000,000 which has been set aside for naval construction. These funds cannot be used in fiscal 1971, even though they were appropriated for that year, because they involve later stages in the shipbuilding process. "Such reserves remove the temptation for goldplating," an OMB official said.

*Policy judgments*—On the other hand, OMB does impose policy judgments on the impoundment process.

For example, $200 million of the $600 million Congress appropriated for fiscal 1971 for urban mass transit—part of a five-year, $3.1-billion program—will not be released until fiscal 1972. An OBM official said privately:

"I don't want yesterday's priority to be today's. We want to put this program on a visionary trend. If we pass it all now to them (the Transportation Department), 90 per cent would be committed to buses because that's where the pressure for grants is centered. But what we want is some visionary thinking."

Transportation Under Secretary James M. Beggs says the impoundment is justified because the funds cannot be spent efficiently until the new fiscal year.

But he resents OMB placing its policy judgments over those of the experts in his department. "They shouldn't get so deep into policy that they're making judgments on buses," Beggs said.

*Analysis*—In explaining over-all impoundment policies, a top-ranking OMB official departed from the legalistic justifications that are offered in testimony on Capitol Hill. Instead, he assumed that OMB had the theoretical power to impound, if not always the political power, and he went on from there.

"Most of the things in the budget are uncontrollables and on-going programs which for one reason or another the President can't touch. That leaves only a fringe at the top which is reported in the press as 'the Administration's program.'

"Once Nixon decided he did not want to cut the defense budget any more—that's where the real money is—there was very little room for us to play with, to get his program in and still stay within a predetermined ceiling of $229 billion.

"That's why so many of the cuts had to come in things like highway construction (where $5.85 billion is impounded) and in public works. When you impound in these areas, you're not cutting anything out; you're not throwing anyone on the street. You're just not starting something. And if you're going to try to control inflation, it's a darn good area to impound.

"We tell (the President) that you can't be capricious about impoundments; that you have to have a policy. And Nixon does have a policy, because what it comes down to in the end is his judgment over the really small margin we have to play with. Take urban renewal and model cities (where a total of $783 million is impounded). Nixon doesn't believe in (the programs). Draw your own conclusions.

"When you ask will we ever give it back, the answer is I just don't know. It depends, I suppose, on what the screams are."

PRESSURE GROUPS

A wide range of powerful interests directly affected by the impoundments policy have entered the dispute, seeking to compel the Administration, through a combination of political pressure and threats of legal action, to release the money.

Hard-pressed for funds, the nation's Governors and mayors have led the fight against Administration impoundments, with Democrats and Republicans joining equally in the battle. They have been bolstered by a host of quasi-public and private groups. But, to date, their efforts have been unsuccessful.

Governors: The National Governors' Conference, meeting last August in Lake of the Ozarks, Mo., challenged the Administration's basic right to impound funds.

The Governors formed a three-man committee to examine the impoundments, assess their effect on state programs and make recommendations to the full group at the next conference, which is scheduled for September 1971.

The committee was composed of Govs. Forrest H. Anderson, D-Mont.; Jack Williams, R-Ariz.; and Frank L. Farrar, R-S.D., who was defeated for reelection last year. (Anderson and Farrar were chosen because they had previously served as attorneys general of their states.)

On March 28, the Democratic Governors' Caucus, meeting in St. Louis, passed a resolution calling upon the President "to release all funds already appropriated by Congress but currently being withheld."

State legal test: While the National Governors' Conference was in progress, the Missouri State Highway Commission filed suit in the U.S. District Court for the Western District of Missouri for release of $28 million in withheld funds. Thereupon, the Governors passed a resolution endorsing the suit.

The case (Civil No. 1616) is expected to go to trial in early June before U.S. District Judge William H. Becker in Kansas City. OMB Director Shultz and Transportation Secretary John A. Volpe are listed as the defendants.

Judge Becker already has ruled three times against the government on pre-trial motions: The government unsuccessfully sought to have the suit dismissed on the grounds that the Missouri Highway Commission had failed to obtain permission to sue; that it lacked proper legal standing, and that it did not possess a sufficient cause of action.

Mayors: At a two-hour meeting with Mr. Nixon on March 23, a 30-member delegation of big-city mayors sought release of $1.3 billion in appropriated urban funds.

While sympathetic in his comments, the President made no commitments. He said that congressional passage of his general and special revenue sharing legislation would do much to relieve the mayors' plight.

About a week after the White House session, an OMB official said privately that the mayors' group had made an impact. "If anything happens on impoundments," he said, "it won't be because of the Hill stuff but because of what the mayors said."

Earlier in the month, the mayors' umbrella organization, the National League of Cities-U.S. Conference of Mayors, had buttressed their anti-impoundment campaign with testimony before the Sparkman subcommittee. In this instance, the lobbying effort fell on sympathetic ears, but the panel was not in a position to help.

From the witness chair, Baltimore Mayor Thomas J. D'Alesandro III, D, asked the panel: "What can the cities of this country do to get the money released? What can Congress—and, in particular, this committee—do?"

The remaining mayoral witness, Lee Alexander, D-Syracuse, N.Y., chairman of the National League of Cities Community Development Committee, voiced strong support for the Nixon general revenue-sharing concept.

But, he said, "it is difficult to focus our attention on these reforms when it appears that some of our most essential programs currently aiding our cities are being curtailed. We would be able to approach a discussion of the President's proposals with greater confidence if full use were being made of the present meager funds."

In testimony before the Ervin subcommittee, San Francisco Mayor Joseph L. Alioto, D, said he was exploring the possibility of seeking court injunctions to force the Administration to release at least some of the impounded money. Alioto testified that the impoundments had raised "grave constitutional questions" and had created "a desperate situation for the cities."

URBAN GROUPS

Much of the pressure for release of funds has focused on the $1.4 billion withheld in the urban area and including such activities as urban renewal, model cities, public housing, water and sewer grants and mass transit. Administration spokesmen have informally pledged to release all of these funds during fiscal 1972; but they have made no commitment to spend fiscal 1972 appropriations in these categories.

Among those appearing at the witness table to attack urban impoundments at the Sparkman hearings were:

B. R. Stokes, general manager of the San Francisco Bay Area Rapid Transit District (BART), who spoke as vice president of the Institute of Rapid Transit, an industry group;

George L. DeMent, president of the American Transit Association, who said that the impoundments indicate that the Administration has placed "the problem of urban immobility at a very low national priority";

John A. Stastny, president of the National Association of Home Builders and a Chicago-based builder, who said, "It is hard to reconcile this general withholding of available funds with the Administration's emphasis upon housing production as a vital spur to the economy." (*For a profile of NAHB, see No. 9, p. 431.*).

Statements attacking the impoundment policy have been issued by the National Housing Conference, which has its roots in the New Deal era, and the National Association of Housing and Redevelopment Of-

ficials (NAHRO), which represents housing authorities and urban renewal departments.

In mid-April, NAHRO circulated a memorandum to Administration officials and selected Members of Congress containing data on what the impoundments had done to impair local housing and urban renewal programs. (*For a profile of NAHRO, see Vol. 2, No. 11, p. 579.*)

The NAHRO memorandum, based on a survey of 250 state and local agencies, was accompanied by a letter to Sen. Sparkman that said: "Unless action is taken immediately to release these funds before July 1, many local programs will not survive and others will face drastic curtailment of their operations."

Highways: Several Washington groups representing highway contractors have protested the major fraction of impoundments—$5.85 billion—in their area.

The Johnson Administration first impounded highway trust fund monies in 1966. (Since the unspent portion is borrowed by the Treasury to meet its needs, the impoundments serves the additional purpose of enabling the government to restrict its borrowing in private capital markets to the extent that the money is available internally.)

The Nixon impoundment was ordered in September 1969, when the President declared a 75-per cent cutback in new federal construction to reduce inflation. Highway spending is now funded at an annual rate of $4.6 billion, against an appropriated level of $5.5 billion.

John W. Gibbons, public relations director for the Highway Users for Safety and Mobility, an umbrella group for the highway builders, told *National Journal*:

"We have not taken a policy position against any specific cutbacks. . . . Some of our people are reluctant to take a position that might appear to bind the hand of the President in the control of inflation, and, therefore, they are not about to jump on him as a special interest."

Alfred E. Johnson, executive director of the American Association of State Highway Officials, said: "As far as I know, you can't force the executive branch to spend anything the legislative branch provides. We've worked at it, because we have a need there. . . .

"As far as we're concerned, we're getting a lot of amateurish budget control over there in that shop. Of course, some of them are not very strong on the highway program anyhow.

"One of our problems is that there are people over there (in OMB) who have no idea of the transportation needs or problems of the big part of this country. . . . They know what happens in Cambridge, downtown Boston, they know what happens here, what happens in Manhattan Island and they fly from one to the other."

Johnson said he had "a private understanding" that the highway program would be funded at an annual spending level of $4.6 billion until 1975, regardless of congressional efforts to increase that amount.

An OMB official told *National Journal* that even under "a drastic revision of policy" no more than $1.5 billion of the impounded $5.85 billion could be released in the next 12 months, "unless you wanted to have every contractor in America doing nothing else but building highways." (For a report on highway trust fund impoundment, see Vol. 2, No. 30, p. 1599.)

AFL–CIO: The Executive Council of the AFL–CIO, meeting May 11 in Atlanta, said the impoundments revealed "a firm determination to manipulate the federal treasury as a political tool in preparation for the 1972 election campaign."

The AFL–CIO added, in a statement, that the Administration had made "a cynical political decision to hold the funds until they can be doled out piecemeal to achieve maximum economic impact at a time when maximum political effect is desired."

ASSESSMENT

The Nixon Administration's impoundment policies raise both constitutional and political questions which have yet to be resolved.

Framers' intention: Although the Constitution offers no specific instructions on impoundment of appropriated funds, it does offer guidelines.

An item veto is not provided. The President must either veto an entire bill or sign it into law. Congress may override the veto with a two-thirds majority.

In the military sphere, the Constitution reserves to Congress the right to "raise and support armies" and to "provide and maintain a Navy."

Sen. Frank Church, D-Idaho, who wrote on the impoundments problem in the June 1970 *Stanford Law Review*, makes a fundamental distinction between those impoundments where Congress prescribes the conditions under which they may be made and impoundments that occur despite a mandatory appropriation.

Church concludes: "If we are to preserve our democratic institutions . . ., the President cannot be allowed the further privilege of ignoring a *mandated* appropriation. It is this form of impoundment that represents a grave threat to the integrity of Congress."

Writing in a 1969 issue of the *George Washington Law Review*, Louis Fisher, a scholar at the Library of Congress, said:

"(A) *constitutional* issue emerges only when Congress finds a legislative program canceled or abbreviated because the President considers the purpose unwise, wasteful or inexpedient. He then no longer operates on the basis of legislative authority."

Political power: It is most unlikely that the future course of impoundments, at least in the near-term, will be governed by constitutional restraints.

Despite contrary opinions in the Nixon Justice Department, top OMB officials regard appropriations as permissive ceilings rather than instructions that must be obeyed. These officials are highly conscious of the fact that they receive their directions from and owe their primary allegiance to the President. As long as the basic constitutional argument remains unresolved, these restraints bear little weight.

The course of impoundments is more likely to be affected by economic and political factors.

Should the economy be sagging when the new fiscal year opens July 1, the President is more apt to apply the expansionary spending principles he originally set forth in his January full employment budget and substantially lower the ratio of impoundments to appropriations.

If the Congress, on a systematic basis, fails to pass Administration-sponsored bills in apparent retaliation for the impoundments policy, then the President is more apt to reconsider that policy.

As Fisher writes: "The struggle between the President and Congress over impounded funds is essentially political. The decisive appeal is not to legal principles and Court decisions but to constituencies and agency support. . . .

"Since the President lacks an item veto, he must impound the unwanted funds to preserve his budgetary objectives and maintain control over his executive officials."

Yet another Presidential scholar, Arthur Selwyn Miller, writing in a 1965 issue of the *North Carolina Law Review*, said that the President "can and may withhold expenditure of funds to the extent that the political milieu in which he operates permits him to do so."

It is evident that concerned lawmakers have as yet been unable to devise and implement an effective means of legislative control over impoundments. Congress still lacks a means to permit the Administration discretion over spending while denying the Administration unlimited powers over the public purse.

LBJ: A MATTER OF PERSPECTIVE

The impoundment process has been widely condemned on Capitol Hill and regularly defended in the White House—a fact illustrated in the career of Lyndon B. Johnson.

While Mr. Johnson served in the Senate (D-Tex., 1951–61), he condemned the Eisenhower Administration's failure to create a new division in the Marine Corps. and to construct more Polaris submarines, despite congressional mandates to do so.

During hearings held in 1959 by his Preparedness Investigating Subcommittee of the Senate Armed Services Committee, Sen. Johnson said:

"Do we have centralized control in this country? Do we no longer have a coequal branch of government? I had thought we had a constitutional responsibility to raise an army. I had the thought we had a responsibility to appropriate funds. I had the thought that once Congress passed the appropriation bill and the President approved it and signed and said to the country that 'This has my approval' that the money would be used instead of sacked up and put down in the basement somewhere."

From the vantage point of the Presidency, Mr. Johnson altered his outlook on impoundments. During his Administration (1963–1969), impoundments of appropriations climbed steadily, eventually reaching a $10-billion plateau.

In an economic message to Congress, issued Sept. 8, 1966, Mr. Johnson said that his policy would be to withhold, whenever possible, appropriations that exceeded his budget recommendations.

The same month, in signing an agriculture appropriation that exceeded his budget request by $312.5 million, Mr. Johnson said:

"During a period when we are making every effort to moderate inflation pressures, this degree of increase is, I believe, most unwise." Rather than veto the bill, Mr. Johnson decided not to spend certain items "in an attempt to avert expending more in the coming year than provided in the budget."

THE ADMINISTRATION'S IMPOUNDMENT CASE: BUILDING ON 50 YEARS OF PRECEDENTS

Although the practice of impounding funds on a significant scale began 50 years ago, its nature has changed markedly over time. Today, the Nixon White House is able to cite a half-century of precedents and legislative actions in defending its withholding of funds which Congress has appropriated.

*Early years*

Impoundments first came upon the Washington scene in 1921, with the formation of the Budget Bureau. The bureau's first director (1921–23), Charles G. Dawes, held that the amount appropriated by Congress was not necessarily the amount to be spent.

Antideficiency: Dawes, who later served as Vice President in the Coolidge Administration (1925–29), justified impoundments through his reading of the Antideficiency Acts of 1905 and 1906 (33 Stat. 1257, 34 Stat. 49), as well as under new powers granted him under the Budget and Accounting Act of 1921 (42 Stat. 20).

The Antideficiency Acts, passed at a time of budget deficits, introduced the technique of regular allotments to prevent "undue expenditures in one portion of the year that may require . . . additional appropriations to complete the service of the fiscal year." They allowed the President to waive or modify apportionments in the event of "some extraordinary emergency or unusual circumstance which could not be anticipated. . . ."

Dawes said the Acts implied that budgeting procedures should make provision for savings per se as well as for preventing deficiencies.

Limits: Yet, in creating reserve funds in the Treasury, Dawes pursued a concept far

narrower in scope than the Office of Management and Budget embraces today. Dawes merely said that an agency was not required to spend its full appropriation if it could fulfill its objectives by spending less.

Thus, Dawes said: "We have nothing to do with policy. Much as we love the President, if Congress, in its omnipotence over appropriations and in accordance with its authority over policy, passed a law that garbage should be put on the White House steps, it would be our regrettable duty, as a bureau, in an impartial and nonpolitical and nonpartisan way, to advise the Executive and Congress as to how the largest amount of garbage could be spread in the most expeditious and economical manner."

(Joseph Cooper, chairman of the political science department at Rice University and one of the few academic experts on impoundment practices, recently observed: "I am sure today the Budget Bureau would tell you that they could impound the funds for such purpose.")

Depression: In 1931, President Hoover, acting under the pressure of the depression, applied Dawes' procedure—which was to set aside annual budget reserves through specific "savings"—to impose an overall 10-per cent cut in federal spending.

President Roosevelt, employing a classical economic formula that he was later to abandon, also pursued tight government spending policies early in his first term.

Acting under the 1933 Economy Act (48 Stat 8), Roosevelt in that year issued his Executive Order 6166, which shifted the function of "making, waiving and modifying apportionments of appropriations" from department heads to the budget director. This set the stage for centralizing policy making on future impoundments in the White House.

At the same time, the Roosevelt order impounded unexpended balances for various government functions that he had abolished in the same order and returned the money to the Treasury's general fund. These efforts encountered no serious resistance in the economy-minded Congress.

War priorities: A new stage in the impoundment process began in the 1940s, when World War II expenditures took priority over non-defense public works. For the first time, an Administration sought to control not only the rate of program implementation but also the execution of particular programs which had been voted by Congress and signed into law by the President. By the end of 1943, about $500 million in scheduled public works projects had been impounded.

For the first time as well, some Members of Congress attempted to reassert legislative authority over spending and to impose restrictions on impoundment of funds. A rider that banned impoundments within the War and Navy Departments, except by direction of Congress, passed the Senate in 1943, but it was deleted from the final defense appropriations bill.

Although the Roosevelt era impoundments were the first to come under widespread challenge, the continued desire for economy and the wartime atmosphere blunted attacks in Congress that sought to confine executive branch impoundments to those that did not imperil specific programs.

*Postwar pattern*

With the end of World War II, the Budget Bureau sought firmer statutory grounds for its impoundment actions. Legislation was drafted within the bureau and eventually passed in 1950 as Section 1211 of the General Appropriation Act of 1951 (64 Stat 595).

Statutory base: In that year, instead of preparing separate appropriations bills for each major government function, the House Appropriations Committee reported an omnibus measure, giving President Truman latitude to cut the amount by $500 million, provided no domestic program was cut by more than 15 per cent.

By the time the Senate began debate on the bill, South Korea had been invaded from the north, and the President unilaterally curbed domestic outlays in view of sharply increased military spending and the danger of a runaway inflation.

The 1950 law is the foremost citation currently offered by the Nixon Administration in justifying impoundment practices. The statute amended the Antideficiency Acts by stating: "In apportioning any appropriation, reserves may be established to provide for contingencies or to effect savings whenever savings are made possible through changes in requirements, greater efficiency of operations or other developments subsequent to the date on which such apportionment was made available."

Anti-inflation policy: The meaning of "changes in requirements" and "other developments" has been broadly interpreted to grant the authority to impound as a means of combating inflationary pressures.

Increasingly, Administrations also have justified impoundments by citing the Employment Act of 1946 (60 Stat 4), which formally acknowledged federal responsibility for maintaining economic stability. (Although the Act does not specifically mention inflation, the need for price stability could be inferred through the stated goal of maximum purchasing power and the development of policies to "avoid economic fluctuations.")

Yet, the series of spending controls that Congress and various Administrations have imposed throughout the postwar years has never resolved the question of whether the responsibility for controlling inflation implied in the 1946 law falls primarily on Congress or on the President.

Defense pressures: After World War II, a series of congressional majorities sought to establish spending floors or minimums on specific items in the defense arsenal against the wishes of the Presidents.

This period saw a shift from Congress' practice of seeking to cut military spending requests—which until then had been traditional and which is once more paramount in Congress today. This reversal of the customary executive-legislative relationship resulted in a series of impoundments.

*Air Force role*—Thus, Congress voted in 1949 to increase the newly independent Air Force from 48 to 58 groups. President Truman signed the bill, but he announced that he had directed the Pentagon to place the extra $614 million in reserve.

The Truman Administration also canceled construction of an aircraft carrier, the *United States*, designed to carry long-range bombers with nuclear weapons. Acting in his role as Commander-in-Chief, Mr. Truman ordered the strategic nuclear bombing mission to be confined to the Air Force, thus obviating the operational requirement for the carrier.

*B–70 dispute*—Congressional efforts to bolster the defense budget persisted into the 1960s, following a pattern established in the Truman period.

One hotly contested impoundment involved the B-70 (RS–70) bomber, a long-range aircraft once billed as the successor to the B–52.

The controversy arose when Congress in 1961 added $180 million to the $200 million requested by the Kennedy Administration for B–70 development. Defense Secretary (1961–68) Robert S. McNamara refused to release the unwanted funds.

In 1962, the House Armed Services Committee voted to direct the Pentagon to spend not less than $491 million on the project in fiscal 1963. The spending bill specifically "directed, ordered, mandated and required" the Secretary of the Air Force to spend the full amount.

In response, President Kennedy wrote to Rep. Carl Vinson, (D-Ga., 1914–65), who was then the committee's chairman, urging that the word "authorized" be substituted for "directed" and observing that the change would be "more clearly in line with the spirit of the Constitution."

After a private talk in the White House rose garden, Vinson acceded to the President's request. Only two RS–70 prototypes were built.

*Justifications*

Professor Cooper has written that since 1950, executive branch claims regarding the President's authority to impound "have expanded so greatly as to establish virtually a qualitative difference between executive contentions before and after that date."

The current spirit was exemplified by Charles L. Schultze, a budget director (1965–68) in the Johnson Administration. When asked to state legal authority for impounding highway trust funds, Schultze replied that "basically, it is the general power of the President to operate for the welfare of the economy and the nation in terms of combating inflationary pressures."

Counterattacks: From a political standpoint, President Johnson found that this legal justification failed to placate regions hard hit by the highway cutbacks. Sensitive to the rising criticism of his action, the President released more than $1.2 billion in impounded funds on the eve of a March 1967 conference with the nation's Governors.

Ceiling on spending: While faced with pressures to release impounded funds, the Johnson and Nixon Administrations have at the same time faced spending ceilings imposed by a succession of Congresses. The ceilings have served as a rationale for impoundments.

Thus, in the fall of 1967, after debating a proposal to cut federal spending by $5 billion, Congress passed legislation (81 Stat 662) requiring the President to cut outlays by $2.5 million under a complex formula that gave the White House some discretion in how the cuts would be made.

The Revenue and Expenditure Control Act of 1968 (82 Stat 251) combined a surtax with a spending ceiling of $180.1 billion, necessitating a $6-billion cut in the Johnson budget.

Congress also set spending ceilings in fiscal 1970 and 1971 appropriations bills, while at the same time providing that the ceilings would move up or down to account for the efforts of Congress' own changes in budget line items and for outlay changes in uncontrollable spending programs.

The House Appropriations Committee, in imposing its 1971 spending ceiling, said in a report (H. Rept. 91–1033):

"(We are) not seeking to advance a vehicle for broad-axe type cutbacks that would leave to the executive the allocation of any spending reduction to specific agencies and programs. The whole idea was to focus on the totality of federal spending by putting the control of *total* spending in the hands of Congress, adjustable *only* by the Congress."

Historical analysis: In surveying the historical pattern of impoundments, Cooper concludes that the grounds for withholding are "weak" to the extent that they do not contribute to greater efficiency.

"The fact that the executive may regard impoundment as a convenient and even essential means of achieving widely agreed upon policy objectives . . .," Cooper said, "does not mean that it is a legal one.

"Thus, fundamentally, the best case the executive has for impoundments that impair or negate programs is simply precedent, simply the fact that since the mid-1950s it has done so repeatedly."

OMB'S LIST OF IMPOUNDED FUNDS

This table lists the funds impounded by President Nixon as of May 11, according to the Office of Management and Budget. Items are listed by accounts within the agency to which the appropriation was made. The activity or program for which the impounded funds were earmarked is listed where available. The current total of impoundments, $12,373,000,000, reflects a net drop of $389,000,000 from the fiscal 1971 peak, which was reached March 26. Amounts are rounded to millions of dollars.

| | |
|---|---|
| **PRESIDENT'S EXECUTIVE OFFICE** | |
| Appalachian regional development | $191 |
| economic opportunity program | 18 |
| Peace Corps, salaries and expenses | 7 |
| foreign economic assistance: | |
| investment guaranty fund | 110 |
| development loans | 72 |
| prototype desalting plant | 20 |
| supporting assistance | 14 |
| Philippine education program | 1 |
| foreign military credit sales | 122 |
| Inter-American Social Development Institute | 24 |
| **AGRICULTURE** | |
| Agricutural Research Service | 5 |
| Agricultural Stabilization and Conservation Service | 47 |
| Farmers Home Administration: | |
| water and waste disposal grants | 56 |
| housing for domestic farm labor | 1 |
| mutual and self-help housing | * |
| direct loan account | 72 |
| self-help housing land development funds | 1 |
| emergency credit revolving fund | 1 |
| Food and Nutrition Service, special milk program | 2 |
| Foreign Agricultural Service | 4 |
| Rural Electrification Administration, loans | 25 |
| Forest Service: | |
| brush disposal | 15 |
| forest roads and trails | 217 |
| Youth Conservation Corps | 1 |
| **COMMERCE** | |
| Census Bureau, 19th decennial census | 11 |
| Economic Development Assistance, regional programs | 1 |
| Inter-American Cultural and Trade Center | 5 |
| **DEFENSE** | |
| shipbuilding and conversion | 957 |
| military construction | 235 |
| homeowners assistance fund | 6 |
| special foreign currency program | 5 |
| Canal Zone operating expenses | 4 |
| Corps of Engineers: | |
| general construction | 38 |
| flood control—Mississippi River and tributaries | 4 |
| **HEALTH, EDUCATION, AND WELFARE** | |
| Health Services, Mental Health Administration: | |
| buildings and facilities | 2 |
| medical facilities construction | 2 |
| regional medical programs | 34 |
| National Institutes of Health: | |
| construction | 21 |
| neurological disease and stroke | 2 |
| general medical sciences | 6 |
| National Eye Institute | 1 |
| other | 1 |
| Office of Education: | |
| higher education | 13 |
| community education | 8 |
| school aid in federally impacted areas | 10 |
| Social and Rehabilitation Service: | |
| services and facilities | 2 |
| programs for the aging | 1 |
| Social Security Administration, construction | 22 |
| **HOUSING AND URBAN DEVELOPMENT** | |
| Low-rent public housing | $942 |
| Model cities | 583 |
| Basic water and sewer facilities | 200 |
| **INTERIOR** | |
| Bureau of Land Management, roads and trails | 11 |
| Bureau of Indian Affairs, road construction | 64 |
| Bureau of Outdoor Recreation, land and water fund | 30 |
| Bureau of Mines, drainage of anthracite mines | 4 |
| Bureau of Sport Fisheries and Wildlife: | |
| national aquarium (terminated) | 9 |
| fish and wildlife restoration | 7 |
| wildlife refuge fund | 4 |
| National Park Service, road construction | 69 |
| Bureau of Reclamation | 28 |
| **JUSTICE** | |
| Federal Prison System, building and facilities | 16 |
| **TRANSPORTATION** | |
| Coast Guard, reserve training | 2 |
| Federal Aviation Administration: | |
| facilities and equipment | 129 |
| grants-in-aid for airports | 51 |
| airport and airway trust fund | 682 |
| Federal Highway Administration: | |
| federal aid to highways | 5,852 |
| other highway programs | 411 |
| Federal Railroad Administration, Amtrak grants | 38 |
| National Highway Traffic Safety Administration, state and community highway safety | 208 |
| **OTHER AGENCIES** | |
| Atomic Energy Commission: | |
| operating expenses | 110 |
| plant and capital equipment | 59 |
| Environmental Protection Agency, operations | 7 |
| General Services Administration: | |
| public buildings construction | 60 |
| additional court facilities | 12 |
| National Aeronautics and Space Administration, research and development | 12 |
| Veterans Administration, construction | 1 |
| Atlantic-Pacific Interoceanic Canal Study Commission | 1 |
| District of Columbia, loans for capital outlay | 81 |
| Farm Credit Administration: | |
| short-term credit investment fund | 112 |
| banks for cooperatives investment fund | 148 |
| National Science Foundation, salaries and expenses | 10 |
| United States Information Agency, special international exhibitions | 2 |
| miscellaneous agencies | 1 |
| Total | [1] 12,373 |

* Under $500,000.

[1] According to HUD budget officials, the $942 million listing for low-rent public housing refers to loan fund borrowing authority which is available to HUD as needed to supplement private financing. HUD says the actual impoundment figure is $192.5 million, almost all of which is unavailable due to legislative restrictions. HUD officials also noted that the OMB compilation fails to list $200 million in impounded urban renewal funds. With these corrections, the total impoundment figure is $11,823,500,000.

PRESIDENTIAL SPENDING: THE OTHER SIDE OF THE COIN

Presidents have exercised varying forms of spending discretion—other than impoundments—to reduce legislative control over spending. Some of these techniques have been employed with congressional approval while others have not. The techniques include:

Lump-sum appropriations: Single-figure grants which give the President broad power to spend are common during wartime emergencies. In World War I, President Wilson received $100 million for "national security and defense," to be spent at his discretion. A typical appropriation during World War II provided $23.6 billion in a lump sum for the Army Air Corps.

Recent appropriations for the Atomic Energy Commission have been handled on a lump-sum basis, although the AEC has never strayed far from the spending guidelines laid down each year by the Joint Atomic Energy Committee.

Contingency funds: Appropriations of contingency funds are generally meant to cover unforeseen events, such as natural disasters that require relief. But Presidents have used contingency funds to underwrite their favorite projects.

For example, when President Kennedy established the Peace Corps by executive order in 1961 (Exec Order 10924), he funded the agency for its initial seven months with foreign aid contingency funds.

The Defense Department now has a $5 million contingency fund for "emergencies and extraordinary expenses." In fiscal 1971, the Pentagon estimates that it will spend all but $500,000 of the contingency money.

Transfer authority: Various statutes permit the President to take funds that have been appropriated for one purpose and apply them to another.

It was on the basis of transfer authority that President Nixon was able to extend immediate financial aid to Cambodia following the U.S. intervention there in April 1970. Months later, Mr. Nixon appealed to Congress to approve $255 million in military and economic aid for Cambodia. Of that sum, $100 million was to restore funds that the White House had already diverted to Cambodia from other programs.

Reprograming: This term describes shifts in appropriated funds from one purpose to another within the same budgetary account, without statutory authority. In most cases, the agency head involved in reprograming will check informally with the appropriate Members of Congress before proceeding.

In one recent reprograming action, $800,000 was provided for the supersonic transport program—after Congress had voted to halt SST development—through an informal approach to Sen. Robert C. Byrd, D-W. Va., chairman of the Senate Appropriations Committee's Transportation Subcommittee.

A member of the appropriations panel discussed, on an anonymous basis, how the reprograming was accomplished:

"One of the SST people called up Bobby Byrd and told him that they had no authority to spend beyond March 31. They asked wether it would be all right with him to tap a research contract they had over in the department (Transportation) so they could continue to pay salaries and that kind of thing until Congress sorted out the mess and voted some more money (to close down the program). Of course, the Senator said that would be fine. He then told some of the other people (on the Appropriations Committee) that if they had any objections they could express them directly to the department."

In recent years, Defense Department reprogramming has exceeded $1 billion a year.

Timing of appropriations: Funds voted by Congress also may be transferred from one year to the next. Although Congress has sought to restrict the use of deferred balances, a statute passed in 1870 (16 Stat. 230) permits wide categories of funds to "remain available until expended." These funds are known as "no-year money."

Administrations also have speeded up expenditures, most often in efforts to stem economic declines.

In 1961, for example, President Kennedy directed the Veterans Administration to accelerate the payment of $258 million in life insurance dividends, making the entire amount available in the first quarter rather than over the year.

Internal financing: Some federal activities are financed, in whole or in part, through funds generated by governmental programs. These funds include customs revenue, grazing fees, mineral leases and the sale of public lands. Federal officials have wide discretion in deciding how to allocate funds generated outside the taxing process.

The Defense Department, which derives profits through post exchanges and movie theaters, spends surpluses on recreational facilities.

Unauthorized commitments: The Constitution says that "no money shall be drawn from the Treasury but in consequence of appropriations made by law." But Presidents from time to time have found it expedient to make fiscal obligations without first seeking or acquiring congressional approval. Some historical examples:

In 1803, President Jefferson accepted France's offer to sell the whole of Louisiana for $15 million, although the transaction exceeded instructions from Congress to negotiate a more limited purchase for $2 million.

In 1861, while Congress was adjourned, President Lincoln directed his Treasury Secretary to advance $2 million to three private citizens to finance "military and naval measures necessary for the defense and support of the government. . . . He acted without statutory authority.

In 1907, President Roosevelt decided to send the "Great White Fleet" around the world in a show of American naval power, despite the refusal of Congress to appropriate funds for that purpose. Roosevelt countered by noting that he already had enough money to sail the fleet halfway around the world, and that "if Congress did not choose to appropriate enough money to get the fleet back, why, it could stay in the Pacific." (The money was forthcoming in 1908.)

IMPOUNDMENTS IN URBAN SECTOR

This table lists impoundments of major housing and transit programs for fiscal 1971. Program backlog is the total demand for funds for approved programs and does not include pending applications. Unmet demand is the difference between program backlog and the Nixon Administration's spending plans. In most cases, the Nixon budget and the funds withheld add up to the appropriation. In the case of model cities, however, the Administration now plans to spend more than the $375 million it budgeted; thus, the budget figure and the amount withheld fall short of the appropriation. All figures are in millions of dollars.

| | Appropriated | Nixon budget | Withheld | Program backlog | Unmet demand |
|---|---|---|---|---|---|
| Urban renewal | $1,200 | $1,000 | $200 | $2,756 | $1,756 |
| Model cities | 1,107 | 375 | 583 | (1) | (1) |
| Water and sewer | 350 | 150 | 200 | [2] 2,500 | 2,350 |
| Public housing | 320 | 128 | 192 | 560 | 432 |
| Mass transit | 600 | [3] 269 | 200 | [3] 1,000 | [2] 731 |
| Total | 3,577 | 1,922 | 1,375 | [4] 6,816 | [4] 5,269 |

[1] Approximately 50 percent of initial applications and 30 percent of initial program budgets were approved for model cities program. Few, if any, additional cities are to be designated under pending fiscal 1972 budget.
[2] $465,000,000 of the total backlog is listed as active backlog for fiscal 1971.
[3] Capital grants only. The total Administration budget for mass transit is $400,000,000.
[4] Excluding model cities.

Source: Senate Committee on Banking, Housing and Urban Affairs.

## ON YOUTH

Mr. KENNEDY. Mr. President, a recent editorial in the London Times on the perspective of youth in Britain struck me as particularly applicable to the situation throughout the industrialized nations of the Western World. Whether in Britain, or France or the United States there is a new criticism of the institutions of society and a new awareness among the young that at the same time thrills and frightens the fathers and grandfathers of the critics.

The question finally posed is one that we too must grapple with in the United States:

The young of 1971 will push Britain towards objectives which are aesthetic, idealist, and humane, at the expense of other objectives which are materialist, powerful and profitable. How far they will succeed in changing the balance, and how quickly, is much more difficult to know.

Because of the relevance of this artiticle for our own Nation, I ask unanimous consent to insert this editorial, "The Critique of the Young" in the RECORD.

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

THE CRITIQUE OF THE YOUNG

The faults of the fathers are visited on the son. That is nothing to the visitation of the faults of the sons on the fathers. Each generation is influenced by its own context in history, but it is the immediately older generation against which it reacts, whose defects it finds so hard to tolerate.

The generation against which the revolt of youth is now directed is not the generation of the grandfathers—indeed many of the grandfathers, or the great grandfathers like Lord Russell, seem unexpectedly sympathetic. Students are not now alienated by the attitudes of the last remaining Victorians, or those who were born, like Mr. Macmillan, in the 1890s. On the contrary the admired Edwardian qualities of sangfroid and style are now fashionable virtues.

The generation which is now the object of protest is the middle generation, the middle-aged middle-class generation, which dominates the life of the West. We are so accustomed to the notion that the men of the 1950s are the older generation, that it has been almost overlooked that the average age of the fathers of university students is now between forty-five and fifty-five, and that the new older generation was born between 1915 and 1925.

This is a generation with which one can sympathize, whether or not one belongs to it. Take the life history of a man born in 1915. His first three years were war years, the food not too good, his father probably in the trenches, his mother oppressed by the dolours of rationing and a lonely home. When he was fourteen the slump started in Wall Street; he was eighteen in 1933, when there was very few jobs to be had, the year Hitler came to power. His twenty-first birthday coincided with the Spanish Civil War. He was twenty-four when war broke out in 1939, and thirty when it was over.

This generation too reacted against the generation of its fathers. The generation which died in the 1914–18 war believed in traditional concepts which had no practical use for a generation with no margins for error. In 1914 the young officers went to die in pursuit of honour; in 1939 they hoped not to die in pursuit of victory. The present generation replaced the ethic of glory with the ethic of cost-effectiveness.

What the men of fifty most admire are likely to be their own virtues, effectiveness, reason, practicality, resilience, administrative capacity, reliability, and that restrained ruthlessness which is characteristic of good-natured men who have felt that magnamimity was beyond their position. Events have created a generation of fifty-year-olds who are over-focused, who are executives rather than leaders, who have had to cultivate a grey determination against the odds.

The political personalities of this generation are schooled in avoiding the risks of exhibitionism. With the none too fortunate exception of Mr. Powell, British politics leave the impression that the development of strong individual personality ceased abruptly in 1910. Lord Hailsham, Mr. Crossman, Lord Butler, Mr. Macmillan, all have, to put it mildly, highly developed personalities. No one could see any of them on television without knowing he had seen a remarkable man. Now even the student of politics has to fix his attention, almost against his will, to remember which calm and orderly administrator holds which post—let alone the cubalistic art required to decipher the shadows.

This loss of political grandeur, or gain of political competence, is matched in the ordinary life of this generation. The war babies of 1914–18 became the great generation of the suburbs, the quiet return to the small family in the small home within 45 minutes of London Bridge station or of Charing Cross. They almost invented the separate family, with three bedrooms, one bathroom, two children, one car. Their sexuality was delimited by the semidetached; their religiosity rose only to the family festivals, weddings and baptisms; they ceased to attend their friends' funerals, which occurred in suburbs remote from each other, and attended their memorial services instead.

In the family discipline declined. In part this was a reaction against the Victorian discipline which still persisted in England fifty years ago. In part the absence, at work or war, of the father, and his belief in reasonable tolerance, relaxed the demands of his authority. In any case, four people in a small house in South London cannot maintain the almost viceregal discipline of the English papa which depended on large premises, personal hauteur, and servants.

It is at the world which the middle-aged generation dominates that the young now look. The first thing they notice is that the world is astonishingly ugly. Their fathers have erected since the war some tens of thousands of office blocks, almost all dull and mean despite their size, some hundreds of thousands of houses, mostly very small and many of poor construction, some hundreds of thousands of lamp standards, almost all hideous. Their fathers have pulled down a large number of beautiful buildings which they did not have the skill to replace with other beautiful buildings. They have continued since 1945 a process whereby England has become an uglier country decade by decade.

The young notice too that their fathers are not enjoying themselves, even if they

have been successful. Never has there been such a time for the oppressive sense of failure which lies at the heart of human success. In Britain and the United States the leaders in industry, or education, or politics—though not the scientists—talk and work like men who are conducting a long strategic retreat, two thousand miles backwards on foot. Indeed our leaders' virtues are the virtues of withdrawal under fire, resolutely conducted for years on end.

They notice that their fathers have lost the sense of the romance and mystery of the world, the religion of nature that might have uplifted some, the religion of God that would have uplifted others. This is surely the result of too narrow a focus; the world of the spirit is seen not straight ahead but out of the corner of the eye.

They notice that their fathers have not created a just society and have accepted or failed to control the tyranny of the large scale; this has been the failure of Britain and West Europe, the disaster of the United States, and the catastrophe of the Soviet Union. The big centralized organization is the enemy of men as individuals; its logic demands and its power permits that it should treat them as commodities. No so can admire a father whose system of work treats him as a thing.

There is a social ugliness in this. The economic power systems of the West and East both depend, at present inevitably, on inhumanly large corporations. In the East it is bureaucratic centralization, the most offensive way of running the system. In the United States, and to a lesser extent in Britain, the young see their fathers as dominated by a mechanical commercialism in which, if man is the measure of all things, money is the measure of man.

Again the young can see the connexion between commercial motivation and the ugliness of the environment, not only because it is cheaper or more profitable to pollute the air and water with the excreta of industry, but because each structure expresses character, and bad architecture expresses bad character. What is the most important corporation in Britain? Probably Shell, which has in fact a relatively tolerable corporate personality. Which is the ugliest building in London? After the London Hilton, that brilliant monument of anti-American propaganda, it is probably the Shell building. Why is it so ugly? Not merely because it is a bulky square building of an unattractive shape, but because, like the Hilton, it asserts a set of values which, because of their limitations rather than any positive vice, are less than human. Shell built a battery box for middle managers because the logic of their structure required a battery of men.

The young look at their fathers' world and see that much of what their fathers say is bogus. They hear talk of private enterprise and think of General Motors, with its annual product larger than that of New Zealand. They listen to the ideals of public ownership and think of commuter traffic on the Southern line. They hear Mr. Benn rhapsodize on technology, and think about the strontium-90 content in the bones of seals in Greenland. They do not believe that the people who accept responsibility for the system in fact control it, and to a large extent they are right.

The older generation finds it particularly difficult not to be self righteous about the revolt of the young because it has itself been a generation of reason and tolerance. The Victorians, the Edwardians, still believe in authority; their successors in the middle class are liberal rationalists almost to a man. It is very hard for a liberal-minded man to tolerate a revolt against his liberalism, or a rational man to tolerate a revolt against reason. Nor should he give up reason and tolerance merely because it is out of fashion with some of his children's contemporaries.

The young however have a case. Let us put the charge. Ugliness? Guilty. Commercialism? Guilty. Dark and palsied materialism? Guilty. Racial prejudice? Guilty. Wordly prudence? Guilty. Neglect of world and British poverty? Guilty. Technological arrogance? Guilty. Dehumanization? Guilty. Family isolation? Guilty. Boredom? Guilty. Universal Dullness reigns o'er all? "I think we may plead Not Guilty to that, M'Lud, or, at least put in a plea in mitigation."

If one sees where society is at fault, it is too easy to suggest that it can be remedied by reversing what the previous generation has believed in. Fortunately however the relationship between parent and child is one of acceptance as well as rejection; not all the father's ideas are discarded, though all are eventually transmuted.

What the young do know is that the hard gained victories of the past do not in themselves meet the problems of the present. The social democracies of the West are, on the whole, reasonably and tolerantly governed. Nevertheless social democracy by itself has not proved strong enough to overcome the pressures of mass organization and man's commercialism and individual life. Some young people use this as argument for revolutionary change, and want to call in a Maoist revolution to force society into a new and more egalitarian mould. Others want to use the flexibility of democracy to adapt to its present problems. In Britain it seems more than likely that the reformists will win over the revolutionaries.

In each individual life, however, there may be a crisis between hope and despair, the rational hope that our system is still capable of development and the despair that argues that the system can only be broken. This choice is present in almost all the preoccupations of the young, and despair is the close enemy of our present student population.

What sort of world would the young like? It is a dream world, but it is a dream towards which they will try to move. They want fraternity more than liberty. They would like a world of increasing beauty, a clean world, and one aesthetically in growth rather than decline. They would like a world with awe and rapture in it. They would like the sexual life of Paradise rather than of Pinner. They would like a world of expanded rather than contracted consciousness; their interest in both sex and drugs is the obverse of the narrowed executive focus of their fathers' generation. They want to shatter the consciousness their fathers wanted to control. They would like a world of less organization in which each man should "do his own thing" (the last conspicuous examples of that were the great Victorians). They would like a world in which nations as well as individuals could show generosity. In short they want to see Prometheus unbound and fire from heaven descend on every head.

Life will not be like that, not only because paradisial dreams are hard to fulfill. Their mood includes the sentiments of awe and love which belong to religion, but seems deficient in humility. Just as the fifty-year-olds cannot bring themselves to realize that their children have just as much to reject as they did, so the young do not understand the ways in which they only equal or less than equal their fathers.

They do not understand the astonishing power of selfishness even in characters as benign as they would wish to be. They do not understand the danger that any revolution will in the end lead to the victory of the most cynical and detestable members in it. They lack proposals even of superficial plausibility for bringing about what they want to achieve. They have a certain Shelley-like gentleness and sweetness about them which history has not often seen to prevail. In history the Spartans and the Roundheads overcome the Athenians and Cavaliers. They lack the toughness of a generation which has been through two wars and a slump.

Nevertheless the critique of the young will become a familiar view of life. Our dry, impersonal, metropolitan, mechanized, commercial society, with too little love and too limited a passion, is not a satisfactory envelope for human beings. The real merit of our civilization is dribbling away through our fingers. As with the early nineteenth-century Romantics, whom they so closely resemble, some of the leaders of the young will destroy themselves with drugs or disordered sexuality or other forms of despair. But the rejection by the stronger spirits who survive of what is most degrading in our society will influence their generation and our future.

The young of 1971 will push Britain towards objectives which are aesthetic, idealist and humane, at the expense of other objectives which are materialist, powerful and profitable. How far they will succeed in changing the balance, and how quickly, is much more difficult to know.

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## THE MILITARY SELECTIVE SERVICE ACT

The PRESIDING OFFICER (Mr. STEVENSON). Under the previous order, the Chair now lays before the Senate the unfinished business which the clerk will state.

The assistant legislative clerk read as follows:

H.R. 6531, to amend the Military Selective Service Act of 1967; to increase military pay; to authorize military active duty strengths for fiscal year 1972; and for other purposes.

The Senate resumed the consideration of the bill.

The ASSISTANT LEGISLATIVE CLERK. The Senator from Colorado (Mr. DOMINICK) proposes an amendment No. 108 to amendment No. 76 as proposed by the Senator from Pennsylvania (Mr. SCHWEIKER), for himself and others, as follows:

In the proposed new section 501 of the amendment strike out "July 1, 1972" and insert in lieu thereof "January 1, 1973".

The PRESIDING OFFICER. The time from now until 1 p.m. is under the control of the Senator from Colorado (Mr. DOMINICK) and the Senator from Mississippi (Mr. STENNIS).

Who yields time?

Mr. DOMINICK. Mr. President, I yield myself 15 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 15 minutes.

Mr. DOMINICK. Mr. President, in the report on the pending bill, beginning on page 64, supplemental views have been filed, at least one of which is mine. I believe it is important to take a look at the individual views, because they really form the background for the amendment which I am proposing today.

As I told the very distinguished chairman of the committee, the Senator from Mississippi (Mr. STENNIS), at the beginning of the hearings, I would support a 2-year extension of the Military Selective Service Act in committee, but I also made it crystal clear on a number of different occasions that I reserved my right to change that position on the floor and that I was so voting to insure that we

would have a bill before us on the floor which we could properly debate.

For a long period of time, I have been advocating the so-called volunteer army. The question whether we can get a volunteer army and have it operate effectively for the defense of the country depends on a number of factors.

For example, one factor would be: What is the threat that the United States faces in the next decade? Second, how is that threat, if it should materialize, but suppose it did—and God forbid that it would—with what type of weaponry and with what type of personnel would we be meeting that threat?

As a result of the first hearing, I asked the chairman—and he was gracious enough to comply—that the full committee be given as much of an intelligence briefing as possible, in order to be able to determine what components we might need in our Armed Forces in view of the strength of potential enemies around the world over the next decade.

It became apparent during the process of the briefings that it would be difficult if not impossible to get this type of answer from the intelligence community because, of necessity, it would involve a great number of policy questions which they were not equipped to answer and which, in fact, it would have been improper for them to have answered in view of their knowledge as intelligence gatherers as opposed to determining the policy which would be used after that intelligence had been gained.

The next factor which we have to consider in a volunteer army is: What are we going to do to insure that we will get the required manpower in the various specialties so that we will not find ourselves with only a paper force?

I submitted a number of questions to the Assistant Secretary of Defense for Manpower and Personnel, Mr. Roger T. Kelley, and I have put a number of these into my individual views beginning on page 64, as follows:

Question: You are requesting a total end strength for FY 72 of 2,505,000 million military personnel. We may be going over some old ground but it would be helpful to know your most optimistic and pessimistic estimates of achievable FY 72 end strengths if the draft were terminated on July 1, 1971.

In other words, if the draft was not extended at all.

Continuing reading:

Also for end of FY 73 if the draft were terminated on July 1, 1972.

The latter is the proposal advanced by the distinguished Senator from Pennsylvania (Mr. SCHWEIKER).

Mr. Kelley, after having had an opportunity to go back, took his figures and started working on them and his answers are now part of the RECORD.

He replies as follows:

Answer: If the draft were terminated on July 1, 1971, the supply of voluntary manpower would not be adequate to meet the FY 72 budgeted strength of 2,505,000 of which 2,145,000 are enlistees.

The planned requirement for new enlisted accessions for FY 72 is 528,000 for all Services to maintain budgeted strengths. The Department of Defense estimates that the maximum potential voluntary enlistment supply of FY 72 would be about 315,000 in the absence of the draft and new Project Volunteer incentives. This would be about 213,000 fewer men than needed and enlisted strengths would be 213,000 less than the 2,145,000 budgeted. The shortage would primarily occur in the Army where enlisted strengths would be about 651,000 instead of the 808,000 budgeted for FY 72.

In addition, the strengths of the Reserve and National Guard components would fall rapidly and shortages in particular skill areas, such as the Army's ground combat arms, would be severe.

If the Project Volunteer incentives are enacted, the FY 72 shortfall in new accessions would be in the range of 110,000–113,000 depending on the program enacted and whether the actual results in terms of increased enlistments are closer to the optimistic or more conservative estimates.

The President's budget for FY 73 has not yet been determined and firm strength objectives are not available. If the FY 72 strength levels are maintained for the end of FY 73, the estimates for FY 73 would be comparable to those for FY 72.

In other words, we would have a shortfall on the pessimistic side of about 213,000 and on the optimistic side, 115,000.

Continuing reading:

If strength reductions occur, fewer new accessions would be required in FY 73 than in FY 72 and the "shortfall" between requirements for new personnel and the supply of new personnel in the absence of the draft would be smaller in FY 73 and in FY 72.

Mr. President, this was an extremely important question and an extremely important answer, it seemed to me.

First, I think it is important to note that they were judging their figures on the basis of 2,505,000.

The Senate committee in the process of its deliberations did not come out with an average end strength for fiscal 1972 of 2,505,000. It came out with an average end strength of 2,407,000. This was by action of the committee in the process of reduction by—and I think the Senator from Mississippi will correct me if I am wrong, but I believe that I am correct—50,000 in the Army, 3,000 in the Navy, 3,000 in the Air Force, leaving the Marines at its budgeted strength.

This comes down, therefore, to an average fiscal year 1972 strength of 56,000 less than had been requested by the Defense Department. This means that we will have about 100,000 people less in the Armed Forces at the end of fiscal 1972 than the Department of Defense requested.

Taking that into account, therefore, and assuming again that the proper volunteer incentives will be implemented, the figures which the Assistant Secretary for Manpower gave to us, and which I have recounted from the hearings, must of necessity be reduced. In other words, there will be less of a short fall than that estimated by Mr. Kelley since the committee, in effect, reduced the fiscal year 1972 end strength by 100,000.

The next question I think we have to look at is the question of whether we in fact have the proper incentives for people to enlist.

The President proposed, and I supported the administration proposition, that we increase the pay scales and quarters allowances particularly for the lower grades of enlisted personnel and that we make it a considerable amount. Nevertheless, the amount we put in was considerably less than what the House did. The reason that the committee took this position, as I understand it—and to me it was certainly true as far as I was concerned—was first the budgetary impact that the House bill would have on the fiscal 1972 budget, where they would have added on $1.7 billion, which amount is not accounted for in the budget.

This would be raised either by taking it out of procurement—which I think would be extremely difficult for us to do with the tremendous short fall we now have insofar as our defense weaponry is concerned—by raising the taxes—and I have heard no one suggest that—or by trying to obtain it in some other way, possibly by increased deficit spending which is already programed for fiscal 1972.

Nevertheless, the $1.7 billion add-on would be an exorbitant amount, particularly in view of the fact that the 91st Congress passed a law which authorized the President to grant military personnel an automatic pay raise at the beginning of the calendar year based on the cost of living index, which is estimted now, if my recollection is correct, to be about a 7.4-percent increase over present pay scales.

I ask the Senator from Mississippi whether my recollection is correct on that point.

Mr. STENNIS. Mr. President, I am glad to try to answer the question. I think the Senator is substantially correct. In January 1971, the amount is $1.2 billion for the miiltary.

Mr. DOMINICK. So in January 1972, there would be a substantial increase.

Mr. STENNIS. It will be the same thing in January 1972, $1.2 billion.

Mr. DOMINICK. Mr. President, I thank the chairman. It seems to me that this piled on top of the raise we are giving here does provide a very substantial pay increase for the personnel in the military service which will in turn provide very important incentives for them in the process of trying to develop this volunteer army corps.

So, we have two components. First we are down 100,000 at the end of June 1972, over what had been anticipated by the Manpower Division of the Department of Defense.

Second, we are going to have a substantially larger pay raise by that time than is actually set forth in the pending bill because of the factors that I have just mentioned; namely, the bill that was already in effect under the 91st Congress.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMINICK. Mr. President, I yield myself 10 additional minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 additional minutes.

Mr. DOMINICK. So the volunteer incentives as far as pay are concerned are in; the manpower is down. There are a number of other volunteer incentives which have not been taken into account and which are really not spelled out either in my individual views or in the questions and answers which I submitted to Mr. Kelley.

For example, what are we going to do about making sure that we have the right component for the forces which are needed for the defense of the country in view of the threat which may be sustained against this country and this Nation over the next decade?

What components are we going to need?

Are we going to need an infantryman with a rifle over his shoulders to fight through the jungles?

We cannot really tell yet.

Are we really going to be using nuclear weaponry? Heaven forbid, if we can possibly avoid it.

Are we in fact going to find ourselves in a fight of any kind? I would sincerely hope that we do not. I think that the Nixon program has worked so admirably up to date that we can face generations of peace. I think it is important to keep in mind all of this, that the reason we have any armed force at all is not only to defend our country and our national interest in the event of an actual struggle, but also because of the enormous importance of giving the President, whether it be President Nixon or any other President, negotiating room with international affairs so that they can get their positions and policies more easily adopted.

We, therefore, have to determine, as I said, what the need is for 2,407,000 people in the military service.

The Senator from Arizona (Mr. GOLDWATER) and I brought this matter up to the chairman in the process of the hearings. The distinguished Senator from Ohio (Mr. SAXBE), who is now on the floor, was present when we did this.

The chairman was kind enough to say that he would later hold personnel hearings to determine what we might do on a whole variety of different factors. For example, why do we need medical officers on a base in the United States? Most of these bases are close to civilian localities where very fine medical service is available. Would it be cheaper and more effective and maybe very higher quality of medical care would result for the personnel located at those bases if we were to have a contract with local doctors, so that they would be on call to take care of the military personnel instead of having the persons in uniform providing the same services, receiving the pay scale, which they do, which usually is not as much as they would make in private practice, but which would entitle them to a lot of benefits and special considerations which they receive not only while they are in the service but after they have retired from the service.

Why do we need, for example, a man in uniform running a supply store? Why can we not have a contract for a civilian who is an expert in this field and have him do it? And would it not be more economical? No one knows the answer to that because we have not yet been able to have the hearings. However, there are many specialties and techniques which we now have for military personnel, which entitle them to special privileges and special consideration and benefits after they retire which, if we could, on an economical basis, transfer over by independent contracts to civilians who were working in the private sector, we could not only effectively reduce the instrength size of our support mechanism for our fighting troops, but we might also be able to cut down substantially on the overall expense of our military personnel

Mr. President, the distinguished Senator from Mississippi has promised that later on this year, as soon as he can get to it in the military procurement bill, and when this particular bill we have before us has been passed and finally enacted one way or another, he would hold hearings on these points. I realize that there are a number of people who do not believe in a voluntary army. I heard the distinguished Senator from Massachusetts (Mr. KENNEDY) say yesterday, in connection with an amendment he proposed, that he did not believe in a volunteer army, that he thought it was wrong, and that he thought everyone should be drafted, because if we did not, all we would get would be a low-income people. I do not agree with that position at all and I never have.

The volunteer army concept is a concept upon which this country was created. It is a concept upon which we have operated on every occasion except those times when we have been engaged in actual hostilities. It is a concept which will relieve, in my opinion, a great deal of the pressure which is now on these young people, whereby they feel they are on a conveyor belt of one kind or another from the time they are 16 years of age, because they have to determine what in the world they are going to do when they become 18 and subject to the draft, and the determination of what their lifework may be in the event they get out of the service safely or in the event the draft does not catch up with them.

No draft is fair, and I do not care what kind of draft it may be, unless and until there is compulsory military service or governmental service for everyone in the United States, as we had in effect during World War II. When only a portion of the people are being taken, no matter how equitable we try to be, it is absolutely impossible to conduct it fairly. One person is taken and another is not. Why? It may be the luck of the draw in the lottery system. Is that good or bad? It depends on the personality of the people involved. Is it good or bad to be sent to Vietnam? Again, it is the luck of the unit to which one is assigned, or the skills needed at that particular moment. For some people it would be good and for others it would be bad.

There is no fair method by which a draft can be operated with even-handed equity for the young people of this country. There just is no way it can be done that I can see, although I think we have moved to a fairer system than we ever had before.

Now, having said all these preliminaries, I wish to get down to the meat of the coconut and why I have suggested we continue the draft for 18 months as opposed to the 1-year suggested by the Senator from Pennsylvania.

First, by the time we finish this debate, assuming the Senator from Alaska (Mr. GRAVEL) does not hold it up too long, we will be in a position where we will have to go to conference with the House and come up with a final form of a bill.

The PRESIDING OFFICER. The Senator's additional 10 minutes have expired.

Mr. DOMINICK. Mr. President, I yield myself 5 additional minutes.

I do not know what that conference will bring forth, but I do know this. Whatever the pay scales are that will be determined either today or after the conference, these pay scales are only a part of the incentives the Department of Defense or the administration is trying to put into effect in order to create a volunteer army or a zero draft, if one wishes to put it that way. It will be in effect somewhat less than a year, probably, if the amendment of the Senator from Pennsylvania should be agreed to.

Then, let us suppose that next year we find ourselves in the Middle East in a very difficult situation and we suddenly feel there is a need to show determination toward the Soviets or whatever country might be involved, with which we might be head to head at that point, and we need the draft, and it is going to expire again July 1, 1972.

The difficulty with this is that we would not have given the system long enough to find out if we could get enough volunteer forces because we would not have had the opportunity to put in all the incentives that have been planned to create such a force.

Second, and this is perhaps the most important of all, we will then be engaged in a frantic election year. Although we have only one announced candidate on the Democratic side for the Presidency, Mr. President, you know and I know we have a large number of people in this country on the Democratic side, and people in the House, who are looking at the primaries next year in order to determine who is going to be the candidate for the Democratic Party in the November election.

We will be coming up to convention time for both the Democrats and the Republicans. We will have 435 House Members running for election or reelection; we will have one-third of this body running for election or reelection.

How in the world, with the problems we are having this year in an off year election, do we expect to be able to put through what may be desperately needed for the security of this country? How in the world do we think we are going to be able to put that through and get it passed in time to make a draft effective starting July 1, 1972?

If we go to the amendment I have proposed, which is less than came out of committee by 6 months, and which is 6 months more than the Schweiker amendment proposes, we will have a date of December 31, 1972, before the draft expires. That would be the Senate position. That means it will be after the election; it will mean that although the draft may be an issue for some of the candidates during the election period, it really will not be made a political football and the draft should not be made a political football. We are talking about the defense and the manpower of the country. We are not talking about a political issue, as such.

Now, we come up to the House and the House has 2 years and we have 18 months. I cannot say what will happen in that conference. The House is going to stand pretty tight on it. From all that I have heard from members of the Armed Services Committee on the other side, I understand that they will stand pretty tight, but it might be that they might compromise between the 18-month period that I have suggested and the 2-year period that they have, somewhere around a 20-month period.

If they do, Mr. President, that 20-month period is exactly what the Secretary of Defense has said that he needs in order to get to a zero draft call.

The PRESIDING OFFICER. The Senator's additional time has expired.

Mr. DOMINICK. I yield myself an additional 2 minutes.

So the adoption of this amendment on an 18-month basis gives us time to put in the necessary ingredients to encourage more enlistees to work out the pay scales, and to see in particular how the automatic raise of January 1, 1972, will fit into this picture.

It will get us past that political boiling pot of July, when we might have to put the draft back in if the Schweiker amendment were adopted. It will give us an opportunity to negotiate with the House, where we can give not as much as the administration or the Defense Department would like, but at least have an even chance of getting down to a zero draft call basis.

I think it is really of great significance, and again I call the attention of my colleagues to the data which I have in my individual views on pages 64 and 65 indicating the end strength; indicating the number of shortfall enlistees which Mr. Kelley believes we would have if we have no draft, or just an extension for 1 year.

I think, with these things combined, there is a position in here for January 1, 1973, which makes sense, which gives the country some assurance that we are still going to have the necessary negotiating room in foreign affairs and which will enable us to put into action the various incentives which are needed in order to come to a voluntary army, which I think is of enormous importance to the prestige, morale, and strength of this country.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield myself 15 minutes.

Mr. President, I will direct this question to the Senator from Colorado. I do not have my records immediately available here now, but, as I recall, this particular amendment was not voted on in the committee. Is that correct? We had a vote on the 4-year——

Mr. DOMINICK. The Senator is correct. The vote was on 4 years, 1 year, and 2 years.

Mr. STENNIS. I thank the Senator very much.

In the beginning, I want to make a few overall remarks about the bill as a whole. As any Selective Service Act would be, it is a rather complicated matter. There are a great many issues involved and very delicate situations. That was true 4 years ago. It is even more true today. And on top of that, we have the proposition of the war in Vietnam and its probable duration, the uncertainty that goes with it, the sourness that goes with it. I just state that as part of the background.

I want to make these general remarks about the bill. There are a great number of amendments. Some pertain to the substance of the bill, and some pertain to the duration of the extension of the draft. Some are just purely matters of policy connected with the war. But this measure, as proposed by the committee is, I believe, a sound and well-balanced bill.

The Senator from Massachusetts, who has been diligent in the subject matter for several years, has said that he thinks the committee fully went into these matters, had ample hearings, and actually considered all of these major points. That does not mean that every member saw every point the same, but every idea had a chance at the conference table, including this amendment now for 18 months.

The bill as a whole, Mr. President, is a necessary extension of the draft law, I think, for a 2-year period, the minimum time required, as agreed to by the committee by a vote of 13 to 3.

As reported by the committee, the bill includes a reasonable increase in pay for the four lower grades, and also a reasonable increase for the two lower grade commissioned officers, second and first lieutenants.

The bill was written by the committee leaves for future determination the question of what added increases, if any, may be applied where needed in the light of experience. That is an argument I made here yesterday. The bill includes a relatively small sum of money to be used as possible bonus payments for new enlistees who sign up in the Army for combat units. That was fully reviewed here yesterday, and, on a rollcall vote, was sustained as a part of the package bill.

The bill carries with it certain draft reforms heretofore noted. We have very, very few amendments so far proposed in the field of so-called draft reform.

Mr. President, the committee bill also includes far-reaching innovations written in by the committee for the first time in the history of draft law extensions. One is that there is a limitation placed upon the number of inductees that can be brought into the service for each 12-month period, a limitation on the President's power. In other words, if our recommendation is followed, we will now have a legislative determination of the maximum number that can be brought in in any 12-month period.

We put a so-called escape clause provision in, whereby the President, as Chief Executive, if he certifies to the Congress, in effect, the emergency need for more, will have that authority extended beyond that year. That is merely a cautionary proviso to enable him to take care of emergencies, when he certifies it and gives his reasons, which makes that an open question then for the Congress.

Second, in this bill we have set a limit on the number of men that can be inducted into each of the services, and we carried a limitation upon those numbers, and that limitation included a reduction. We did not grant the full request to the Department of Defense for the large number that they requested, but put a limitation on it, which, if it becomes law, will amount to a 56,000 net reduction in average strength.

The way it operates now, there is an end strength and an average strength, and that gets to be complicated. But after this matter has operated for a period of time during that fiscal year, it will have reduced the number that many, and will have saved, in round numbers, about $560 million.

Of course, next year will be another matter. I hope that we can reduce those top figures substantially more. It is my plan to recommend such a reduction if the facts will support it. That is another step forward in the legislative field with reference to manpower.

I think unless we reduce the manpower, we are going to face an almost impossible situation, with continued mounting military costs, in view of the high cost of weaponry. But for personnel and the costs directly connected with personnel in the military, it already takes between 52 and 55 cents out of every military dollar spent. So there is where some reductions must be made.

As an overall proposition, some Members of this body, as I understand, do not favor any draft extension of any kind. There are many Members who realize, though, that there is no other adequate plan in readiness that will actually meet the manpower needs of our Nation except an extension of the draft.

For this latter group I have this special word, if I may: In my opinion, a 2-year extension of the draft is absolutely essential to supply the necessary manpower needs for our military services for the next 2 years. We can argue this volunteer army concept, and we will all day long and until action on this bill is finally finished, but there is nothing definite about it, there is nothing certain about it, and from my experience during the last 15 months that I have considered the issue, I find the more men study it and get down and wrestle with it, the less they think of it. I do not believe it now has anything like the strength of solid support, even within the administration, that it had a year ago.

I am trying to deal with the realities of the situation. The big point here now, though, is that there is no other remedy available, no other plan that can be put into operation, and the only source for having a substantial yield on this manpower problem is to reenact this extension of the draft, and, as I say, I think for a minimum of 2 years.

In making this point, I am directing my primary attention to the manpower that is necessary to supply the crews of our carriers at sea, our ICBM missiles here on our own soil, and our Polaris submarines as they plow the seven seas. I am speaking of our nuclear-powered submarines, equipped with nuclear wea-

pons, and also our attack submarines at sea. I direct my attention to the manpower that is necessary to supply the crews for our B–52 bombers stationed here and on foreign soil, our strategic nuclear forces as well as our ground-to-air missile crews here at home, and many other essential groups that are totally tied to our safety and our defenses here at home.

The requirements for NATO and for Vietnam are in addition to the groups that I have mentioned. So even if we were not at war in Vietnam or anywhere else, based on my knowledge of this situation as it works, we would have to extend the draft now for a couple of years, anyway, in order to insure a continuity, a flow of men who have the necessary talents, the aptitudes, and the ability to take the training, and who, under severe testing, would have the integrity to be placed in charge of these crews that I have mentioned, with no reference to Vietnam.

We find—and I was surprised to know it was this high; I asked them to bring me figures showing what percentage of these crews are draft induced; these are rather elite boys I am talking about here, in intelligence and aptitude—that the range is from 42 to 47 percent of those first-term young fellows who are now out under the water somewhere in our Polaris submarines in many areas of the world, who were induced, in part at least, by the Selective Service. This means that if we do not have a Selective Service Act in operation, we will not get most of those young fellows. And that is true of the ICBM crews, it is true in the electronics field, it is found in many areas of our military defense. It is found even on our carriers, and I was surprised at that one also. Those youngsters who work out there on those decks, I do not know what specific term they apply to them, but they are the ones who make it possible for the planes to take off and to land; I found that somewhere in the neighborhood of 42 percent of those young fellows in their first term were induced, in whole or in part, to enlist because of the draft. And in the Air Force, the percentage is even higher.

So let us not pursue the illusion, now, that the Air Force is an all-volunteer organization, or that the Navy is, or even that the Marine Corps is. The hard records show that a third of those men are induced by the draft to join the Marine Corps. And that is no reflection on those men at all, as I have said.

We argued here a week about NATO. If we were not in NATO, and if we were not in the Vietnam war, these figures that I have given would apply with equal force.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. STENNIS. I yield myself 5 more minutes.

There are many more amendments proposed, which will all be fully debated, of course, but I especially urge every Member of the Senate to support the 2-year extension regardless of the fate of the other proposed amendments. I consider 2 years absolutely essential for our security; and an extension of any time less than 2 years, I think, would be a reckless gamble with the security of our people here at home, not to mention the war or NATO.

As I say, to me it is a reckless gamble with the security of our people here at home, and if I am correct in that, no one wants to take that gamble. I have been amazed, as I say, at the percentage of these men whose enlistments were draft induced.

Mr. President, I am not speaking of these things in terms of politics. This is not a political matter, certainly not for me, and I do not believe it is for the other Members of this body. But if we are going to turn around now, in the face of all that has happened so far, and turn our backs on the no-draft extension, the 4-year draft extension, the 2-year extension, and the extension of only 1 year, as I say, and adopt an extension of a year and a half, we are heading right into an election. Eighteen months from the expiration of the present law would make the draft expire on December 31, 1972, which means that all during the election campaign, this matter would be thrown into possibly every contest, to some degree, with respect to Members of the House, all of whom would be up for election. It would be thrown into contest in the Senatorial races for a third of the Members of this body, who would be up for election, and it would be right in the middle of the campaign for the Presidency of the United States. It seems to me that that would be the worst time we could select to have this matter expire, from a practical political standpoint.

Mr. President, as soon as the Presidential race was over, I think the lameduck Congress would have to be summoned back here to consider further extending the draft. After it had been a red hot issue during that campaign, some action would have to be taken by the lameduck Congress, so-called, which would serve for the 60 days or so before the beginning of the new Congress.

We are inviting trouble, and we are just compounding the trouble we are already in. This is a difficult, sticky matter to handle now.

If we throw it into the election campaign, with all the different contesting ideas and explanations about it, we will be doing—I say with all deference—a disservice to our people as well as neglecting their security—their security, not the Vietnamese war and not NATO troops for Europe.

I speak with great deference of a highly valuable member of our committee, the Senator from Colorado, who has made—as he always does—fine contributions to this bill in the writing of it. One reason why I outlined this matter as a whole at this time was to give him credit for some of the stronger provisions in the bill.

The PRESIDING OFFICER. The Senator's additional 5 minutes have expired.

Mr. STENNIS. I yield myself 5 additional minutes.

The Senator has contributed fine thoughts. I want to point out that he frankly says that his position is that he does not believe in extending the draft at all—that is, he wants the volunteer army. I am sure he is honest about that, as he is about this. But we are up against a practical matter here, in which we have to do some hard things—not the popular things, but some hard things.

I point to the previous votes that have been taken on the amendments to the bill. I know that some of those votes were hard to decide, yes or no, and there is political dynamite in some of them. At this time, although it was not necessarily the popular vote, it was what a great majority of this body thought was the necessary vote to defeat those amendments. I trust and I hope that the result with this amendment will be the same, for the same reasons.

Mr. President, I yield back the unused portion of the last 5 minutes.

Mr. DOMINICK. Mr. President, I yield myself 2 minutes to reply briefly to the distinguished Senator from Mississippi. There is no one for whom I have higher respect.

I want to make myself crystal clear that although I am for the volunteer Army, I have said over and over again that I recognize that it will take time to get there. So that I do not want to cut it off right now. That is the purpose of my 18-month proposal—in order to give us time to put that into effect.

I realize that the chairman and others of great goodwill and judgment do not feel that we should get rid of the draft, or at least not for 2 years at the minimum and probably longer than that. I do not happen to agree with that position. It is for that reason that I have offered this amendment. It would get us by the election. It would not require us to try to take the matter up again during the middle of the election, as a 1-year extension would. I think this is a feasible and practical method of handling it.

At this time, I yield 15 minutes to my distinguished friend, the Senator from New York (Mr. BUCKLEY), who has asked to be added as a cosponsor of my amendment. I ask unanimous consent that his name be added as a cosponsor of the amendment.

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

Mr. BUCKLEY. Mr. President, I am pleased to be the cosponsor of the amendment introduced by the Senator from Colorado (Mr. DOMINICK) which would extend the induction authority for a period of 18 months.

The amendment authored by my colleague, who is a member of the Senate Armed Services Committee, represents a prudent and sensible course. It recognizes that the national security requires less than a 2-year extension of the draft. It also takes into consideration the possible adverse effects on national security if only a 1-year extension is passed; adverse effects on our security which might be especially severe, in my opinion, if the Senate were to combine a 1-year extension with the lesser increases in compensation provided for in the bill reported by the Senate Armed Services Committee in contrast with those adopted by the House of Representatives.

The amendment now under debate is not just a down-the-middle compromise between the 1-year extension proposed in the Hughes-Schweiker amendment and the 2-year extension provided for in the bill now under consideration. In my judgment, an 18-month extension will greatly enhance the chance of achieving a conversion to a system of all volunteer military forces at the earliest feasible time, first, without risk of an insufficient period within which to prove the feasibility of the volunteer concept, and second, without significant risk to our interim ability to maintain the minimum level of forces required by our national security.

In order to reach an independent conclusion as to how rapidly we can move to an all-volunteer military, my staff and I have studied carefully the various factors which will influence the speed with which we can achieve this objective. The most significant of these are: aggregate force level requirements, manpower available in the combat branches of the Army, and the continuing strength of our Reserve and National Guard Forces.

With respect to the level of forces to be maintained, the present administration has already achieved a very substantial reduction in forces from 3.5 million men under arms in 1968 to 2.7 million men by June 30 of this year. While the administration has proposed further reductions to a total force of 2.5 million men by June 30 of 1972, the Senate Armed Services Committee has proposed a further cutback by that date to 2.4 million men in anticipation of additional force reductions which are planned by the administration for the following fiscal year.

The target strength of 2.4 million men would appear to be adequate to meet the projected needs of national security, especially as the additional cutback of 100,000 men proposed by the Senate Armed Services Committee would not reduce the effective strength by that amount. The reason for this is that the reduction would take place primarily in the numbers of new recruits inducted into the armed forces, which recruits spend nearly 6 months in training and whose training in turn absorbs the attention of significant numbers of training and support personnel.

The feasibility of terminating the draft must be measured against the number of new men who must be recruited into the armed services each year to maintain a given level of forces, which is to say the number of true volunteers who can be expected to enlist during a given year. To put it another way, the number of first-term recruits, or "accessions," to utilize the military term, must equal each year the number of persons terminating their military service plus or minus the number by which the desired level of forces is to be increased or decreased.

If the level of forces are to be maintained at a constant figure from year to year, then yearly accessions must simply equal voluntary or involuntary separations. But if, as in the present case, there is to be a reduction in the level of forces by 300,000 men from 2.7 million on July 1, 1971, to 2.4 million by June 30, 1972, the number of accessions required is lowered by 300,000. Thus in the near future, there is an inbuilt "cushion" which will help achieve an orderly transition to an all-volunteer military.

According to estimates provided by the Department of Defense, a force level of 2.4 million by June 30, 1972, will require 428,000 new recruits during the coming fiscal year. This is a larger figure than would ordinarily be needed to maintain a stable volunteer force at that level because an all-volunteer force will have a larger rate of reenlistment than one which consists of a mixture of draftees and true volunteers.

One of the difficulties in trying to make a projection beyond the coming fiscal year, should the draft be terminated as proposed in the Hughes-Schweiker amendment, is the fact that contrary to normal expectation, the number of accessions required for fiscal year 1973 would not necessarily be less than those required for fiscal year 1972. The reason for this is that no cushion will be provided through a continuing decline in force levels. In other words, the problem of meeting requirements for aggregate force levels is likely to be more difficult in fiscal year 1973 than it is for the coming year.

We are now able to confirm the accuracy of the Gates Commission estimate that we are currently recruiting about 250,000 true volunteers each year at current levels of compensation. This comprehension has been made possible by extrapolating figures based on the number of recent enlistments by young men having high lottery numbers who had adequate assurance that they would not be drafted, thus confirming them to be true volunteers. The problem thus resolves itself into trying to determine by what rate voluntary enlistment would increase in response to the significant increase in compensation proposed by the House of Representatives and, to a lesser degree, by the Senate Armed Services Committee.

Without any increase in compensation, and assuming the termination of the draft after 1 year, a shortfall of 178,000 personnel could be anticipated. This projected shortfall would be considerably lessened by passage of the administration's first-step compensation increase, and might hopefully disappear within the coming year, if the larger increase adopted by the House were to be passed. Also, the higher rates of compensation could be expected to lower accession requirements below the 428,000 figure by encouraging a higher rate of reenlistment.

I use the word "hopefully" precisely because only experience can conclusively test the effect of the larger compensation increases on reenlistment rates. We do know, however, that administration testimony places the shortfall at between 10,000 and 30,000 men, assuming enactment of the smaller increases. Given only a 1-year extension of the induction authority, there is a substantial risk that the effects of the increases might not be fully reflected through increased enlistments—and we might find ourselves entering fiscal year 1973 with higher accession requirements and no basis for predicting that a serious shortfall could be avoided.

However, based on the evidence on hand, it is reasonable to assume that the projected needs of the military can be substantially achieved within the 18-month period provided for in the pending amendment. It is impossible, of course, to forecast accurately the extent to which the increase in volunteers might fall short of the desired levels.

Any such shortfall, however, should be relatively small—certainly not dangerously large—and the overall considerations of the morality and equity and wisdom involved in the return to an all-vounteer military more than offsets the possibility of a significant margin of error in the making of these forecasts. Moreover, in the event that experience should prove the infeasibility on relying on voluntary enlistments to maintain the level of forces required by our national defense, it will be possible to reconsider the matter at a later date. In the meantime, however, the existence of a reasonable deadline for the conversion to all-volunteer forces will insure that the Defense Department will continue every effort to make the transition as quickly as possible. It should be noted, in passing, that the projected aggregate force level of 2.4 million men by June 30, 1972 is the lowest since 1950—that is to say in 20 years, which does suggest that the prospects for phasing out the draft are the best in 20 years. It should also be noted that the eligible manpower pool has increased so markedly, due to population increases, that a much smaller percentage of eligible males need enlist to satisfy accession requirements.

The second major factor which must be taken into consideration in studying the feasibility of an early phase out of the draft has to do with the ability of the United States on a volunteer basis to maintain sufficient numbers of men trained in combat skills, that is to say in armor, artillery, infantry, combat engineers, and signal corps. Although the evidence indicates that the number of true volunteers is in excess of the 4-percent figure suggested by some opponents of an all-volunteer military, it is difficult to determine current figures with accuracy or to judge how successfully young men can be induced to select these branches as a result of revised recruiting methods and of the special incentives which are now before the Senate.

The decisive defeat given yesterday to the Kennedy amendment, which would have eliminated the special bonus authority sought by the administration, has preserved a key element in the program for making an all-volunteer military a reality. It is the judgment of careful students of the problem, including the Gates Commission and the administration, that these various inducements will achieve the required results within the 24 months proposed by the administration. The evidence also suggests that we should achieve these results, or be very close to achieving them, within the 18-month period provided for in the amendment under consideration.

The third area of concern has to do

with our ability to maintain the strength of our National Guard and active military Reserve Forces in the absence of conscription. The evidence indicates that about 70 percent of Guard and Reserve enlistments are draft induced. I am convinced, as is the Pentagon, that certain reforms now under consideration will in time guarantee an adequate continuing rate of enlistment in these forces. It will undoubtedly take longer for the proposed changes to have their desired effect, but it should be kept in mind that the existing 6-year enlistment period in the Reserve permits a longer period within which to achieve the transition.

The innovations which have already been undertaken by the various services to make military careers more attractive and competitive appear to confirm the expectations that a conversion to all volunteer forces is a practical objective which is achievable within the near future.

I believe the administration is to be commended for the significant strides which have already been taken toward the achievement of this objective. Draft calls have already been reduced from 340,000 men in fiscal 1968 to 200,000 in the last fiscal year and we are now approaching an annual induction level of 120,000 men. President Nixon's appointment of the Gates Commission resulted in a comprehensive analysis which confirms the feasibility of phasing out the draft while underscoring the inequity of that system especially at the current rates of compensation. I think the administration can only be faulted in its failure to adequately inform the American public of the true progress it has achieved toward attaining the goal of all-volunteer forces.

I do part with the administration as to the schedule of the pay and other benefit increases which the Gates Commission has recommended and which the House of Representatives has subsequently adopted. Instead of implementing these increases in two stages, I believe that they should be put into effect in one stage so as to achieve a more rapid transition.

I firmly believe, Mr. President, that an 18-month extension will avoid the dangers inherent in the 1-year extension proposed by the Hughes-Schweiker amendment, namely the danger that there will not have been sufficient time to give the feasibility of conversion to all volunteer forces a fair chance to succeed. We must remember that there has developed a significant trend to antimilitarism—a temporary one, I hope—and also that it will take some time for the new increases to have their desired effect. If we should find, at the end of 1 year, that volunteer enlistments have not achieved a rate sufficient to enable us to meet our minimum requirements thus forcing a return to the draft, then the basic concept of an all-volunteer military might be unfairly and decisively damned. On the other hand, the evidence amply supports the belief that 18 months will prove an adequate period for this transition, and at the same time will provide pressures on the military to achieve the goal of all-volunteer forces at the earliest date feasible.

The PRESIDING OFFICER (Mr. CHILES). Who yields time?

Mr. DOMINICK. Mr. President, how much time remains to both sides?

The PRESIDING OFFICER. The Senator from Colorado has 47 minutes remaining and the Senator from Mississippi has 68 minutes remaining.

Mr. DOMINICK. Does the Senator from Mississippi wish to proceed at this point?

Mr. STENNIS. Well, Mr. President, there are certain Senators who want to speak on this amendment who are temporarily detained in committee meetings where quorums have to be made. However, I will yield myself 10 minutes at this time.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 10 minutes.

Mr. STENNIS. Mr. President, Members of the Senate speak with great assurance that what they have been assured will happen. I do not think that anyone knows what will happen or has any clear idea about it under this experimental voluntary system for the Air Force, Marines, Navy, and Army. When we say volunteer army that is not just the Army. The program in sight for the future—at last as hoped for—is that everything will be voluntary, even the Reserves and the National Guard, without any inducement, coercion, or persuasion that a draft law would give. There would be no law on the books, when that day comes, when those assurances are supposed to work. I frankly do not see a chance of any kind for the Reserves to survive in a no-draft world or a no-selective-service world. I have said that from the beginning.

I have warned the Reserves about it, and publicly commented on it at the first hearing, that we had not heard from them. They came over a few days later and testified but so far as I know, there has been no appreciable activity by them of concern about what may be their fate under this so-called volunteer plan.

I believe they do not think it is ever going to be put into effect and if it is tried, it will not work.

That is a dangerous position to take, I think, because we can get dismembered in the meantime.

As to the National Guard, conditions being what they are, I know that the States would have to make some kind of provision to insure that they have a guard, to some extent at least, for the protection of their people and the enforcement of their laws. With conditions as they are today, something would have to be done.

But what makes the National Guard a strong, going concern now, with the men they have, is the Federal dollars behind them, the Federal manpower. We call it Federal because they come in under inducement of the Selective Service Act and that is what makes the National Guard a going concern.

But let us not rest. I am not willing to rest. I have warned the Reserves and the National Guard that it is clear they cannot possibly live where there is no Selective Service Act to induce their members to come in.

I do not know what is going to happen to them. They may think that somewhere down the line something will be done to coerce them or that great amounts of pay will be granted, or something will get these young men to come in or some who are not so young but who have already had service.

I do not think that enough billions of dollars can be run off the printing press to pay the entire cost of volunteer services, volunteer Reserves, and a volunteer National Guard.

That is my conclusion. It may sound a little harsh, but it is the reality that I see in this matter.

I note here that the pay increases, even at the highest level, would only increase a man's pay who is serving in the Reserve by $29.20 a month. That would be his increase under the high level.

If he were a good brick mason, he would make that much in 2 or 3 hours. So far as pay is concerned, he would rather make that extra money with a little overtime work or even regular time work than to be in the Reserves.

Some would come, but there would not be enough who were so constituted that they would like service that well.

Let us be careful now when we say that we have been assured that the Reserves will be taken care of or that this thing will work for them.

Mr. President, returning to the Dominick amendment, the January 1, 1973, termination date which the amendment proposes would undoubtedly result in a reduction of draft-motivated enlistments into the Active and Reserve Forces among 17 and 18 year olds during fiscal year 1972 and the first half of fiscal year 1973 since persons in these age groups would assume that they would not become subject to induction in fiscal year 1973. Also, many of those persons who receive low sequence numbers in the draft lottery to be held in July 1972 and who would otherwise be motivated to enlist during the last half of calendar 1972 would not do so since they would know that they would not be inducted in 1973.

In summary, if the induction authority ended on January 1, 1973, even with the higher pay bill, the inability to meet manpower requirements with volunteers would result in substantially reduced and unbalanced forces in fiscal year 1973, inadequate to meet our security requirements.

An 18-month extension, therefore, would mislead the Nation, particularly the young people. Personal and career plans which would be made on the assumption that the draft could cease to exist on January 1, 1973, would be subject to subsequent disruption since it would almost certainly be necessary to extend the draft next year.

I have already mentioned that this matter would be right in the heart of the election campaign and would have to be passed on no doubt by a so-called lame duck Congress after the presidential and congressional election of November 1972.

I have in mind that if this 1-year extension had been passed—which I do not believe it would be—that this would throw the whole matter right into the crux of the situation during the national

convention of 1972. That would be a honey.

Other things will be coming to a head then. It seems to me that it would be grave error to pitch this matter into the middle of those conventions.

This, I repeat, is another time when I believe the membership has just got to face up to the hard realities of life and do the hard things, not the easy things, not the pleasant things, but the hard things.

We will bring down the wrath of some people on us, but if we want to put off and not do these things now and not exercise our best judgment, it will not only bring the wrath of the people down on our heads later, but it could also well mean the lack of security of our people that we would be confronted with.

I hope that this amendment will be rejected and that it will not appeal enough to the logic of the membership to be agreed to. At the same time, a part of that thought is that the membership will realize—and I believe it will—that 1 year is not enough.

I hope that we will finally take a firm position here on the 2-year extension.

That vote will not come until next week. However, it is so much related to the situation we are debating that I brought it in anyway.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMINICK. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 10 minutes.

Mr. DOMINICK. Mr. President, I was delighted to have the chance to discuss these things with my chairman. He is not only a distinguished gentleman, but he also expresses his opinions forcibly and very gracefully.

However, I really do not think what he is saying is accurate. What he is saying in effect is that if we put this at 18 months, we will get it over into the political field.

The very effort I am making is to get it out of the political field because, unlike my chairman, I am pretty well convinced that the 1-year extension is going to pass as opposed to 2 years. If the 1-year extension is passed, then we certainly have the whole draft situation wound up in the political boiling pot in a presidential year with conflicts going on all over the country on this issue. I can conceive of nothing that would be more difficult than to have Congress come back in session during July while Senators are running for reelection, while Senators are running for the Presidency, while conventions are about to be held, while the Representatives are up for reelection, and have to debate this draft bill which is an emotional matter.

If we take the 18-month period, as I have been suggesting, it will not be at issue at that time. It will not be at issue until after the election. It might be necessary to have a lame duck session. I do not like lame duck sessions and made myself clear on this matter last year. However, if we compromise with the House, the 93d Congress could take it up if we have to have another further extension over and beyond January 1973. I personally do not think we will need this.

If I were sure, Mr. President—and I say this to my distinguished chairman with all good humor—that the pay provisions we have in the bill, or that have been suggested by the Senator from Iowa, would provide a sufficient force so that we could defend the interests of this country, I would vote for 1 year.

If I were sure that the pay increases and other incentives which have been proposed by the administration would not bring in a force sufficient for the defense of this country, I would vote for 4 years. However, I do not think that is true.

The problem is that we have not had the opportunity to test it. We have not had the opportunity to test a situation like this since prior to 1940, over 31 years ago.

It seems to me that it is time we give a chance to the people who wear the uniform of this country to do it with pride, to do it with respect, to do it as a career, to have the incentives there for them to do it in that manner, and not to find themselves herded into the military, in many cases, against their will, against their desire, and, in many cases, to the hardship of their families and themselves.

As soon as we get to a situation where there will be respect for the man in uniform, the better off we will be. I can say with deep conviction that I get tired of hearing speeches around the country and in this Chamber critical of the military, whether it be about the Army, or any other branch. Our servicemen are performing the missions civilians have given them to perform, and then civilians get up and pull the rug from under them all over the country.

The Committee on Foreign Relations makes commitments, the executive branch makes commitments, and the State Department makes commitments; and in order to make these commitments realistic and credible there has to be a certain military force to back them up. Yet everyone in the military gets kicked around. I think that it is tragic.

One of the important features we will have as we get to a volunteer army will be to have a situation where people are proud to serve and to defend the interests of this country which is the task that has been asked of them by civilians. That is one of the strongest points in favor of the volunteer army I can think of.

We have the hearing record of the Gates report before us. We asked a number of questions about it, some of which are very pertinent.

On page 584 of the hearing record the question was asked of Secretary Kelley:

What are those major areas in conclusions of the Gates report with which the Department agrees?

Answer. Basic conclusion: The Department agrees with the basic conclusion of the report that the interests of the Nation will be better served by an all-volunteer force than by a mixed force of volunteers and draftees.

That is the point I was just making. Then, on page 585 the question was asked:

What are those major areas of the Gates report with which the Department disagrees?

Answer. Timing: The Department did not believe at the time the report was published that an all-volunteer force could be achieved by July 1, 1971. The Department does not believe now that an all-volunteer force can be achieved by that date.

I agree with them and I have so stated. I do not think we can do it by that time because we will not have even the pay incentives in by that time. I am not sure we can do it by 1972. The main difficulty with 1972 was not only the pay incentives, but also the political situation with which we will be faced if we find the volunteer concept will not work and we therefore have to renew the draft. To do it in 1972 would be very difficult, indeed. We would have to bite a hard bullet at that point.

The 18-month situation, on the other hand, gets us past that period and gives us the opportunity not only of keeping this matter from becoming a political football in 1972, but also it would give us the opportunity in our discussions with the House to see if we can get an all-volunteer force by that time and to have further negotiating room in conference.

The basic points are very simple. I thought the Senator from New York (Mr. BUCKLEY) made them extremely well in his support of my amendment. How do we know how many people we can bring in? We have not tried it since 1939. When we did try it then we had a pay scale that was far below in comparison to what we are proposing now. I say let us give it a chance. Let us give our citizens the right, as they grow up, to choose their own careers. This is a fundamental in this country for all citizens. If we do not maintain the right for the young people to exercise that right as they grow up we are going to continue to have the problems we have had in the past.

I can say without personal feeling that I have one son in the Army. He got in 1 day ahead of the draft. It can be said he was an enlistee, but he was an enlistee because of the draft. I have another son. If this act is extended for only 1 year, as I suspect it will be, he would escape the draft; but if it is extended for 18 months he will be subject to the draft. If it is extended for 2 years he obviously would be subject to the draft. So I am not doing this because of any personal situation so far as my family is concerned.

Unlike the Senator from Mississippi, I do say that the 1-year amendment is going to pass and if it does I think we will have problems and then, the only conference position we have is to either maintain the Senate position of 1 year or to compromise on January 1, 1973. However, if we go into that conference with January 1, 1973, we are in a far better position for a good compromise with the House.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

## QUORUM CALL

Mr. STENNIS. Mr. President, I suggest the absence of a quorum and I ask unanimous consent that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

## RECESS

Mr. STENNIS. Mr. President, I yield myself 2 minutes.

Under the unanimous-consent agreement, the vote on the pending amendment is scheduled to occur at 1 p.m. There will be other speakers on this matter, but they are not available just now.

With the understanding that the matter has been cleared with the leadership on both sides, and that it is agreeable to them, I ask unanimous consent that the Senate now take a recess, subject to the call of the Chair, but in any event not to extend later than 12:15 p.m. today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi? The Chair hearing none, the Senate will stand in recess, subject to the call of the Chair, to reconvene not later than 12:15 p.m.

Whereupon, at 11:41 a.m., the Senate took a recess, subject to the call of the Chair.

The Senate reassembled at 12:03 p.m., when called to order by the Presiding Officer (Mr. BENTSON).

## ORDER OF BUSINESS

Mr. BYRD of West Virginia. Mr. President, the Pastore rule of germaneness having been waived for today, I ask unanimous consent that the Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 5 minutes on two nongermane subjects, the time to be equally divided between the two sides.

The PRESIDING OFFICER (Mr. BENTSEN). Without objection, the Senator from Wisconsin is recognized.

## SHORTEST MISSILE GAP IN HISTORY

Mr. PROXMIRE. Mr. President, we have just witnessed the shortest missile gap in history.

In mid-April, Secretary Laird and Senator JACKSON issued a series of "scare 'em" statements based on the fact that the Russians had dug 40 new holes in the ground.

On the wholly unproven assumption that these holes were designed for the huge new 25-megaton SS–9 missiles, Secretary Laird told us that—

> The U.S. may be moving towards a second-rate strategic position.

Senator JACKSON charged that—

> The overall strategic balance may be tilting in Moscow's favor.

I said at the time that this was a new round of the annual "scare 'em" propaganda and that, when one considers the facts and the paucity of data, these were highly exaggerated, and even semi-hysterical, conclusions. I said that every year, just when the crocuses push through the winter soil and the forsythia and dogwood burst into bloom, one can predict a new round of speeches based on selected intelligence data telling us that the Russians are 10 feet tall.

While the Soviets had dug new holes in the ground, there was no hard evidence that they had tested an MIRV or deployed the SS–9 missiles in the holes.

Now the facts are out. The New York Times reports today that—

> The Central Intelligence Agency concluded that at least two-thirds of the large new silo holes recently detected in the Soviet Union were intended for the relatively small SS–11 intercontinental missile and not for a large new weapon as the Defense Department has suggested.

The source was Senate Republicans who were informed of the CIA assessment by non-Government arms control experts who were briefed by the intelligence agency.

The strategic balance did not "tilt." We have not become a second-rate power.

In a month, without the U.S. lifting a finger or spending a dime, this missile gap was closed. The "scare 'em" technique boomeranged.

The lesson is clear. The practice of selective disclosure of partially analyzed intelligence data by the Pentagon and its allies should stop. Congress and the American public must not be swept off their feet by leaks designed merely to propagandize for a bigger and fatter military budget.

Mr. President, I ask unanimous consent to have the New York Times article to which I referred inserted in the RECORD at this point in full.

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

CIA SAID TO DOUBT PENTAGON'S VIEW ON MISSILE THREAT—SENATE GOP SOURCES SAY AGENCY THINKS SOVIET SILOS ARE FOR EXISTING ARMS—PROTECTIVE STEP SEEN—MOSCOW IS BELIEVED TO BE "HARDENING" INSTALLATIONS FOR ITS SS–11's

(By John W. Finney)

WASHINGTON, May 25.—Senate Republican sources reported today that the Central Intelligence Agency concluded that at least two-thirds of the large new silo holes recently detected in the Soviet Union were intended for the relatively small SS–11 intercontinental missile and not for a large new weapon as the Defense Department has suggested.

This assessment casts a different light on Moscow's strategic intentions at a crucial time in the negotiations with the Soviet Union to achieve some limitation on defensive and offensive strategic weapons.

It now appears to some arms control specialists that the Soviet Union, rather than seeking to achieve a first-strike capability against the United States with large new missiles, is following the American course of trying to protect its missiles against attack with "hardened" silos.

SIXTY NEW SILOS DETECTED

Some 60 large new missiles silos in the Soviet Union have been detected in recent months by means of reconnaissance satellites. The C.I.A. was said to have concluded that at least two-thirds were intended for the SS–11 intercontinental missile, which is comparable to the Minuteman ICBM of the United States.

Some non-Government sources with access to Central Intelligence Agency information said that all but 15 of the new holes were situated in existing SS–11 missile fields.

The Senate Republican sources said they had been informed of the C.I.A. assessment by non-Governmental arms control experts who earlier had been briefed by the intelligence agency. These sources declined to be identified by name.

The Defense Department declined today to comment on the reported C.I.A. assessment because, as a department spokesman put it, "We would not have any comment on a speculative report like that."

But the spokesman said the department still held to the interpretation that the Soviet Union was deploying a modified version of its large SS–9 intercontinental missile or an entirely new missile system.

Much of the concern and speculation over the intended purpose for the new silos has sprung from their unusual size.

According to data obtained by the satellites, the holes were larger than those that had previously been dug for the SS–9, a large intercontinental missile that Defense Department officials have suggested the Soviet Union may be deploying as a "first strike" weapon against the United States's Minuteman force. This in turn gave rise to official speculation that the Soviet Union was planning to deploy an improved version of the SS–9 or perhaps an ever larger, more powerful weapon.

Senator Henry M. Jackson, who first disclosed the detection of the new silo holes on a national television program March 7, said at the time that "the Russians are now in the process of deploying a new generation, an advanced generation of offensive systems." The Washington Democrat, a member of the Senate Armed Services Committee, described the development as "ominous indeed."

The Defense Department took a somewhat more cautious interpretation, saying that it had detected new ICBM construction but was not sure what the Soviet Union's intentions were.

But in a television appearance on March 10, Melvin R. Laird, the Secretary of Defense, said that the silo construction "confirms the fact that the Soviet Union is going forward with construction of a large missile system.

"We cannot tell at this time whether it is a modified version of the SS–9 . . . or whether it is an entirely new missile system," he said.

SECRETARY GIVES WARNING

Then, in speech April 22 before the American Newspaper Publishers Association, Mr. Laird said the United States had fresh intelligence information "confirming the sobering fact that the Soviet Union is involved in a new—and apparently extensive—ICBM construction program."

He warned that if this Soviet missile build-up continued, the Defense Department might find it necessary to seek a supplementary appropriation for more strategic weapons.

Last week, Administration officials were reported to have said that the Soviet Union was pressing ahead with its new missile program so rapidly that test firings of an improved SS–9 or an entirely new and larger missile were expected by this summer.

On the basis of new intelligence information, the C.I.A. was said today to have concluded that the larger holes could be explained not by a Soviet move to a larger missile but by an engineering step intended to protect the existing Soviet missile force.

According to the intelligence agency's analysis, the larger holes can be explained as an effort to "harden the silos by emplacement of a concrete shell around them, to protect the weapons against the blast effects or a nuclear explosion. The larger hole is required to accommodate the concrete liners, according to the C.I.A. analysis."

OLD MISSILE FIELDS UTILIZED

It was said that the first evidence that the Soviet Union might be "hardening" its missile sites rather than developing a new missile system appeared in the fact that the new holes were detected primarily in existing SS–11 missile fields.

If the Soviet Union was deploying a new weapon, it presumably would not situate the new missile emplacements among older missiles, according to the C.I.A. view.

The conclusive piece of evidence was said to have been received early last week when reconnaissance satellite pictures were received showing silo liners arriving at the missile holes. The photographs were said to have indicated that the liners at neither the SS–11 nor the SS–9 sites were big enough to accommodate larger missiles, and those at the SS–9 sites did not seem intended for weapons of altered design.

The United States started hardening its Minuteman silos some years ago as it saw the Soviet Union expanding its ICBM forces, and then began "superhardening" them as the Soviet Union began deploying the SS–9 missile.

Some arms control specialists now maintain that the Soviet Union now is turning to hardening its SS–11 and SS–9 missiles as it sees the United States deploying multiple independently targeted re-entry vehicles, or multiple warheads, known as MIRV's, which potentially could acquire the accuracy to strike precisely at Soviet missile sites.

This was a point made today before the Senate Appropriations Committee by Dr. Herbert Scoville Jr., a former official of the C.I.A. and the Disarmament and Arms Control Agency, now chairman of the Strategic Weapons Committee of the Federation of American Scientists.

A hardening of the Soviet missile sites, he observed, "would not contribute to a first-strike capability and, if anything, would be an indication that a first strike was not a critical Soviet policy objective."

If it now turns out that the Soviet Union is only hardening the SS–9 and SS–11 missile silos, he said, "We must ask ourselves how many times we are going to allow the 'weaponeers' to come before the Congress and the people shouting 'missile gap,' when in reality they are only creating another 'credibility gap.' "

## BRUNO BITKER CALLS FOR RATIFICATION OF HUMAN RIGHTS CONVENTIONS

Mr. PROXMIRE. Mr. President, Bruno V. Bitker is one of our most distinguished fighters for human rights. He has had vast experience in this field, and we can not afford to ignore his arguments. When the 11th Annual Governor's Conference on the United Nations met at the Institute of World Affairs of the University of Wisconsin—Milwaukee, he was the natural choice to head the Panel on Human Rights. The panel concluded that it is high time for the United States to ratify the United Nations human rights conventions now pending before this body, and that there is no legal or other reason not to do so. As a matter of fact, the Genocide Treaty is now, I see, on the Executive Calendar.

Mr. President, I ask unanimous consent that the report to the conference of the Panel on Human Rights be printed in the RECORD.

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

REPORT OF PANEL ON HUMAN RIGHTS

The protection of human rights is one of the very purposes of the United Nations. The Universal Declaration of Human Rights is not law, only a statement of the basic human rights within the context of conditions which prevail in the world today, which closely parallels United States law.

The members of the panel discussed the fact that the United States has not ratified three human rights conventions which are now pending before the Senate:

1. The United Nations Convention on the Political Rights of Women;

2. The ILO Convention on the Abolition of Forced Labor;

3. The International Convention on the Prevention and Punishment of the Crime of Genocide.

President Nixon recommended ratification of the one on genocide in February, 1970, which has been before the United States Senate since 1949; in addition, Secretary of State Rogers stated that the genocide treaty would be in our national interest, which is one of the tests frequently applied to whether or not a treaty should be ratified, and Attorney General Mitchell accompanied this statement with an opinion to the effect that there is no legal objection to ratification of this treaty.

Besides the three conventions mentioned above, the Economic and Social Council of the United Nations has recommended for ratification three conventions on discrimination in employment, in education, and in women's salaries. The United States has literally wiped out racial discrimination in this country—on paper, at least—by statute, Constitution, Supreme Court decisions, and administrative orders, but for some reason the United States has been unwilling to enter into a treaty to make racial discrimination illegal on an international basis.

How a treaty affects the sovereignty of a country was also discussed by the panel members, and it was pointed out that whenever a country enters into a treaty, it gives up a little of its sovereignty because, like any contract, each party to the contract gives up something or there would be no contract or treaty.

The enforcement of human rights treaties was also discussed, and the proposal for a United Nations High Commissioner for Human Rights was considered to be a practical approach for such achievement.

In view of the panel discussion, the following recommendations were made:

1. That the United States Senate ratify the human rights conventions that have been placed before it for consideration and action: the genocide convention as well as those on forced labor and the political rights of women.

2. That the United Nations create the office of a United Nations High Commissioner for Human Rights, which has been proposed for consideration by the General Assembly, and that the office in order to implement human rights instruments be given the power to examine situations resulting from complaints of violations.

## RECESS

Mr. BYRD of West Virginia. Mr. President, I move that the recess be reinstituted with the previous understanding, and that it not extend beyond 12:15 p.m. today, the time to be equally divided between both sides.

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

(At 12:08 p.m. the Senate took a recess subject to the call of the Chair.)

At 12:15 p.m. the Senate reassembled when called to order by the Presiding Officer (Mr. BENTSEN).

## THE MILITARY SELECTIVE SERVICE ACT

The Senate continued with the consideration of the bill (H.R. 6531) to amend the Military Selective Service Act of 1967; to increase military pay; to authorize military active duty strengths for fiscal year 1972; and for other purposes.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time be taken equally from both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

## YEAS AND NAYS ORDERED ON SENATE RESOLUTION 108, REORGANIZATION PLAN NO. 1 OF 1971

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order for me to ask for the yeas and nays on the reorganization bill.

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

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on Senate Resolution 108, relative to Reorganization Plan No. 1, which will occur at 11 a.m. on Thursday next.

The yeas and nays were ordered.

## THE MILITARY SELECTIVE SERVICE ACT

The Senate continued with the consideration of the bill (H.R. 6531) to amend the Military Selective Service Act of 1967; to increase military pay; to authorize military active duty strengths for fiscal year 1972; and for other purposes.

Mr. STENNIS. Mr. President, what is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado, amendment No. 108.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. Mr. President, I notice it is now 12:20 p.m. and the vote is scheduled for 1 p.m. How much time is remaining for each side?

The PRESIDING OFFICER The Senator from Colorado has 9 minutes remaining and the Senator from Mississippi has 30 minutes remaining.

Mr. STENNIS. Mr. President, I yield 10 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. SAXBE. Mr. President, I rise in opposition to the amendment for the limitation of 18 months. I am well aware that in offering the amendment the author believes that the limitation of 1 year would be disastrous in that the draft would come up at a time of the national elections, making it extremely difficult to extend. I am well aware of this and the danger that would result should it be before this body in a period of 1 year.

I think a 2-year limitation is the minimum that we should consider. The reason I say this is that we do have and will have after this legislation 2.5 million men in the various services at many stations around the world. We have commitments under 42 treaties, and we have commitments under thousands of executive agreements. While we have a military presence that is winding down in Vietnam, it is not winding down in Europe and in connection with NATO. It is not winding down in a great many of our naval installations; and it is certainly not winding down in the 6th Fleet and the 7th Fleet in their important spheres of activity and influence. It is not winding down from the standpoint of our existence in a world which has traditionally been a dangerous world.

I know we talk a great deal about our hope of living in peace and it is right that we should do this because we have the obligation to try to control our tempers and to live in friendship and harmony with our friends and neighbors throughout the world. But the history of the world indicates this is not so. We cannot expect to live peaceably in Washington, D.C., without policemen, nor in any of our home States, even though we would like very much to think we could do it. We come to the realization that there are bad people in the world and that there are people who plot against our continued enjoyment of democracy and freedom.

We know there are strong governments that disagree very strongly with our approach to the freedoms that our citizens enjoy. While no one conceives of America as an aggressive military power—no one in this body anyway—I think most would agree there are certain defenses that are necessary.

Therefore, 2 years as an extension as contrasted to the 4 years as in the past is a completely reasonable amount of time.

I opposed some of the other amendments in committee that would have changed this and yesterday I voted for the Kennedy amendment which would knock out the "bounty system," as I would refer to it. I have little confidence that with the present antimilitary attitude in this country we can survive with the volunteer army.

In a volunteer army, or a mercenary army, whatever one chooses to call it, that is planned to occur, I fear it would not be possible to recruit normally the type of people desired or to hold those people without becoming a mercenary foreign legion-type operation. The French had a foreign legion to fight unpopular wars and I could foresee the time that a demagog in this country could use a mercenary army to advance selfish causes for himself or a group in this country.

My opposition is based upon my unwillingness to accept a concept at the present time of a volunteer army. I cannot help but feel that we must bear the burden, or not assume the burden; and if we are not willing to bear this burden in this country, then I believe we should cut down our commitments to where a garrison army, such as we had before World War II, could sustain it.

The distinguished Senator from Colorado talked about fairness in the 18-month proposal, and also spoke about fairness in the opportunities for people to serve. Fairness does not exist in many of the things in which we quote fairness. Fairness does not exist in the draft when a man with a punctured eardrum or a man with flat feet is passed over, or when a girl is passed over; only those who happen to fit in the slot are drafted. Yet, we flaunt fairness as one of the goals for which the draft strives.

I do not believe when it comes to fairness this body is in too good shape to pass on that. Out of 235 sons of Members of Congress, as near as I can determine, over one-half were waivered out for one reason or another. I am talking about those eligible for the draft. Of the 230 or so, only 26 actually went to Vietnam.

I cannot help but feel when we talk about fairness it should apply to everyone. Fairness as a doctrine of selective service can best be served with an obligation by everyone in this country, an obligation that is handled by a local board, such as our selective service local boards.

If we extend this for 12 months, or at the most for 18 months, that will be the end of selective service and a breakdown of the boards. I believe that the chance for the volunteer Army, as the Gates Commission pointed out, should come before we phase out selective service. If, as the Gates Commission believes, the pay will be attractive enough for the volunteers, then we could have a "no call" draft; but certainly it should be there as a standby as long as we hold ourselves up in the world as a country which believes strongly enough in its freedom to fight for it, if we are forced to do so.

I understand what the Senator from Colorado is attempting to do and I admire his skill in presenting his case. But I do not agree with him and I cannot help but feel if we want to have a "no call" draft the best thing to do is to proceed as we have set out to do, with a reasonable increase in the pay and then see what the results are before we junk a system on a supposition that it might work.

Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second legislative clerk proceeded to call the roll.

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

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

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Mississippi has 16 minutes remaining.

Mr. STENNIS. I yield myself 5 minutes.

Mr. President, as I said this morning, the Dominick amendment is tied in with the amendment offered by the Senator from Iowa (Mr. HUGHES) to put $1.7 billion additional money into this bill.

I have here now a letter signed by the Joint Chiefs of Staff, dated the 26th of May, which I term a highly significant letter. Ordinarily the members of the Joint Chiefs of Staff favor increased pay for their men, increased pay for quarters and allowances, and items of that kind, but this is a letter that relates to the Hughes amendment involving $1.7 billion, and I read:

> In our dual capacities as members of the Joint Chiefs of Staff and Chiefs of the military services, we want to advise you of our unanimous support of the Administration's FY 1972 military pay proposals without the proposed amendments now pending in the Senate.

The bill has in it the amount recommended by the Department of Defense.

Continuing with the letter:

> Given our responsibilities for the well being of our men and women, we wholeheartedly support all feasible actions to improve pay and living standards. But we also have other responsibilities, notably including the provision of forces adequate to the national security. The President's proposals, as embodied in the Senate draft bill, strike the right balance among requirements. We believe that the selected pay increases that the President has proposed are an appropriate first step during FY 1972 to promote our objectives for volunteer enlistments. We likewise support the institution of the contemplated second step in FY 1973.

Well, I say they will support any increase ordinarily and plug for it and help originate it. But I quote again:

> Conversely, the necessity to absorb any substantial portion of the proposed additional pay increase of approximately $1.7 billion at the expense of other accounts would severely disrupt essential defense programs and substantially impair our capabilities to meet national security requirements.

Now, Mr. Packard's letter that I received and put in the RECORD yesterday said, in effect, that if this $1.7 billion goes in, it will be absorbed by some other account. I quote again:

> We want the Senate and you to know that we collectively support the position of the Administration and Department of Defense on military pay proposals for FY 1972 and do not support—

Do not support—

> amendments thereto now pending in the Senate.
>
> The Chairman, Joint Chiefs of Staff, Admiral Moorer, now absent at a NATO conference in Europe, concurs in the above.

This is signed by General Westmoreland; General Meyer, Vice Chief of Staff, U.S. Air Force.

I am told over the telephone General Ryan supports this letter—he is advised of it and authorizes his vice chairman to sign it—Admiral Cousins, Vice Chief of Naval Operations, Admiral Zumwalt being away, but has authorized his vice chief to sign. It is also signed by Gen-

eral Chapman, Commandant of the Marine Corps.

I say, Mr. President, that is a highly significant letter, highly unusual and very persuasive; very persuasive in its content.

I shall refer to that later. I have sent a copy of the letter to each Senator's desk.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. STENNIS. Mr. President, I yield the floor.

Mr. GRAVEL. Mr. President, will the Senator from Mississippi yield me one-half minute?

Mr. STENNIS. I yield the Senator from Alaska 1 minute.

Mr. GRAVEL. Mr. President, since the issue here revolves around whether or not we have the financial capability to pay a decent living wage, I ask unanimous consent to have printed in the RECORD the testimony yesterday before the Defense Subcommittee of the Committee on Appropriations, in which leading American scientists suggested weapons changes that could result in tens of billions of dollars of savings over the next 10 years.

Because I consider this testimony so important to a more complete understanding of the options open to the Congress in this area, I ask unanimous consent that the complete written statement be published at this point in the RECORD, to demonstrate that we can find the money to pay a decent living wage to those whom we choose to go into military service and those who volunteer for service.

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

TESTIMONY OF HERBERT SCOVILLE, JR., ON THE FISCAL YEAR 1972 DEFENSE BUDGET BEFORE THE DEFENSE SUBCOMMITTEE OF THE U.S. SENATE APPROPRIATIONS COMMITTEE, MAY 25, 1971

Mr. Chairman: I appreciate very much the privilege of being able to express to this Committee my views on the Proposed FY 1972 Defense Program and Budget. In my presentation I shall concentrate on analyzing the threats which have been used to justify the expansion in the Budget for US strategic forces. I shall also discuss in some detail why these do not justify at the present time large expenditures for two of these systems, the Minuteman III and Poseidon. Two of my colleagues will then cover several additional US strategic weapons programs which appear to be either unnecessary, premature, or, aimed in the wrong direction. Professor Goldberger will review the proposals for Safeguard ABM deployment and for the large increase in funds in this year's budget for the development of the B–1 aircraft. Professor Kistiakowsky will show how the AWACS air defense program makes no sense in the age of mutual missile deterrence. He will also argue that expanded funding for ULMS at this time might only lead to a premature commitment to a system which would be directed against the wrong type of threat. In addition, Dr. Gelb will argue that no more than nine attack carriers are required and no anti-submarine carriers. All of the recommendations in their statements have the approval of the Federation Executive Council; those referring to strategic weapons are approved by the Strategic Weapons Committee—which I chair—as well.

In this period of limited availability of funds and resources we cannot afford the luxury of prematurely spending large sums to build strategic weapons to try to provide protection against imaginary threats—when by so doing we place ourselves in a poorer position less able to deal in the years ahead with real dangers to our security. Such unnecessary expenditures frequently serve only to fuel the arms race and commit us to major additional funding in the future.

The basic aim of our nuclear strategic forces is to provide, as Secretary Laird has said, a realistic deterrent against nuclear attack by maintaining a second strike capability and removing all incentives for initiating nuclear war even in a crisis. It must be emphasized, however, that the maintenance of a realistic overall deterrent does not require that every single strategic force provide by itself a deterrent in all circumstances. While it is desirable to maintain more than one type of deterrent force in order to have flexibility as technology advances—the US has done this with its triad of submarine missiles, ICBMs and intercontinental bombers—it is not necessary that each one of these systems be invulnerable to every conceivable Soviet tactic.

This concept has been long recognized but is too often overlooked. For example, until we had a long range missile deterrent force, the Air Force kept a fraction of its bombers on airborne alert to eliminate their vulnerability to a surprise attack. However, once we had a missile force, we were willing to accept the vulnerability of bombers on the ground since our overall deterrent was still maintained.

At the present time the US deterrent has, as its cornerstone, the invulnerable Polaris SLBM force, supplemented by more than a thousand ICBMs and a large number of intercontinental bombers. Each of these latter two systems might separately become vulnerable by the end of the decade, but there is nothing which could threaten the Polaris element of the deterrent for the foreseeable future. Furthermore, no plausible scenario has ever been put forward in which both Minuteman and the Bombers could be simultaneously destroyed in a surprise attack. Therefore, our basic strategic requirement for a realistic deterrent is satisfied now and will remain so in the foreseeable future.

Today, I should like to discuss two threats which have been posed as endangering the survivability of our deterrent. One, the threat of a Soviet ABM neutralizing our retaliatory capability, and, two, the threat of Soviet missiles destroying our land based ICBMs. I will show that these threats are less than, or behind in time schedule, the estimates which were made several years ago, and that the US has already overreacted to these same threats. I conclude that there is no need for further new reaction now, even taking into account the recent evidence on Soviet ICBM and ABM buildup to which Secretary Laird has pointed with such alarm. In fact, we can and should defer some programs. Premature or excessive reaction can, in the long run, produce less security by stimulating otherwise avoidable weapons programs and by precluding desirable SALT agreements.

I. SOVIET ABM THREAT TO U.S. STRATEGIC MISSILE FORCES

That a large nationwide Soviet ABM could pose a threat to our deterrent has been understood for more than a decade. In the mid-60's, the U.S. began to respond to a possible Soviet deployment of such a system (the Moscow ABM and the Tallinn air defense systems) by developing MIRVs for the Poseidon SLBM and the Minuteman III. The fear that the Tallinn system was an ABM soon proved illusory and in 1968 the Soviets even stopped the further deployment of their Moscow ABM system. A month ago, Secretary Laird announced that the Soviets have resumed ABM deployment in the Moscow area with new types of interceptors; however, such new deployment would have to be greatly enlarged and extended to many other areas before it could possibly require the Poseidon or Minuteman MIRV systems. If President Nixon's hopes, expressed last week, for an ABM limitation at SALT are realized, we would never need such deployments.

Even though it is now generally admitted that the Russian ABM program would not require U.S. MIRV deployment for many years, it has sometimes been argued that they could secretly and rapidly upgrade their anti-aircraft defenses (SAMs) into an ABM. Why then aren't we converting our Nike Hercules SAMs instead of dismantling them? If a Russian ABM defense of populations is so easy, why have President Nixon and Secretary Laird repeatedly said that with all U.S. technology we do not know how to build an ABM system which will protect populations? Why is the Defense Department seeking $15 billion for a Safeguard system which even its proponents say will not protect the U.S. people against the Soviets? No, this imaginary upgrading of SAMs has been invented to justify more advanced U.S. weapons, and to make more difficult the achievement of an agreement at SALT. The United States cannot continue to base our national security programs on a double standard which attributes to the Soviets capabilities which we would never consider possible for ourselves.

In spite of the absence of any early need for additional weapons to overcome a Soviet ABM, the U.S. has gone ahead rapidly with both the Poseidon and Minuteman III programs. Two Poseidon equipped submarines, each with 160 warheads with yields several times that of the Hiroshima bomb, have already gone to sea and approximately 100 Minuteman have been converted to carry MIRVs. Yet if we were responding correctly to the threat in the late 60's, we have more than 3 years to spare now and this deployment is thus unnecessary. We have thus already deployed a counter to a Soviet ABM—and done so many years before it would be required.

If this were only a premature and wasteful expenditure of funds it might be excusable on the basis of conservative military planning; however, this deployment has probably foreclosed any opportunity to negotiate an agreement with the Soviets at SALT that would prevent Russian MIRV deployment. In the long run such MIRV programs could, because of the relatively larger payload capacity of Soviet missile systems, lead to a net decrease in our security and force us to react with expensive new weapons programs. Furthermore, one form of a possible ABM agreement at SALT which the Soviets are reported to have accepted was a U.S. proposal to halt ABM construction everywhere except around capital cities. While there are many problems which must be solved in order to negotiate such an agreement, this or any other severe ABM limitation would, if successful, preclude the need for any U.S. MIRV programs to insure our deterrent. Thus, our premature deployment could be a complete waste of up to $10 billion. Since there is no early security requirement for these MIRVs, we should wait to see if we can eliminate their need forever. This is clearly an example where we have not timed our strategic weapons programs to match the threat and have gone forward at great expense with the deployment of new weapons because technology was available. Let us not continue this folly any longer.

II. SOVIET THREAT TO ATTACK LAND BASED ICBM'S AT THEIR BASES

The direct attack threat to our land based missiles has not exceeded and is, in fact, behind the estimates used by Secretary Laird in 1969 when he initially justified the Safeguard ABM program. He then referred to the growing first strike threat from the Soviet SS–9 missile force which would be equipped with MIRVs. It was estimated that by continuing the deployment of 50–60 SS–9s per

year and completing their MIRV test program which was claimed to have started in 1968, the Soviets could have 500 SS–9s, each equipped with three MIRVs operational by 1975. On this basis, Congress agreed to go ahead with the Safeguard deployment at two Minuteman sites. Yet with a decreased threat over that estimated in 1969 and with the possibility of a SALT agreement the Congress is now being asked to fund four ABM sites.

The fear of a Soviet "first strike," which has been used since March 1969 to obtain appropriations for Safeguard and other weapons programs, is without any foundation in fact. It was argued that the only logical explanation for the continuing SS–9 buildup was a Russian desire to acquire a first strike capability.

However, the Soviets have not taken any of the other steps needed to be able to contemplate or even threaten a first strike. They have done nothing which could provide protection from our large Polaris force. They halted all deployment of ABMs for more than three years and have even offered to limit ABMs as an initial SALT agreement; yet without such a nationwide system they would be completely exposed to any U.S. retaliation. It must be remembered that a 50% or even 95% effective first strike can only lead to national suicide for Russia.

Moreover a first strike is not the only, or the most logical, reason for the SS–9 program. A large payload missile could satisfy a number of other objectives; for example, (1) the maintenance of an "assured destruction" capability by insuring penetration of the U.S. Sentinel and later Safeguard ABM systems, or (2) the acquisition of a "second strike" counterforce capability. We have justified our own MIRV programs and the increased payload of Poseidon on both these objectives.

*Rate of Soviet large ICBM deployment*

What has actually happened since the spring of 1969? By official DOD statements, the rate of SS–9 deployment has actually been cut back. Since August 1969 the Soviets have started the construction of only a handful of new SS–9 launchers, and the program appears to have leveled off below 300. On the other hand, this spring it has been reported that the Soviets are beginning construction on several tens of new large silos. I do not know precisely what several tens means, but the highest figure which has been mentioned in the press is 60. Even if one adds this new construction to the few additional SS–9s, of the last couple of years, it would appear that the Soviet construction of new large ICBM launchers is only about half that predicted when Secretary Laird first justified Safeguard. At this rate of construction it would appear that it would not be until 1976 or later that the USSR would have about 500 large ICBMs. While this new program may now be accelerating over the rate of the last two years, it would be almost impossible for the 500 to be achieved earlier than 1975, the originally predicted date.

What are the specific security implications of this new large missile construction which would warrant increased alarm and advancing U. S. strategic weapons programs? We obviously deplore that the Soviets have chosen to resume deployment of large missile launchers after one and a half years of apparent restraint. This is a major step in the wrong direction. But it is not clear why such new deployment presents any increased threat over that which had been used for planning purposes for many years. One must not be stampeded into percipitate reaction by expressions of horror at a new large missile silo. One must attempt to analyze how this program could affect our security.

One explanation for this new program is that the Russians are building harder silos for their SS–9s to provide protection from a counterforce strike by the U.S. MIRVed missiles currently being deployed. Such hardening would, of course, not contribute to a first strike capability and, if anything, would be an indication that a first strike was not a critical Soviet policy objective. It would, however, explain why no new missile has yet been tested for these silos.

Alternatively, Senator Jackson has made the reasonable suggestion that this new construction is to house a new Soviet missile which will be used to deliver a future MIRV capability. In evaluating the significance of this possibility it is important to remember that in all previous estimates of the Russian threats it has been assumed the SS–9 was capable of delivering any type of MIRV system that Soviets chose to develop. It has the payload capacity to carry six, ten, or even more MIRVs, and the only question was the accuracy which could be achieved. The only reason for using 3 MIRVs in the 1969 calculations was that the Soviets tests involved three re-entry vehicles and thus a three MIRV capability could be operational earlier than a more numerous MIRV system. If this assumption on the SS–9 capability was correct, then the new construction should have no effect one way or another on the timing of the MIRV danger. It is just another form of the previously estimated SS–9 threat. We mustn't fall into the trap of reacting twice to the same threat.

If it was wrong, and the Soviets are developing a new missile system for their MIRVs, then the former estimated dates were much too early. If they have to go through the development cycle for a completely new missile in order to have a true MIRV, then an initial operational capability could not occur at the earliest before two to three years from now. More importantly, if they are going to have to construct new silos for their MIRVed missiles and not use the existing 280 SS–9 silos, then the time at which they would have a force which could threaten Minuteman is several more years away. Even at the rapid rate of 60 MIRVed missiles per year they could not have as many new missiles operational as they now have SS–9s until about 1977. Thus, the new silos could mean a delay of three or more years in the threat. At worst, the new missiles are a slowed continuation of the previously estimated large missile threat.

*Soviet MIRV program*

The Soviet MIRV program is also behind that estimated in 1969. It is no longer thought that the 3–MRV system which began testing in August 1968 had a MIRV capability. Late in the fall of 1970 the Defense Department announced that tests of a modified form of this system had been observed and might be the indication of a true MIRV. However, since that time this fear seems to have become less well established, and just recently Secretary Laird reaffirmed his estimate that the Soviets probably did not now have a MIRV capability, but could have one beginning in 1972. A recent press report indicated that the two tests observed last fall may have been malfunctions. So, it would appear that even now the Soviets may not have started testing the type of MIRV system which could threaten Minuteman. At the very worst, a test program for a three MIRV system has only been under way for 6 months, and it would probably be another 18 months before the Soviets could begin to have an operational system. This is to be contrasted with President Nixon's and high Defense officials' statements in the spring of 1969 that the footprint of the Soviet MRVs appear to have a pattern for destroying Minuteman. If the Russians are to have a real threat to Minuteman with a limited number of missiles or with a new large missile system instead of the SS–9s, then they will have to develop a system which could deploy 6 or even more independent warheads. While such a system is certainly within their technological ability, it could not become operational until about 2 years after the first test. Their present experience with the 3 reentry vehicles system is probably not of much value.

In sum, the Soviet threat to Minuteman, both in terms of numbers of large missiles and of MIRVs, is several, and perhaps as much as 5 years behind that estimated by Secretary Laird in 1969. This delay is most critical in evaluating the need for ABM defense of Minuteman which Dr. Goldberger will discuss, but also important in considering the U.S. offensive missile and MIRV programs.

III. U.S. MIRV PROGRAMS

In defending his budget for the Poseidon and Minuteman III programs, Secretary Laird in his Posture Statement, declared these were needed to improve ABM penetration and our retaliation capability if the Minuteman force were almost completely destroyed. He said:

"Should part of our missile force be unexpectedly and severely degraded by Soviet preemptive actions, the increased number of warheads provided by the remaining MIRV missiles will insure that we have enough warheads to attack essential soft urban industrial targets in the Soviet Union. At the same time, the MIRV program gives U.S. increased confidence in our ability to penetrate Soviet ABM defenses, even if part of our missile forces are destroyed." [1]

In addiiton, he stated:

"It is estimated that the accuracy of the SS–9 could be substantially improved by 1975–76. With this improved reentry vehicle accuracy, the projected Soviet SS–9 missile force could pose a serious threat to the future survivability of undefended Minuteman silos." [2]

Thus, in Secretary Laird's own words, the Soviet threat to Minuteman which would require MIRVs on our Minuteman III or even Poseidon would not occur for 4–5 years. If the new launcher construction is for the Soviet ABM, then this threat will be even later. We have already shown that the delay in the Soviet ABM program, even taking into account the resumption of deployment around Moscow, would not require U.S. MIRVs until an even later date. Since we have already completed testing of both the Poseidon and the Minuteman III systems, we have a hedge if some unforeseen danger to the entire deterrent arose earlier. We could always deploy our already developed systems before the threat became a reality.

Thus, appropriations of the funds for the Poseidon conversion and Minuteman improvements are certainly premature and an extravagance. We recommend that they be eliminated from the FY 1972 Budget at a saving of about $1.6 billion. In the case of Minuteman, the MIRV program is not only premature but questionable regardless of how the threat develops. A total expenditure of about $5 billion to put 3 warheads on 550 of these missiles on the grounds that 95% of them might be destroyed would not appear to be the type of investment that the U.S. government ought to make. A far more satisfactory way of improving our security and maintaining our deterrent force would be to negotiate a severe limitation on ABMs at SALT, thus guaranteeing that our retaliatory force can inflict unacceptable damage on the Soviet Union.

*Advance Ballistic Reentry Systems—ABRES*

The Current FY 1972 program calls for the expenditure of $87 million for the development of Advance Ballistic Reentry System, (ABRES). While a certain amount of research

[1] Fiscal Year 1972–76 Defense Program and the 1972 Defense Budget, March 15, 1971 p. 66.

[2] Op. Cit p. 46.

on reentry systems would assuredly appear in order, we believe that part of this program should be curtailed, i.e., that which is designed to increase the accuracy or even might appear to increase the accuracy of our MIRV systems. President Nixon on page 133 of his State of the World message, February 25, 1971, stated that—

"Our deployment of MIRVs serves the same purpose (seeking to improve the survivability of our forces). They do not have the combination of numbers, *accuracy*, and warhead yields to pose a threat to the Soviet land based ICBM forces."

Secretary Laird has also, on several occasions in answer to Congressional criticism, stated that we are not attempting to achieve MIRV accuracy which will appear to the Soviets as a first strike weapon. President Nixon even announced that we would unilaterally halt a program for improving such accuracy in order to avoid being provocative to the Soviet Union.

Yet, each year the Defense Department comes in seeking sizable additional funds for advance reentry systems, some of which could clearly lead to improved accuracy. In fact, any guidance system improvement would probably look to the Soviets as leading to an improved first strike capability and provide impetus for raising the level of the arms race. Furthermore, there is no security need for improved guidance for reentry systems if we are only building a deterrent force. Our present systems are more than adequate to retaliate against urban targets. They are even quite adequate to destroy the type of hard target, i.e., steel mills, which Dr. John Foster, DDR&E, on August 5, 1969 testified as a justification for improved MIRV accuracy.[3] One should remember what a 20 KT explosion over Nagasaki did to heavy industrial structures at a distance of more than half a mile. The yield of U.S. MIRVs, even for the Poseidon, is several times that of the Nagasaki bomb.

Thus, we would strongly recommend that the ABRES program be revised to eliminate any development aimed at improving the accuracy of U.S. MIRV systems. This would be in accord with President Nixon's own professed objective and would avoid stimulating the arms race which, in the long run, can only be a detriment to our national security. This might involve a saving of $50 or more million dollars in 1972 alone and possibly greater savings in future years.

*Recommendations*

We recommend that henceforth the U.S strategic forces program be geared to a realistic evaluation of the nature and timing of the threats to our deterrent. Premature funding can only lead to unnecessary expenditures for weapons systems which may never be needed or are designed to do the wrong job. It can stimulate the arms race, forcing in the future even larger outlays for further advanced weapons and reducing in the long run U.S. and world security. We must stop being stampeded into expanded budgets by alarms over Soviet weapons programs, such as the new large silo construction, when mature analysis will show no new and perhaps a decreased threat.

I specifically recommend that:

(a) the continued Procurement of Minuteman III and Minuteman Force Modernization be cancelled with a saving of $839 million FY 72 funds.

(b) The conversion of SLBMS to Poseidon Configuration and Continued Procurement of Poseidon Missiles be deferred in FY 72 with a reduction of up to $800 million in FY 72.

(c) The further research on advanced MIRV guidance systems for improved accuracy be halted by reducing the $87 million proposed for ABRES.

Now is the time for restraint and the exercise of leadership on the road toward improved security through arms control.

*SALT*

Last week the U.S. and USSR jointly announced that they "have agreed to concentrate this year on working out an agreement for the limitation of the deployment of ABMs" and that "together with concluding an agreement to limit ABMs they will agree on certain measures with respect to the limitation of offensive strategic weapons." It is a welcome announcement after 18 months of negotiation during which the arms race has accelerated that at last we are going to get down to concluding a specific agreement.

This situation provides additional reasons in support of the arguments made in this testimony. In the first place, the rapid deployment of MIRV can only give Soviet opponents of arms limitations an excuse to oppose the SALT agreements that are still closer to fulfillment. In the second place, the deployment of U.S. MIRV becomes potentially especially wasteful if an agreement on ABM is imminent since the MIRV is our answer to a Soviet ABM—an ABM which now seems especially unlikely to arise because it will be precluded by agreement. Third, the irreversible deployment of U.S. MIRV tends to make agreements on MIRV impossible, just when there is a greater hope that they might succeed. And it throws away our bargaining chip to secure a halt in the Soviet MIRV program by making our MIRV program a fait accompli. In political terms also an agreement on ABM might logically be followed by a U.S. Soviet agreement on offensive weapons like MIRV. President Nixon has stated that this preliminary agreement "will create more favorable conditions for future negotiations to limit strategic arms."

Thus the new SALT possibilities suggest, for many reasons, that this Committee should escrow the MIRV funds until the negotiating situation is clarified next year.

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TESTIMONY OF MARVIN L. GOLDBERGER ON THE B–1 BOMBER AND SAFEGUARD ABM BEFORE THE DEFENSE SUBCOMMITTEE OF THE U.S. SENATE APPROPRIATIONS COMMITTEE, MAY 25, 1971

It is a great privilege to appear before you to transmit my views on the continuing evolution of the Safeguard ABM system and on the proposed development of the B–1 bomber. I am testifying as Vice-Chairman and Chairman-Elect of the Federation of American Scientists and my statement has the support of the Strategic Weapons Committee of the Federation, as well as that of the Executive Committee. I have been involved with strategic weapon considerations for many years as a consultant to the Department of Defense and to the President's Science Advisory Committee where, as a member of that group (1965–69) I served as chairman of the Strategic Weapons Panel. I have retained an active interest in the area in connection with my Federation work and am quite up to date on classified information.

DISCUSSION OF THE B–1 BOMBER

The B–1 bomber is being proposed by the DOD as a replacement for what is frequently referred to as the "aging" B–52 strategic bomber fleet. The B–52 has proven to be very youthful. In 1969, Secretary Laird said that the newest model B–52's will last under projected usage until sometime early in the 1980's with appropriate modifications. In fact, it seems clear that the B–52 lifetime could be extended even further if the planes were flown less.

The B–1 bomber was called in 1963 when I was chairman of the DOD Strategic Weapons Panel, the advanced manned strategic aircraft (AMSA). The concept of the plane has changed very little in the intervening years. It is a plane in the weight range of 350–400,000 pounds with a payload of 50–100,000 pounds and an unrefueled range of 6100 miles. Its armament would consist of SRAM (Short Range Attack Missile), SCAD (Subsonic Cruise Armed Decoy), and BDM (Bomber Defense Missile) and conventional nuclear weapons. It will have elaborate new avionics. Other features of the plane are small radar cross section and low infrared signature. It is to have a supersonic, high altitude, speed of Mach 2.5; its cruise and low altitude penetration speed will be about Mach 0.85. For 240 aircraft, the number usually cited, the cost including RDT & E, and ten year operating costs will be about $14 B. Each plane will cost $30.8 M. Experience has shown such cost estimates are usually low.

This is to be contrasted with the advanced model B–52's which have an unfueled range up to 12,500 miles and a payload of 75,000 pounds. Its armament is virtually the same as that projected for the B–1. Its shortcomings with respect to the B–1 are its much greater take-off distance, absence of a high altitude supersonic capability, 40% lower speed on the deck, and higher infrared signature (although, in the supersonic mode, the B–1 will light up like a Christmas tree). It should be stated that if the B–52–G's and H's were refitted with advanced turbo-fan engines which are state of the art, essentially the only way in which the B–1 would be superior is in its supersonic mode, a dubious plus. This refitting could be done at a cost of about $1 B.

There are two fundamental problems in connection with bomber forces: One is vulnerability on the ground, and the second is the capability of the force to penetrate Soviet air defense. The ability of the B–1 to escape depressed trajectory submarine launched missiles is only marginally superior to that of the B–52. Since a large fraction of our B–52's can be put into the air in less than fifteen minutes, our developing missile launch warning systems means that the B–52's aren't too deficient in their escape abilities although, to be sure, the B–1 will be less vulnerable.

The penetration capabilities of the two planes are difficult to compare or to assess on an absolute basis. One can get a variety of estimates about what fraction of B–52's could penetrate Soviet air defense. The Soviets have built a massive defensive system with great depth and redundancy. In addition to various families of surface to air (SAM's) systems, there is reason to believe that there may be a high altitude interceptor with down-looking radar. Such a development would tend to minimize any speed advantage of the B–1 over the B–52. Nevertheless, it is the conviction of the Air Force, which I share, that a bomber attack coordinated with ICBM's would be very effective.

There is no denying the fact, however, that even though bombers have played an important historical role in our strategic force arsenal, and even though they pose a fearsome threat to the Soviet Union, they are no longer the cornerstone of our deterrent force. An attempt to restore them to that role by building a fleet of two hundred or so B–1 bombers which would *itself* conceivably provide an adequate deterrent does not make sense. It is significant that the Soviet Union has not chosen this route, even though our own air defense is far less formidable than their own.

Finally, it should be noted that the B–52 actually has two significant advantages over the B–1 in spite of its having only subsonic capability. These both derive from its greater unrefueled range. First, the B–52's can be flushed and loiter for a considerable period without need for refueling before returning to base. Second, the alert force can actually make the whole trip to target and to escape

[3] Hearings on National Security Policy and Scientific Development of the Committee on Foreign Affairs. First session. July–August 1969. p. 259.

without refueling. The B–1 force requires a much more elaborate and, of course, more vulnerable tanker fleet, a fact usually not emphasized by the Air Force.

Our conclusion is that since the B–52 force will last at least into the early 1980's, there is no reason other than nostalgia to embark at this time on the creation of a new bomber force of what is really a marginally superior product. It is not entirely unlikely that a new concept of an airplane like the C–5A, which would serve as a highly mobile launching platform for long range standoff weapons, should be considered.

DISCUSSION OF ABM

I wish now to turn to a discussion of ABM. The bomber issue, important though it may be for its ability to waste large sums of money, fades into insignificance by comparison with the threat to mankind posed by a continuation of the arms race, and this is paced by ABM.

For the past two years, the Department of Defense has been trying to convince Congress and the American people that U.S. security is being threatened by the continuing buildup of Soviet strategic forces. This threat has been used as the principal justification for beginning the deployment of the so-called Safeguard ABM system to defend our Minuteman force of 1000 ICBM's in hardened silos. The auxiliary roles for the system (when fully deployed) are to provide a light area defense against a future Chinese ICBM threat, to afford some protection against an accidental launch of a missile targeted against the U.S., and to help defend our bomber force. Another and perhaps over-riding argument for Safeguard has been its role as a "bargaining chip" in the Strategic Arms Limitation Talks (SALT).

A very large number of highly qualified scientists, men with intimate familiarity with strategic weapon systems and full access to all intelligence information, have taken sharp issue in Congressional testimony with the threat evaluation presented by DOD spokesmen. They have taken an even stronger position with respect to the utter inability of the Safeguard system itself to have any bearing whatsoever on the projected threat, let alone the actual one. Since the very small number of civilian scientists who have testified in favor of Safeguard have almost to a man avoided talking about the technical capability of the system, one can only conclude that they, too, concur in the judgment that, from a scientific standpoint, Safeguard is a disaster, completely useless militarily.

With regard to the SALT bargaining chip position, I would like to say the following: I am not a Sovietologist or a psychologist, let alone an expert on Soviet psychology. But it seems only common sense that if the Soviets are, in fact, twenty feet tall and are rapidly getting to the point where they actually threaten our security, then it is extremely unlikely that they have a ten foot yellow streak down their backs so that they will be frightened by our construction of a totally worthless ABM system. The *Safeguard* ABM system, and please note the emphasis on the word Safeguard, must be defended on its own merits. If its only purpose is bluff, lets make it out of wood and paper maché. It is time that this whole charade of threat and irrelevant response is brought to an end. We can no longer continue the kind of irrationality which feeds the arms race and which, at every turn, decreases our security.

Let me discuss briefly the question of the threat to our strategic deterrent forces. The basic premise of the U.S. deterrence posture has been that we have the capability to absorb a first strike and still be able to retaliate and inflict unacceptable damage upon an enemy. Our ability to do this and the certainty in the mind of any enemy that an attack on the U.S. means suicide is the name of the deterrence game.

We have insured our deterrent strategy by the creation of a "triad" of strategic nuclear weapon systems: The Minuteman force of 1000 ICBM's and 54 Titan missiles, the SAC bomber force, and the Polaris submarine force now being retrofitted into the Poseidon-MIRV system. It has until recently been our policy to maintain that each one of these three independent forces could do the deterrence job alone. More recently, President Nixon has noted that while each force is capable of inflicting a high level of damage, it is the three taken together that provide us with an unquestionable capability of unacceptable damage. It is consequently somewhat surprising how often the argument is made that the Soviet Union is striving for or has nearly achieved or may very well soon have a "first strike" capability. If the Soviet Union were to attempt a first strike against the U.S. without suffering essentially total destruction of its own civilization it would have to accomplish the following: The simultaneous and nearly total destruction of both Minuteman and SAC bombers, *and* destroy the polaris/Poseidon fleet entirely within a matter of minutes. Finally, they would have to be able to destroy virtually all surviving missiles or airplanes headed their way. This is a technical impossibility now and for the foreseeable future.

There is "no," repeat "no" way that the bombers and missiles can be struck simultaneously and effectively. The problem is simply a geometrical one. We know immediately of the launch of a Soviet missile attack on Minuteman. The flight time is 30 minutes. The alert SAC force can be flushed in less than 15 minutes. If the Soviets were to time a sub launched missile attack on bombers (flight time less than 15 minutes) to coincide with their launch against Minuteman, the latter could be launched after the bombers were hit. If an attempt were made to have missiles impact on bomber and Minuteman bases simultaneously, the bombers can take off at the warning of the ICBM launch. It would appear impossible to have simultaneous launch *and* arrival of weapons of sufficient size, accuracy, and numbers as to constitute a serious threat to our land based forces. There is, of course, another possibility the Soviets must consider: The Minuteman force could be launched on warning of a massive ICBM attack. I am not advocating such a dangerous policy, but it is always a last ditch option an enemy cannot ignore.

But this is only the easy part of the Soviet problem. There is the invulnerable Polaris/Poseidon fleet. In dealing with that element of our deterrent, the Soviets could not be content with trailing and killing a few subs. This is not an anti-submarine warfare problem of the conventional variety. The Polaris fleet must be destroyed simultaneously and *totally*. We cannot predict how long the Polaris fleet will remain invulnerable to such an attack. Speculations as to what developments might occur in the next decades such as "making the seas transparent" can be countered by a variety of means.

In his testimony before the Armed Services Committee on 20 April 1971, Dr. W. K. H. Panofsky outlined in great detail the threat posed by the Soviet ICBM force to Minuteman. He points out that the current force of 300 SS–9 missiles at present threatens only, at most, the same number of Minutemen. There is no firm evidence at present of a true MIRV (Multiple Independently Targeted Reentry Vehicle) capability. One can only speculate about when such MIRV's will appear or when the more numerous SS–1's might be upgraded into silo killers or whether the current flurry of Soviet hole digging is the precursor of a new system or what have you. One simply cannot predict when the danger to Minuteman will, in *our* judgment, become unacceptable. Much depends on what we consider is the number of surviving Minutemen we "need." I shall return to this point shortly in connection with the Safeguard mission of Minuteman defense.

We have become numb to the sheer power that resides in our strategic nuclear forces. One single Poseidon boat constitutes the third greatest nuclear power in the world! A single Poseidon with 160 warheads in itself constitutes a deterrent to any rational enemy. Fifty Minuteman III missiles constitute a similarly awesome threat. The full Poseidon fleet will carry 5,000 warheads. In my opinion, there has never been an adequate study of the consequences of a full scale nuclear attack. All estimates of death and destruction, horribly large as they are, are surely *underestimates*.

Let us turn to the role of ABM in the strategic picture and of Safeguard in particular. The decision by the U.S. to proceed with the development and deployment of MIRV was predicated on the assumption that the Soviets would deploy a massive ABM system and that reentry vehicles themselves were the ultimate decoy or penetration aid. The size of the force was based on a "worst case" projection. As it turns out, the Soviet ABM never materialized. The absence of substantial ABM makes a first strike by the Soviet Union totally unrealistic. The token deployment around Moscow is not a serious threat to our deterrent. Nevertheless, it has had a fantastic effect on us as has the so-called Tallin air defense system.

One can only speculate as to what has motivated the Soviet Union to press forward with their deployment of such a large number of land based ICBM's. They have now about 1500. We are certainly over-deterred by this force since we have no ABM either. We have talked about deploying one for about 12 years, however. Although we would like to understand how the Soviets view their own deterrent capability, the important fact is that our deterrent is not threatened by their large ICBM force nor by their growing submarine forces, as we have discussed above.

What, then, is the use of Safeguard? To destroy all but 50 Minutemen, should we sit out such an attack, the Soviets would have to put off the order of a two thousand RV's into the attack, even if we assign a reliability or kill factor probability to each RV as high as 80%. In the face of such an attack, Safeguard contributes virtually nothing. I cannot go into this in detail because of security classifications, but I presume the Committee is familiar with the argument. I fully subscribe to the conclusion drawn by Dr. Panofsky: *"The protection offered by Safeguard for the Minuteman Force is negligible.* Even if Safeguard functions prefectly, it offers significant protection to Minuteman only over a very narrow band of threats; if the threat continues to grow as rapidly as it can technically, Safeguard is obsolete before deployed; if the threat levels off, Safeguard is not needed. For Safeguard to have any significant effectiveness at all in protecting Minuteman, the Soviets would have to "tailor" their threat to correspond to it."

There have been other arguments put forth in favor of Safeguard, namely the anti-China mission and protection against accidental launch. Congress wisely rejected the area defense concept involved in the defense against the Chinese threat. We *certainly* have a deterrent, if not first strike capability against China and will have for many years. In addition, deployment of an area defense *might* cause the Soviets to worry about their own deterrent and thus lead to further escalation of their strategic forces. The utility of the area defense against accidents is dubious. It would have to be a very special accident, without decoys or other penetration devices to be effective; furthermore, an un-

realistic degree of readiness would have to be assumed.

We conclude that the only marginal mission for Safeguard is Minuteman defense and, as the Ad Hoc Group for Safeguard for FY 1971 appointed by the Secretary of Defense (of which I was a member) reported to the Secretary on 27 January 1970:

"If the only purpose of Safeguard is defined to be to protect Minuteman, Phase II A as defined in March 1969 should not proceed. Instead, a *dedicated system* for active defense of Minuteman should replace or, if the need for the MSR is proved, augment Phase II A."

The Department of Defense is taking this proposal seriously and is recommending spending $65 M in FY 72 to develop prototypes for such a dedicated hard site defense. I heartily endorse this effort since such a defense could extend the effective lifetime of Minuteman in the face of a much greater spread of potential Soviet threats and at much lower cost than Safeguard. The ferociously expensive and vulnerable missile site radar (MSR), the true weak link of Safeguard, surely would be eliminated. If the MSR were in any sense needed, it would again be an Achilles heel. If it is not necessary or is redundant, we're wasting money.

Now we come to the serious question of what type of deployment decisions should be made now and in the near future. I feel that Safeguard defense of Minuteman is a total waste of money and that the system should not be allowed to evolve. Soviet fear, if any, about Safeguard must center on the view that it will eventually develop into an urban-industrial defense; this could further stimulate the arms race. The present threat does not warrant a deployment on a true hard site defense even if we were technically capable of making the decision now.

The most effective way to insure our deterrent would be to reach an agreement at SALT to eliminate (or limit to a minimal value) ABM.

I want to explain why this is so. Every surprise attack scenario ever invented for a Soviet surprise attack assumes that the Soviets will use an ABM to shoot down these incoming offensive weapons which the attack could not locate and destroy. This includes, especially, our Polaris force of sea-based weapons.

Therefore, without an ABM, no first strike is possible, and our missile deterrent would be assured of effectiveness. By contrast to the effectiveness of an ABM agreement precluding, or sharply limiting ABMs, the use of an ABM to protect some Minuteman missiles would have only minor effectiveness in ensuring our deterrent.

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FEDERATION OF AMERICAN SCIENTISTS TESTIMONY BEFORE THE DEFENSE SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS, U.S. SENATE

(By Dr. George B. Kistiakowsky)

Mr. Chairman. It is a pleasure to appear before this Committee to discuss the questions of Bomber Defense and of the Undersea Long-Range Missile System. The positions that I shall present are agreed positions of the Federation of American Scientists which I share. They have been approved by the Executive Committee of the Federation including its Chairman, Herbert F. York; Vice Chairman, Marvin L. Goldberger, who is here today; Professor Lincoln Wolfenstein of Michigan; Dr. Leonard Rodberg of the Institute for Policy Studies; Director, Jeremy J. Stone; Professor John Rasmussen of Yale; Professor George W. Rathjens, and Professor Lee Grodzins of MIT. Since these two weapons systems are strategic the positions have been approved by the Federation's Strategic Weapons Committee, chaired by Herbert Scoville, Jr., who is also here today and including Dr. Goldberger and Dr. Morton H. Halpern of the Brookings Institution.

Does it make sense to purchase a defense of cities against Soviet bombers, when a national decision has been taken that a defense of cities against Soviet missiles is impossible?

Let me say at the outset that I shall, for completeness sake, mention four or five different purposes which an air defense system might serve. But one should be fully aware that the system being requested by the Air Force fits only one of them—that of defending the Nation's cities against Soviet bombers. It raises the question with which I have entitled these remarks: Does it make sense to purchase a defense of cities against Soviet *bombers*, when a national decision has been taken that a defense of cities against Soviet *missiles* is impossible? The question answers itself. It would be preposterous to buy the AWACS air defense system if this is indeed the purpose of buying it as we believe it is. Let us now consider several possible rationales for continental bomber defense.

PURPOSE I: FACADE DEFENSE

Here the purpose is to prevent the Soviet bombers from getting a "free ride," to "complicate" the Soviet bomber penetration problem, and to avoid our own feeling of being "naked" against the Soviet bomber threat. This is, in our view, the posture in which the country has been for most of the last decade. The SAGE–BUIC bomber defense has been in existence and operation, but it has been no secret that a small number of Soviet missiles could disrupt its effectiveness.

PURPOSE II. DEFEND AMERICAN AGAINST FULL-SCALE ATTACKS BY SOVIET BOMBERS

In this case, it would be necessary to buy a defense against bombers that could *not* be destroyed in an initial missile attack. The bomber defense would have to be effective far beyond the U.S. borders because the Soviet Union might buy a very fast (supersonic) plane or long-range stand-off missiles.

The Projected Air Force program seems to be designed to have these characteristics. With AWACS, command and control of interceptors is put in the air. A new, fast interceptor arising from a modified F–14 or F–15 would seek out incoming bombers.

PURPOSE III. COAST GUARD OF THE AIR

Here the purpose is to survey U.S. airspace and to announce unauthorized entry into U.S. airspace. No attempt is made to maintain the capability to destroy large numbers of incoming aircraft.

PURPOSE IV. N-TH COUNTRY BOMBER ATTACKS

For this purpose, parts of the existing SAGE-BUIC bomber defense might be maintained for defense against bombers of the People's Republic of China or, conceivably, against attacks of the Republic of Cuba. For this purpose, we would not need to fear wide-scale disruption of the bomber defenses.

*Facade defense seems wasteful*

The Federation opposes the idea of a Facade Defense. The Defense Department does seem to have conceded that the SAGE-BUIC bomber defense is, indeed, a facade as an anti-Soviet defense.

*Bomber defense without a city missile defense is like a chain with a missing link*

The Federation also opposes Purpose II, the bomber defense designed to protect population against full-scale Soviet bomber attack. We reason, as the methaphor goes, that a "chain is only as strong as its weakest link." The major threat facing the United States, and the weakest link in our defense, concerns Soviet missiles. By themselves, Soviet missiles can devastate this country. And the extent to which our country is devastated by these missiles can be determined by the Soviet Union—unilaterally—by building more or fewer missiles.

An effective bomber defense would be very expensive, necessarily involving AWACS, and the Over-the-Horizon Backscatter radar and a new air defense interceptor. In 1969, Congressman Henry S. Reuss of Wisconsin argued that a ten year cost estimate of AWACS/F–106X would be $12.1 billion, and related SAM–D missile interceptors, if desired, could cost another $2.5 billion. Professional studies of high-risk electronic systems of this kind always suggest the likelihood of cost-overruns of 200% or 300%. In short, ten year costs for a bomber defense that proposes to be effective would be a few tens of billions of dollars.

Still worse, the bomber defense might not work at all. AWACS is definitely a high-risk electronic project and low performance in such systems is common.

Even if the system worked from an electronics point of view, the Soviet might be able to neutralize it with countermeasures. For example, an excellent question of Senator Peter H. Dominick's in the Senate Armed Services Committee Hearings revealed last year that AWACS might not be able to discriminate between decoys and bombers if the Soviets bought a sophisticated penetration aid such as our proposed SCAD.

In the 1968 Status of U.S. Strategic Power hearings of the Preparedness Investigating Subcommittee, Dr. Harold Brown—then Secretary of the Air Force—mentioned a fifth rather esoteric rationale for bomber defense. He argued that if U.S. air defenses were "very weak," the Soviet Union might use their missiles to "disrupt the launch of our retaliatory forces until their bombers could arrive" and destroy "most of our remaining weapons." The Russians would have to be crazy to try this and this argument completely overlooks the existence of Polaris submarines. It is significant that Dr. Brown argues that the Soviets "cannot succeed" in a first strike and explains why without any reference whatsoever to our bomber defenses. Indeed, if the security of our retaliatory weapons depended critically on our bomber defenses, the Nation would be in serious danger.

Dr. Brown also argued that the absence of air defense would permit the Soviet Union to "feel free" to use all its missiles on our retaliatory forces, counting on its bombers to attack our cities. In fact, the Soviet Union can do that anyway.

*FAS supports Coast Guard of the air capability*

We support the notion, Purpose III, of maintaining the "Coast Guard of the Air" capability which we believe would save several hundred million dollars a year over the costs of maintaining the present system.

*Tactical AWACS questioned*

If the Committee concludes that AWACS is not a desirable purchase for strategic defense, it is hard to believe that the very same system is necessarily the best possibility for tactical purposes. After all, in local wars, it is not necessary to have all our command and control off the ground. In local wars, it is irrational to put airplanes that cost $40 or $50 million each over enemy territory.

This is not a time in American history when we can afford to buy unnecessary weapons. Today our domestic needs are not simply another priority but a threat to the maintenance of domestic tranquility.

In conclusion of my remarks on bomber defense, Mr. Chairman, I would like to quote from an exchange between Senator William Proxmire of Wisconsin and Mr. Charles Schultze, the former Director of the Budget, before the Joint Economic Committee:

Chairman PROXMIRE. Let me ask you, why were the bad decisions not ferreted out as the defense budget went through the review process in White House deliberations?

Mr. SCHULTZE. Let's take the example of the new proposed so-called AWACS system, which is a complex downward-looking radar for a new continental air defense system. I do not remember the specifics of it very

well, but I do recall when it was proposed it was looked at very carefully by the Budget Bureau and you will find that as a matter of fact when you compare various air defenses it turns out this system is about the best you can get, as far as I can tell.

If you compare a number of alternatives, it is more effective at slightly lower cost than most. And this kind of thing the Budget Bureau did look very carefully at.

*Quite frankly, however, what we did not look at so closely was, do you need an air defense system of this magnitude at all?*

Chairman PROXMIRE. You did not look at it, you say?

Mr. SCHULTZE. Well, those are the——

Chairman PROXMIRE. That question was never brought out, was it?

Mr. SCHULTZE. *They did not get looked at that way.* June, 1969, Joint Economic Committee Hearings.

Mr. Chairman, the Executive Branch cannot be depended upon to ask itself the fundamental "why?" questions about bomber defense or many other weapon systems. This is one important reason why the Federation of American Scientists is appealing to your Committee to ask these questions.

*ULMS*

If you do not know the nature of the threat against which you are seeking protection, it would be a mistake to freeze upon the design of the weapon system proposed to counter that threat.

Turning now to the question of ULMS, we are faced with the following problem. We do not know whether a future threat to Polaris will emerge from a new method of detecting them, from methods of trailing them, from methods of destroying them without locating them, or what. Therefore we do not know whether a replacement for Polaris should be: (a) quieter; (b) faster; (c) with longer range missiles; (d) made of different materials; (e) smaller; (f) larger; or what. Under these circumstances, it would be a mistake to freeze on a design prematurely. The ULMS submarines would be very expensive. If we are not careful, we could build an expensive replacement for Polaris and then find out that it was as vulnerable to whatever threats faced Polaris as Polaris.

For example, ULMS is usually justified as having longer range missiles than Polaris. But the threat most often mentioned in connection with Polaris is the possibility—which we do not consider very plausible—that Polaris submarines was the threat, what good would it do to build a new submarine with longer range missiles? In answer to this, some respond that the ULMS submarine could be stationed in our continental waters where other submarines could not follow. But if we want missiles in continental waters, why build an ocean going submarine? This is just an example, but it illustrates the problem.

At the moment, the precise nature of the potential long term threat to Polaris is unknown since there is no foreseeable technology which could neutralize this Polaris or Poseidon deterrent force. However, if a danger arises, it could come from two general developments, ABM's and ASW. For an ABM to be able to cope with Poseidon, it would have to be able to deal with a minimum of several thousand warheads which could be concentrated on a relatively few Soviet targets. It would be a tremendous problem for the defense to overcome such simple saturation tactics. Other countermeasures would undoubtedly also be effective.

In principle, the ABM might be designed to destroy the Poseidon missile and its warheads shortly after launch and before the individual warheads had time to separate. But this, too, presents awesome problems since the defense interceptor would have to destroy its targets within a few minutes of their launch and as far away as 2,500 miles from the Soviet Union. Even if technically feasible, such a system would be extraordinarily expensive and would require long lead times for development and deployment, thus providing ample opportunities to develop countermeasures.

The problems in creating an ASW system which could neutralize the Polaris-Poseidon system appear extremely difficult for the Soviets. These submarines can operate over millions of square miles of open ocean on all sides of the Soviet Union. It might become possible, for the Soviets to locate and track a single submarine and destroy it coincident with a coordinated attack on the U.S. continent. But it seems an almost inconceivable task, with foreseeable technology, to destroy about 30 submarines simultaneously; this is the number which might be found on station at one time. The U.S. has over many years spent tens of billions of dollars on ASW and does not even approach such a capability. The Soviets are well behind the U.S. in this field and have for geographic reasons alone a much more difficult task. They do not control the land masses adjacent to many ocean areas, thus complicating tremendously the deployment of a detection and tracking system.

Even if by some technological breakthrough it were possible to make the oceans transparent so that submarines could be continuously located, and this is most unlikely, it would be necessary to have some mechanism for destroying all the submarines at a given moment. After all, the atmosphere is transparent to radars, but no one has any idea of how to destroy bombers on air alert or how to build an ABM system which could provide protection to the populations. For the Soviets to deploy attack submarines or surface craft so that they could destroy all these U.S. submarines at a specific instant would seem virtually impossible. A wide variety of countermeasures against such tactics would be available to U.S. forces. Furthermore, the Soviets cannot rely on killing Polaris submarines with ICBS since the subs could, at normal cruising speeds, move out of the lethal area around the aiming point during the time of flight of the missile. All these factors combine to lead to the inescapable conclusion that our Polaris deterrent fleet will not be threatened in the coming decade and probably not in the next as well. The Soviets might develop a partially effective ASW defense in the restricted waters in the neighborhood of the U.S.S.R., but not in the open oceans. The U.S. would have ample warning to take counteraction if it saw such a capability developing.

Nevertheless, since the SLBM force is the cornerstone of the U.S. deterrent, and since secure submarine missiles tend to stabilize the strategic balance, it is prudent to carry out research on new submarine systems which might have decreased vulnerability in the event that some relevant technological breakthroughs will occur in the distant future. However, at the moment, the nature of the threat is still unknown so it would certainly be premature to build any actual submarines. We do not even know whether the new system should be designed to overcome ABM or ASW or both. The design criteria could vary radically for one or the other. For example, if it were ABM then the number of missiles and warheads and their inflight invulnerability to nuclear explosions are the critical factors. If it were ASW, then the multiplicity of submarines, their quietness, reduced acoustic reflectivity and the ability to operate over wider ocean areas and rest on the bottom at great depths appear most important. These latter factors argue for smaller, perhaps faster submarines, with fewer missiles having longer range and if necessary lower payload while the former argue for bigger submarines with many large payload missiles. Even if the decision were that the ULMS design should be optimized against an ASW threat, which would seem likely since there are other ways of dealing with ABM's than building new submarines, there will be many trade-offs depending on the nature of the developing ASW threat, which is presently only a speculation in the eyes of U.S. planners.

*Recommended ULMS program*

In light of the preceding, it is clearly premature to freeze on an ULMS design in the near future. The potential threat neither requires such speed nor permits firm decisions on the nature of the system. The Administration proposal for trade-off studies would seem to recognize this, but the budgeting of $110 million for FY '72 and the reference to submarine and facility design might indicate a freezing on the nature of the system which would not be warranted at this time. This fear is further supported by Secretary Laird's statements over the past year on the need to make "tough" and "expensive" decisions within the next twelve months. There are reports that ULMS will be one and a half times as large as Polaris and carry 50% more large missiles with MIRV's. It is hoped that the Navy is not prematurely extending its outdated and costly philosophy of large battleships and large carriers to large submarines. ULMS could become another example of rushing into costly programs to react to an imaginary threat just because more advanced technology appears to be possible. Instead of preparing to deploy new submarines, we should prosecute research and development on a broad front, small submarines as well as large, so that if a threat should actually develop we would be in a better position to respond to it in good time instead of concentrating on a threat which never arises. A point worth noting is that any new longer range missile which may come out of the recommended program should be compatible with existing platforms if at all possible so that it would not be used as a pretext for asking for the deployment of new model submarines.

*Summary*

(1) The commencement of a construction and deployment program for ULMS is not required at this time by any foreseeable risk to the U.S. Polaris—Poseidon deterrent force. To undertake such a program now might only result in expensive outlays for a system optimized against the wrong theat.

(2) Research and development should be continued on advanced missile submarine systems on a broad front so that the U.S. would be able to deal with any specific threat if it should develop. This should include small, as well as large, submarines. The proposed $110 million FY '72 budget item for ULMS should be reviewed in detail to see if it is warranted in the light of the lack of requirement to construct new submarines in the near future.

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STATEMENT OF LESLIE H. GELB ON U.S. NAVY CARRIERS BEFORE THE DEFENSE APPROPRIATIONS SUBCOMMITTEE OF THE U.S. SENATE APPROPRIATIONS COMMITTEE, MAY 25, 1971

Mr. Chairman, distinguished members of the Subcommittee: It is a privilege and an honor to testify before you on the subject of United States Naval attack carriers and carrier task forces.

I have not come to say that the carrier has become the dinosaur of the seas, like the battleship—too large and unwieldy to survive. The carrier still has, I believe, an important, although more limited role in the foreseeable American arsenal.

In FY 1972, the President plans to operate thirteen attack carriers (CVA's) with escorts and associated ships at a very rough cost of $600 million for each carrier task force and three anti-submarine carriers (CVS's) with associated ships at a very rough cost of $300 million per carrier group including procurement and R. & D. This would mean a distri-

bution of two carriers forward deployed for European-Middle East contingencies backed up by four carriers in reserve and three carriers forward deployed for Pacific contingencies with six carriers in reserve, and one strategic reserve.

The President's FY 1972 budget contains no request for a new attack carrier (CVAN–70 at an estimated procurement cost of $850 million). Yet, as you know, there are many decisions for you in this budget which relate to carriers: naval manpower ceilings, 48 F–14's at a cost of $1.034 billion, S–3A ASW aircraft production at a cost of $373 million, one nuclear escort (DLGN) at $209.2 million, seven destroyers (DD963) at $599.2 million, one logistics ship (AOR) at $56.5 million, and three rescue and salvage ships (ATS) at $83 million.

Also, as you know, Secretary of Defense Melvin Laird has said that he is convinced that we "will require construction of an additional nuclear powered carrier for the Navy to ensure adequate attack carrier capabilities for the 1980's and beyond."

Almost all Navy budget decisions of a general purpose force character relate more or less directly to aircraft carriers.

As your Subcommittee has been doing, the most sensible way to decide each carrier and carrier-related issue is to look at the broader issues upon which they depend:

The total number of carriers required, and beyond that to

The total number of tactical air sorties required in all theaters, and beyond this to

The range of contingencies in which carriers can and should be employed.

My statement will focus on the latter issue, namely on the *situations* in which the Navy proposes to use carriers and on the *feasibility* of using carriers in such situations.

Three basic contingencies[1] will be considered: (1) conventional war with the Soviet Union, including war at sea; (2) all other conventional wars; and (3) crisis diplomacy. These contingencies will be discussed, where relevant, in terms of the four basic carrier missions: (1) producing tactical air sorties against land targets; (2) attacking enemy surface ships; (3) attacking enemy submarines; and (4) defending the carrier.

What I will be saying, then, will be largely a matter of judgment, not an assertion of objectivity. My hope is that through the presentation of another point of view issues and questions can be raised for your consideration.[2]

### CONVENTIONAL WAR AND WAR AT SEA WITH THE SOVIET UNION

By virtually everyone's estimate, conventional war and war at sea with the Soviet Union is extremely remote. But, war usually seems remote prospectively and inevitable retrospectively. What little we know of the Soviet power structure and internal struggles can give us no confidence that its leaders necessarily will eschew the use of military forces in the foreseeable future. In sum, we must continue to plan and buy forces for the possibility of conventional war with the U.S.S.R. and with the notion that if we buy the right forces it may reduce the possibility of attack.

Conventional war with the Soviet Union could take two forms: a re-run of a World War II-type conflict or a short (one to three months) relatively intense but limited conflict. The long war for major stakes seems highly unlikely. Were the initial conflict to persist beyond a few months, the risk of nuclear weapons coming into play would be high. It is difficult to divine the political objectives that could justify these risks. If any kind of conflict were to erupt in the European theater, it would probably be short-term and with limited objectives.

Under certain circumstances, one could imagine a Soviet attack on Rumania or Yugoslavia, for instance, in the name of ideological purity (but, in fact, as a means to maintain Soviet control in Eastern Europe), that might involve the United States. One could also imagine the Soviets "opportunistically" squeezing Berlin were our forces again to be tied down in Asia. In either or any event, Soviet leaders might simply miscalculate an American response. War, then, would ensue in a limited area as each side tested the will of the other before deciding to negotiate.

Regardless of the kind of potential war in Europe, it is difficult to visualize a role for U.S. carriers against land-based targets. In the first place, the 2,000-plus tactical aircraft deployed in Europe by the U.S. and our NATO allies will constitute the basis of the NATO tactical air effort in a conventional war in Europe. Eight wings of this total are U.S., with 8 more wings in the U.S. ready to be deployed. Secondly, the vulnerability of carriers to concentrated and sophisticated attack casts serious doubt about whether the carriers could add at all to this NATO total. If U.S. carriers are within range of Soviet land targets (that is, if our carriers are in the eastern Mediterranean or in close in the North Sea), they would also be in range of combined large-scale attacks by Soviet land-based aircraft, submarines, and surface-to-surface missiles. In order to stay within range, our carriers would have to operate in a geographically circumscribed area. Soviet surveillance and detection systems would make it virtually impossible for the carrier to be undiscovered. Anti-submarine warfare is not sufficiently reliable to afford protection against Soviet submarines with sensitive sonars. Most importantly, the carriers would be quite vulnerable to Soviet launched air-to-surface missiles with terminal guidance, making each missile the equivalent of a World War II kamikaze attack.

The Navy, it should be said, disagrees with this reasoning and contends that the carrier is virtually invulnerable or can absorb a number of hits and be operational again in a matter of hours. The Navy points to its air defense, escort ships, electronic jamming capabilities, and improvements in fire and damage control. These features do make a difference, and the combined defensive capabilities of the carriers could well destroy a high percentage of attacking missiles. But, what we are talking about are probabilities.

The Soviet Union would, in all probability, launch a large number and variety of missiles against our carrier. Assuming the carrier defenses against this attack could destroy as many as 80% of the incoming missiles (and this is a very optimistic assumption), the probabilities amount to a virtual certainty that our carrier would take about a dozen hits.

Some estimates claim that as few as four or five well-placed hits by Soviet air-to-surface missiles or acoustic homing torpedoes that tend to home on the screws would be sufficient to preclude normal flight carrier operations. This, in turn, would expose the carrier to further damage. Recent tragic experiences with the Forrestal and the Enterprise—where in each case an accidental firing of one of our rockets led to many deaths and extensive damage by fire and explosion—indicate how little it might take to put a carrier out of operation and force it to retire.

The vulnerability of the carrier operating within range of Soviet aircraft has implications for the decision to go forward with the F–14. The F–14 will not make the carrier invulnerable to a Soviet air attack. If the carrier were to be deployed beyond the range of Soviet aircraft and deep interdiction targets in Europe, the F–14 would not necessarily be needed at all.

Land-based tactical aircraft are, of course, also vulnerable. But their vulnerability does not have the same implications as carrier vulnerability. Given the multiplicity of air fields in the European theater, protective shelters for the aircraft, and the relative ease in repairing bombed runways, land-based aircraft and air fields have a better chance of absorbing attacks and still remaining operational. While there is obviously disagreement on what to count as a carrier expense versus a land-based aircraft expense, almost all estimates agree that sea-based aircraft are at least one-fifth more costly than land-based aircraft. Land-based aircraft are also better situated for the combat support role that would be required in a short-term conflict.

This discussion does not mean that the carrier cannot conceivably play some role in conflicts against the Soviet Union. In a long war, the carrier could be used in an essentially defensive mission—with ASW capability—to protect friendly convoys; and with attack capability, to deny the small yet growing Soviet fleet ready use of the seas. With a Soviet naval force of two ASW helicopter cruisers, some twenty odd SSM cruisers and destroyers, fifty odd and building anti-ship missile launching submarines, against more U.S. ships, carriers, and land and sea-based aircraft, there would not be much of a contest in a general war at sea against surface ships. The only real threat would be from Soviet submarines attacking our convoys.

In a short war, the only conceivable use for a carrier would eventuate if the Soviets were to regard the carrier as a sanctuary. Possibly, in a war for limited stakes the Soviets might allow the carrier to launch attacks against land targets without counter-attacking if they believed that sinking a U.S. carrier would lead to a major escalation of the conflict.

In an emergency where many air fields had been overrun, carriers could be stationed in the western Mediterranean or off the western coast of France—out of range from Soviet attack aircraft—to support operations in Central Europe. But, this would be a high risk venture. Carriers so used would have to operate in a circumscribed area and would be subject to high priority Soviet submarine attack. Moreover, aircraft launched from these carriers at such a long range would not be able to stay on target for long.

Five conclusions follow from this analysis:

1. Regardless of the total number of tactical air sorties required in the European theater, carriers should not be counted upon to add to that total number because of their vulnerability—except in emergencies. Hence, we should not buy carriers for this purpose. (Carriers for a Middle East contingency will be discussed in the next section.)

2. The relative cost and locational advantages of land-based tactical aircraft and the seemingly absolute vulnerability of carrier-based aircraft to a sophisticated and determined Soviet attack, indicate that land-based tactical aircraft should constitute the basis of our attack air arm for contingencies against the Soviet Union.

3. Because the carrier is not well suited for attacking land-based targets in a war against the U.S.S.R. and should not therefore be employed in this role, the F–14 would not be required.

4. One forward deployed carrier requiring two back-up carriers, according to naval standards of operation, would be entirely sufficient to maintain a peacetime American presence in the Mediterranean.

5. In the event of prolonged conflict, a

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[1] I do not discuss the role of the carrier in a nuclear war. Some carrier aircraft are capable of carrying nuclear weapons. But, they add little to the 7,000 tactical nuclear weapons deployed in Europe or to our strategic nuclear deterrent. Moreover, the carrier would be an easy and inviting target to a Soviet counter-nuclear attack.

[2] For an excellent balanced discussion of carriers, see Arnold M. Kuzmack, *Naval Force Levels and Modernization*, Brookings Staff Paper, 1971. Mr. Kuzmack discusses carrier force levels of 12, 15 and 18.

total of three carriers with mixed decks to accommodate ASW aircraft, could be readily employed on an emergency basis for defensive missions. One or two carriers could also be re-deployed from the Pacific area in a matter of weeks.

OTHER CONVENTIONAL WARS

United States participation in conventional wars against China, North Korea, North Vietnam, and the U.A.R. still have to be counted as possibilities. There has been almost continuous war in these areas since World War II. The regional power balances remain unstable. War readily could erupt again, and on the basis of past experience and present commitments, the chance of U.S. involvement cannot be considered unlikely.

For the purpose of discussing the carrier, China is included with the other much smaller countries. Despite her size, China like the others does not possess the kind of advanced weapons systems that could seriously threaten the carrier. The air, surface ship, and submarine threats posed by these nations would, by all accounts, be manageable by the defenses of our carrier task forces. The China threat to our carrier is growing, but for the foreseeable future it will not reach high risk proportions.

The carrier, therefore, can fulfill all of its missions in these contingencies. The issue remains, nevertheless, as to how many carriers would be required for these contingencies. This, in turn, raises the controlling issues of (1) the proportion of land-based to sea-based aircraft; and (2) the availability of bases.

For any sustained combat in the Pacific theater, land-based air can produce more sorties more cheaply on a daily basis than a sea-based platform. Consequently, more land-based aircraft have been used in the Korean and Vietnam conflicts, and more land-based aircraft likely will be used in the future.

At the maximum in both the Korean and Vietnam conflicts, only five carriers were simultaneously employed to produce tactical air sorties. Most of these sorties were for the purpose of deep interdiction and had only marginal impact on the course of the wars. It is difficult to visualize the future need for more than five carriers at any one time.

The issue of base availability, I believe, strengthens the need for the carrier. It is true that there are well over 1,500 airfields in non-communist countries, that many of these fields should be available in war, and that Air Force bare base kits speed up the operational time of land-based craft. It is also persuasive to argue that we ought not to intervene in a conflict where the attacked nation or its neighbor do not see fit in their own interests to allow our use of their fields. But, there is a question of the future reliability of these bases and the chance that airfields in the attacked nation would be overrun.

Carriers do not depend on these vagaries. They can be counted upon to set up and produce sorties more reliably and more rapidly than land-based air not on the scene. Moreover, carriers can be a useful and flexible supplement to land-based sorties.

These advantages of the carrier over land-based aircraft appertain most especially to a potential Middle East war. If Israeli forces were being overrun, we might well want to intervene or threaten intervention in order to stop the fighting. It is likely, in such an event, that Turkey, Saudi Arabia, and Iran would deny us the use of their airfields. Our carriers, then, would be our only recourse.

Two conclusions can be drawn from this discussion:

1. The three carriers available for the Mediterranean-Atlantic theater are sufficient for Middle Eastern contingencies.

2. A total of two carriers, backed up by four, is sufficient for peacetime deployment in the Far East, with the Navy surge capability being able to provide five carriers on station when required.

CRISIS DIPLOMACY

The use of the carrier in crisis diplomacy may be its most important mission. While gunboat diplomacy and showing the flag no longer carry the full meaning of the Kaiser sending a gunboat to Agadir or Teddy Roosevelt sending the Great White Fleet around the world, the essential role is still there. Carriers allow us to threaten to intervene in a crisis without committing ourselves to intervention.

Sending a carrier forward in a crisis—as with any show of force—is risky. It might involve us in fighting even though that was precisely what we are trying to avoid. Yet, crises may be riskier without this kind of management tool. At any rate, the President should be given the option to have carriers available and to use them appropriately.

Carriers are the best way we have of providing protection for rescuing and evacuating American citizens when their lives are threatened abroad—as in the recent Jordanian crisis.

Carriers were used after the recent EC–121 incident to deter further North Korean attacks on our aircraft.

Carriers could be used to cool down a tense situation, perhaps where China was threatening an attack on Taiwan.

As far as budget dollars are concerned, the availability of the carrier for crisis diplomacy costs nothing extra. Carriers in peacetime forward deployment can completely fulfill this mission.

ASW CARRIERS—CVS'S

This statement deliberately has made no distinction between attack carriers and ASW carriers. It has, rather, attempted to treat the total number of carriers of all types required by the contingencies in which carriers can and should be employed.

I have done so for two reasons. First, land-based aircraft (P–3) purportedly can provide the same ASW coverage as sea-based ASW aircraft (S–2 and S–3A) at less cost. This is the case except in very remote parts of the South Atlantic, South Pacific and the Indian Ocean. Second, where more intense ASW operations are required, namely against a Soviet threat to convoys in the Atlantic, this could be managed by the total of three or carriers that could be available in a Soviet contingency. This, of course, assumes that these carriers would have mixed decks with ASW aircraft.

Our present ASW carriers are of World War II vintage. They do not add to the missions carriers can and should perform. They should be phased out.

CONCLUSIONS

1. In the three contingencies discussed, the carrier:

(a) in a war against the Soviet Union, can play only a *limited* defensive role because of its vulnerability;

(b) in all other conventional conflicts, can continue to perform a *useful* role; and

(c) in the risky, but necessary moves of crisis diplomacy, plays a *key* role.

2. A total of nine carriers (all CVA's) is sufficient for these missions. This would entail phasing out the three CVS's and the six oldest carriers after the two new nuclear carriers enter the fleet. It would also mean continuing to postpone a decision on CVTN–70. It would take a number of years to implement this reduction to a nine carrier force. When implemented, this decision could result in a rough annual savings of $3 to $4 billion.

3. All carrier-related budget decisions (aircraft, escort, service ships, manpower) should be made consistent with the nine carrier total and with the missions the carrier would be performing. This raises questions about funds for the F–14 and S–3A (because their missions might no longer be required), and funds for other escort and service ships (because, in some cases, a sufficient number of ships of modern design may be already available for a nine carrier force).

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from South Carolina.

Mr. THURMOND. Mr. President, the pending amendment No. 108, offered by the distinguished Senator from Colorado (Mr. DOMINICK) would involve an unnecessary risk for the country in that it would extend the Selective Service Act only 18 months.

There are several reasons why I feel an 18-month extension is inadequate.

First, 18 months would not allow enough time for the various administrative and pay incentives proposed by the Department of Defense to take hold before the legal requirement for military service is removed.

Just yesterday the Senate endorsed the enlistment bonus and early next month it is my hope other pay incentives for the lower grades will be approved.

Mr. President, at least 2 years are needed for the impact of these changes to be felt. Only after such a test period will the Nation know whether or not it will be necessary to extend the draft further in order to provide minimum manpower levels needed to insure our national security.

Second, the timing involved in this proposal is risky. I say that because under this amendment expiration of the draft would fall on January 1, 1973, rather than at the end of a fiscal year as has always been the case.

The Senate should realize that if it becomes necessary to extend the Selective Service Act beyond the 18 months provided by amendment No. 108 this duty would either fall in an election year or upon a lame-duck Congress.

This would result from the fact that extension would be required in 1972 and could easily come in the fall during the heat of a national election. Further, it is not inconceivable an extension bill could be left in the hands of the so-called lame duck Congress which would be in office between election day and December 31, 1972.

Mr. President, I do not mean to imply that Congress could not deal with a draft extension under such circumstances. However, the record shows that absenteeism in committees and even for record votes is high in such periods as the responsibilities on the membership are considerable.

Third, I am convinced that the Reserve and Guard Forces could not be adequately manned unless the draft is extended a minimum of 2 years. The Senate should not forget that approximately 75 percent of the men in the Guard and Reserve are draft induced. Once the legal obligation to serve in uniform is removed, experts predict Guard and Reserve enlistments will nosedive.

Presently the waiting list for Guard and Reserve units are dropping steadily. The Department of Defense reports the waiting list for the Army National Guard was down 21.4 percent in March compared with the numbers available in December of 1970. The Air Force and Army Reserve are witnessing similar drops.

Finally, let me say that other unfavorable results could stem from approval of this amendment. These would include a shortfall in physicians and regular volunteers who would take a chance on being called under an 18-month extension.

Mr. President, I have nothing but respect and admiration for the distinguished Senator from Colorado (Mr. DOMINICK). He is a valuable member of the Senate Armed Services Committee. However, I believe his proposal for an 18-month rather than a 2-year extension involves a risk this country should not take. I urge my colleagues to reject this amendment and support the committee recommendation for a 2-year extension of the Selective Service Act.

Mr. DOMINICK. Mr. President, we do not have much time left. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Colorado has 9 minutes remaining.

Mr. DOMINICK. I yield myself 4 minutes.

Mr. President, I have listened with great interest to the comments of the chairman, the comments of my distinguished friend from South Carolina (Mr. THURMOND), and the comments of my distinguished friend from Ohio (Mr. SAXBE).

If I recollect correctly, during the vote which we had in committee on the question of whether we were going to have a 4-year extension, a 2-year extension, or a 1-year extension, all the Senators who have spoken to date were recommending a 4-year extension.

I think it is important to bring this to the attention of the Senate, because I think there are a large number of Senators who really feel that we cannot get to a volunteer army at all, and that we are going to have to continue the draft system.

I do not think that is true, and I have not felt that way for a long time. As I have pointed out in my individual views, the committee itself has now put the end strength of the armed services at 2.4 million instead of 2.5 million—in other words, a difference of about 100,000 people by the end of fiscal year 1972. Mr. Kelley, in answer to my question, which may be found on page 89 of the supplemental hearings or in my individual views, said that there would be a shortfall of 110,000 to 113,000 by the end of fiscal 1972 if the volunteer incentives were in and that estimate was based on a fiscal year 1972 end strength of 2.5 million.

If we cut the total down to 2,400,000, which is what the committee directed, then by Mr. Kelley's own estimate, we would have a shortfall of only 10,000 to 30,000, at the maximum.

Incidentally, what we are talking about here is what steps should be taken in order to get into operation a volunteer army concept or a no-draft concept, whichever one wishes to talk about.

I frankly would like to get there as soon as possible. The Senator from Mississippi very kindly said, at one point, that he thought I would like to get there immediately. I would; he is correct. But I cannot get there immediately, and I know it, because we do not have the incentives in. We have got to give them a long enough time to prove that they will work, because I yield to no one in my belief in the need for a strong defense for our country. I am absolutely convinced that we need to maintain that strength. I am also absolutely convinced that we can do it if we give each young man, as he is growing up, the freedom of choice as to what career he wishes to follow, and not have hanging over him all the time the question, whether he likes it or not, that he is going to have to take a chance on being called into military service. I would suspect that we would get a lot more career service volunteers, over a period of time, particularly once the Vietnam war is quieted down. And we must remember that by the end of 1972, which is the time my amendment, if adopted, would expire, the Vietnam War will be substantially wound down, we will have had further hearings to determine what portion of our support forces can be turned over to civilians, and we will also have had in operation, for a period of 18 months, the incentives, which will enable us to determine whether we can make up what Mr. Kelley admits, under the committee bill as we have it here, would only be a shortfall of 10,000 to 30,000 over a year's period of time.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. STENNIS. I yield the Senator from Maine 2 minutes, or such time as she may require.

Mrs. SMITH. I thank the Senator. Two minutes will be ample, I am sure.

Mr. President, I know of no one who wants to extend the draft however we extend it. I know of no one who really wants the draft, if we could get along without it. I personally am committed to the all-volunteer force. We had long hearings in the Senate Armed Services Committee, days and weeks of them. We have to take someone's judgment who has gone into this story from the beginning to the end, and we are told that 2 years will be needed to go through the transition; otherwise, we would have only chaos.

I want to keep my commitment and continue to be for the all-volunteer force. But we must know whether we can get the numbers that are needed, whether we can get the kind of people we need, and whether the American taxpayers are going to be willing to pay the bills.

There is nothing magic about that 2 years. Certainly, 1 year is not sufficient. I think 18 months is not as good as even the 1 year. But the authorities who have gone into this very thoroughly say that 2 years will be needed; and I hope very, very much that the Senate will see fit to vote the 2-year extension and vote down the 18 months.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I certainly commend the Senator from Maine for her very fine analysis of this situation and her penetrating remarks. She has summed up in very few words the hard findings of our committee, as a considerable majority of us saw it. We have planted this bill on that idea, and we modified the administration's views considerably in the bill as a whole. I agree with her.

I have to say that I do not believe that the volunteer army concept, which includes all our services, is going to work. But I am reconciled to the fact that it is going to be tried; and if this is going to happen, I want it to be tried in such a way that it will not wreck the armed services. That is why I think that 2 years is the least possible reasonable time we should adopt.

In fairness to the concept of volunteer services, it would take 2 years of effort to give it anything like a fair trial. So I hope the Senate will stand firm on the minimum of 2 years and will also stand firm again when this question comes up as a matter of whether or not it is going to be extended for just 1 year.

Mr. President, that is all I have to say at this time. I think the Senator from Colorado is entitled to close the debate. I am not holding back any time for any purpose.

The PRESIDING OFFICER. Who yields time?

Mr. DOMINICK. Mr. President, I am not going to delay the Senate much longer.

I want to sum up, as strongly as I can, the reasons why I have offered this amendment and why I think it is important.

First, the administration—and the testimony before our committee—said that they agreed with the Gates report, that a volunteer army was the system to which we ought to go as rapidly as possible. Second, they disagreed with the Gates report in the fact that it could be done before the end of fiscal 1971. So their disagreement was a matter of timing, not anything else.

We have before us a 2-year bill which was voted in after the 4-year proposal had been voted down and after a 1-year proposal had been voted down, if I recall correctly, by a 13 to 3 margin.

I told the chairman and the Senator from Maine (Mrs. SMITH), our respected leader on the minority side, that I would vote for a 2-year extension to get it out of committee, but that I was reserving my right to change my mind at such time as the debate took place on the floor.

Mr. President, I want to see the volunteer force implemented as quickly as practical. The Department of Defense timing for the implementation of the volunteer force was based on an end strength of 2,500,000, and the committee has recommended an end strength of 2,400,000. With the end strength of 2,400,000 at the end of fiscal 1972, there will be under the most optimistic DOD estimates, only a shortfall of 10,000. However, this is a "guesstimate" because the incentive pay along with other volunteer incentives is not in, and therefore we do not yet have the first hand knowledge as to whether all of this will work.

It seems to me that to throw this into a

boiling election pot in July, when everybody is running for election, running for the Presidency or the House or the Senate, or whatever, when conventions are being prepared for both parties—in fact, perhaps more than two, as I read in the newspapers—when all these things are occurring, when the extension of the draft would be coming up if needed, would make a very difficult choice for many people and a hard bullet to bite, if we are asked at that point to extend the draft.

If we have 18 months, we go to conference with the House with that. They have 2 years. Almost certainly, they are going to be just as tough and just as hard as they have been in past conferences, and that means we are either going to get 2 years out of the House or we are going to get some kind of compromise. So I would say that probably—I am only "guesstimating" this because I have not had any detailed talks with any people on the other side—that we would come out with about 20 months. Twenty months is exactly what the Secretary of Defense has said, in testimony before our committee, he needs in order to get to a zero draft call. It seems to me that, rather than risk the political heat of a July debate, we would be far better advised to put together an 18-month extension of the draft in the Senate, for conference with the House, and debate it in conference, to see whether we are going to maintain a Senate position or whether we are going to go to a 2-year extension.

I strongly suspect that the 1-year extension has a good possibility of being adopted. If that happens, we would go to conference with the House, and we would have a situation in which we would end up with an 18-month situation, as opposed to a possible 20-month situation.

The point I am making, is that, we have the fundamental responsibility to determine at what point we will be——

The PRESIDING OFFICER. The 5 minutes of the Senator have expired.

Mr. STENNIS. Mr. President, what is the parliamentary situation? How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Mississippi has 1 minute remaining.

Mr. STENNIS. I yield back the 1 minute, or I yield it to the Senator from Colorado if he wants it.

Mr. DOMINICK. I appreciate that and would like just to complete my sentence.

It seems to me that what we are trying to do here is to determine at what best point we can get to an all-volunteer force. The sooner we can get there the better off we will be.

## TIME CERTAIN FOR VOTE ON AMENDMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Hughes amendment occur at 5 o'clock.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so desired.

Mr. STENNIS. May I inquire of the Chair whether that means that all the other parts of the unanimous consent agreement remain as they are.

The PRESIDING OFFICER. That is correct. The Senator has stated it correctly.

The hour of 1 o'clock having arrived, the question is on agreeing to the amendment of the Senator from Colorado (Mr. DOMINICK) No. 108.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CHILES (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from West Virginia (Mr. RANDOLPH). If he were present and voting, he would vote "nay;" if I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. BYRD of West Virginia. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Washington (Mr. JACKSON), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. METCALF), and the Senator from Utah (Mr. MOSS) are absent on official business.

I further announce that, if present and voting, the Senator from Washington (Mr. JACKSON), the Senator from Connecticut (Mr. RIBICOFF) and the Senator from New Hampshire (Mr. MCINTYRE) would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Hawaii (Mr. FONG), and the Senator from Wyoming (Mr. HANSEN) are are necessarily absent.

The Senator from Utah (Mr. BENNETT), and the Senator from Oregon (Mr. PACKWOOD) are absent on official business.

The Senator from New York (Mr. JAVITS) is absent by leave of the Senate on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Texas (Mr. TOWER) is detained on official business.

The Senator from Connecticut (Mr. WEICKER) is necessarily absent attending the funeral of the late Senator Thomas Dodd.

Also, the Senator from Colorado (Mr. ALLOTT) is absent on official committee business.

If present and voting, the Senator from Colorado (Mr. ALLOTT), the Senator from New York (Mr. JAVITS), the Senator from South Dakota (Mr. MUNDT), and the Senator from Texas (Mr. TOWER) would each vote "nay."

The result was announced—yeas 8, nays 67, as follows:

[No. 77 Leg.]

YEAS—8

| | | |
|---|---|---|
| Buckley | Jordan, N.C. | Pearson |
| Dominick | Mansfield | Roth |
| Griffin | Miller | |

NAYS—67

| | | |
|---|---|---|
| Aiken | Ervin | Pastore |
| Allen | Fannin | Pell |
| Baker | Fulbright | Percy |
| Bayh | Gambrell | Prouty |
| Beall | Goldwater | Proxmire |
| Bentsen | Gravel | Saxbe |
| Boggs | Gurney | Schweiker |
| Brock | Harris | Scott |
| Brooke | Hatfield | Smith |
| Burdick | Hollings | Sparkman |
| Byrd, Va. | Hruska | Spong |
| Byrd, W. Va. | Hughes | Stennis |
| Cannon | Humphrey | Stevens |
| Case | Jordan, Idaho | Stevenson |
| Cook | Kennedy | Symington |
| Cooper | Magnuson | Taft |
| Cotton | Mathias | Talmadge |
| Cranston | McClellan | Thurmond |
| Curtis | McGovern | Tunney |
| Dole | Mondale | Williams |
| Eagleton | Montoya | Young |
| Eastland | Muskie | |
| Ellender | Nelson | |

PRESENT AND GIVING A LIVE PAIR AS PREVIOUSLY RECORDED—1

Mr. Chiles, for.

NOT VOTING—24

| | | |
|---|---|---|
| Allott | Hart | Metcalf |
| Anderson | Hartke | Moss |
| Bellmon | Inouye | Mundt |
| Bennett | Jackson | Packwood |
| Bible | Javits | Randolph |
| Church | Long | Ribicoff |
| Fong | McGee | Tower |
| Hansen | McIntyre | Weicker |

So Mr. DOMINICK's amendment (No. 108) was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of West Virginia. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

## MESSAGE FROM THE PRESIDENT

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

## EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer (Mr. TUNNEY) laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on the District of Columbia.

(The nominations received today are printed at the end of Senate proceedings.)

## LEAVE OF ABSENCE

Mr. GOLDWATER. Mr. President, the President has asked me to represent him at the Paris Air Show, and I ask unanimous consent that I may be absent from the Senate all of next week.

The PRESIDING OFFICER. Without objection, leave is granted.

## THE MILITARY SELECTIVE SERVICE ACT

The Senate continued with the consideration of the bill (H.R. 6531) to amend the Military Selective Service Act of 1967; to increase military pay; to

authorize military active duty strengths for fiscal year 1972; and for other purposes.

The PRESIDING OFFICER. Under the unanimous consent agreement, the time from now until 5 p.m., will be equally divided and controlled between the Senator from Iowa (Mr. HUGHES) and the Senator from Mississippi (Mr. STENNIS). The question is on agreeing to title IV of the Schweiker amendment, known as the Hughes amendment.

Mr. BYRD of West Virginia. Mr. President, I ask for the yeas and nays on the amendment to be voted on at 5 o'clock, the so-called Hughes amendment.

The yeas and nays were ordered.

Mr. STENNIS. Mr. President, with all courtesy to the author of the amendment, the Senator from Iowa, I wish to be recognized briefly while we have so many Senators here.

The amendment of the Senator from Iowa is next and the vote will be at 5 p.m. I think the Senator from Iowa is entitled to the floor first, but I wish to call to the attention of Senators my efforts to sum up in a few words the significant points.

Yesterday I placed in the RECORD, and there appears at page 16793, a letter to each of my colleagues with reference to the Hughes amendment, in which I undertook to sum up in a few paragraphs the major points involved. I call that letter to the attention of Senators and I hope they will read it.

On the succeeding page, page 16794, there appears a short statement I made with reference to servicemen living below the so-called poverty level, in which we set up certain facts, which I shall refer to again in the debate.

Mr. President, I call that to the attention of Senators in the hope they will read that information in the RECORD.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HUGHES. Mr. President, I yield myself such time as I may use.

Mr. President, the pending amendment gives the Senate an opportunity to end an inquity and restore comparability in military pay.

The basic question we face is one of simple justice: Are we willing to pay our servicemen a living wage when they are putting their lives on the line for our country?

I am pleased, of course, that the Armed Services Committee approved substantial pay increases. But these increases still do not go far enough. They do not close the gap which developed over years of neglect, from 1952 to 1964, followed by years of across-the-board pay increases, which added amounts to a small base. They do not close the gap between military pay and comparable civilian pay.

For 13 years, from 1952 until 1964, men with less than 2 years' service got no pay increases. They fell behind. In today's situation, overall military pay has increased over 154 percent since 1952, but pay for junior enlisted men has gone up only 86 percent.

In order to put things back into line, we need substantial increases in pay for the lower ranks. My amendment does that, Mr. President, in what I believe is a comprehensive way. Over 80 percent of the money—80.6 percent to be exact—will go to men in the pay grades of E–5 and below, and O–1's and O–2's. Most of these men are in their first 2 years of service.

The committee bill, by contrast, increases basic pay by an average of only 36 percent—instead of my proposal for 68.6 percent—and makes only a token increase in quarters allowance.

Much has been said on the need for additional basic pay, Mr. President, but not enough on this quarters allowance. That allowance was established 8 years ago, in 1963. The Department of Defense estimates that there are more than 1 million members of the Armed Forces in all pay grades who must secure housing in the civilian economy. My amendment tries to recognize this problem by proposing a quarters allowance which approximates the actual expense which servicemen incur in today's inflated housing economy. Without these increases, military men will be required to divert significant portions of their basic pay to meet housing needs. We need to bring the quarters allowance back into line with today's economic conditions.

This will cost money. Of course it will. But the additional $1.7 billion which I propose need not subtract from vitally needed hardware programs. The Defense Department will have ample opportunity to convince the Congress that every penny proposed for ABM and MIRV and the B–1 and so forth is justified.

I also know that a pay increase of $1.2 billion is already projected for next January. Unfortunately, since that increase will be on the same across-the-board basis as recent pay hikes, the enlisted men will get little benefit from this huge added cost. Today's Air Force Times figures that, even including the Senate committee's pay hikes, next January's increase will add only $14.87 to a recruit's salary. By contrast, it will add $204.21 to the salary of a major general.

These discrepancies are intolerable. We keep increasing and distorting the relationship between pay for higher grade officers and pay for enlisted men. My amendment tries to correct some of that distortion.

Why should the pay increase come now? I know that there are many other demands on the Federal budget. But I also know that continuing one economic injustice is no more acceptable than continuing another. I reject the argument for delay. I do not believe that we should deny to men under fire what we believe is just in a future time of peace.

The administration has projected these increased costs for fiscal year 1973. Although they may not have been formally approved by the Joint Chiefs of Staff, those distinguished men supported those increases.

These projected pay increases were supplied to the House Committee on Armed Services by the Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs in reply to questions asking how the Department intended to make military pay competitive with pay in the civilian economy, in light of their intention to move to zero draft calls by July 1, 1973.

Let me quote from General Westmoreland before the House Armed Services Committee:

> We support the DOD fiscal year 1973 program which will substantially close the gap between the military and civilian income levels. Military compensation will have, at last, reached the military compensation standard which was established as a goal several years ago. The standard consists of competitive pay levels which bear a reasonable relationship to wages in the civilian economy for equivalent levels of work.

Admiral Zumwalt of the Navy and General Ryan of the Air Force each testified that this total pay package is necessary to make military pay competitive with civilian pay levels.

What will be the consequences of a pay increase now? The administration is threatening reductions in civilian and military personnel perhaps to the level of 250,000.

If the Pentagon cuts military personnel—perhaps some of those people now getting along in Europe—we would save almost $10,000 per man. In fact, the Senate Armed Services Committee has already saved the budget over one-third of the amount by which I would increase it with this amendment by reducing average military strength by 56,000. That action saves us $560 million. Perhaps additional cuts could save us more.

But when the Defense Department talks of reductions in civilian employment, I become suspicious.

In the current fiscal year alone, according to the President's economic report, employment generated by the Defense Department will drop by four times the amount mentioned—a total of 1 million jobs. I have not been impressed by these arguments emphasizing employment while employment of so many other persons in Defense programs has been ended. I recognize that we need adequate programs to deal with this problem, and I will support proposals in this area. But I am concerned that the administration would exact a heavy tax on our young servicemen to pay for one more year of defense production.

Assistant Secretary of Defense Packard qualified his letter by saying:

> If the cut were to be applied proportionately . . .

This need not be the case. Perhaps more hardware could be cut. The Department of Defense will have to choose among the alternatives and present their recommendations to the Congress. When the procurement bill is debated, these considerations can be addressed.

The real question, Mr. President, is one of adequate pay for men in uniform. If it is justified next year, why not this year?

Part of the justification for an increase in military pay comes from the facts about suffering and indignity which junior enlisted men now undergo. I have read many letters pointing out individual and family hardships, and I may read more this afternoon. We all have received such letters.

The stark fact remains that we are currently drafting men for the welfare rolls. I know that only 778 military families would remain eligible for welfare

under the proposed family assistance plan.

POVERTY IN THE MILITARY

The Department of Defense has reported that only 778 families would be eligible for welfare payments under the proposed family assistance plan standard.

The distinguished chairman of the Armed Services Committee commented that:

The entire 778 families in a sense are not typical military families for the grade concerned—and (this) should not be used as an argument for maintaining that the military pay system is inadequate.

No doubt it is true that many of these unfortunate young men have experienced disciplinary problems in the service, some of them have been broken in rank, and others are divorced or separated from their spouses.

It is my contention that many of these problems are aggravated unnecessarily by the subsistence level pay rates imposed on these young servicemen.

Every other Senator probably receives the kind of mail I receive from military servicemen asking advice on how to cope with unhappy family situations.

The financial support of a young man's family is one of his principal responsibilities. The low rates of pay in our military seriously impair his effectiveness in supporting his family. In fact, figures supplied by the Office of the Assistant Secretary of Defense for Manpower and Reserve Affairs indicate that "collectively, slightly more than half of all the wives of enlisted personnel with less than 2 years of service held some sort of paying job."

But my amendment is not designed to save only 778 military families. I believe that servicemen should not even be forced to live near welfare levels. Military pay is not and should not be considered a substitute for welfare.

The real question is not whether X or Y number of families are on welfare, but rather, Is their pay comparable for civilian work? On the basis of comparability, junior enlisted men do not receive enough. How can one consider a starting salary of under $4,000 comparable or fair, when the common beginner's pay for unskilled blue collar work is $6,000 and the starting salary for a New York City policeman is $9,500?

Promotions are not that fast. In order for a single enlisted man to reach a level of comparability—say, around $6,000—he must reach the rank of E–6 under the committee's bill. (It would be E–4 under the Hughes amendment.)

Yet the average years of service at the time of promotion to E–6 is 5.7 years in the Army, 7.6 years in the Navy, and 13.5 years in the Air Force.

Low pay still discriminates against married enlisted men. The facts are that nearly one out of every four men in their first term of military service are married—330,000 men. These men must be separated from their families—and thus pay for their separate housing—or they must bear the full cost of moving them, since they receive no transportation allowance. Thus, they have extra costs, they get into debt as do most families in their early years of marriage, and they have inadequate pay to put them on their feet. I have read letters citing individual cases several times in the discussion of this bill.

I have tried to answer and put in perspective some of the arguments which have been raised against this amendment.

Although it is a costly proposal, it would do no more than make aware to our leaders what the true costs of military activities are. Instead of relying on the tax in kind imposed by the draft, and instead of putting much of the cost of war on younger soldiers rather than older taxpayers, we should share the burden more fairly.

I would hope that Americans will never again have to fight and die in war. We cannot put a price on human life. We cannot pay a man enough to make him want to die. But we can pay a man enough to live—and live decently and honorably, to support his wife and his children, and not increase the problems of his family life by giving him less than honorable pay. And we can pay him enough to give our leaders pause before they commit men to battle by fully understanding the cost of war.

It is a higher national priority to give men the ability to live than to force them to take substandard wages when they might die.

I yield such time as the Senator from Pennsylvania (Mr. SCHWEIKER) will need to speak on this subject at this particular time.

Mr. SCHWEIKER. I thank the distinguished Senator from Iowa for yielding me such time as I may require, and I should like to begin by complimenting the Senator for the leadership he has provided as a member of our Senate Armed Services Committee, and for his expertise and the work he has done in this very vital area of pay.

I think this is one of the two most important issues in this bill, and I think it has ramifications far beyond the draft bill, as far as its meaning to America is concerned. By just about any standard that we use on pay, our GI's are at the bottom of the economic ladder; and I think if we go back into history, we will find that the Pharaohs of Egypt, the Caesars of Rome, and the kings of Europe paid their soldiers proportionately far more than we pay our American GI's. I think that is a pretty sad commentary on where our GI's fit into the pattern.

I think this Hughes-Schweiker amendment on pay might well be called, in these days when liberation is on everyone's lips, the economic liberation amendment for the American GI, because that is exactly what it would do. It is exactly what the Gates Commission, headed by former Secretary of Defense Gates from my own State of Pennsylvania, recommended, and it is even what the Joint Chiefs of Staff, the leaders of the military establishment, point to as needed for equity in this particular area.

I shall quote in a moment from the report of the House Armed Services Committee, which they filed in the other body, relating to testimony given by General Westmoreland, Admiral Zumwalt, General Chapman, and General Ryan of the Joint Chiefs of Staff, concerning their reaction to what our proposal is.

Senators must understand that our proposal, in essence, accepts the administration's pay recommendations. The only difference between what we are proposing and what the administration is suggesting is that we are combining in 1 year the pay increases that they want to step out over 2 years.

That is the only real issue in this whole matter. It is not that the GI's are not entitled to it. No one is arguing that. And it is not that the GI's do not need it; no one is arguing that. The only argument is whether or not we in fact are going to give it to them this year, or whether we are in fact going to make them be poor for another year, and then give it to them. That is the logic we are confronted with in terms of the amendment now before us, because no one has argued the need, the necessity, or the wisdom of doing what our amendment suggests. The only argument is as to whether to do it in two steps or one step.

It is a little like the poor boy down on the corner saying you only want to give him half what he needs now because you want to make him be poor for another year.

I read, now, from General Westmoreland's own testimony before the House Armed Services Committee:

We support the DOD fiscal year 1973 program—

That is the program we are talking about here, the second step of the ladder—

which will substantially close the gap between the military and civilian income levels. Military compensation will have, at last, reached the military compensation standard which was established as a goal several years ago. The standard consists of competitive pay levels which bear a reasonable relationship to wages in the civilian economy for equivalent levels of work. Reaching the standard in fiscal year 1973 will also facilitate future annual studies of the adequacy of pay levels which are required by statute. It remains to be seen whether the combined fiscal years 1972 and 1973 programs—

That is the level we are talking about in our amendment. We are combining the 2 fiscal years.

will provide the necessary incentive to achieve a zero draft environment. Certainly it should have some effect on our modern volunteer army program. But the fiscal years 1972 and 1973 programs—

Which is our amendment—

are actions which should be taken under any circumstances in the interest of members of the military organization, and in the future interest of providing the best possible national security system. There is a limit as to which pay alone can or should be relied upon as an incentive for military service. Military service should not be predicated entirely upon financial return. Nevertheless, the financial rewards should be fully competitive with those in the civilian sector.

So here is General Westmoreland, arguing that what we are proposing is needed. He is arguing that what we are proposing is needed from the standpoint of equity, from the standpoint of fairness, and from the standpoint of equal-

izing civilian and military wage scales. In fact, he has no argument against it, and does not make such an argument.

Mr. HUGHES. Mr. President, will the Senator yield at that point?

Mr. SCHWEIKER. I am glad to yield to the Senator from Iowa.

Mr. HUGHES. The Senator has just read into the RECORD again a quotation from General Westmoreland. I would like to repeat that the legislation that passed the House of Representatives included the projected pay raise for fiscal 1973. In response to that, the Chairman of the Armed Services Committee has stated in the RECORD, as I read it this morning, that this is not the case, that these proposals represent nothing more than a tentative planning study.

As I understood the Senator's quotation from General Westmoreland which was made, I believe, before the House Armed Services Committee—

Mr. SCHWEIKER. That is correct.

Mr. HUGHES. In which he says—

We support the fiscal year 1973 DOD program.

Which will substantially close the gap between military and civilian income levels, he was supported by Admiral Zumwalt of the Navy and General Ryan of the Air Force and others, who have testified that this package is necessary to make military and civilian pay competitive?

Mr. SCHWEIKER. I am sorry; will the Senator repeat that?

Mr. HUGHES. Admiral Zumwalt of the Navy and General Ryan of the Air Force each testified that this total pay package is necessary to make military pay competitive; did they not?

Mr. SCHWEIKER. Yes. I was going to read that in a moment, because I think it is very relevant, and makes the point that all we are attempting to do is establish the level of pay which the DOD itself suggested, the only difference being that we want to do it this year instead of making the GI's wait 2 years.

Mr. GRAVEL. Mr. President, will my colleague yield?

Mr. SCHWEIKER. I yield.

Mr. GRAVEL. There seems to be some discrepancy, because the Chairman of the Armed Services Committee today passed around to our desks a letter from General Westmoreland which seems to be at variance with the statement he made earlier.

The statement here is quite clear. It says:

The President's proposals, as embodied in the Senate draft bill, strike the right balance.

So apparently the Joint Chiefs of Staff, including General Westmoreland, feel that the Senate bill is the right balance, and apparently he takes a different view here. There are two Houses of Congress, and he is apparently running with both Houses. Does the Senator have any views on that?

Mr. SCHWEIKER. Yes; I would suggest the latter. The letter the Senator refers to, which I saw on my desk for the first time, and it surprised me, was an effort by some people to meet the present situation. But it will not obscure the record, which is very clear and quite concise, and I have more documentation, which I shall get to in a moment, that Assistant Secretary Kelley and Deputy Secretary of Defense Packard said the same thing.

Mr. GRAVEL. Is the Senator suggesting—I realize we are talking about distinguished gentlemen—but is my colleague saying these gentlemen alter their statements for the sake of tactical arguments on a day-to-day basis? Is that the conclusion that we in the Senate must come to, that these distinguished gentlemen will say whatever may support their argument?

Mr. SCHWEIKER. I think what they are saying in the letter, and I have read it very carefully, is only that they think our amendment is right, but they want to divide it into two parts, for 1972 and 1973. They think our amendment is proper, because it says, right in that letter:

We believe that the selected pay increases that the President has proposed are an appropriate first step during FY 1972 to promote our objectives for volunteer enlistments. We likewise support the institution of the contemplated second step in FY 1973.

So in that very letter they say they accept our recommendations, they only want to wait a second year for the second half.

Mr. GRAVEL. But at the time of their testimony before the House, they were willing to accept what the House passed?

Mr. SCHWEIKER. They were saying, from what I just read, that to have equity, comparability, and any standard of fairness, we would have to adopt both steps, that one step without the other was quite meaningless and would not meet the need. So in essence they argued, "We need the total package we are proposing."

The only difference appears to be the 1 year, and they have not yet made a case as to why we have to wait the 1 year. No one has even suggested why we should wait the 1 year. That is the issue, and they have evaded that question.

I might read further. Here, again, are the Defense Department's own comments, prepared under the name of the Office of the Chief of Legislative Liaison, by a colonel, in response to a Capt. Fletcher Hamilton. If the Senator will recall, Captain Hamilton is the medical doctor and scientist who has done this study of poverty in Western Europe that I read into the RECORD several days ago, and they are responding to his charges. Listen to what they say:

The combined fiscal 1972 and fiscal 1973 programs—

That is our amendment—

are built on a military pay standard which establishes competitive military pay levels which bear a reasonable relationship to civilian wages for equivalent levels of work.

They are obviously saying that, if we only do half the job now, we are only halfway comparable. They are obviously saying that, if we adopt only one, we are only halfway meeting the standard. I think this letter is an adroit sleight of hand to show that they can accomplish the thing in two steps, but they give no good reason for not doing it in one step.

Mr. GRAVEL. I ask this question respectfully, with respect to all parties involved: Is there a possibility that the administration may have secured from the military an agreement not to push for the total pay increase because this might support the logic of not extending the draft? Is there a possibility that there might be a "conspiracy" afoot here to maintain the draft in this country; because, if we did raise the pay level, obviously the Gates Commission proposal would be before us, and we obviously would not need the draft, and we would have the full argument? Is there a possibility that between the White House and the Joint Chiefs of Staff there might be a sort of entente cordiale about what will transpire so that they can ward off any efforts to do away with the draft or to decrease the time in which the draft is needed? What is the Senator's view?

Mr. SCHWEIKER. I think the answer is "yes."

There is no question in my mind that, if we adopted the two-step pay proposal which they suggested in one step, we obviously could end the draft a year sooner. I think that is the obvious conclusion, and it is exactly the point of my 1-year amendment, which will be taken up following this amendment. Then, all the excuse for a 2-year extension of the draft evaporates, because we have already, in one fell swoop, brought the level up.

They do offer one other argument: They say that to put these two pay steps into 1 year's increment would possibly cause them to lose some of the other military appropriations for other purposes.

In essence, what they then say is—and some of the suggestion here is—that they might have to sacrifice some of their other implements of war in lieu of paying the GI what fairness dictates he should be paid if the two were put into 1 fiscal year. What they are really saying is that they do not place too high a value on whether our GI gets paid his fair share or not. I think that is the essence of the argument.

Mr. GRAVEL. It adds a greater injustice, because it is taxing these GI's, either draftee or enlistee, at the rate of $3,600 a year so that they can pay for an increase and R. & D. and other facets of the military.

Apparently, Congress does not have the guts to place the tax where it properly belongs—on all the people of this country. But since the Joint Chiefs of Staff and Congress lack the guts to do it, perhaps we can get the generals. Since we have ample testimony that we have an excess of generals in the European Command, perhaps we can ask for a cut in pay starting with the top levels, so that we can meet this new demand. Then I think we might have a different reaction.

I am struck by this letter I have received, that these people are getting their raises. They have had raises in the past, and the person at the bottom of the ladder went for a 10-year period without getting a single proper adjustment in his income level. I cannot quite see the logic of it and I think my colleague cannot see it, either.

(Mr. BEALL took the chair as Presiding Officer.)

Mr. SCHWEIKER. I thank the Senator.

Mr. President, I should like to continue with the documentation of the views of the Joint Chiefs of Staff. Earlier, I read General Westmoreland's statement.

I should like to read Admiral Zumwalt's statement before the Armed Services Committee of the House, in the report dated March 25, 1971:

Admiral ZUMWALT. These proposals establish—that is, the two-step pay proposals that the Senator from Iowa and I are proposing—an internally equitable and externally competitive pay system which we consider of major importance. We believe the combined proposals will lead us to our goal much more effectively, and less expensively than H.R. 4450, which is based on the President's Commission on all Volunteer Armed Forces (Gates report). The DOD proposals, although lacking some desired features are, for the most part, a realistic attempt to bring the military pay and allowances system up to an acceptable standard relative to the national labor force.

Now I should like to read from General Ryan's statement:

General RYAN. As stated in previous testimony, we do not know whether these incentives, which supplement those in the fiscal year 1972 program, will provide the necessary wherewithal to achieve a zero draft environment.

They say they do not know, but they will find out 1 year sooner if the Hughes-Schweiker amendment is adopted. They will learn 1 year sooner whether they are going to be able to raise the volunteer army levels, instead of waiting 2 years to find out. Why wait to find out in 2 years, when you can find it out in 1 year?

I continue reading from General Ryan's statement:

We do know that these actions will benefit all military men, first-term and career, by alleviating certain inequities in the present military pay structure. This will be accomplished by adopting a standard which establishes competitive military pay levels.

That is the amendment we are proposing here today.

These levels bear a reasonable relationship to civilian wages. This has been our goal for many years.

I read now from the statement of General Chapman, Commandant of the Marines:

It is my opinion that the proposal for fiscal year 1973 military compensation—

That is the second step, and a part of our amendment.

Is a step in the right direction and a necessary one to provide the serviceman with equitable compensation. In addition, improvements of this nature are essential if we are to move toward a zero draft. I am unable at this time to determine whether they will be sufficient to provide the services the quality accessions and retention of quality career personnel which are necessary.

General Chapman admits that he does not know, either.

The point here is that we can find out a whole year sooner whether a volunteer army is feasible, by adopting this amendment.

I have in my hand a news story published in the Navy Times, headlined "Single Pay Hike Package Is Endorsed by Packard." That "single pay package" is the amendment before the Senate today. I read from the article in the Navy Times:

WASHINGTON.—While there were reports that the White House is unhappy over the prospect of the Congress' enacting its two-year pay raise proposals in a single law effective this year, Defense's number two official endorsed the action.

Deputy Assistant Secretary of Defense David Packard told a press conference last week, "We felt that it would be wise not to take the full step at this time and if the Congress wants to move faster and will give us the money to move faster, I would see nothing wrong with this.

Here is the Deputy Secretary of Defense saying that if Congress wants to speed up this program, if Congress wants to put the two steps in one, if Congress wants to find out a year sooner whether the all-volunteer army is acceptable, he—Mr. Packard, the Deputy Secretary of Defense and number two man—"would see nothing wrong with this."

I think in equity it would be a good thing. These fellows are not getting paid what they ought to be paid.

So the administration's whole case here keeps constantly changing, depending on exactly when the officials are quoted about the view on the pay raise.

The only problem we have is that, to the extent that pay comes out of our hide otherwise, we'll have less funds to do some of the things that we're already low on. We have already been pinched on these things.

That is the point I made a moment ago—that the only reason they are really concerned about putting a second pay raise in effect right now is that it may come out of the budget in some other form.

Yet it is clear that if we earmark the money for pay, and the appropriations bill clearly shows the pay, this need not necessarily be the case. The interesting part of this whole argument is that the House Armed Services Committee did, in fact, come to the same conclusion that the Senator from Iowa (Mr. HUGHES) and I did, and that is that the pay is needed now. The House Armed Services Committee saw its duty and decided to vote out the one package pay situation right now and eliminate the two-step concept as proposed by the administration. So that the House Armed Services Committee saw the wisdom of not making poverty-stricken GI's wait another year in addition to the first year in order to get equity in their pay.

Not a single statement in all the ones that I have read here from the leaders of the Military Establishment disagrees that the pay raises are not fair or equitable or are needed or are essential. There is not one dissenting vote. All of the Joint Chiefs of Staff, as well as the Deputy Secretary of Defense and the Assistant Secretary of Defense, say the same thing, that we need it, that we need it for equity and it is long overdue.

It is only the attempt, somehow, to divide it into two parts which throws the whole idea of a volunteer army at least as far as it is practical enough is concerned, back 2 years, because if we do not pay the people for 2 years we cannot get a real reason whether that is the right situation or not.

I should like to quote now from Assistant Secretary of State for Manpower Roger Kelley in the area we are talking about, and what he says about the issue:

Now I don't want to infer from what I am saying that I am in the Gates Commission camp as to what we should do about military pay. The Gates Commission conclusions seem to be that we should have very substantial increases in the pay of those with under 2 years of service, we should do something for the junior officer, and pretty much of the rest of the picture will take care of itself. I think the two measures of any major adjustment made in the pay system have to respect both the external factors of competitiveness and the internal factors of relationship. I think it would be wrong and unrealistic to make massive increases in the pay of military first termers and just forget about the career force. This would be counterproductive to the direction in which we are trying to move.

I point out in the proposal accepted by the other body and the Armed Services Committee of the House that it takes into account the point that Mr. Kelley is talking about, considering all of the career services, which is a slight differentiation from the Gates level of funding.

Mr. Kelley says what we are in essence saying that the first termers, junior enlisted men and junior officers, are taken care of in the first step. That is the first step that was proposed by the administration, career officers, and people who have more expertise in the system. They are taken care of by the second step.

That is a concern which Mr. Kelley expresses. So we are, in essence, combining his concern and putting both proposals into one package. This is what the Department of Defense suggested in a two-step situation and what the House Armed Services Committee and the other body did by its floor action.

To sum up our position here, at long last we think that we should come out of the dark ages on military pay. By any standard we use in terms of measuring the GI's economic compensation, it is below any equitable standard, below most industrial States' welfare standards, below welfare standards, below the minimum wage standard which is established federally, and below the poverty level definition.

So here we have our GI's being taxed twice, with a double tax, one tax being 2 years compulsory military service and the other tax being that while they are under that involuntary service, they have to get pay which is a poverty stricken wage that no other segment of our society is asked in any way to receive.

I think that, as I mentioned a moment ago, even the Pharaohs of Egypt, the Caesars of Rome, and the kings of Europe treated their army personnel better than we are treating our enlisted GI's right now.

I think it is a shame and a disgrace. Whether we believe in the all volunteer army or whether we do not, equity demands that we take away this double tax, at least if we are going to continue paying them so that they lose 2 years of their livelihood; because more than any other one thing, they are being sent to areas where their lives are in jeopardy.

As I pointed out when debate opened on the pending bill, this is the only bill

Congress considers whereby it compels a young man to go abroad and possibly be killed, the only situation where we keep him on the lowest rung of the economic ladder, give him the worst deal on the track, and give him the lowest form of compensation imaginable.

So I think that those who believe in a volunteer army and those who do not, in all good conscience, have to say at least that we must come out of the dark ages of medieval Europe and pay our GI's something approaching equity and liberate them in terms of their economic livelihood.

Mr. STENNIS. Mr. President, I yield 15 minutes to the distinguished Senator from Illinois (Mr. STEVENSON).

The PRESIDING OFFICER (Mr. BEALL). The Senator from Illinois is recognized for 15 minutes.

Mr. STEVENSON. I thank the Senator from Mississippi.

Mr. President, no one questions the desirability, the elementary justice of paying the members of our armed service an adequate and fair compensation and of paying it now. The Senate Armed Services Committee has already recommended over $1 billion in pay increases, nearly 95 percent of which would go to personnel with less than 2 years of service. The Hughes amendment would increase military compensation by a total of $2.7 billion. Since there are many vital nonmilitary needs competing for limited Federal resources, it is reasonable to ask what the extra $1.7 billion for the military will buy.

More than half of the additional $1.7 billion, about $885 million would provide pay increases for those with more than 2 years of service. Yet, the greatest need exists for those with less than 2 years service. Servicemen in this category still suffer from the 13-year period between 1952–64 during which they received no general pay increase.

Mr. President, I ask unanimous consent to have printed in the RECORD an analysis of the distribution of the Hughes amendment pay increases at the various pay levels, marked table 1.

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

TABLE I

[Dollars in millions]

| | Senate Armed Services Committee bill | | Additional under Hughes amendment | |
|---|---|---|---|---|
| | Under 2 years | Over 2 years | Under 2 years | Over 2 years |
| Basic pay | $850.3 | $57.7 | $723.0 | $193.9 |
| Dependents assistance | 55.8 | 23.2 | 62.0 | 43.1 |
| Quarters allowance | 0 | 0 | 15.7 | 624.4 |
| Subsistence allowance | 0 | 0 | 14.3 | 23.5 |
| Total | 906.1 | 80.9 | 815.0 | 884.9 |

Mr. STEVENSON. Mr. President, the Hughes amendment gives the most benefits to those who are in the least need. Despite those facts, proponents of the amendment have argued that the extra $1.7 billion is needed to take military personnel out of poverty. The facts do not support this claim.

The bill which the Armed Services Committee has placed before us would raise the basic pay rates of personnel with under 2 years of service by an average of 36 percent over present levels.

An unmarried man entering the service at the lowest pay level, E–1, would receive regular military compensation at an annual rate equal to $3,978.78. A married man at the E–1 level would receive $4,576.76 a year.

Moreover, it is important to understand that nearly all entering servicemen remain at the E–1 level for less than 4 months. They then are promoted to the E–2 grade level which, under the committee bill would increase their regular military compensation pay rate to $4,243 for a single serviceman and $4,835 if he were married. The great majority of first-year servicemen reach the E–3 pay level by the end of the first year. This means that the actual first-year annual pay for military personnel is some combination of the E–1, E–2, and E–3 pay rates—perhaps somewhere in the vicinity of $4,700 to $4,800 for a serviceman with dependents.

The 1970 official Government poverty line is $3,968 for a family of four. And the Defense Department informs me that less than 350 of the more than 130,000 military personnel currently at the E–1 level have families of four or more.

Our debt to our servicemen is great. And surely this rich country can afford more than a subsistence level for servicemen only marginally above the poverty line.

It is nonetheless instructive to point out what is included in regular military compensation, because too often we look solely at basic pay. The figures I have been quoting for regular military compensation include not only basic pay, but also allowances for quarters and subsistence as well as the tax advantages which accrue because these allowances are nontaxable. They do not include the value of free medical services offered to military personnel and their families. Nor does regular military compensation include commissary privileges and other fringe benefits. When the value of these benefits is added to regular military compensation, even personnel at the lowest pay level receive income substantially above the poverty line.

By contrast, it is worth pointing out that 5.2 million American families encompassing more than 20 million people exist with incomes below the poverty line. Five million single Americans subsist on income below the poverty line of $2,010 for one person. By contrast, the nearly 120,000 single military personnel at the E–1 pay scale—the lowest level—are paid at an annual rate of nearly $4,000. This figure is substantially above the present minimum wage and would be approximately equal to the minimum wage if it were raised to $2 per hour. And again, it must be remembered that the E–1 pay grade is only a starting point, followed by a nearly automatic pay increase within 4 months and periodic increases thereafter.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a tabulation which lists the annual regular military compensation for each grade level from E–1 to E–4, the number of dependents and the official Government poverty line for families of varying size.

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

TABLE II

| Pay level (under 2 years service) | Regular military compensation under Senate Armed Services proposal | | Number of military personnel with families of size | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Single | Married | 1 | 2 | 3 | 4 | 5 | 6 |
| E–1 | $3,978 | $4,576 | 119,180 | 11,455 | 1,864 | 560 | 155 | 97 |
| E–2 | 4,243 | 4,835 | 203,174 | 23,320 | 3,894 | 857 | 222 | 202 |
| E–3 | 4,509 | 5,097 | 295,685 | 60,132 | 15,095 | 2,463 | 565 | 344 |
| E–4 | 5,413 | 5,851 | 403,454 | 122,807 | 39,457 | 10,163 | 3,120 | 2,081 |
| Poverty line by family size | | | $2,010 | $2,604 | $3,099 | $3,968 | $4,680 | $5,260 |

Note: Total military personnel E–1 through E–4 in poverty: 798 families.

Mr. STEVENSON. Mr. President, although these statistics demonstrate that military personnel are a long way from poverty, we nonetheless must do better. Our goal must be to put military pay on a par with civil service pay for similar jobs. However, it would be a major mistake to move to this goal at a cost of $1.7 billion before the Congress has first undertaken some of the basic pay reforms recommended in the Defense Department's 1967 compensation study, known as the Hubbell Commission Report. If the Hughes amendment is adopted, many inequities in the military pay system will be frozen in.

We have heard some mention of the benefits of an additional pay increase now as opposed to having it a year from now. One of the reasons for not doing it now is because the delay would give Congress the opportunity to eliminate some of these inequities in the present system.

Let me just mention three examples of these inequities the Hubbell Commission pointed to:

First, there is severe discrimination against bachelors who, in some pay grades, receive as much as 30 percent less than a married man performing similar work in the same service and pay grade.

Second, in-kind pay—particularly the quarters allowance—is inequitably distributed, depending on accidents of assignments and availability of quarters, rather than equal pay for equal jobs. For example, a serviceman stationed in the

Washington, D.C., area is much better off if he is fortunate enough to obtain quarters on base rather than off base because the quarters allowance is insufficient to purchase him decent housing off base.

Servicemen at the same pay grade and with the same length of service stationed at Fort Hood would probably be much better off if he lived off base rather than on base. His quarters allowance would purchase him decent housing and he would likely have some portion of that allowance left over for other expenditures.

Third, in many cases, personnel performing the same job at the same pay grade are not given the same discretion over how to spend their income. Some receive large amounts of in-kind pay which must be used for a specific purpose, while others receive all or nearly all cash income which can be spent for any purpose.

The Hughes amendment would take us to some so-called average comparability standard without correcting any of these inequities. As a result, the opportunity to reform the pay system to maximize the efficiency of every dollar spent on pay may be lost for years to come. Once we are at average comparability, the way to vary pay rates to eliminate these internal inequities will be to increase pay for certain groups; cutting pay for a group will be politically impossible. As a result, the military compensation system could be on the average above comparability. I doubt that the achievement of military pay scales above comparability would constitute the best use of scarce Federal dollars, particularly in view of our pressing domestic needs in education, housing, pollution control, and mass transit. Indeed, the $1.7 billion increase proposed by the Hughes amendment for the military could better be spent on those needs.

Under existing law any increase in Federal civilian employee salaries automatically calls forth a corresponding increase in military basic pay. Such an increase in civil service pay is scheduled for January 1, 1972, and will result in a $1.2 billion increase in military pay expenditures above and beyond the increases we are considering today. Adoption of the Hughes amendment would add unnecesarily to the already heavy cost of the pay increase next year.

The best way to proceed is to first rectify the glaring inequities existing in the pay scales for personnel with less than 2 years service. The provisions in the Armed Services Committee bill accomplish this objective. The next step is to undertake much needed comprehensive reform in the military compensation system, reform geared to the necessities of an all-volunteer armed service.

It has been claimed that the $2.7 billion pay package is necessary to pave the way for a voluntary army. But it is impossible to project the aggregate pay costs necessary for a volunteer military—at least in its initial years—unless we first have an idea of the required military manpower needs.

If manpower levels were targeted at 2.3 million men by the end of fiscal year 1972, instead of the 2.4 million in the present bill, the Army—which is where the most critical problem would exist—would need about 100,000 accessions duirng fiscal year 1972 to meet its needs.

According to the Defense Department, approximately 87,000 true volunteers—volunteers who are not draft induced—would be expected with no pay increase.

Under the Armed Services Committee recommended pay increase package, the Army could expect nearly 30,000 additional true volunteers for a total of slightly more than 115,000—15,000 more than would be needed to meet a 2.3 million force level. And this does not include additional volunteers who might enlist as a result of the advertising and additional recruiters associated with the new project volunteer program. Assistant Secretary Kelley expects project volunteer to add another 35,000 to 45,000 volunteers. So the best estimates available indicate we could move easily to a voluntary military at force levels only 100,000 below those recommended in the committee bill without the $1.7 billion in additional funds provided by the Hughes amendment.

By the same token we probably could not move immediately to a volunteer army of 2.4 million without the Hughes amendment. Approximately 20,000 to 45,000 draftees would be needed, depending upon the success of the project volunteer program the military is undertaking. However, I am strongly convinced that manpower levels can be reduced to 2.3 million or below by the end of fiscal year 1972 without endangering national security or diminishing the effectiveness of our military forces.

Mr. President, in view of the facts I have set out I urge my colleagues to join in opposing the expenditure of an extra $1.7 billion as proposed by the Hughes amendment.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I thank the distinguished Senator from Illinois and commend him for the very fine speech and analysis of the problem. His conclusions about an additional pay increase at this time are unanswerable. I know that it took the Senator a great deal of effort to prepare a statement with such penetrating depth. He certainly has made a contribution to the debate. I wish more Senators could have heard the Senator's statement. I commend him highly.

Mr. GRAVEL. Mr. President, will the Senator from Iowa yield to me for 20 minutes, if he has time available?

Mr. HUGHES. Mr. President, I am glad to yield to the Senator from Alaska for 15 minutes.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 15 minutes.

Mr. GRAVEL. Mr. President, I once wore the uniform of the U.S. Army. I was proud of that uniform and proud of my years of service to my country.

Men and women who serve as the first line of defense for their Nation's security and the cause of individual liberty should be proud people. The importance of their role is beyond question.

But what are they to think when we continue to ask them to fight a war for a purpose no one really understands?

What are they to think when we continue to fill the lower enlisted ranks with conscripted men who have no interest in military service, no zest for a military career, and, quite often, men who upset the morale and capability of the units in which they serve?

What are our professional service men and women to think when we provide rates of compensation so low that many military families are forced onto the welfare rolls and others forced to live in situations of economic privation?

Our men and women in uniform wonder about the public policy that regulates their lives. And there is little wonder that so many of them are protesting aloud.

By dealing with the pay issue firmly and forthrightly Congress can cure many of the ills that beset our military today.

By adopting the amendment now before us, we can provide a level of compensation that would do justice to those now in uniform. We can demonstrate that the Congress fully understands their problems and supports their interests.

By adopting this amendment we assure that no person will have to make an unfair financial sacrifice to serve his country.

And by so doing we will attract in sufficient numbers men who want to serve to replace those who are required to serve against their will.

In arguing against the House version of the pay increase, the Senate Committee on Armed Services points to raises given the military in recent years and those that may be forthcoming through normal appropriation processes.

But in reality these recent increases do nothing to erase the discrimination of the previous 13 years from 1952 through 1964, when the basic pay of enlisted members with less than 2 years of service remained unchanged.

As a result there remains today a wide gap between military pay at the entry level and what could be earned in the civilian economy. The pay package in the committee bill offers only half a loaf to remedy this inequity—and consequently fails to remedy it altogether.

Meanwhile within the past year 50,000 married young men in uniform were on relief. There are 50,000 married young men who were placed on relief by calculated Government policy, a policy that is followed today. Although 23 percent of U.S. military personnel in their first term are married men, the military compensation structure does not even admit the existence of family support needs. According to the U.S. Code title 37, section 403(a), "A member in pay grade E–4 (less than 4 years' service), E–3, E–2, or E–1, is considered at all times to be without dependents." Although they exist in reality, the military chooses not to recognize these people, who are forced onto relief rolls and to welfare.

A new recruit now receives $270.49 monthly regular compensation for a total of $3,245.87 per year. This amounts to only 62.5 percent of what he could earn as a civilian, and after 2 years of service the figure has climbed to a mere 67.8 percent. Not until his fifth year in

the armed services will a man's military pay be comparable to what he could earn in the civilian sector.

That is after 5 years. We wonder why those drafted and who enlist do not reenlist in the service.

The treatment given GI's in their first term of duty as a result of these inequities is shameful. One cannot fail to be convinced of this fact when the $3,500 per year of a married recruit with two children is compared with the Federal poverty line of $3,900 for the same size family. I do not know how anyone could come to this Chamber and say that this policy does not engender great injustice.

Although a number of families obtain some relief from their desperate plight by applying for welfare payments, this assistance is by no means available to all. A 1969 Defense Department survey of State welfare directors revealed that 21 States refuse to give aid to service families.

In California, for instance, a military man is considered a "fully employed person." To qualify for aid a family must meet a deprivation requirement either through the absence or the unemployment of the father.

In other States, a GI may be technically eligible for welfare but nonetheless unable to obtain it. New Jersey is a case in point. It uses the subterfuge of the legal status of military reservations to deny welfare benefits to residents of the military community. The State contends that because these installations belong to the Federal Government, the inhabitants do not reside in New Jersey. One cannot blame the States for failure to assume what is clearly a Federal burden.

The hardships which befall first-term military personnel because of low pay are further compounded by the dislocations associated with service life. When making changes of station, careerists are given free travel of dependents, transportation of household effects, dislocation allowances, trailer allowances, transportation of automobile overseas, overseas allowance, and evacuation allowance. If they are unaccompanied, careerists receive a $30 a month family separation allowance. But the underpaid and often-moved first-termer is ineligible for all of these benefits.

The poverty cycle for enlisted men stationed in Europe is even more acute. These men go into debt to move their families overseas and then, because they are denied Government housing, they must try to live like the Europeans.

Since the Government transports furniture only for careerists. GI's go further in debt to buy household items. Moreover, job opportunities for servicemen and their wives are almost nonexistent abroad, and there is absolutely no possibility of receiving welfare payments or food stamps which are sometimes available in the States.

In my own State of Alaska, there are 250 military families where the serviceman is of a rank of E–3 or lower which are presently receiving food stamps. In addition, there are 24 military families receiving general assistance from the State Department of Health and Welfare. This makes a total of 274 military families receiving these two types of financial assistance, but does not include families receiving medical assistance, aid to dependent children, day care services, or surplus commodities.

This, of course, is what brings into question many of the figures that are raised here by opponents of the amendment, and, of course, the figures put forth by the Department of Defense.

Curiously enough, the Department of Defense in its Survey of Military Families on Welfare, January 16, 1970, counted only 10 military families in Alaska as receiving financial assistance in all the eligible categories.

Such a wide disparity between the Department of Defense's figures and those which I received from Alaska's Department of Health and Welfare leads me to challenge the credibility of the Department of Defense's survey for the entire Nation. That survey estimates a total number of 13,572 cases and 12,589 actual military recipients of financial assistance.

However, these statistics do not even begin to tell the whole story in Alaska.

So if we are to compare, in all fairness, these figures with the number of such families in Alaska, it would be but a fraction of the 250 poverty families that actually are there. It is easily seen that the case is understated by the Department of Defense.

In Anchorage, where housing rentals average 40 percent above comparable accommodations in Seattle, approximately 2,000 military families who are ineligible for the overseas housing allowance customarily paid to servicemen in Alaska, are presently living off base. The basic housing allowance for an E–4 with dependents is $105 per month. However, the city of Anchorage estimates that the average rental cost for a standard two-bedroom apartment in Anchorage runs between $190 to $250 or more per month. Furthermore, military personnel who are ineligible for on-base housing must pay the travel expenses for their families and the moving of their household goods to Alaska.

The net result of these factors is that military families where the head of the household is in the lower military pay grades and who live off base have a choice of housing limited to substandard accommodations unless they live in low-rent public housing. Reflecting on the plight of off-base servicemen, 10 percent of all low-rent public housing units in Anchorage are occupied by military families.

So here we have a case where servicemen earning the lowest wages paid by the military are forced to live off base in an area where housing rentals are the highest in the United States.

If our military family elects to buy or build a home in Alaska, the situation is worse. The average home construction costs in Anchorage run approximately 87 percent above those in Seattle for a single-family home.

About half the military personnel stationed in Alaska are located in the Anchorage area. Another third are stationed in the interior of Alaska, near Fairbanks, where rental housing has been 75 percent and more above comparable rentals in Seattle, and home construction costs in Fairbanks are just about double those of Seattle.

Thus, in Alaska, the military man and his family live in accommodations far more costly than he has ever experienced before. He buys goods which are relatively higher priced and in general finds himself outpriced in an inflated market.

Meanwhile, his neighbor has been able to bargain or negotiate a salary level adequate to meet prevailing prices. Contract construction wage levels in Alaska, for example, have run 80 percent above prevailing U.S. hourly rates.

Thus, the military man and his family find themselves bound to the military installations in their use of the military commissary, the post exchange and the recreational facilities provided by the military. And this takes place in a State where the military man and his family have always been welcome and have been encouraged to participate in the full range of community activities.

Many of the outlying areas of Alaska are economically and socially depressed and could greatly benefit from the input of the military man, as well as that of State and Federal government employees. Yet, because of his inadequate salary level in an area with a high cost of living, the military man is in effect prohibited from making a much needed contribution.

I might suggest that this administration take under advisement that the increased pay could act as a catalyst to develop the economic standing of those families that have fallen into such a condition.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. GRAVEL. Mr. President, I ask unanimous consent to have 5 additional minutes.

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

Mr. GRAVEL. Mr. President, throughout the State of Alaska, all enlisted military ranks suffer a loss of purchasing power as a result of high living costs despite additional military allowances.

Mr. President, at this point in my statement, I ask unanimous consent that the RECORD show a series of charts which illustrate the economic situation in Alaska insofar as it relates to the military establishment there and to the man in uniform.

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

TABLE 1.—DOD COMPONENT IN THE ALASKA POPULATION, MILITARY AND MILITARY DEPENDENTS, FROM 1964–69

| | Military | Military dependents | Total |
|---|---|---|---|
| Year: | | | |
| 1964 | 35,000 | 37,100 | 72,100 |
| 1965 | 33,000 | 34,700 | 67,710 |
| 1966 | 32,000 | 32,900 | 64,900 |
| 1967 | 33,000 | 32,400 | 65,400 |
| 1968 | 33,000 | 31,800 | 64,800 |
| 1969 | 33,000 | 30,360 | 62,360 |

Source: Alaskan Command records.

Note: Military personnel and dependents as a percent of the resident Alaska population was 29 percent in 1964 and 21 percent in 1969 while the total of military and dependents declined from 72,100 to 62,360 over the same period.

TABLE 2.—ESTIMATES OF ALASKA MILITARY PERSONNEL RESIDENT DISTRIBUTION, BY ELECTION DISTRICT [1]

| Election district [2] | July 1, 1969 | Apr. 1, 1960 | Net change: Number | Net change: Percent | Military personnel |
|---|---|---|---|---|---|
| Alaska | 294,560 | 226,170 | 68,390 | 30.2 | 32,360 |
| 1. Ketchikan-Prince of Wales, total | 14,910 | 11,840 | 3,070 | 25.9 | 330 |
| Ketchikan (2) | 12,810 | 10,070 | 2,740 | 27.2 | 330 |
| Prince of Wales (1) | 2,100 | 1,770 | 330 | 18.6 | |
| 2. Wrangell-Petersburg (3) | 5,970 | 4,180 | 1,790 | 42.8 | 20 |
| 3. Sitka (4) | 7,770 | 6,690 | 1,080 | 16.1 | 70 |
| 4. Juneau (5) | [3] 13,330 | 9,750 | 3,580 | 36.7 | 230 |
| 5. Lynn Canal-Icy Straits (6) | 3,620 | 2,950 | 670 | 22.7 | 20 |
| 6. Cordova-Valdez, total | 4,540 | 4,60 | −60 | −1.3 | 70 |
| Cordova-McCarthy (7) | 2,240 | 1,760 | 480 | 27.3 | 70 |
| Valdez-Chitina-Whittier (8) | 2,300 | 2,840 | −540 | −19.0 | |
| 7. Palmer-Wasilla-Talkeetna (9) | 7,000 | 5,190 | 1,810 | 34.9 | |
| 8. Anchorage (10) | [4] 114,150 | 82,830 | 31,320 | 37.8 | 14,460 |
| 9. Seward (11) | 2,700 | 2,960 | −260 | −8.8 | 50 |
| 10. Kenai-Cook Inlet (12) | 13,550 | 6,100 | 7,450 | 122.1 | 450 |
| 11. Kodiak (13) | 9,870 | 7,170 | 2,700 | 37.7 | 1,670 |
| 12. Aleutian Islands (14) | 8,660 | 6,010 | 2,650 | 44.1 | 3,660 |
| 13. Bristol Bay (15) | 5,040 | 4,020 | 1,020 | 25.4 | 470 |
| 14. Bethel (16) | 7,750 | 5,540 | 2,210 | 39.9 | 100 |
| 15. Yukon-Kuskokwim, total | 6,780 | 6,400 | 380 | 5.9 | 1,000 |
| Kuskokwim (17) | 2,850 | 2,300 | 550 | 23.9 | 270 |
| Yukon-Koyukuk (18) | 3,930 | 4,100 | −170 | −4.1 | 730 |
| 16. Fairbanks-Fort Yukon, total | 48,900 | 45,030 | 3,870 | 8.6 | 9,170 |
| Fairbanks (19) | 47,320 | 43,410 | 3,910 | 9.0 | 5,920 |
| Upper Yukon (20) | 1,580 | 1,620 | −40 | −2.5 | 250 |
| 17. Barrow-Kobuk, total | 9,060 | 5,690 | 3,370 | 59.2 | 240 |
| Barrow (21) | 4,480 | 2,130 | 2,350 | 110.3 | 100 |
| Kobuk (22) | 4,580 | 3,560 | 1,020 | 28.7 | 100 |
| 18. Nome (23) | 6,390 | 6,090 | 300 | 4.9 | 290 |
| 19. Wade Hampton (24) | 4,570 | 3,130 | 1,440 | 46.0 | 100 |

[1] All data including 1960 census data have been rounded to the nearest 10.
[2] 1960 election (census) district indicated in parentheses.
[3] Special census taken December 1968 tabulated 12,853.
[4] Special census taken October 1968 tabulated 113,522.

Source: Alaska Department of Labor, "Current Population Estimates by Election District Alaska 1969."

Note: Of the total of 32,360 persons in 1969 the area breakout is: 740 in southeastern, 16,630 in south-central, 9,170 in interior, 5,230 in southwestern, and 630 in northwestern.

TABLE 3.—TOTAL EMPLOYED WORKFORCE IN ALASKA AND THE DEPARTMENT OF DEFENSE. COMPONENT OF THAT WORKFORCE FOR THE PERIOD 1950-69

[In thousands of persons]

| | 12 month average— | | | | | |
|---|---|---|---|---|---|---|
| | 1950 | 1955 | 1960 | 1965 | 1967 | 1969 |
| Total employed workforce | 78.5 | 108.8 | 100.1 | 114.0 | 121.7 | 130.9 |
| Department of Defense | 31.0 | 59.0 | 41.5 | 39.5 | 40.4 | 39.0 |
| Military personnel | 26.0 | 50.0 | 33.0 | 33.0 | 33.7 | 32.4 |

Note: The number of military personnel in Alaska has held steady since 1960 at about 32,000 men. With the increase in the workforce generally over the 10-year period, military personnel as a percent of the workforce has declined from 40 to 24 percent.

TABLE 4.—DOD WAGE AND SALARY EXPENDITURES INI ALASKA, FISCAL YEARS 1960-70

[In millions of dollars]

| Fiscal year | Military wages and salaries | DOD tota expenditures |
|---|---|---|
| 1960 | $127.8 | $307.5 |
| 1961 | 124.1 | 301.0 |
| 1962 | 128.8 | 264.6 |
| 1963 | 129.5 | 302.0 |
| 1964 | 132.7 | 327.9 |
| 1965 | 149.5 | 303.7 |
| 1966 | 163.0 | 312.4 |
| 1967 | 164.1 | 325.0 |
| 1968 | 154.8 | 352.0 |
| 1969 | 146.7 | 337.4 |
| 1970 | | 313.0 |

[1] Composed of military and civilian wages and salaries, construction, and procurement.

Source: University of Alaska, Institute of Social, Economic, and Government Research.

TABLE 5.—ALASKA PER CAPITA INCOME AS A PERCENTAGE OF THIS U.S. AVERAGE FOR THE 20-YEAR PERIOD (1950-69)

PER CAPITA PERSONAL INCOME—ALASKA, FAR WEST, AND UNITED STATES, 1950-69

| Calendar year: | Current unadjusted dollars: Alaska | Far west [1] | United States | Ratio: Alaska to United States |
|---|---|---|---|---|
| 1950 | $2,385 | $1,788 | $1,496 | 1.59 |
| 1951 | 2,835 | 1,975 | 1,653 | 1.72 |
| 1952 | 2,614 | 2,068 | 1,734 | 1.51 |
| 1953 | 2,493 | 2,103 | 1,805 | 1.38 |
| 1954 | 2,302 | 2,089 | 1,785 | 1.29 |
| 1955 | 2,275 | 2,210 | 1,876 | 1.21 |
| 1956 | 2,446 | 2,326 | 1,976 | 1.24 |
| 1957 | 2,325 | 2,397 | 2,045 | 1.14 |
| 1958 | 2,357 | 2,430 | 2,068 | 1.14 |
| 1959 | 2,509 | 2,572 | 2,161 | 1.16 |
| 1960 | $2,835 | $2,621 | $2,215 | 1.28 |
| 1961 | 2,681 | 2,691 | 4,264 | 1.18 |
| 1962 | 4,731 | 2,808 | 2,368 | 1.15 |
| 1963 | 2,785 | 2,906 | 2,455 | 1.13 |
| 1964 | 3,052 | 3,043 | 2,586 | 1.18 |
| 1965 | 3,226 | 3,182 | 2,765 | 1.17 |
| 1966 | 3,473 | 3,410 | 2,980 | 1.17 |
| 1967 | 3,798 | 3,602 | 3,162 | 1.20 |
| 1968 | 4,116 | 3,895 | 3,421 | 1.20 |
| 1969 | 4,513 | 4,158 | 3,680 | 1.23 |

[1] California, Washington, Oregon, Nevada.

Source: Office of Business Economics, U.S. Department of Commerce. 1960-69 revised estimates; Survey of Current Business, April 1970.

Note: For the decade of the 1960's Alaska per capita personal income as a percent of the U.S. average declined by 11 percentage points by 1965 and ended the period 5 points off the 1960 ratio of 1.28. These figures are in current unadjusted dollars and hence vastly overstate the ratio since Alaska's price level differentials are greater than inflation in the United States as a whole.

TABLE 6.—COST-OF-LIVING INDEXES FOR 4 MAJOR CITIES IN ALASKA COMPARED TO SEATTLE, WASH. FOR THE PERIOD 1964–68 [1]

| City and year | All items | Food [2] | Housing | | Apparel and upkeep | Other goods and services [5] | All items less housing |
|---|---|---|---|---|---|---|---|
| | | | Total [3] | Rental [4] | | | |
| Anchorage: | | | | | | | |
| 1964 | 123 | 121 | 132 | 162 | 110 | 120 | 119 |
| 1965 | 122 | 123 | 130 | 157 | 110 | 117 | 118 |
| 1966 | 122 | 123 | 130 | 152 | 112 | 116 | 118 |
| 1967 | 121 | 122 | 130 | 146 | 108 | 116 | 117 |
| 1968 | 119 | 119 | 127 | 142 | 110 | 115 | 115 |
| Fairbanks: | | | | | | | |
| 1964 | 134 | 138 | 143 | 188 | 124 | 127 | 130 |
| 1965 | 133 | 140 | 141 | 187 | 124 | 123 | 129 |
| 1966 | 132 | 139 | 141 | 180 | 122 | 122 | 127 |
| 1967 | 132 | 142 | 140 | 179 | 120 | 121 | 127 |
| 1968 | 132 | 139 | 141 | 176 | 126 | 120 | 127 |
| Juneau: | | | | | | | |
| 1964 | 124 | 123 | 133 | 150 | 118 | 119 | 120 |
| 1965 | 124 | 126 | 134 | 151 | 116 | 116 | 119 |
| 1966 | 125 | 127 | 135 | 147 | 115 | 117 | 120 |
| 1967 | 127 | 132 | 137 | 147 | 115 | 119 | 122 |
| 1968 | 126 | 130 | 135 | 146 | 117 | 117 | 121 |
| Ketchikan: | | | | | | | |
| 1964 | 119 | 118 | 121 | 126 | 117 | 117 | 117 |
| 1965 | 117 | 119 | 121 | 127 | 116 | 113 | 116 |
| 1966 | 118 | 122 | 122 | 127 | 114 | 113 | 116 |
| 1967 | 118 | 123 | 122 | 126 | 117 | 113 | 117 |
| 1968 | 119 | 121 | 122 | 124 | 118 | 115 | 117 |

[1] Based on the average pattern of expenditures of Alaskan wage and clerical-worker families of 2 or more persons who were full-year residents in the state during 1959 or 1960. (Average expenditures of families living in Anchorage, Fairbanks, Juneau, or Ketchikan were combined with a system of weights based on the estimated number of consumer units in each city as derived from the 1960 Census of Population.)

[2] Includes food at home and away from home.

[3] Includes rent, hotel and motel rates, homeownership costs (mortgage principal and interest payments, taxes, insurance, maintenance, and repairs), fuel and utilities, household furnishings and operation. (Intercity indexes measure differences in the costs of maintaining a home as reflected in principal payments and mortgage interest charges. These indexes cannot be used to measure changes in acquisition costs, i.e., interest rates and the prices of owned homes purchased in current markets.)

[4] Average contract rent for tenant-occupied, 2-, 3-, 4-, and 5-room dwellings meeting defined standards, plus cost of heating fuel, utilities, and specified equipment when the cost of these items is not included in the monthly rent.

[5] Includes transportation, medical care, personal care, recreation, reading and education, tobacco, beverages, and miscellaneous expenses.

Note: (1) The indexes for food, clothing, and housing (owned and rented) are presented along with the index for all items together. (2) In southcentral Alaska (Anchorage) rental housing is 42 points over Seattle while food and the average on all items are 19 points over Seattle. (3) In interior Alaska (Fairbanks) rental housing is 76 points over Seattle, food is 39 points, and the overall average is 32 percent. (4) In southeast Alaska (Juneau) rental housing is 46 points over Seattle, food is 30, and the overall average is 26 percent over Seattle.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 7.—CONSTRUCTION COST INDEXES FOR CERTAIN ALASKA CITIES BASED ON SEATTLE (1967)

| City | Index |
|---|---|
| Point Barrow | 360 |
| Nome | 230 |
| Kenai | 210 |
| Kodiak | 200 |
| Fairbanks | 190 |
| Sitka | 180 |
| Juneau | 180 |
| Anchorage | 170 |

REAL ESTATE COSTS PER SQUARE FOOT, ANCHORAGE, ALASKA, 1968

| | Production cost | | Total occupancy cost | |
|---|---|---|---|---|
| | Seattle =100 | United States =100 | Seattle =100 | United States =100 |
| Single-family dwelling | 177 | 190 | 176 | 187 |
| Multi-family dwelling | 126 | 130 | 146 | 150 |
| Rental | | | 139 | 147 |
| Shopping center | 151 | 159 | 224 | 228 |
| Rental | | | 226 | 230 |
| Commercial warehouse | 134 | 142 | 144 | 157 |

Note: (1) While these indexes are, of course, made up of other components in addition to wage and salary costs, they do indicate the large differentials involved in the price level profiles of these several cities. (2) Kodiak is twice Seattle's costs, Nome is 130 points over Seattle, and Point Barrow is greater than 3½ times the Seattle cost structure. (3) While not shown in the table, real estate costs per square foot in Anchorage where most servicemen are based—figured on a single-family dwelling—are 87 percent higher than total occupancy costs in the United States as a whole; the multi-family dwelling case is 50 percent higher. This helps explain why military personnel tend not to become a part of the community in living patterns.

Source: R. W. Fischer, ch. II of this report.

TABLE 9.—ALASKA PURCHASING POWER COMPARISONS FOR A FEDERAL CIVILIAN EMPLOYEE IN ANCHORAGE (WITH A FAMILY OF 4)

| Grade (GS, step 1) | Base pay | Equivalent purchasing power of salary plus COLA | Alaska purchasing power penalty (−) or advantage (+) (percent) |
|---|---|---|---|
| 1 | $3,776 | $3,550 | −6 |
| 2 | 4,108 | 3,915 | −5 |
| 3 | 4,466 | 4,257 | −5 |
| 4 | 4,995 | 4,761 | −5 |
| 5 | 5,565 | 5,297 | −5 |
| 6 | 6,137 | 5,853 | −5 |
| 7 | 6,734 | 6,434 | −4 |
| 8 | 7,384 | 7,099 | −4 |
| 9 | 8,054 | 7,796 | −3 |
| 10 | $8,821 | $8,590 | −3 |
| 11 | 9,657 | 9,455 | −2 |
| 12 | 11,461 | 11,330 | −1 |
| 13 | 13,507 | 13,464 | 0 |
| 14 | 15,841 | 15,921 | +1 |
| 15 | 18,404 | 18,638 | +1 |
| 16 | 20,982 | 21,389 | +2 |
| 17 | 23,788 | 24,410 | +3 |
| 18 | 27,055 | 27,939 | +3 |

Note: If military pay grades are equated to these civil service grades as can easily be done, then we see that all grades in the enlisted ranks suffer a purchasing power penalty for living costs in Alaska even after accounting for allowances.

Source: Note to appendix tables 2–9; equivalent figures by linear interpolation. Anchorage data, family of 4.

TABLE 8.—AVERAGE HOURLY EARNINGS OF CIVILIAN WORKERS IN MAJOR DIVISIONS OF ALASKA'S PRIVATE SECTOR

| | Alaska | United States | Ratio Alaska to United States ×100 |
|---|---|---|---|
| Mining | $5.44 | $3.19 | 171 |
| Contract construction | 7.50 | 4.11 | 182 |
| Manufacturing | 4.86 | 2.83 | 171 |
| Food processing | 3.31 | 2.64 | 125 |
| Lumber and wood products (including pulp) | 4.74 | [1] 2.51 | 189 |
| Wholesale trade | 4.34 | 2.88 | 151 |
| Retail trade | 3.50 | 2.01 | 174 |
| Finance, insurance, and real estate (weekly) | 111.21 | 95.46 | 116 |

[1] Weighted average of lumber and wood products and paper and allied products, Alaska weights.

NOTES

Of special significance is the ratio of Alaska hourly earnings to the rest of the United States. In 6 of these 8 sectors the hourly earnings in Alaska are 50, 60, 70, 80, and 90 percent above those in the same sectors elsewhere in the United States. Note the implication for military personnel whose pay scales are so different.

Regional inflation can be expected also to place a substantial direct and indirect burden on the subsistence sector, the rural unemployed and underemployed, and Alaska Natives generally. The bias of the price structure against low-income people has been noted above. In addition, a substantial component of the cash income enjoyed by these people lacks any explicit or implicit cost-of-living adjustment; this is true of State welfare programs as well as the prices of furs, fish, etc., produced by traditional methods. It is, on the other hand, in the remote Native villages where price differentials are most extreme. The hypothesis that prevailing high money wage levels also reduce Native employment opportunity by imparting to Alaska industry an additional bias in favor of capital and skill intensity deserves to be investigated.

Source: Monthly Labor Review; and Alaska Department of Labor, Employment Security Division, Statistical Quarterly.

TABLE 10.—MILITARY WAGE AND SALARY INCOME AS A COMPONENT OF TOTAL ALASKA PERSONAL INCOME BY REGION, 1970

[In millions of dollars]

| | Interior Alaska | Southeast Alaska | Southcentral Alaska |
|---|---|---|---|
| Total personal income [1] | $205.0 | $160.0 | $570.0 |
| Military wage and salary disbursement | 51.6 | 3.1 | 93.0 |
| Military as a percent of total | 25 | 2 | 16 |

[1] Based on 1966 figures and conservatively extrapolated to fiscal year 1970.

Note: If ½ of total military wages and salaries in Alaska presently go to the enlisted ranks, then the Hughes pay amendment would increase total personal disposable income in Alaska perhaps as much as $47,000 000 to $50,000,000, assuming an average pay increase of 67 percent in enlisted ranks. With these same assumptions, the increase in personal disposable income would be broken out regionally as follows:

South central Alaska—additional $30,000,000 (½×$93,000,000×⅔=$30,000,000).

Interior Alaska—additional $17,000,000 (½×$52,000,000×⅔=$17,000,000).

Southeast Alaska—additional half million dollars (½×$3,100,000×⅔=$500,000).

Source: Subregional economic analysis of Alaska, 1968, and Department of Defense data, May 26, 1971.

Mr. GRAVEL. Mr. President, the Alaska situation is not typical of conditions nationally, but it is only a slight exaggeration of the total problem.

How did it happen? What is the explanation of this shameful abuse and exploitation of our servicemen? The answer is not hard to find.

Because of the draft, fair and equitable treatment of the first-term enlisted man has not been necessary. Why pay a man a decent salary when you can force him to work for slave wages? Put simply, no increase in first-term pay is required so long as the services can get all the bodies they need just for the asking.

While pay for the officers corps and other careerists has more than kept pace with the civilian economy, the result of conscription has been to depress military compensation of enlisted men to a point

where a disenfranchised minority has been compelled to bear a grossly disproportionate share of the costs of defense. Underpaid servicemen are currently taxed to the tune of $2 billion, or $3,600 per man. This amounts to a rate of taxation of about 51 percent, or three times the normal tax for their income level.

Although this is obviously a highly regressive tax levied unequally on those least able to afford it, most people do not even know it exists. They do not, because the form of taxation is a "hidden" tax-in-kind—it is taken out of the soldier's and sailor's hides rather than their paychecks. Benjamin Franklin got at the crux of the matter over 200 years ago when commenting on the legality of impressment of American merchant seamen.

I want to stress that this is a quotation from over 200 years ago of Benjamin Franklin. I quote him:

> But if, as I suppose is often the case, the sailor who is pressed and obliged to serve for the defense of this trade at the rate of 25 shillings a month, could have 3 pounds 15 shillings in the merchant's service, you take from him 50 shillings a month; and if you have 100,000 in your service you rob that honest part of society and their poor families of 250,000 pounds per month, or three million a year, and at the same time oblige them to hazard their lives in fighting for the defense of your trade; to the defense of which all ought indeed to contribute (and sailors among the rest) in proportion to their profits by it; but this three million is more than their share, if they did not pay with their persons . . .
>
> But it may be said, to give the king's seamen merchant's wages would cost the nation too much—

Which is exactly the same argument here today, 200 years later—

> and call for more taxes. The question then will amount to this; whether it be just in a community hat the richer part should compel the poorer to fight for them and their properties for such wages as they think fit to allow and punish them if they refuse?

That statement is 200 years old, and it is as relevant today as it was 200 years ago.

I quote again the last sentence, because I think it goes to the heart of this pay argument. Benjamin Franklin concluded:

> The question then will amount to this; whether it be just in a community that the richer part should compel the poorer to fight for them and their properties for such wages as they think fit to allow and punish them if they refuse?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUGHES. Mr. President, how much additional time does the Senator require?

Mr. GRAVEL. I think 2 minutes.

Mr. HUGHES. I yield the Senator from Alaska 2 additional minutes.

Mr. GRAVEL. The $2.5 billion it would cost to pay our servicemen as they should be paid are really only budgeted costs. In terms of real costs of resources expended a volunteer army properly paid would be cheaper. I emphasize that: It would be cheaper for the taxpayers. Conscription inefficiently allocates resources requiring civilians with a given productive capacity outside the service to labor within it at a lesser wage. In general, any institution with a source of inexpensive labor is bound to be overly labor intensive relative to the economy and grossly inefficient.

There can be no justification for using the draft as a means of compelling young men to serve at substandard pay. That alone is reason enough to reject the committee pay proposal in favor of the one adopted by the House. You do not abolish an inequity by abolishing only half of it. And yet that is precisely what the committee proposes to do.

The committee pay package amounts to only $1.03 billion as compared with the House version of $2.71 billion. Of these totals, $850 million and $1.573 billion, respectively, would go to increase the basic pay for members of the uniformed services with under 2 years of service. This translates into a pay increase of 36 percent in the committee proposal as opposed to 68.8 percent in the House package.

The almost identical administration and committee pay proposals are simply inadequate, as admitted by Assistant Secretary of Defense Roger T. Kelly, when he said:

> There is still a disparity between our recommended and higher pay levels and their civilian counterparts.

Such a failure to meet the level of pay demanded by the standards of equity requires compelling reasons for its justification. The only justification which has been given is the plea of budgetary constraints, but this rings hollow coming from a bureaucratic establishment which can find justification for so many weapons that have never been fully developed because they proved to be poor bargains and useless for our defense.

There is, in fact, no compelling reason whatsoever for refusing to pay our servicemen a fair and equitable wage, and paying it now.

I therefore support the Hughes amendment to incorporate into H.R. 6531 the pay proposal approved by the House.

This pay bill—which is within $20 million of the cost of the increase in military compensation recommended by the Gates Commission to create an all-volunteer force—would provide basic pay increases for approximately 50,000 officers and 1,400,000 enlisted men on active duty. In addition, approximately 6,500 officers and 518,000 enlisted men in National Guard and Reserve units would receive the same percentage increase in their basic pay. The two lowest enlisted grades of E–1 and E–2 would receive increases of nearly 100 percent.

It is important not to overlook the impact this increase would have on our National Guard and Reserve units.

They suffer from the same malaise that afflicts our active duty units. Too many members of these units are there to avoid the draft. One argument that is used to justify a continued draft is the need for manpower fall-out for our Reserve and Guard components. But this method of acquisition weakens these units just as surely as it weakens our active duty forces.

The Gates Commission surveys indicated that 75 percent of the enlisted personnel fulfilling their initial 6-year military service obligation in the Reserves were there only because of the draft.

That is hardly the basis for creating a healthy first-line back-up force.

The Gates Commission study shows that the pay increase now before us for the active duty forces will automatically be as effective for the Reserves and should provide enough enlistments to meet necessary requirements.

As the Commission expressed it:

> For men who are interested in extra income, reserve activity does not offer the earnings potential of part-time civilian work because it is too infrequent. For some men it could become an attractive alternative as a second job. Certainly a necessary if not sufficient condition for voluntary reserve participation is a level of drill pay attractive enough to make military instruction preferable to other part-time activities. While the pay level in the early years of service has been too low to attract voluntarily the high quality of recruits which the reserves have enjoyed over the past ten years our studies show that a more reasonable qualitative mix can be obtained voluntarily.

Mr. President, I do not believe it will be any easier 2 years from now for Congress to adopt a pay increase for our military adequate to meet the needs of a voluntary active duty and Reserve force.

We are talking about a large sum of money. But it is a tax already extracted in disproportionate amounts from a small segment of our population. It is time we all share the burden.

In doing so we will strengthen the competency and morale of our forces. And hopefully, we will increase for all Americans the respect that they should have for the men who wear the uniform of the U.S. Army.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield myself 15 minutes.

As far as a chance to get to the minds of Senators now is concerned, there are other matters, committee meetings and various things going on, to attract their attention, and I have no way, and no speaker has any way, to get the facts before them. I did write a letter to each Senator yesterday afternoon and sent it out for distribution this morning, and also put it in the RECORD. I call attention to the fact that a copy of that letter is on the desk of each Senator, and also appears on page 16793 of the RECORD of yesterday.

Mr. President, I know about these pay bills. They do not have to come from a committee. They do not have to have the recommendation of a committee, nor the President of the United States, nor any of the other recommendations that usually go along with a measure before it passes. Based on most of my experience here, just anything that is proposed, or almost anything that is proposed, in the way of a pay increase, especially for a large group, will pass.

But somewhere, some time, the Senate is going to have to turn down a pay increase. If we do not, there is going to be a revolt of the taxpayers at the polls, and I say that deliberately and seriously, and I have known of some instances where it has occurred in the past few years, in the cases of some Senators who

were up for reelection, where they had espoused the cause of huge salary increases one after the other, and it backfired on them. So I say in all seriousness, somewhere, some time, some one is going to have to start voting against these proposals.

This proposal, and I speak with great deference to the Senators who propose it, is serious business. It does not have the recommendation of the President of the United States. It does not have the recommendation, really, of the Joint Chiefs of Staff; I know Senators have this testimony—I have heard such testimony as long as I have been here—from the Joint Chiefs of Staff. They are supposed to rally to the cause for their men who are in service. I do not particularly object to that. I just point out that we cannot just take their recommendation, especially when it is so qualified as it is by the letter sent to me yesterday.

I have the figures here now that I have brought out before. This is no group who are all in the poverty level and have been neglected all these years. We had an increase this January for those in the military service. I espouse their cause in lots of areas. I have helped get them pay raises many times. But there was an automatic increase in the military pay in January 1971, of $1.2 billion. Another automatic increase is coming up January 1, 1972, estimated to be $1.2 billion. This is cranked into law now, so that both get an automatic increase, the civil service and the military. And some of that is certainly justified. But the taxpayers are noticing this more and more, too; $1 billion extra is in the bill that the committee recommends. That is a $3.4 billion increase to this group within the brief span of 13 months—a $3.4 billion increase. If the Hughes amendment passes, that will add to it $1.7 billion, and that adds up to a $5.1 billion increase for the employees in one department of the Government, the military, in the brief period of 13 months, counting two Januaries.

Can you beat that? Where is that money coming from? This $1.7 billion is not even in the budget.

The budget recommendations, when made this January by President Nixon, were already about $12 billion in the red. I will get the exact figure, but the 1972 budget was approximately $12 billion in the red, by calculation. Now we are going to pile more on that—an additional $1.7 billion, which the President is totally against. Where are we going to get the money?

As the Senator from Louisiana (Mr. LONG) once said, with respect to another matter, "We will pay it out of the deficit," meaning that we will add it to the deficit.

We do not have the money. We will just add it to the deficit. What does that mean? That means it adds to inflation, and that means the people who do not get their pay increase, the taxpayers—the military people are taxpayers, also—but the average taxpayer on the outside will have to pay more taxes sometime. Because of inflation, his dollar will buy less at the grocery counter and at the service station and at the clothes counter, and that will be true with respect to all the necessities that make up the daily cares and problems of the average taxpayer in America. What does he get out of this? Nothing, except inflation and the prospect of a tax increase whenever we have the courage to come around to it.

No one recommends a tax increase to take care of this money. No one has even thought about it. They have not considered that. Just add it on, and we will pay it out of the deficit. That is why I say that sometime, somewhere, someone here is going to have to start to say "No."

The exact figure as calculated by the Administration for the year beginning July 1, 1971, is $11.6 billion, if everything turns out as rosy as it hopes.

So we will add $1.7 billion today, and we will have the wheels turning; everyone who is going to get the increase will be happy, to a degree; and let the others worry later.

Mr. President (Mr. JORDAN of Idaho), I know how these things developed. They got off on the idea that we would not have to have the Selective Service Act; that everyone is going to be a volunteer; that they are going to volunteer for the Air Force, for the Navy, for the Army, and for the Marine Corps.

Selective Service Director Tarr told me that he spoke to people, young and old, and they were all in favor of the volunteer army concept. But when he said, "All those who would volunteer, hold up your hand," not a hand went up. I do not blame them.

I have the highest regard for Mr. Gates. I called him up and spoke to him about coming before our committee; I gave him a chance to do so. The Gates Commission recommended the so-called volunteer Army and pay increases to go into effect June 30, 1971. That is what started this talk about these pay raises. Well, what happened to their recommendation? The President of the United States turned it down; he said, "No."

So far as legislation for this year is concerned, it is as dead as a doorknob. It has been rejected in the home of its friends, and that is no reflection on the men who composed it. We just decided not to try. Instead, we have the recommendation by the Department of Defense and by the Secretary of Defense and by the President of the United States.

I know that these people testify in favor of pay increases for the military whenever they have a chance. The heads of other departments would testify to that, and I would not blame them for that. But the responsibility is in this Chamber. We have decisions to make. We cannot do things just because someone wants them done.

In this context I will refer in a moment to a letter addressed to Senators, from which I shall read briefly again. But first, Mr. President, I want to respond to the so-called poverty level plea that has been brought in here to make us believe that great hordes of these people are living in poverty and are having an awfully severe time—even worse, it is claimed, than Napoleon's soldiers suffered, as I recall the Senator's statement:

The proponents of this amendment assert that the extra unbudgeted $1.7 billion in their proposal is needed to solve the poverty problem. The plain fact is that after the substantial pay increase recommended by the committee and without the Hughes-Schweiker amendment, a newly enlisted man just out of high school will make as much or more than his fellow high school graduates in civilian life. Under the committee bill, a new recruit will earn, in regular military compensation, $3,979. After basic training, which lasts about three and a half to four months, he would earn $4,244.

That is, if he proves to be worth anything.

Typically, he would be promoted twice more before he had been in the military a year and three months. Thus, within this time, while still an E–4, to which he would be promoted in his first two years, he would be earning $6,608.

Those are just hard facts. That is not something a computer estimated somewhere. This is just plain arithmetic.

On the outside, in civilian life, an average working 18- to 19-year-old earned only $3,200 in 1968. The average working 20 to 21 year old earned about $5,000. These figures have probably increased by several hundred dollars since 1968. But even if they have increased 20 percent in two years, the point still remains that under the Armed Services Committee bill—

Unamended by Senator HUGHES—

a young man in the Army will earn as much or more than he will in civilian life.

The Hughes-Schweiker amendment merely piles an additional, unnecessary, inflationary, unbudgeted $1.7 billion on top of the already significant increase.

I have some figures with respect to the families about whom we have been hearing, who were so poverty stricken. Someone said something about one in Western Europe.

Mr. President, the general rules do not permit these lower level enlisted men in the service to take their wives and children to Western Europe, and I think it is a good rule. I believe we have too many of those dependents over there now from other groups. Anyway, they go. They will not let them go and receive this extra compensation, at least, and some of them have gotten into rather severe straits over there and have had a pretty rough time. But it was partly because they were trying to live outside the regular Army allowances and the preparation that is made by the services to take care of men who are in the service.

We have the actual figures here about the so-called poverty line, and we ran it down to where there are only 778 families that will be below the poverty line if this bill is enacted in its present form.

For my part, I favored the increase last year for these lower grades. We had problems here last year about bringing up the extension of the Selective Service Act, and it all got mixed up in this vague plan about a so-called volunteer Army. I am sure that the Senator from Massachusetts will recall that.

The committee bill puts the money where it belongs.

I can tell the Senator a little story about that. When the proposal came out to put all this money on the little fellow, the question came up about those in the higher brackets and the Pentagon getting

busy to cook up something for themselves. That is where those figures came from that the Senator is espousing here today. That generated the second part.

As the Senator from Illinois (Mr STEVENSON) has pointed out——

The PRESIDING OFFICER (Mr. JORDAN of Idaho). The time of the Senator from Mississippi has expired.

Mr. STENNIS. I yield myself 5 additional minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 5 additional minutes.

Mr. STENNIS. About—I am not certain of these figures but a great part—at least over half—of the money in the amendment does not go to the poverty level group that the Senator is shedding tears about, but is given to the group in the higher brackets. So the so-called poverty matter will be taken care of by the committee bill, largely.

The committee bill was concluded with a lot of uncertainty about the so-called volunteer services but it was concluded to be not only sound in fiscal affairs but also virtually necessary with reference to getting the plan in motion.

I am not in favor of the voluntary service plan because I do not believe it will work. Someone just had a dream. It is a flight from reality. But, it may—it may. I would want to hope it will be tried. It will. I would want it to have a fair chance, and for that reason I fought here yesterday for the provision that gives the pay for the bonus. I do not want to strip it clean. We are going to have a try at it. I want it to have a reasonable amount of money to see what it will do. I feel this way, however, that the only thing that will remain on the books will be the pay increase. Once that is put on here, we will never come back and erase it. Whether the plan works or not, that pay increase will still be there.

I urge my colleagues, for the reasons I have already given, to let us be reasonable and take one step at a time. It is not going to add one iota, in my opinion, to the stature or the workability of the so-called volunteer plan, to put all the money in this bill. I just do not believe the sound judgment, in the end, of those in this body is going to take this big step and swallow this money that will not exist unless it is ground out with printing presses, with no provision whatever made to pay it back, but to pass it on to future generations who will have to pay it.

Mr. President, there has been a lot of talk about unfair treatment. When a man serves his country, he has to sacrifice in rendering that service. Many men in this Chamber have already done that for their country. The next generation will have to do the same and make sacrifices, too. We cannot make a soft bed out of this thing for everyone. This pay bill will not, either.

I venture to say that when the bill becomes law as written, the average fellow in the services and his family will be better off under it and better taken care of by the services than the average taxpayer who has to dig up the money to pay his taxes every year.

We are even taxing charwomen. They have to pay taxes on their meager earnings under our present income tax laws. This is not going to move fast enough, anyway, if it is workable at all. The Senator need not worry about that.

Mr. GRAVEL. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. GRAVEL. If I could ask my colleague a question, because he has made the point that we tax charwomen. We also tax E–1's, and they are paid less than charwomen. But the point my colleague addressed himself to is the one we should focus on right now, and that is, will the pay increase which the committee came up with, really do away with putting soldiers on welfare?

There is a discrepancy in the figures, and perhaps my colleague can answer it, but the Department of Defense in its survey of military families on welfare on January 16——

The PRESIDING OFFICER (Mr. BEALL). The time of the Senator from Mississippi has expired.

Mr. STENNIS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 2 additional minutes.

Mr. GRAVEL. The Department of Defense stated that 10 military families in Alaska received financial assistance, but when I contacted the State of Alaska through the office of the Commissioner of HEW, I got the figure of 274 families. That is almost 95 percent off.

How could we have such a disparity in the figures in Alaska where we have a population of 300,000? It might lead us to believe that such disparities exist throughout other States.

Mr. STENNIS. You folks deal there at a poverty level higher than the average income level down here. But those figures were taken before the increases in the bill were figured in, before it was taken into consideration, and this bill raises the average income and puts them in much better business; and that is why I say they will be better off than the average taxpayer.

Mr. GRAVEL. I thank my colleague. He has answered my question, that, of course, there is no way to answer the disparity the Department of Defense comes up with and the figures the Commissioner of Health, Education, and Welfare in the State of Alaska comes up with, which seems to be 95 percent off. We can, however, wonder what type of assessment is made by the Department of Defense regarding poverty level figures which we are inflicting as part of Federal policy.

Mr. STENNIS. They will take care of themselves. I understand that your figures were made before we figured in the 1971 increase last January and before we figured in the 1972 increase coming up in January 1972 and before the increase in the bill here is figured in, which has $1 billion in it, unless you defeat it on final passage. That will take $1 billion away from them, if you do.

Mr. GRAVEL. I think my colleague still does not dot the "i." This is a simple statement, that the Department of Defense says only 10 families are collecting welfare benefits.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. STENNIS. Mr. President, I yield the floor.

Mr. GRAVEL. The State of Alaska is paying 274 families. It is not a question of figuring in the pay; or of projections in not figuring in the pay. These are actual facts. One group says 10 people and the other group says 274 people.

Mr. STENNIS. Why does not the Senator send the Department of Health, Education, and Welfare in Alaska these new figures and ask them to resurvey them for him to see what they say then? According to the plans, there will be time, because the Senator has stated that this debate is going to last all summer according to his formula.

Mr. GRAVEL. Will the chairman assure me that we would have time to delve into these figures and get some accurate figures? We are talking about such an unbelievable disparity between what the Department of Defense in putting out and what the State of Alaska seems to be putting out. Let us see how this is going in the other States.

Mr. STENNIS. It is obvious we cannot legislate with what the State of Alaska says when they did not have the new figures before them. If they refigure and resurvey it, I would have some faith in what they say; but their facts are not up to date.

Mr. GRAVEL. This call was made to the State of Alaska last week, asking them how many military people are getting welfare checks, and it comes to 274.

Mr. STENNIS. Some of the increases have not gone into effect.

Mr. GRAVEL. I thank my colleague.

Mr. STENNIS. I thank the Senator very much.

Mr. President, I yield the floor.

Mr. HUGHES. Mr. President, how much time remains to both sides?

The PRESIDING OFFICER (Mr. BEALL). Forty-three minutes remain to the Senator from Iowa, and 69 minutes to the Senator from Mississippi.

Mr. HUGHES. Mr. President, I yield 10 minutes to the distinguished Senator from California (Mr. CRANSTON).

The PRESIDING OFFICER. The Senator from California is recognized for 10 minutes.

Mr. CRANSTON. Mr. President, every year the Senate must decide how much it believes should be spent for the defense of our Nation.

Since coming to the Senate, I have earnestly worked for a reduction in defense expenditures consistent with national security.

The defense dollar still looms large in comparison with the sums spent on critical domestic needs that relate directly to our unity, to our strength, and hence also to our national security.

No one doubts that defense spending has enriched this Nation in certain ways.

Certainly, it has brought certain material wealth to my State of California.

But few would question the fact that the enormous military sums which are

spent yearly and which are intended to keep us free from foreign aggression, are in fact, a major cause of the unraveling of the social fabric that threatens the very freedom we seek to defend.

The priority question—the question of how and where we spend the taxpayer's money—is with us today, not as we decide whether or not to build an aircraft carrier or a strategic bomber, but as we grapple with how much we should pay the men who may have to fight and perhaps die for this country.

We should consider matters of equity, of human dignity, and of how low service pay hinders our ability to discard an unfair and undemocratic system of military conscription.

I plan to join with Senator PROXIRE in his forthcoming effort to place a ceiling on defense outlays.

But I want to express my support today, for the Hughes amendment to increase military pay.

The Hughes amendment would add $1.7 billion to the fiscal 1972 budget.

But this increase would help reduce the near-desperate financial plight that many servicemen now endure—welfare payments, substandard housing, moonlighting, and debt.

I know that members of this body have seen the shoddy military housing on bases in their States.

I know we have all seen the mail from heavily indebted service families pleading for congressional assistance.

Without a substantial pay increase as provided in the Hughes amendment, the Congress will perpetuate a disgraceful system where service families are forced into poverty.

Typical of this national scandal is the situation in and around Sacramento, the capital of my State, where there are several military installations.

Some 2,000 of the 12,000 military men and women there are numbered among Sacramento County's poor people. They earn wages far below the levels the Federal Government defines as poverty.

According to the Air Training Command at Mather Air Force Base, east of Sacramento, young airmen with families "generally are forced to live in substandard housing, have no funds for leisure, and are forced to eat below their desired standards."

In Sacramento proper, I understand that there are 1,882 young enlistees in the lowest three pay grades who are in the subpoverty level. They earn from $144 to $181 a month for the first 2 years of their service.

The commander of the Sacramento Air Materiel Area at McClellan Air Force Base, also near Sacramento, declares that a startling number of young airmen have had to sign up for food stamps so their families could survive.

Those who do receive aid of this sort are fortunate, in one sense.

There are uncounted other cases where a serviceman fails to meet standards for welfare and food stamp programs—not because he does not need help, but only because he is considered "a fully employed person" by State officials.

The outrages at Sacramento are being repeated at military bases all around the United States.

Even in Western Europe, thousands of American military families live in poverty.

How long is the Senate of the United States going to abdicate its moral responsibility in this matter?

How long will the Senate participate in maintaining a system which spawns a class of forgotten poor, who must carry the burden of fighting and dying for our affluent Nation?

I say this must end. It must end now. It must end at once.

Representative STEIGER, of Wisconsin, inserted in the RECORD on March 31 a series of articles on poverty in the Armed Forces.

I would like to read an excerpt from one of these in order to bring to the Senate's attention, the case of A1c Burl Oliver, stationed at Mather Air Force Base in Sacramento.

The material reads:

Oliver, as an E3 with less than two years service, makes $180.90 a month in base pay.

In addition, he and his wife receive $45.60 for rations, $60 for housing—even the FHA low-income apartment complex in Folsom costs $110 a month—and $4.50 a month for clothing.

It comes to a total of $291 per month. A figure low enough to exempt him from income tax payments. He pays social security, however. Should he stay in the Air Force long enough to achieve higher rank—and more money—he will be eligible for on-base housing, which is less expensive.

But Burl Oliver is not likely to stay in uniform when his four years are up.

Like many other first-termers, he shrugs at the non-cash side "benefits" of service—hospital facilities, base commissary food which is about 30 percent less expensive than downtown markets, and lower rates at such base exchange services as barbers, cleaners, dry goods, appliances, clothing and television repair.

"A lot of people point out the additional benefits we receive," he explained, "but that varies on an individual basis.

"I feel they compensate a little, but nowhere near as much as some people feel they do".

Now 24, he is embarrassed that he and his family must be in the food stamp program as they live from payday to payday every two weeks.

Oliver, like others surveyed by the Air Force, is quietly frustrated by his plight.

Money, he said, would not be his primary reason for re-enlisting—but it will certainly be a factor.

"I'm just not cut out for the Air Force, he explained quietly.

"I'm in a position that I can't do anything about. It wasn't my fault.

"I'm sure there as a lot of other guys in the same position. All we can do is hope things will be rectified one of these days."

There are thousands of Mr. and Mrs. Burl Olivers all over this Nation.

And unless we approve the Hughes amendment, we will have a direct hand in producing thousands more.

The total income of lower ranking married soldiers with children rarely exceeds $5,000 per year.

I would like to read a letter and a telegram revealing the tragic circumstances many military families find themselves in as they struggle to eke out a living on a starting salary for a private of $143.70 per month.

I have omitted the names of those who sent the letters in order to protect their privacy:

The telegram reads:

My son, ———, presently attached to Fort MacArthur urgently needs your help.

He was denied a hardship discharge although his father is under a doctor's care.

His wife and children are in such desperate financial straits.

They have even asked welfare for food stamps.

I pray to God that you can help us in this matter.

The letter reads:

DEAR SENATOR CRANSTON: I am 21 years old and in the United States Army.

In the six months I've been in the army, I have been A.W.O.L. four months in order to support my wife and two children.

In these six months my family has moved three times due to lack of funds.

Friends and family have loaned us money in order to feed and clothe our children.

Because of these loans and overdue debts, which run about $150 a month without rent and food, our financial state is getting definitely out of hand.

I have talked to military lawyers and they say it would do no good to apply for a discharge.

I was wondering if you might be able to help me get a discharge from the army.

I would be more than happy to serve in the reserves if possible but it is impossible for my family to live on what the army pays.

Any help you could give would be gratefully appreciated.

If you can help, please write a letter to my wife.

I want you to know that any help you can give will be most gratefully appreciated.

Thank you so very much.

With this shameful type of military poverty rampant, the Senate Armed Service Committee reported:

A principal consideration in the committee not accepting the higher House version pay proposals was the general contraints under which the entire Federal budget is operating today.

The committee went on to say:

The administration also opposed the House version pay increases because it was felt that these increases would necessarily have to come out of other parts of the defense budget.

The committee considered that this would be an exceedingly poor trade-off for fiscal 1972 and weaken national security.

Mr. President, it is difficult for me to believe that with a $75 billion fiscal year 1972 budget, the committee could not find it possible and proper to adopt the house pay measure to raise basic pay for draftees and other enlisted men by 68 percent.

The Senate committee has in effect told these young men that our national defense needs can only be met by making paupers of tens of thousands of its fighting men.

I find it incredible that given the choice of providing young Americans with a decent wage and buying certain weapons systems of highly dubious value, the committee chose the dubious weapons systems under the banner of fiscal responsibility and national security.

There is reason to believe that many of the systems actually have the effect of decreasing our security.

If the Senate acquieses to the committee's position, it will do a deep disservice to those who serve their country.

It is an American tradition to link the

concept of honor with service in our armed forces.

There can be no honor when service means impoverishment.

There can be no honor when family life in the military becomes a ruinous financial burden.

There can be no honor in service to one's country when that nation's rewards are rich in rhetoric aid poor in wages.

Mr. President, there can be no honor to the Nation in forcing its soldiers into poverty.

The desperate economic plight of first-term servicemen and other military personnel can only be met with substantial pay increases.

We must confront the problem of military poverty head on.

I will not accept the fact that this Government can pay billions of dollars for weapons systems that may actually decrease rather than increase our security, while refusing to pay our soldiers a decent wage, thus plunging them into demeaning poverty.

In the name of equity and social justice, the pay increases called for by the able Senator from Iowa, are critically needed.

An improved pay bill is also an essential building block on which the Congress can rid this Nation of an undemocratic and inequitable draft.

A volunteer army will only become a reality with improved pay incentives.

The goal of an all-volunteer army is supported by the President.

It is supported by the Department of Defense.

It is supported by the Joint Chiefs.

But is is crystal clear that if the Senate adopts the Armed Services Committee's pay package, it will undermine the volunteer concept.

As the House Armed Services Committee reported:

> It is unrealistic to the committee, therefore,to set zero draft calls as the goal and delay until at least another year providing the adequate tools for reaching that goal.

Mr. President, debate in the Nation and in the Congress on the all-volunteer force has continually focused on two questions:

Is it desirable, and is it feasible?

Until the draft is abolished, this country cannot escape the fact that it is using an undemocratic device to conscript young men into the armed services.

National conscription has existed for only 34 of the nearly 200 years of American independence.

Since World War II, the draft has become a bad habit of political convenience that needs to be broken before it further jeopardizes our freedom.

The injustice of the draft, and the embittered youth which it creates, are reason enough to adopt volunteerism as the basis for our military manpower requirements.

Beyond these unfortunate factors lies a war in which our involvement was only made possible by the steady supply of young draftees our Nation could send to Southeast Asia.

Presidential escalation of the war was directly related to the President's ability to raise draft calls.

At the time of the Gulf of Tonkin resolution, the Army numbered 973,328 men.

By election time of 1966, that number had grown to 1,397,899 men.

Ending the draft will not bring peace on earth.

It will not keep the Nation out of all wars.

But it will severely limit the propensity of this Nation to seek military solutions to political problems by relying on an unlimited pool of manpower.

As to the feasibility of the volunteer concept, Mr. President, the Gates Commission and others have provided us with convincing evidence that this Nation's military manpower needs can be met without conscription if certain steps are taken to improve compensation and management of military personnel.

The stock phrase that a volunteer army "will not work" is expertly refuted by my distinguished colleague from Colorado, Senator DOMINICK, who ably summarized the necessity for pay incentives to institute the all-volunteer force. He said:

> From this brief analysis it appears that we are fairly close to being able to move to the all-volunteer force if the Senate and the House agree to the committee-imposed FY 1972 strength averages. However, before anyone unequivocably assumes that we can move to the all-volunteer force and eliminate the draft, let me add a word of caution. The Department of Defense has stated, and I agree, that the all-volunteer force cannot be implemented without proper incentives. The biggest incentive, at the moment, is pay. . . . The immediate thing we can do in this bill is improve the pay.

It is clear, Mr. President, that the gap between a supply of voluntary manpower and military needs is not substantial and could be closed by increased incentives.

The volunteer concept will work, Mr. President, if the Senate permits it to work.

The Senate Armed Services Committee tells us that they have saved $1.6 billion by refusing to go along with the House pay provisions of $2.7 billion.

But with these announced savings comes the statement that "the committee believes that there is no realistic prospect for meeting the needs of the armed services before July 1973, without the extension of the induction authority for this length of time."

The committee has thus decided to continue the unfair practice of conscripting men and then paying them poverty wages while announcing savings to the taxpayers. These alleged savings are, in reality, only an indirect tax on the servicemen themselves.

The Armed Services Committee has given a tax break to the Nation, while it taxes those not fortunate enough to escape the tentacles of the draft.

It is clear to me, Mr. President, that what the committee is saying in essence is this: The volunteer army will not work because the committee will not provide the Department of Defense with the tools to construct it.

Without the adoption of the Hughes pay provisions, the Senate will be going along with this cynical reasoning which prejudges the possibility of creating a volunteer army, and at the same time refuses to enact legislation which would enable us to institute an all-volunteer force.

If we adopt the committee's pay provision, we must realize that we are, in fact, severely crippling the volunteer army's chances of being a success.

Without adequate financial incentives at the levels proposed by Senator HUGHES, it will be difficult for us to move to abolish the draft.

The issue of military pay is a complex one.

Despite the complicated pay tables and the jargon of the military's financial operations, the American people will soon figure it out if the Congress is unwilling to pay servicemen a decent living wage.

It will be no secret from the American people if we make the end of the draft a virtual impossibility by imposing questionable budgetary constraints on increasing pay.

The Members of the Senate must decide a basic question of fairness.

The concept of an all-volunteer force is being philosophically damned on the grounds that it is theoretically "unworkable."

In actuality, this biased prejudgment will be transformed into a cynical self-fulfilling prophecy if we deny the concept of an all-volunteer force the pay incentives which it needs to work.

Mr. President, finally let me say that what we are proposing here is a tax break for millions of Americans and, in effect, a tax on those who serve in our Armed Forces. We are asking them to pay for the costs of operating our government by not paying them what we should pay them to serve our country. Mr. President, I support the Hughes amendment.

Mr. HUGHES. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally to both sides.

The PRESIDING OFFICER. Without objection it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Who yields time?

Mr. BYRD of West Virginia. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The Senator from Iowa has 29 minutes remaining and the Senator from Mississippi has 67 minutes remaining.

Mr. BYRD of West Virginia. Mr. President, neither of the Senators in control of the time is presently on the floor. I will take the responsibility of yielding 5 minutes to the Senator from Alaska from the time under the control of the Senator from Mississippi (Mr. STENNIS).

The PRESIDING OFFICER. The Senator from Alaska is recognized for 5 minutes.

Mr. GRAVEL. Mr. President, the officers and men of the 6th Armored Cavalry of the U.S. Army presented to

me today a petition signed by over 650 of their members in support of increases in military pay. With their petition, they have given me a "Statement of Concern" in which they express dismay over the actual status and the public radio and television advertisements regarding The New Army.

These fine men say quite bluntly:

The new Army simply does not exist.

They say further, and Mr. President, I do agree, that—

The only effective advertisement, in the long run, is a real, substantial, improvement in the quality of the serviceman's life, and that includes a much needed pay increase.

These men by their petition say that longer hair and beer in the mess halls are appreciated but do not represent the fairness that they are entitled to. Mr. President, the tradition of underpaid servicemen should stop.

Mr. President, I will read the letter from the 1st Squadron Human Relations Council, Sixth Armored Cavalry:

MAY 25, 1971.

Subject: Statement of Concern
*The Senate of the United States*
*U.S. Capitol, Washington, D.C.*

DEAR SIRS: We the members of the Human Relations Council of the 1st Squadron, 6th Armored Cavalry, have initiated the attached Petition trusting that it will receive the due consideration we feel it deserves.

We have found it very disconcerting to watch the uncertain fate of efforts made, on behalf on the servicemen, to equalize pay. We think it amazing that any Senator could ask young men to serve, and perhaps die for their country, and yet not want to lend himself to this effort to make soldiers—both those who have been drafted as well as those who are career-soldiers—first class citizens and respected government employees.

In this regard, we feel that the House-passed version of the Bill contains an acceptable minimum. We don't feel that $5000 per year for a Private is asking too much when any less has been deemed near poverty. Nor do we think a minimum Housing Allowance of $165 a month is unreasonable.

Ask a soldier what he thinks of the New Volunteer Army. As a soldier, he watches television advertisements aimed at attracting new enlistments and groans in disbelief. Except for men in a few pilot projects, the new Army simply does not exist. The only effective advertisement, in the long run, is a real, substantial, improvement in the quality of the serviceman's life, and that includes a much needed pay increase.

We respectfully urge your careful consideration of this matter so vital to the future of this Nation's Armed Services.

Respectfully,

THE 1ST SQUADRON,
HUMAN RELATIONS COUNCIL,
6TH ARMORED CAVALRY.

Mr. President, I ask unanimous consent to have printed in the RECORD the petition of the 1st Squadron Human Relations Council of the 6th Armored Cavalry.

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

PETITION

We, the undersigned members of the 6th Armored Cavalry, respectfully submit the following statement:

"Those who are asked to serve in our nations Armed Forces have—almost, it seems, by tradition—been underpaid. Now, it is the hope of the Government to encourage a substantial increase in the volunteer and reenlistment rates by making the Armed Forces more attractive to those who might seriously consider a career in the service.

The moral obligation of a "fair and just wage" aside, we are of the opinion that the much celebrated "beer in the mess halls" and "longer hair" regulations—while appreciated—do not represent a *substantial* incentive for anyone to stay in the Armed Services.

We, therefore, urge your careful consideration of efforts to fully equalize pay-scales for Armed Services Personnel.

Mr. HUGHES. Mr. President, I yield 7 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 7 minutes.

Mr. BUCKLEY. Mr. President, I wish to speak in support of title IV of the Hughes-Schweiker amendment. Not only are the increases in compensation provided for the lower enlisted grades required by considerations of fundamental equity, but I feel strongly that the increases in pay and other benefits will assure the fastest possible transition to all-volunteer forces.

Although the proposed $2.7 billion package exceeds the administration's request for the coming fiscal year by $1.2 billion, it goes no further than what the administration agrees will be required for fiscal year 1973 in order to provide the full range of benefits necessary to complete the phasing out of the draft. I can sympathize with the administration's budgetary caution and with its fear that the full increases in pay and other incentives may be made at the expense of other items in the military budget which cannot be further reduced except at grave risk to our national security. Yet, I feel that the imperative needs for justice and for an early elimination of the draft require enactment of title IV.

There has been ample evidence presented to illustrate the stark inequity of the pay now being received by our servicemen, principally those in the lower grades. The combination of compulsory service made possible by the draft plus draft-induced first enlistments have combined to force large numbers of our young men to serve their country for compensation substantially below that which their labor would command in the open marketplace. The net effect of this is to require that these men not only serve in the military, but that they do so at a considerable sacrifice of earning power. This in effect imposes on them a tax in kind equivalent to 40 percent of their potential earnings.

Thus if Congress enacts the proposed compensation increases, it will not really be adding to the total burden of the taxpayers. Rather it will be shifting the unique burden of this tax-in-kind from first-term recruits and draftees to the entire taxpaying public which ought to bear the full burden of paying for our national defense. Under these circumstances, I submit that those of my colleagues who regard themselves as fiscal conservatives need have no qualms about supporting the compensation increases reflected in the Hughes-Schweiker amendment.

A moment's reflection on the current economic status of our servicemen in the lower grades, whether serving abroad or in the United States, underscores the urgent need for substantial increases irrespective of the desire to move from dependency on the draft to full reliance on armed services manned entirely by volunteers. Large numbers of our service families are living at below poverty levels. It is incredible, but true, that many of them must rely on welfare payments to supplement service pay.

Although the provisions of the amendment now under consideration would increase current rates of pay among the lower grades by almost 100 percent, in contrast to the 50-percent increase recommended by the administration and by the Senate Armed Services Committee, the fact is that the increases proposed in the Hughes-Schweiker amendment would result in a basic pay, plus tax-free allowances, equivalent to $4,991.48 annually. This is hardly lavish pay for men required to risk their lives on behalf of their country. Moreover, these increases approximate those which the Gates Commission concluded would be required both in the interest of equity and to secure an all-volunteer military.

The proposed pay increases, of course, extend well beyond the lower grades, up the echelon of command. These increases for long-term career men, however, are also required, although perhaps not in the amounts provided for at the highest levels. If the critically needed pay increases for the lower grades are adopted and there is a failure to make some adjustment in compensation up the line, there would develop inversion or compression of pay scales which would not only threaten the morale of career men but which fail to make the necessary distinction between experience and skill on the one hand and relative inexperience on the other.

Thus, a consideration of all factors supports the simple proposition that fundamental fairness to those called upon to serve the Nation requires the great bulk of the adjustments contemplated in the amendment now being debated, irrespective of the merits of an all-volunteer military. However, those of us who feel strongly that the time is overdue to move to an all-volunteer military, who believe that this is the only system appropriate to the United States in times other than those of great national emergency, must recognize that the phasing out of reliance on the draft can never be achieved except under circumstances which make a military career competitive with other civilian careers.

The administration, of course, argues that a 2-year extension of the draft, coupled with a two-phase increase in benefits, will provide both the incentive and the time within which to make the transition to an all volunteer army by the target date of June 30, 1973. This may very well be true. Our objective, however, must be to attempt to achieve draft zero sooner than that if possible; and this we cannot do, in my estimation, unless we enact now the full range of increases which it is conceded will ultimately be required. Also, enactment of the full range of increases now will provide an important assurance that the feasibility of the all-volunteer concept, in the light of the minimum long-term

force requirements of the United States, will be given a fair trial. It is simply impossible to estimate with precision how long it will take our young men emerging from schools to respond to the new incentives to a military career, especially in view of the current mood of anti-militarism.

As Congressman HÉBERT, chairman of the House Armed Services Committee, has pointed out, the $2.7 billion package provides the administration with the tools which it requires in order to achieve the administration's goal of an all volunteer military.

As I noted earlier, the increase in basic pay, subsistence allowances and quarters allowances incorporated in title IV closely approximates the recommendations of the Gates Commission for first-term recruits, while providing necessary increases for other military personnel. The net effect will be: First, to increase markedly the number of true volunteers entering the military for the first time, thus lowering the current reliance on draftees to meet the gap required to sustain our Armed Forces at the desired levels; and second, to increase the number of higher grade enlisted men and officers who will decide to remain in the armed services by lessening the disparity between what they are receiving in the services and what they might be paid for their skills in the civilian market. Thus reenlistment rates and retention rates will be increased with the result that not only will valuable skills be preserved for the military, but the net number of new recruits required to sustain appropriate levels of forces will be reduced.

It has been argued, in favor of the compensation package approved by the Senate Armed Services Committee, that implementing the proposed increases in two stages will permit an assessment of the response to the first stage which would make it easier to adjust the mix of the second stage—as between pay increases, housing allowances, and so forth—so as to provide the most attractive package possible within a given expenditure. The problem which I see with this is that it is by no means certain that the response to the first phase can be accurately projected to the second phase. In the meantime, should the first phase prove to have provided insufficient incentives to realistically test the feasibility of the all-volunteer concept, valuable time will have been lost—time which could conceivably jeopardize acceptance of the concept. I believe that if both phases are adopted at this time, as is proposed in the Hughes-Schweiker amendment, we will be provided with the best possible basis for estimating the impact of the various incentives on actual volunteer enlistment, without in any way precluding our ability to adjust the mix a year from now in the light of actual experience so as to achieve maximum results within a given budget.

Mr. President, there is another feature in the title IV portion of the Hughes-Schweiker amendment which commends itself, namely, its preservation of the enlistment bonus authority which has been deleted from the House version. In terms of the overall cost of the proposed increases, this is not a large item, yet it is a crucially important one. The problems faced in achieving an all-volunteer military are not so large in terms of achieving a given aggregate force level as it is in terms of achieving the necessary combination of forces, especially with respect to the Army's combat arms, namely, the Infantry, Artillery, Armor, Combat Engineers, and Signal Corps. As Assistant Secretary of Defense Roger T. Kelley testified:

> There is nothing unique about special pay incentives to the military. The function of pay is to attract and retain people needed by an organization. The regular pay system does this substantially, but from time to time there are needs which are not met by the regular pay structure, and it is in these instances that organizations, including the military, have turned to special pay incentives. . . . The enlistment bonus is especially well suited to the Army combat skills supply problem. The Army wants to attract large numbers of volunteers from the combat arms, but it also wishes to retain only a small percent of these people as career NCO's in the combat skills. Most combat soldiers are young men. . . . So the role of special pay in this area is to attract the majority of them for a limited time, rather than to retain all of them for a lifetime. . . . For those whom we wish to keep, in the combat skills, on a career basis, existing law provides adequate incentives through proficiency pay and reenlistment bonuses.

The need for this bonus authority was stressed at a recent meeting which I had with Lt. Gen. George I. Forsythe, who has been given special responsibility for planning the conversion to an all-volunteer army. In his briefing, he stated that the bonus authority would be critical to enabling the Army to attract volunteers for the Army's combat forces, especially for the infantry, armor, and artillery. He pointed out the self-evident fact that other military assignments provided personnel with special training and skills which were transferable to civilian life. Therefore, both in terms of equity and in the highly practical terms of attracting the necessary manpower, special inducements would undoubtedly be required to achieve sufficient volunteers.

In conclusion, Mr. President, I would like to say that I share the administration's concern that any increase in the cost of compensation over and above the $1.5 billion requested by the administration might be made at the expense of essential research and procurement items in the defense budget. I wish to go on record at this time as believing that we cannot afford either to pay our men less than what their services are worth and what is required to assure the success of an all-volunteer system, nor can we afford any further reductions in the amounts which have been budgeted for military research and hardware. I would hope that all those who vote in favor of title IV will consider the $1.2 billion in extra costs as an addition to the defense budget submitted by the administration and not as a substitution for other critically important items now in the budget. We must keep in mind that any society's first priority must be its own defense.

Mr. THURMOND. Mr. President, will the Senator yield me 4 minutes?

Mr. BYRD of West Virginia. Mr. President, I yield 4 minutes to the Senator from South Carolina on behalf of the Senator from Mississippi (Mr. STENNIS).

Mr. THURMOND. Mr. President, serious warnings that deep manpower cuts, contract reductions, and base closures could result if the pending amendment is passed were issued yesterday by Secretary of Defense Melvin Laird.

My remarks Tuesday reference title IV of amendment No. 76 were made prior to the receipt by the Senate Armed Services Committee chairman of a letter from Secretary Laird warning about such cuts.

The Secretary based his comments on the likelihood that if the pay amendment passed the money would have to come from other programs in the defense budget. I agree that if this amendment is approved it is extremely unlikely the Congress will provide a separate appropriation to support it.

In this context Secretary Laird warned the Senate that the $1.7 billion cut from defense programs "would have an extremely serious impact upon our national security."

Secretary Laird stated further:

> If the cut were to be applied proportionally among manpower and other areas of the budget, it would involve (a) reductions of over 250,000 military and civilian personnel below authorized levels for June 1972 and (b) a cut of over $2 billion in budget authority outside the pay area, requiring a 6% cut in contracts planned for the FY 1972 program. This would lead to major base reductions and realignment actions and serious economic dislocations.

Mr. President, in addition to the points made by Secretary Laird, I am concerned that the Senate would approve a pay hike of this size without hearings.

It is not fair to our men and women in service to divide up the pay boosts involved in this $1.7 billion increase without the Senate Armed Services Committee having justification hearings.

These proposed pay increases are based on a planning scale which was to be changed based on experience. These changes would result from findings developed from the first year of the $1 billion pay hike approved by the Senate Armed Services Committee.

Commenting on this point, Secretary Laird stated in his letter of May 25, 1971, as follows:

> Before doubling increases sought by the President, it is only prudent to assess the consequences in a practical situation. After we have gained some experience, and further information, we can better determine the approximate mix of actions best suited to realize our volunteer objectives.

Mr. President, I support higher pay for our service men and women because they deserve it. I have always supported these pay increases and I do it today not to boost the volunteer armed services but rather because higher pay is justified.

The Senate Armed Services Committee has approved $1 billion in additional pay for the approaching 1972 fiscal year and I stand by that raise.

The well-being of the entire Defense Establishment, not only the men and women in uniform, will suffer if the Senate starts throwing money around on huge pay bills on which not one word of

testimony has been held. I urge my colleagues to take a fiscally responsible position on this matter and oppose the pending amendment.

Mr. STENNIS. Mr. President, I am glad to yield 10 minutes of the time in opposition to the amendment to the Senator from Iowa (Mr. HUGHES) to use as he sees fit.

Mr. HUGHES. Mr. President, I am pleased to yield 10 minutes to the distinguished Senator from Arizona (Mr. GOLDWATER).

UPHOLDING FREEDOM WITHOUT THE DRAFT

Mr. GOLDWATER. Mr. President, I rise today to reaffirm my strong commitment to the all-volunteer military. In particular, I want to present the case for enacting a more substantial military pay increase than either the Senate or House bill provides.

Mr. President, putting aside all arguments surrounding the volunteer military proposal, we are still left with convincing reasons why the rewards for military service should be immediately and significantly improved. Simply out of a sense of equity alone, justice demands that we increase the compensation offered to our servicemen. We must be willing to take the practical steps that are crying out to be done so that military service shall be treated as a rewarding and important profession.

Mr. President, the hidden tax which is imposed on Americans who are valiantly serving their country should be removed even if we do not end the draft. The idea of regarding first-term military personnel as some kind of medieval conscripts who can be forced to labor for the Government at half of what the civilian market will pay is unworthy of a modern civilized nation. And yet, this is exactly the way in which the present draft law treats our junior servicemen. In other words, to induce the same number of individuals who are being drafted or who are enlisting on account of the draft to become true volunteers, the Government would have to offer them earnings which are 50 percent higher than what they are now given.

To make this injustice even more disturbing, it should be pointed out that the first-term servicemen who suffer it constitute a very small portion of our total population. In truth, our Nation is demanding that some 100,000 to 200,000 of its young persons shall absorb the entire financial burden of manning the military on a draft basis instead of a volunteer system.

Mr. President, something must be done and done right now to eliminate this gross inequity. To this end, I have joined with the Senator from Oregon (Mr. HATFIELD) in offering legislation which would boost military salaries immediately by an amount that would offer each of our servicemen a decent income reflective of his important profession. To be specific, our proposal provides for an immediate 50-percent increase in basic pay for first-term enlistees and a 28-percent increase for officers in their first 3 years of service.

Also, the legislation includes an increase in special pay for physicians and dentists and the wider use of proficiency pay for all skilled individuals. In addition, it carries a rise in hostile fire pay and extra pay for those who serve in a combat zone but who are not at the front lines. Furthermore, our proposal would institute several other reforms, including the expansion of educational opportunities and the provision of better housing opportunities. All these matters and more are accounted for in the volunteer military legislation which the Senator from Oregon and I have introduced, and these are the kinds of improvements I would like to see incorporated into the bill now before us.

Mr. President, at this time, I will take just a moment to describe some of the differences between the bill reported by the Senate Armed Services Committee, the House-passed measure, and the legislation sponsored by the Senator from Oregon and myself.

First, the Senate committee bill includes a pay increase for active duty members of the armed services totaling about $1 billion. The House version provides for a $2.7 billion rise, and the bill I sponsored, which implements the Gates Commission proposals, grants an overall compensation increase of $3.2 billion. Thus, the Gates Commission increase is nearly three times larger than the Senate bill.

A second difference lies in the fact that the Gates Commission proposal increases basic pay by $2.7 billion while the House bill lifts basic pay by $1.8 billion. What the House bill does is to allocate almost $900 million for increases in quarters and subsistence allowances. While these changes are important, I personally prefer making a major boost in basic pay because this will enable each serviceman to make his own choice as to how he will divide his income among his various living expenses.

Also, a rise in basic pay would avoid the complaint raised by single men that they will be overlooked since they receive no dependents' subsistence payments and the argument heard from personnel living on base that they would not benefit from any increase in off-base housing allowances.

Mr. President, I have previously stated my belief that military compensation should be increased in its own right. For this reason, I view any of the three proposed pay boosts as a helpful improvement over present conditions. I happen to prefer the increases recommended by the Gates Commission because they are the most sizable ones and they have the most relevance to the concept of an all-volunteer armed force.

Mr. President, some have claimed the volunteer service is not feasible regardless of what incomes are held out to young men. They charge the Army will suffer a drastic shortfall in enlistments for combat categories. And they predict the Reserves will be doomed if there is no draft to induce enlistments. But, Mr. President, these charges are wrong and just as wrong as they could be. Let me explain why.

First, Mr. President, it should be recognized that we very nearly have an all-volunteer military force right now. The hobgoblin about having to raise a military force of over 2 million volunteers all at once is just that, a scare tactic. Actually there are in the military today over 1¼ million servicemen who are members of the career forces. Each of these men has voluntarily reenlisted beyond his first term of service.

What is more, documented studies prove there are approximately 825,000 true volunteers who are in their first term of service. These are individuals who admit they would have enlisted in a military service even had there been no threat of induction. In fact, the Gates Commission found that at least half of all enlistments are made up of true volunteers and a recent Department of Defense study confirms this. The Pentagon's report indicates that 58 percent of all Regular Army enlistments during 1970 were by true volunteers. This data is founded upon an analysis of enlistments made by young men who held lottery numbers which made them safe from the draft.

Accepting these findings, this means we are talking about a military force which already includes 2.1 million true volunteers, with approximately a quarter million new ones entering the services each year. Thus even without any salary increase, without any stepped-up advertising efforts, and without any fringe benefits changes, the United States can count on a strong and stable military force numbering about 2,335,000 men.

Now when we place this figure against the end year military strength of 2.4 million men, which the Senate Armed Services Committee has set for the services in fiscal year 1972, we can see that it is not at all impossible or improbable to move into an all-volunteer force once these pay raises and other improvements are put into effect. Can anyone seriously tell me that a basic pay hike of approximately $2,000 a year for each recruit will not be sufficient to attract an additional 65,000 enlistments? Can anyone properly contend our national security would be so gravely imperiled by a difference of some 65,000 troops that our Nation could not risk testing the voluntary system for a year or so?

Mr. President, I believe these questions answer themselves, and I would like to turn to the unfounded fear that the Army will be unable to meet its requirement for combat personnel. One answer is, of course, that the numbers of individuals required to fill combat occupations is constantly declining in the modern military. For example, the Gates Commission projected the percentage of Army enlisted men in ground combat occupations will fall to 11 percent in a post-Vietnam environment. In fact, the United States may have nearly arrived there at the present moment in view of the huge troop withdrawals which President Nixon has achieved from Vietnam. Only last week Army Secretary Resor disclosed that 70 percent of all American ground combat units have been withdrawn from Southeast Asia; and in general, the combat personnel remaining there have turned over practically all combat responsibility to the South Vietnamese.

Combining this much lowered combat requirement with the increase in hostile

fire pay and the initial enlistment bonuses which can be offered to individuals choosing combat occupations, I believe, with the Gates Commission, that the Army's special needs as well as those of the other services will be adequately met by the reforms established in the measure proposed by Senator HATFIELD and myself.

Of course, in the transition period leading to an all-volunteer military, the Army would continue to use the services of men who were drafted before the volunteer system was inaugurated. And before I move on to the third criticism which is erroneously made about the volunteer concept, let me mention there are fallback means by which the military could ease any unexpected difficulty in obtaining enlistments. For one thing, with civilian ceilings having been lifted recently by the Defense Department, I believe many thousands of positions now being filled by enlisted men could be transferred to civilians. In addition, the Pentagon might take a fresh look at its current ban against reenlistment which is being imposed against many servicemen who have performed their military duties well but are prevented from reenlisting because they have not qualified for higher ranks. There might be an extra 15,000 men whom the Army could keep each year by removing this single barrier alone.

These are only two of the available solutions which the military could use in a crunch to obtain an additional 50,000 men or more if they were really needed.

Mr. President, another specter which has been raised on the Senate floor is that the voluntary military will mean the destruction of the Standby Reserves. The charge is often uttered, but it has never been proven.

Mr. President, the critics of a volunteer system completely overlook the fact that the President's Commission on an All-Volunteer Armed Force devoted an entire chapter running 20 pages in length to the problem of our Reserve forces. From its first meeting on, the Commission squarely faced the fact that perhaps 75 percent of the enlisted personnel in the Reserves are there because of the draft. It is precisely in order to surmount this hurdle that the Gates Commission recommended an increase in drill pay of 90 percent for those in the first year of Reserve service and 64 percent for persons in their second year. Also, the Commission proposed an increase of 6 percent after the sixth year of service, which is when most decisions to reenlist are made.

Furthermore, the Gates Commission noted the size of Reserve enlistments could be swelled by pitching a greater appeal to high school graduates than is is now being done. By merely setting their standards a bit lower than college recruits, Reserve units clearly could meet their needs for new enlistments from a waiting list of untapped high school graduates.

Mr. President, with 37 years as a Reserve officer and approximately 8 years of that time on active duty, I would not for the world take any action which I suspected of damaging the strength of our Reserve force. To the contrary, I believe the proposal which the Senator from Oregon and I have introduced will provide for something that has never been tried before, and that is a real basis on which to build a working Reserve. For we propose to establish a universally effective Reserve with units that could actually be called up. We fully recognize that the first line of defense backing up the volunteer military will be the Ready Reserves including the National Guard.

Under the legislation we have introduced, we can try, without forcing anyone, to interest each young man into taking some kind of military training, expecting that as he gains experience he will posses a real pride in fulfilling a vital defense role for his Nation. We can also seek to attract young persons by appealing to their interest about the art of military science and about the qualities of maturity they will gain by learning the disciplines of respect, of time, and of work. In truth, Mr. President, I think we can do a pretty good job with developing the Reserves by putting an appeal to our young men to associate themselves with some Reserve unit on a voluntary basis.

Mr. President, I will conclude my remarks by stating my deep conviction the voluntary military will work. I know it is right. I know it is founded on the basic American devotion to freedom—the freedom to do what one wants with his life so long as in doing it he does not hurt someone else. As President Nixon profoundly expressed in 1970:

> By upholding the cause of freedom without conscription, we will have demonstrated in one more area the superiority of a society based upon belief in the dignity of man over a society based on the supremacy of the State.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield myself 10 minutes, or so much thereof as I may require.

When I last spoke on this general subject, I referred to certain figures about where the increase goes under the committee bill and where it goes under the Hughes amendment. I did not have the exact figures on that, but I have received them now. With respect to the $1 billion in pay, 92 percent of the increase in the committee bill goes for those in the services with under 2 years of service. In other words, it is applied to the man who is the inductee or the conscriptee. After he gets in and is promoted and the added pay is added on at each grade, that brings this group above the poverty level, and I will refer to that again.

When we come to the Hughes amendment, the one now being debated, of that $1.7 billion, less than half, only 48 percent of the extra $1.7 billion, goes for the people in the service with under 2 years of service.

We talk about the poverty level. If they do not get up in the promotion brackets in 2 years, they are not asked to reenlist or to enlist. They are released, and are not there any more. Only half of this amendment goes to help these new men, anyway. They get 92 percent of this $1 billion. One of the reasons why the President of the United States is opposed to the Hughes amendment, as is the Department of Defense and Secretary Laird, is that only 48 percent goes to the lower-level group.

The Joint Chiefs of Staff made some general statements about favoring it at some time and thought it would be a good thing, as stated by the Senator from Pennsylvania. They are always ready to boost the cause generally of their men in the service, and that is all right. But when the chips were down and they got down to making a choice, they sent a letter to me, and I sent a copy to each Senator. The Chairman of the Joint Chiefs of Staff and the Chiefs of Staff say they are opposed to this amendment. They do not want this money at this time.

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

Mr. STENNIS. I will yield in a moment.

They say they are against this amendment, and they give their reasons, as I have said.

So let us not be led off by some soft talk that somebody testified before a committee sometime, somewhere, just talking in generalities and possibilities. Here is a letter dated this morning. I telephoned this morning and said that all of the Chiefs of Staff did not sign this. I asked, "How do they feel?" I was told that the only reason why some did not sign it was that they were not here, and that they authorized their vice chiefs to sign in their places.

I yield to the Senator.

Mr. HATFIELD. I thank the Senator for yielding.

I am a little confused, I must confess. I should like to ask the Senator from Mississippi if he can clarify the matter to which he just referred—that somewhere, somehow, sometime, some testimony has been given to certain committees that may mean one thing but that a letter today may mean something else.

What are we to expect from these representatives of the Joint Chiefs of Staff and Deputy Secretary of Defense Packard, when they testified before the House committee that they supported the pay increase represented in this amendment? Does the Senator mean they were kidding us, they were fooling, they were playing games with us?

Mr. STENNIS. The Senator will have to ask them what they meant. I have in writing what they mean, in this letter. They speak for themselves. I do not speak for them.

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

Mr. STENNIS. I yield.

Mr. HATFIELD. Do I correctly understand, then, that when they testify before a standing committee of one body of Congress, we are to discount what they say and we can only wait until they send a letter on the day we are to vote on some issue to find out what they really mean?

Mr. STENNIS. The Senator will have to judge for himself about what they meant or what they said. I say that now we have come to the bottom of this thing, where they have had to make choices and have had to say where they stand. I do not know what happened, but I know they have always favored increases of all kinds that I ever heard seriously discussed. That is why I sent the Senator a copy of their letter and said this is a significant statement, referring to their

letter. It is a significant thing, and it is the hardest kind of proof, in my opinion.

We have to deal with these realities. I said, "The attached letter from the Joint Chiefs of Staff is a highly significant communication," and I still say that.

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

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

Mr. STENNIS. I will yield for a question, but not for an argument.

Mr. HATFIELD. It is for a question.

Mr. STENNIS. I yield.

Mr. HATFIELD. May I ask, then, exactly what the position of the President of the United States is as of this moment, as contrasted to the time when he submitted the budget and said these words:

> In addition, I am directing the Secretary of Defense to recommend for the 1973 fiscal year such further additions to military compensation as may be necessary to make financial rewards of military life fully competitive with those in the civilian sector.

As the Senator knows, the present pay scale that has been recommended by his committee is not competitive; whereas, the amendment offered by Senator HUGHES would make it competitive. I should like to know where the President of the United States stands as of today.

Mr. STENNIS. There is an open line to the President. I suggest that the Senator phone him. I do not say that in a facetious way. That is the way I find out. I ask him.

No plan has been submitted by the President except the plan we have in the bill, and he stands on it, and I stand on it.

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

Mr. STENNIS. I yield.

Mr. GRAVEL. I do not want to address a question, but merely to dispute one conclusion.

Mr. STENNIS. I yield to the Senator, briefly.

Mr. GRAVEL. It is with respect to this being a significant letter. It is not a significant letter. It would be significant if the Joint Chiefs of Staff stepped forward and disagreed with the President of the United States and said, "We really believe in our hearts, as stated to the House committee, that we should pay these people a decent wage." It is not significant when we consider what these four gentlemen are expected to do. They are going to agree with the Commander in Chief, because they are military people.

I would hope that a significant letter could be brought forward indicating their true beliefs, which I conclude to be contrary to the course which is described today.

Mr. STENNIS. Contrary to the letter?

Mr. GRAVEL. Contrary to the letter.

Mr. STENNIS. The Senator will have to take that up with them. I think the letter speaks for itself. I have confidence in them. I stand on it in making this argument.

The proponents of this amendment—I say this will all deference—are trying to win an argument here about $1.7 billion on a poor-mouth argument about poor-boy pay and discrimination and about the pay being below the poverty level. Still, the same Senators give more than half their money to the group that is far above the poverty level. The proponents of this amendment cannot win this argument on a poor-mouth argument. If they introduce a tax bill to raise this amount of money from the people, they will have a real argument and indicate that they really want to do something about it.

Mr. GRAVEL. Will the Senator join me in that amendment?

Mr. STENNIS. No. This money is not needed now. But the Senator would convince me and many other people that he really believed in his amendment much stronger than he has shown as yet.

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

Mr. STENNIS. I yield.

Mr. HATFIELD. Does the Senator consider that when a new weapons system is asked for and support is given to it by the Senate Armed Services Committee, that is poor-mouthing for increasing the budget for special arms or special weapons systems?

Mr. STENNIS. We do not get those weapons with any "poor mouth" money. But I have helped kill more requests for weapons, helped kill them in that committee, expensive weapons, than the Senator has read about. I will have to give him that list some time. It might make him happy.

Mr. HATFIELD. I am sure it would.

Mr. GRAVEL. My colleague from Mississippi is a distinguished historian who has been following many statements of some of our finest leaders in the past. Let me quote one:

> Whether it be just in a community that the richer part should compel the poorer to fight for them and their properties for such wages as they think fit to allow and punish they if they refuse to fight. . . .

That is a statement made 200 years ago by Benjamin Franklin on military pay.

Mr. STENNIS. The Senator will never be able to say how Benjamin Franklin would vote on this bill merely from a 200-year-old quotation. [Laughter.] The Senator cannot justify that on anything Benjamin Franklin said then, although I slow down and salute his statue many times, down here on Pennsylvania Avenue.

Now, Mr. President, I have some figures—I do not want to frighten anyone—but I have already said that under this bill the inductees will fare better, and their families will, on the whole, than the average taxpayer does today who is paying taxes. We are running up the cost to $5.1 billion in increases for the military alone. I am somewhat promilitary but within this brief span of 13 months we have in the appropriation bill this year—to pay the retirement pay for the military for 1 year and it is an obligation which cannot be reduced—$3.4 billion.

Now there is already a total accrued on retirement liability, as of fiscal year 1971—in other words, the Government has a liability that is accrued against it—that totals $115 billion. That is in retirement pay alone. I am just pointing out how we are running this thing along. It is galloping along, and before we buy one weapon under the military now, we have to spend 52 percent of all the budget with reference to personnel. This bill carries the provision for a reduction in that personnel. I am proud of the fact that it did. It is not a great reduction but it is a start, Let us begin. We began in the bill. With some luck, we will cut that even faster.

Mr. HATFIELD. Will the Senator from Mississippi yield?

Mr. STENNIS. Briefly I am glad to yield, as I have some other matters to discuss.

Mr. HATFIELD. I shall be brief. Would the distinguished chairman of the Armed Services Committee give for the RECORD a comparison of last year's total of the military budget and the comparison to this year's request—in general?

Mr. STENNIS. I do not have that figure at the tip of my tongue. We will get it for the Senator. It is a little more this year than last year. I am disappointed in that.

Mr. HATFIELD. Is it not $2 or $3 billion more?

Mr. STENNIS. The request was. I was expecting it to be a little less but it was not. It is more. I am concerned about that.

Mr. HATFIELD. That will be primarily the——

Mr. STENNIS. If the Senator is in favor of the pending amendment then he is in favor of putting on $1.7 billion more.

Mr. HATFIELD. But the increase is in weapons primarily from last year, is it not?

Mr. STENNIS. One pay increase went into effect in January 1971. Another pay increase, for another $1.2 billion, will go into effect in January 1972. Then we are putting in $1 billion more in the bill and the pending amendment proposes to put in another $1.7 billion more than that. So I do not know where we are going until we take this vote.

Mr. President, if I may not yield further for the moment, I want to speak about the poverty matter again. In analyzing the incomes of the 778 military families left in proximity to poverty, of those, no recognition is given to the various fringe benefits, including medical benefits, which of course are extended without charge, and military facilities such as commissary rights which, under present rules, must sell goods at least on the average of 20 percent less than in comparable civilian stores, and certain other benefits. Moreover, in some cases, some men are receiving special pay not included for this purpose.

Those fringe benefits, commissary benefits with the 20 percent, the medical benefits, those are all things that the taxpaying families of the United States outside the military that I have been talking about do not get.

It shows again where you cannot win this vote now on that poverty argument. You may get enough votes to pass your amendment but not on that basis because the facts wholly fail to sustain that argument, except in a few cases that I could call isolated cases. You will never get such a thing as absolute justice in all cases under any activity in the Government, or out of the Government. I have

gone over this once before but I want to read——

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. STENNIS. Mr. President, for the time being, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HUGHES. Mr. President, I yield 10 minutes to the distinguished Senator from Oregon (Mr. HATFIELD).

The PRESIDING OFFICER. The Senator from Oregon is recognized for 10 minutes.

Mr. HATFIELD. Mr. President, I thank the Senator from Iowa for yielding me this time.

Mr. President, we have heard a great deal in the last few minutes about two basic points as they relate to the Hughes amendment. One has to do with the letter received by the chairman of the Senate Armed Services Committee indicating the position of the Joint Chiefs of Staff as being opposed to this amendment.

Mr. President, I think that the colloquy we had a few moments ago illustrates one of the great problems we have as Members of the U.S. Congress when we are asked to make budget allotments and appropriations. All of us do not serve on the Armed Services Committee. We all have our own respective assignments and, therefore, if we want to inform ourselves about any activity, we have to look to the committee record of the testimony that was given to that committee by the various witnesses which were called on, or who asked to come and give testimony.

I think it is appropriate, then, that we who are not on such committees be able to rely upon the evidence of the testimony given in such records. I think it is a poor procedure to wait until the day upon which we are called to vote upon an issue, to be given the kind of position which is opposite to that given in the testimony before the committee as being the true position. I think this is very much in point at this time, when we were talking a few moments ago that the letter now in hand is the true position of those representing the Pentagon and particularly the Joint Chiefs of Staff.

Mr. President, let me summarize the record for you again upon which until today we could only go on as the basis for the position of those representing the military needs of this country.

The Assistant Secretary of Defense for Manpower and Reserve Affairs, Roger T. Kelley and the Joint Chiefs of Staff further supported this proposal in testimony before the House Armed Services Committee.

I want to make the point clear that they specifically supported this. The Department of Defense, and the President of the United States indicated in correspondence to and testimony before to the House Armed Services Committee. In fairness to them, it should be made clear that they supported the fiscal year 1972 and the fiscal year 1973 increases to be implemented over the next 2 years—not this year. But there is no reason why the two pay increases should not be combined and implemented for fiscal year 1972.

Let me quote again the President of the United States, who made clear when he submitted the administration legislation to Congress that he wanted pay increases that, as he said, would be fully competitive with those in the civilian sector.

He said:

> In addition, I am directing the Secretary of Defense to recommend for the 1973 fiscal year such further additions to military compensation as may be necessary to make financial rewards of military life fully competitive with those in the civilian sector.

I want to emphasize the point that he was not talking about raising it just to the poverty line. The President's words were, "fully competitive with those in the civilian sector."

Now, in a letter dated May 25, the Department of Defense indicated that there are already more than 10,000 mlitary families eligible for welfare. More than 10,000 serving in the uniform of their Nation are eligible for welfare.

Irrespective of whether one is for or against the draft as a method of manpower procurement, I say that it is unconscionable that any American stand by and permit that situation to continue.

The letter further indicates that more than 1,000 military families would still be eligible if the administration's proposals were adopted.

I think the principle is the same, whether it is 1,000 or 10,000. The fact that we have 1,000 military families eligible under this pay scale for welfare benefits in addition to the military benefits is, I think, unconscionable. It is not in keeping with the President's own recommendations. He did not say he wanted it to be just comparable to the welfare benefits or the poverty level. He said that he wants it to be fully competitive.

If one wants to go into that further, may I recommend again some very interesting statistics developed by Milton Friedman, professor of economics at the University of Chicago. Professor Friedman, as we will recall, was the economic adviser for Senator Goldwater when he was our candidate for President in 1964. I do not think that Professor Friedman can be considered as any wild-eyed liberal or as being on the left side of the political spectrum.

He indicates to us through these studies that in order to bring this up to what would be considered comparable pay, we must get the figure above $5,000, which is what could be earned by the same individuals in civilian occupations.

I think it should be considered that we are getting some contradictions not only in the testimony given before the House Armed Services Committee, which supported the proposition of comparable pay, but also from Deputy Secretary of Defense Packard who was recently quoted in the "Navy Times" as favoring accelerating the implementation of its proposals as embodied in the Hughes-Schweiker amendment.

Again, I think it is very difficult for those of us who are not serving in that capacity and are not the recipients of special letters to really understand what the Department of Defense really wants.

I would like to go for a few moments into the logic and illogic of the Department of Defense's present position as represented in the letter. It has been said that 250,000 military and civilian personnel will have to be cut if the pay increases are implemented, thus jeopardizing national security. That is a quote from Deputy Secretary of Defense Packard.

This is the first time in my memory that the Department of Defense has argued against an increase in the defense budget on the grounds that it would cut their effectiveness. It has usually been stated that a decrease of 100,000 men means roughly a cut of $1 billion. Therefore, I think the inverse should also be true. Therefore, in contrast to the Deputy Secretary's argument, one might conclude that an extra 100,000 men might be added to our forces by increasing the budget as advocated in the pending proposal. However, there is no assumption in the proposal that other portions of the defense budget would have to be cut.

I have favored in the past and continue to favor significant cuts in the defense budget and will continue to do so if the facts so indicate, but there are other areas of the budget that can be cut if further reductions in spending are necessitated by increasing military basic pay.

Even if the Deputy Secretary's assertions regarding cuts were to become a reality, there are many instances within the Defense Department where cutbacks and a reduction in manpower of this magnitude would probably increase military effectiveness and national security rather than weaken it.

Mr. President, I would like to reiterate that I am in full agreement with the Senator from Arizona (Mr. GOLDWATER) in his preference for the Gates Commission proposal. The record will show that he and I cosponsored the method that would implement that commission's report. The Gates Commission report by and large is similar to the pending proposal.

Let us not forget that the Gates Commission was composed of very distinguished individuals who are very familiar with military life. General Norstad and General Gruenther were former commanders of NATO under President Eisenhower.

The Gates Commission report focused more money in the hands of the first-term enlistee than either the pending amendment, which was the House proposal, and the fiscal year 1972 and fiscal year 1973 proposals of the Department of Defense.

The Gates Commission proposal would have placed $50 per month more in the hands of the first-term enlistee than the modified Schweiker proposal. But the modified Schweiker proposal is much closer to these recommendations than the pay table reported out of the Senate Armed Services Committee.

The Gates Commission proposal totals approximately $3.1 billion for the strength levels we are speaking about for the next fiscal year.

The pending amendment is approximately $2.7 billion in contrast to the $1.5 billion of the Senate Armed Services Committee.

Although there is an increase in quarters allowances, which are not as important as basic pay increases, 50 percent of

these quarter allowance increases are focused in the ranks of E–5's and below.

Mr. President, from the point of equity alone, irrespective of the fate of the draft, pay increases of this magnitude or larger should be made this year.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUGHES. Mr. President, I yield 2 additional minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 2 additional minutes.

Mr. HATFIELD. Mr. President, raising pay just above the poverty line by supporting the recommendations of the Senate Armed Services Committee and the administration is doing a grave disservice to our servicemen.

Mr. President, it would amount to a 50-percent tax on the first-term enlistees when we consider that the average enlistee would earn $5,200 in civilian life. We are talking about the first-term enlistee receiving $3,200 total military compensation including room, board, and medical expenses.

While pay increased 111 percent for men with more than 2 years of service between 1948 and 1969, pay for men with less than 2 years of service increased 60 percent for the same period.

Those pay increases in recent years have only accounted for inflation.

Other costs generated by conscription, such as the effects of "channeling" upon individual lives, are estimated to be $3 billion annually. I think it ought to be made clear that the draft is costing us a great deal of money. In other words, as the Gates Commission report states:

> For each $1 of tax-in-kind collected . . . "—and that is what it is—a tax-in-kind—" . . . an average of $2.50 is foregone by the public.

That means in the gross national product. Consequently, we are paying higher taxes for the maintenance of the inequitable, the inefficient and uneconomical draft.

Mr. President, I shall have more to say on the draft later on. However, at this point I merely wanted to emphasize that we have to consider comparable pay and not be merely satisfied with bringing it up to the poverty level.

It is one thing to require young men to serve in military uniform. It is another thing to ask them to subsidize their own service, as we are requiring them to do by giving such low pay scales.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Mississippi has 31 minutes remaining.

Mr. STENNIS. Mr. President, I yield myself 10 minutes at this time.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 10 minutes.

Mr. STENNIS. Mr. President, much of this is repetition.

Various emphasis are placed on matters from time to time.

Now, I want to review briefly a point I made in the letter I wrote to each Senator yesterday afternoon. First, I wish to say to the Senator from Oregon that I have full sympathy with his statement that those Senators who are not members of the Committee on Armed Services are certainly entitled to the facts. We had complete hearings this year and we put all the facts in the printed record. Any other information we have is open to the Senator from Oregon.

Furthermore, with respect to the letter that was received today, I did not ask for the letter. It just came. I did talk to them on the telephone about these men who did not sign it after the letter arrived. I wanted to know why. I expected that point to be raised. But this is not something cooked up by the manager of the bill and the Joint Chiefs. They would not do a thing like that. This is a very serious letter and I think they mean what they say. They say they do not want this money next year, they are against it.

Mr. HATFIELD. Mr. President, will the Senator yield for a brief point?

Mr. STENNIS. I yield.

Mr. HATFIELD. Mr. President, I appreciate what the Senator has said. I frankly feel it places him in a difficult role. I have not indicated I felt the chairman or any member of the committee cooked up the letter. The committee held hearings, and suddenly on this day the Senator receives this letter. I have full sympathy with the chairman. I appreciate his frankness.

Mr. STENNIS. I appreciate the statement of the Senator from Oregon.

I am glad they sent the letter. I am not spurning it, but I want to assure the Senator from Oregon that I did not originate it.

Now, Mr. President, back to these facts to which I was referring. Of the money the committee put in the bill, 92 percent is to increase those in the lower levels with 2 years and less. The man in the lowest grade, under the committee bill, will get a 50.2-percent increase.

Everything considered, I do not think any apology needs to be made for military pay legislation generally.

Since 1963 basic pay will have increased 112 percent, including the 7.4-percent projected for January 1, 1972. I think these lower grades have been neglected some, and we had this up in committee last year. Personally I was willing for this increase to have come last year, and so were other Senators. But things were so crowded it was decided not to bring up the Selective Service Act last year, with the marching and the trouble we were having.

I do want to read just a few of the statistics about the so-called policy matter and show where this 92 percent of the money we have been talking about is going to go.

Under the committee bill, the new recruit, the new man coming in, will receive $3,979. After basic training he would earn $4,244. Typically he would be promoted twice more before he had been in the military a year and 3 months. Thus, within the grade he would reach at this time, he would have earned $6,608. That compares highly favorably, indeed, with his counterpart in civilian life, the 18- to 19-year-old who was earning $3,200 in 1968.

An average working 20- to 21-year-old earned about $5,000 in that period. These figures have probably increased by several hundred dollars since 1968, but even if they increased 20 percent in 2 years, the point still remains that under our bill a young man in the Army will earn as much or more than the man in civilian life. The Hughes amendment merely piles an additional unnecessary, inflationary $1.7 billion on top of that, as I have said.

Furthermore, Mr. President, with reference to the Gates Commission report, I speak with all deference to Mr. Gates. He is the former Secretary of Defense. Other noted gentlemen served on the Commission. However, that is not a full time responsibility and many things can creep in. I think that the President was astounded and many men were astounded when that recommendation came out that we could have the volunteer services by June 30, 1971. That is just a few days from now. No one is advocating that now, and no real preparation was made to carry it out.

It was not repudiated by the President; he just did not follow it. He could not justify it and take it to his bosom as something he could take to the American people and Congress.

The report is just a mass of figures, a collection of facts. I called former Secretary Gates on the telephone. We talked about him coming down to testify. I invited him to come in if he desired to come down. He has not been slighted or ignored in any way. I find no one now who takes that report seriously. It was not before the committee except that someone said back some time ago it was not practical and did not solve the problem.

Mr. GRAVEL. Mr. President, would the Senator yield?

Mr. STENNIS. I yield.

Mr. GRAVEL. My colleague has found someone who takes it seriously. I do.

I would like to direct a question to the Senator. If the President of the United States wanted to maintain the powers he now has to draft young men, would it not be a very plausible tactic to oppose part of the pay increase so that a case could be made that we could not implement a volunteer service because we would not have the money to do it? Would that not be a sound approach for the President if he wanted to maintain the draft, even if he made promises to do away with it?

Mr. STENNIS. No. I do not think it would be a sound approach. It would be a false approach and it would be unworthy of a President. I do not think he is trying to do that.

I voted for this bonus proposition. If they are going to have this trial run I thought I would see what they do with it. I do not think it will work. They are going to be driven away from the volunteer service. It will not work. I do not know what the cry will be then.

There are too many men involved. One cannot go down to 12th and Pennsylvania and buy an army. What kind of army would you have, if you bought one, Mr. President?

Mr. GRAVEL. You could buy an army such as we had in the Revolutionary

War, the Civil War, and the Spanish-American War.

Mr. STENNIS. No.

Mr. GRAVEL. That is the kind that could be bought, and that saw us through history and saw us through it well.

Mr. STENNIS. They were fighting for a cause. Something came up yesterday about buying a substitute in the Union Army, not the Confederate Army, 100 years ago. I did not bring that up.

Mr. GRAVEL. Does the Senator mean the Confederacy was secured by people on a voluntary basis alone?

Mr. STENNIS. They were fighting for a cause that is known as a lost cause today.

Mr. GRAVEL. Maybe we have no cause today. Maybe that is the problem. Why is it today we lack a cause? Is this Nation threatened? Why is it that young people do not respond to this emergency?

Mr. STENNIS. I think they respond when properly led.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. I said the other day I did not think the people would respond to an undeclared war indefinitely, nor fight this war indefinitely. People should be told when they are in a war, and then fight with the expectation of winning it.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HUGHES. Mr. President, I yield 1 minute to the Senator from California.

The PRESIDING OFFICER. The Senator from California is recognized for 1 minute.

Mr. CRANSTON. Mr. President, I would just like to point out one other aspect of this measure to Senators whose minds are in doubt. At a time when unemployment is as high as it is, at a time when consumer power is as low as it is, I think we should take into account what this amendment would do for people badly in need of help in an inflated economy.

In my own State of California, where some 250,000 servicemen are currently stationed, anywhere from $314 million to $720 million (according to an extrapolation made from Department of Defense figures) would be added to the personal disposable income of these people if this measure is passed.

That certainly is not my primary reason for supporting the amendment; but it certainly is an important consideration in my mind.

Unemployment in California is among the highest in the country. My State is suffering a severe business recession. Both the unemployment and the recession stem from policies of this administration designed to fight the inflation that is primarily caused by the Vietnam war—the very war that is responsible for all these men being under arms. Elementary justice demands that we do far more than we are now doing to correct this inequity and to ease the burden somewhat for the people who are carrying the heaviest load of the war.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. I am willing to yield half a minute or 1 minute to the Senator from California.

Mr. CRANSTON. I am through.

Mr. GRAVEL. Mr. President, I would like that half a minute.

Mr. STENNIS. I yield.

Mr. GRAVEL. I would like to reinforce that argument. In my State of Alaska we have unemployment in our urban areas of 16 or 18 percent. This pay raise would have the effect of giving $50 million in Alaska to human beings to buy bread and milk. How important is that? That could happen right now. It would do something for the people, not only the military personnel who are receiving slave wages, but would ripple out through the economy of Alaska, California, and many other States.

I find it unconscionable that we could stand here, with the good pay that we receive, and not be willing to pay a decent wage to the young men we press into service.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STENNIS. Mr. President, I yield myself 2 minutes to try to answer the two Senators who have just spoken.

Mr. President, if the purpose of this pay bill is to expand into a relief measure or to pump money into the economy of Alaska and California, we ought to pass a bill for the relief of all the people throughout the country, and let all people, inside and outside the Department of Defense, share in it. There is a make-work bill I would support, and that would be one that would apply throughout the Nation, for public works projects that were needed, for something constructive that would have long life, that would create wealth, and pay back the cost of the projects many times over. But if we are going to order a weapon or pass a pay increase bill just to stimulate the economy, let us have a bill that applies to all the people throughout the country.

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

Mr. STENNIS. I yield.

Mr. GRAVEL. The reason why this is a relief bill is that the slave wages we pay to our enlisted men are now abominable. That is the reason why it is a relief bill—no other reason.

Mr. STENNIS. Mr. President, I yield myself 2 minutes. I want to go back to the E–4. Our friends are emphasizing the poverty aspect. The E–4 man I mentioned a while ago would get a promotion, if he earned it, after 1 year and 4 months. His pay would be about $5,851. After he had been there 5 years, his salary would be $6,608.

The main point to be made is that the rates in the bill are competitive with the $3,200 to $5,000 earned by those on the outside in 1968, which I have explained could be increased 20 percent and still, under our bill as the committee wrote it, the military man's pay would be competitive.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HUGHES. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 3 minutes.

Mr. HUGHES. Mr. President, may I ask how much time I have remaining?

The PRESIDING OFFICER. The Senator from Iowa has 10 minutes remaining.

Mr. HUGHES. How much time does the affirmative side have?

The PRESIDING OFFICER. The Senator from Mississippi has 15 minutes remaining.

Mr. STENNIS. Mr. President, I will yield the Senator from Iowa 2 minutes.

Mr. HUGHES. I thank the distinguished chairman of the Armed Services Committee.

Mr. President, we have been talking about poverty in the military, and I have heard letters read into the RECORD in the last several days indicating the great financial distress that has been created not only for enlisted men in the armed services but also officers in the armed services.

I should point out in all of this that we are talking about an approximately $1.7 billion pay increase. Included in that $1.679 is assistance for subsistence and assistance for quarters. Of that total approximately, $782 million goes to assistance for quarters and assistance for subsistence. As a result of that, we find 68 percent of the total basic pay that goes into this increase goes to those in the first 2 years of service and 32 percent of it goes to those with over 2 years of service.

Of the assistance for quarters and subsistence, we find approximately $105 million goes to those with under 2 years of service and $146 million to those with over 2 years of service, because officers, the O–1's and O–2's have had a great deal of difficulty also.

We are talking about the difficulty of letting our men and women in service live with dignity and not in poverty or on the borderline of poverty. I think there is no question that many of those people back in 1968 were living in poverty and borderline poverty, at least to the extent that they qualified to receive assistance from the Federal Government at that time.

I want to compliment the distinguished chairman of the Armed Services Committee for his continuing effort to increase the pay levels over the years, as well as his efforts right now to increase the pay levels, and to do it in the areas which he feels are important and necessary.

All of us in this body know today what the House has approved. And we know that, regardless of which side prevails today, even if the chairman's side prevails today, there is going to be a compromise between the position the Armed Services Committee has taken and the position the House of Representatives has taken, and that we will not prevail 100 percent down the line. So we will arrive at a figure somewhere between the one we are talking about, unless the Hughes-Schweiker amendment prevails. It will probably be a figure between the position taken by the Armed Services Committee, and the position taken by the House of Representatives.

It is important to point out that at a time when the military really has been

on trial, particularly by virtue of the fact that we are in Indochina, this question has been brought to the minds of all Americans. I think one of the saddest byproducts of the whole conflict is the fact that it has brought forward and raised questions in the minds of Americans of the entire military institution. This has really created in the minds of the young the overall impression that the military is fighting because they enjoy fighting for us or because they enjoy spending as much money as they can get their hands on to use in destruction.

In order to recover the respect and dignity of serving in the Armed Forces, it is going to be absolutely essential to pay adequately. If a man is going into the armed services, whether he is drafted or a volunteer, he should have the assurance of this Nation behind him, that he will receive a comparability of pay, so that his family, his wife and his children can live in dignity. One out of four men in the first two pay grades is a married man, and does have the burdens of a wife or a wife and children and the problems moral and social, of maintaining their existence. These families can be maintained at a level that is not only acceptable to them in comparison to the way they have lived, but at a level befitting the dignity of this Nation. At a time when our economic increase has been so great, in the last decade, every serviceman has a right to expect that this Nation will support him in a decent fashion, while he is serving his country, and his wife and children will have the same opportunity that other young American families have.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUGHES. I yield myself 2 additional minutes.

I think the statistics quoted by the chairman of the Armed Services Committee are correct for the time they prevailed. He is careful to note that a draftee's age is 18 or 19 years—I think the average age for draftees is about 19.5, if I recall correctly—and, therefore, we are talking about increasing the comparability of pay for that age group since 1968 to that of 1971. If the statistics we have are believable, and I believe they are or I would not be stating them here, average pay has now increased, outside the military, for blue-collar workers, to around $6,000 a year.

This basic pay bill includes a substantial increase in pay, but it still leaves the beginning pay at around $4,000 a year. Even with the increases the chairman has pointed out for the first 15 months of service, if a man moves through those without difficulty and advances, it would take him a year and a quarter to get to the point of being equal in comparability with the lad who graduated from high school and went immediately to work.

No one questions the fact that the distinguished chairman wants the men in the military to share with all the rest of us. He knows better than most the burdens they bear, the conflicts they face, and the problems they have. He is faced with a dual problem here today: one of trying to keep an ever burgeoning budget in line to the best of his ability, while dealing with problems——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HUGHES. I yield myself 1 additional minute.

While dealing with problems of national security, and I am deeply sympathetic with that position. But I believe it is up to the people of this country to face the moment and the day realistically, and to accept now, not in 1973, the fact that these men have a right, in America, to expect that this country will give them an equal share in American life while they are serving in the military services. I ask no more, and I think every American would expect it.

There is no longer any reason to put this off, to speculate into the future. If the military budget is going to be increased—and we have had an opportunity to face this military budget—with requests for hardware and armaments in the future, if it cannot be realistically trimmed back and still protect the security of this Nation, then we should, by all means, appropriate the necessary funds to increase the salaries of these men to an adequate level.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, how much time remains to each side, please?

The PRESIDING OFFICER. The Senator from Mississippi has 13 minutes remaining. The Senator from Iowa has 4 minutes.

Mr. STENNIS. Mr. President, I suggest the absence of a quorum, with the time to be charged to my side.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. 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. STENNIS. I yield the Senator from Alaska 3 minutes, and ask that we may have order so that the Senator may be heard.

The PRESIDING OFFICER. The Senate will be in order. The Senator from Alaska is recognized.

Mr. GRAVEL. I thank my colleague.

Mr. President, I should like to more or less wrap up the arguments a little bit, before we get into the closing moments, rather than waste this time in a quorum call.

The Senator from Mississippi has stated that after the pay raise with which the committee has come forward has been instituted, we will still have under welfare, according to the Department of Defense statistics, about 778 families of enlisted men.

I question those figures from the Department of Defense, for the simple reason that the Department of Defense, with respect to something that I have some knowledge about, the State of Alaska, reported that there were only 10 families of military people there who happened to be on welfare.

When I called the commissioner of health and welfare of the State of Alaska and asked him how many people we were paying checks to, his office came up with 274 families—quite a disparity, 10 families as opposed to 274. It is hard to know whom to believe.

In this case, I do not say that the Department of Defense were lying, but I am compelled to say, since the State of Alaska is actually paying out checks to 274 such families, that it is pretty compelling evidence that there must be some fudging going on in the records they give to us.

Then, of course, we come to the fine letter we received today on our desks. I think that letter is a little bit of a hoax. I do not say this harshly, but just as a point of realism, anyone who would expect the Joint Chiefs of Staff to come forward on this day and disagree with the Chief Executive, their Commander in Chief, is dealing in wishful thinking. Obviously, the Joint Chiefs of Staff will come forward and say, "If the President says that is good for the country, we agree with him." It would be an unusual letter if they said, "We disagree with the President."

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

Mr. GRAVEL. I yield.

Mr. HATFIELD. The Senator makes an excellent point when he talks about the variation of statistics here as to welfare. Let me add for the record that the Defense Department, itself, has given a variation of the increase from 33,000 families on welfare to 20,000 families on welfare, to the most recent of 10,000, and they have not been accounted for by pay increases.

Mr. GRAVEL. I am reminded of what my professor of statistics said when I took Statistics 101 in college. He said, "Figures don't lie, but liars sure can figure." Whenever the hat fits, we can wear it.

Part of this policy is cheating Americans. We cheat the Americans we press into service, because we impose an unfair tax on them.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRAVEL. May I have 1 additional minute?

Mr. STENNIS. I yield 1 additional minute to the Senator.

Mr. GRAVEL. I think it is patently unfair that we draft these people, send them out to be killed in our behalf, to defend our lives, to defend our property, and then, with the lowly wages we pay them, we ask them to pay in excess of a 50-percent tax burden.

I cannot think of anything more patently unjust and unfair for us, as part of an unconscionable national policy, to sustain what I shamefully regret to say is a policy that has been developed by this administration in an effort to hang on to the draft, because It would be full well realized by all that if this pay raise were to pass, the draft would not be necessary on July 1, 1971, which is, of course, what was stated by the Gates Commission.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. HUGHES. Mr. President, I yield 2 minutes to the distinguished Senator from Pennsylvania.

Mr. SCHWEIKER. Mr. President, I should like to point out, for the benefit

of Senators, that the pending bill includes no funds for basic allowances for quarters.

The distinguished chairman of the committee said that this adequately takes care of enlisted men and their problems. But here is the committee report which says the committee provides no funds for increases in basic allowances for quarters. This is the key. There are no funds for any quarters allowance in the administration's and the committee's bill. The Hughes-Schweiker amendment has such funds in it.

Here is a letter from the Deputy Assistant Secretary of Defense that says:

> Increasing the quarters allowance will therefore eliminate the serious inequity which now exists between those members fortunate enough to secure government quarters and those who must seek housing in the civilian economy.

The most serious inequity is a quarters allowance. There is no quarters allowance in the bill before the Senate, except for the Hughes-Schweiker amendment.

Here is a letter from a lieutenant in Vietnam who wrote us when he saw the story in the Army Times that the Armed Services Committee of the Senate has voted to delete the boost in quarters allowances for the current military pay bill:

> SIR, I feel this would be grossly unfair.

Then the lieutenant goes on to explain why he cannot make ends meet. We have not had any change in this since 1953.

So we do not even begin to get equity under the pending measure.

I should also like to point out, in talking about equity and the increases, that in 1967, the GI received $100 a month, and before that it was $78 a month. For 12 years there was no increase in a GI's pay. For 12 years he got $78 a month. Name one other group in this society which has not had a pay increase for 12 years. Would there not be strikes and trouble and unrest if any other group in our society did not get a pay increase for 12 years?

Then there is a second lieutenant who received $220 a month for 12 years. That is the poverty we are talking about. That is the equity.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. STENNIS. I yield 3 minutes to the Senator from Maine.

Mrs. SMITH. Mr. President, I am convinced of the validity of the statement made by the Defense Department officials that the pending amendment, if adopted, would be harmful to our national security; that serious misallocations would be necessary, taken from the defense budget resources. If adopted, this amendment would require the firing of 250,000 personnel and closure orders on bases—Air Force bases, Army bases, naval stations, and Navy shipyards.

Those who vote for this amendment must be prepared to answer the questions of the personnel receiving these rif notices and must be prepared to explain the closures in their States. If this amendment is adopted, the effect will simply be to rob Peter in order to pay Paul.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, do I have 4 minutes remaining?

The PRESIDING OFFICER. The Senator has 3 minutes remaining.

Mr. STENNIS. I yield myself 3 minutes.

Mr. President, the Senator from Pennsylvania has been misinformed in what he said about someone reading in the newspaper in Vietnam about the quarters allowance and wrote to him about all the quarters allowance being stricken out.

The quarters allowance for the lower four grades comes under what is called the Dependents Assistance Act. Basic quarters allowance for upper grade men and officers comes in another bill. The Dependents Assistance Act in this bill, the committee bill, provides $79 million. I invite the Senator's attention to this. I am reading from an official document that cites the book and page and the law. It is $79 million. So he just had the wrong facts.

As I have said, somewhere, some time, along the way, the Senate has to turn down some pay increase proposal that is made on this floor. This pay increase does not have the endorsement of the President of the United States. It does not have the endorsement of the committee. It does not have the endorsement of the Department of Defense. It does not have the endorsement of the Joint Chiefs of Staff of the four services.

Instead, Mr. President, we have already increased military pay, beginning this January, by $1.2 billion under law that is already on the books. Automatically, they will receive another $1.2 billion increase in January 1972. The committee bill, if passed, provides an additional $1 billion and a $3.4 billion total as a certainty within the brief span of 13 months; and this has really filtered down to the lower grades; 92 percent of this billion dollars in the committee bill goes to these lower four grades.

So I say that we must meet realities here and postpone this increase. I hope the amendment is rejected.

The PRESIDING OFFICER (Mr. EAGLETON). Who yields time?

Mr. HUGHES. I yield 30 seconds to the Senator from Alaska.

Mr. GRAVEL. Mr President, the economic impact for some States, which I have had the opportunity to compute, is as follows: New Mexico, $38 million; Virginia, $196 million; Florida, $153 million; Georgia, $150 million.

This will be the economic impact in those communities.

Mr. HUGHES. Mr. President, I yield myself the remainder of my time

Mr. President, all we are appealing for here today is fairness and equity for every man in the armed services. I think this is no time, at a late date, to panic on the basis of the implications that there will be closings, reductions, with the States losing facilities and plants. The only decision today before this body is the simple fact that a man in the military or a woman in the military, the wives and children, are entitled to live in dignity the same as we do who work in the private sector of the economy. The military has been under enough of a burden, with their families, wives, and children. They should not have to live in any other than decent circumstances, nor should they be forced to moonlight or to work under unusual conditions if Congress is willing to support them the way they should be supported at this particular time in American history.

The PRESIDING OFFICER (Mr. EAGLETON). All time on the amendment has now expired.

The question is on agreeing to the amendment of the Senator from Iowa (Mr. HUGHES).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. TOWER (when his name was called). On this vote I have a pair with the distinguished Senator from Washington (Mr. JACKSON). If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. MATHIAS (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Illinois (Mr. PERCY). If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. GOLDWATER (after having voted in the affirmative). On this vote I have a pair with the distinguished Senator from Wyoming (Mr. HANSEN). If he were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withdraw my vote.

Mr. BYRD of West Virginia. Mr. President, may we have order in the Senate. In view of the situation which arose last Friday on a close vote, I ask that the well be cleared and that Senators take our seats.

Mr. BYRD of West Virginia. I announce that the Senator from New Mexico (Mr. ANDERSON), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Wyoming (Mr. MCGEE), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Washington (Mr. JACKSON), the Senator from Alabama (Mr. SPARKMAN), and the Senator from New Jersey (Mr. WILLIAMS) are necessarily absent.

I further announce that the Senator from Nevada (Mr. BIBLE), the Senator from Idaho (Mr. CHURCH), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. LONG), the Senator from Montana (Mr. METCALF), and the Senator from Utah (Mr. Moss) are absent on official business.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Utah (Mr. Moss), the Senator from Michigan (Mr. HART), and the Senator from New Jersey (Mr. WILLIAMS) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Hawaii (Mr. FONG),

the Senator from Ohio (Mr. TAFT), the Senator from Wyoming (Mr. HANSEN), and the Senator from Illinois (Mr. PERCY) are necessarily absent.

The Senator from Utah (Mr. BENNETT), the Senator from New York (Mr. JAVITS), and the Senator from Oregon (Mr. PACKWOOD) are absent on official business.

The Senator from South Dakota (Mr. MUNDT) is absent because of illness.

Also the Senator from Colorado (Mr. ALLOTT) is abent on official committee business.

If present and voting, the Senator from New York (Mr. JAVITS) and the Senator from South Dakota (Mr. MUNDT) would each vote "yea."

On this vote, the Senator from Ohio (Mr. TAFT) is paired with the Senator from Colorado (Mr. ALLOTT). If present and voting, the Senator from Ohio would vote "yea" and the Senator from Colorado would vote "nay."

The respective pairs of the Senator from Wyoming (Mr. HANSEN) and that of the Senator from Illinois (Mr. PERCY) have been previously announced.

The result was announced—yeas 31, nays 42, as follows:

[No. 78 Leg.]

YEAS—31

| | | |
|---|---|---|
| Bayh | Hatfield | Pastore |
| Brock | Hollings | Pearson |
| Brooke | Hughes | Pell |
| Buckley | Humphrey | Proxmire |
| Burdick | Kennedy | Randolph |
| Byrd, W. Va. | Mansfield | Ribicoff |
| Case | McGovern | Schweiker |
| Cook | Mondale | Stevens |
| Cranston | Montoya | Symington |
| Gravel | Muskie | |
| Harris | Nelson | |

NAYS—42

| | | |
|---|---|---|
| Aiken | Eagleton | Miller |
| Allen | Eastland | Prouty |
| Baker | Ellender | Roth |
| Beall | Ervin | Saxbe |
| Bentsen | Fannin | Scott |
| Boggs | Fulbright | Smith |
| Byrd, Va. | Gambrell | Spong |
| Cannon | Griffin | Stennis |
| Chiles | Gurney | Stevenson |
| Cooper | Hruska | Talmadge |
| Cotton | Jordan, N.C. | Thurmond |
| Curtis | Jordan, Idaho | Tunney |
| Dole | Magnuson | Weicker |
| Dominick | McClellan | Young |

PRESENT AND GIVING LIVE PAIRS, AS PREVIOUSLY RECORDED—3

Goldwater, for.
Mathias, for.
Tower, for.

NOT VOTING—24

| | | |
|---|---|---|
| Allott | Hart | Metcalf |
| Anderson | Hartke | Moss |
| Bellmon | Inouye | Mundt |
| Bennett | Jackson | Packwood |
| Bible | Javits | Percy |
| Church | Long | Sparkman |
| Fong | McGee | Taft |
| Hansen | McIntyre | Williams |

So Mr. HUGHES' amendment (No. 76) was rejected.

Mr. STENNIS. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HRUSKA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of West Virginia. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. Senators will please be seated. Senators who wish to discuss other matters will please go to other parts of the building.

## WORLD TRADE

Mr. FANNIN. Mr. President, last week the Senate Finance Subcommittee on International Trade held a most enlightening series of hearings. The objective of these hearings was to explore the significance of major changes now underway in the structure of the world economy and the American economy, and some of the events that led to these changes.

These hearings brought out a sharp contrast between the thinking of the economic theorists and some of the American leaders who actually are involved in world trade.

On one hand we had Hendrik S. Houthakker, a member of the Council of Economic Advisors, who seemed to contend that American world trade problems are more imagined than real.

Professor Houthakker told the subcommittee:

The point I want to make is that imports not infrequently are blamed for developments of purely domestic origin.

In fact there are relatively few important sectors of the economy where imports constitute a large enough percentage of supply to affect employment and profits to a serious extent. The notion that we are being flooded with imports will not bear examination.

In 1967, the last year for which comprehensive data are available, there were only 25 four-digit manufacturing industries (out of a total of about 400) where imports accounted for 20 percent or more of total shipments; these 25 industries represented only 2.5 percent of the value of domestic shipments in all manufacturing. There is no reason to think that these figures will be very different for more recent years."

Thus we have one of the most influential of economic theorists telling us we really do not have a problem. Professor Houthakker appears to treat any import penetration of up to 20 percent in an industry as trivial. It may be trivial on paper as an academic problem in economics, but Henry Ford II tells us that for each percentage point that foreign car manufacturers gain in the American market, some 20,000 U.S. jobs are lost. In April 1970, foreign cars took 13.5 percent of our American market; this past April they claimed 16.7 percent. A little simple math indicates that about 64,000 American jobs have been lost in a year because of the increased share of the U.S. auto market going to imports.

Keeping Professor Houthakker's testimony in mind, let me give you some excerpts from the testimony of Kenneth N. Davis, Jr., former Assistant Secretary of Commerce for Domestic and International Business:

America is in deep trouble in international trade—trouble far more severe and important to the nation than the public has realized. There is growing evidence that our trade difficulties are at the root of two of the most critical problems confronting the nation's policy makers today—persistent high unemployment in the United States and the threatened demise of the dollar as the foundation of the world monetary system.

"After many years of balance of payments deficits, our country has reached a crucial turning point. We must make long overdue changes in our trade policy now if we are to continue as the world's leading industrial nation. "Unfortunately, despite the crisis atmosphere, there is still no consensus that trade is the fundamental problem.

And Mr. Davis recommended:

New legislation is definitely needed, both to spur U.S. exports and also to prevent the wiping out of major American industries by extreme import penetration.

Mr. President, I would like to point out that Mr. Davis reached his conclusion through hard, practical experience. He told the subcommittee:

My chief duty at the Commerce Department was to work with American industry on its problems in international trade. Because of my previous business background, I had come to Washington convinced that the world was fast becoming a global marketplace. That the jet freighter and instant communications would inevitably result in a free flow of trade seemed to me to be a foregone conclusion. I am as convinced as ever that we will one day have such a world. But my experience in Commerce convinced me that much more than jets and communications satellites will be required to break down trade barriers and wipe out economic nationalism. I saw firsthand that our trade representatives have no real negotiating leverage to deal with such inequities as Japan's trade and investment restrictions against our companies. I became convinced that stronger action must be taken by the United States to assert its rights to fair and equitable treatment in world trade.

Mr. President, you can clearly see that we have serious disagreement among our people as to whether there is a trade problem.

Perhaps one of the reasons that many people feel we do not have a problem is the manner in which trade statistics are compiled by our Government. I was distressed to see yet another editorial in the Sunday New York Times citing a trade surplus in 1970. We certainly did not have a trade surplus; we have a sizable deficit.

The manner in which our statistics are compiled excludes charges, costs and expenses incurred in bringing goods into the United States. In other words, imports are valued on an f.o.b. basis for statistical purposes.

In addition, the statistics issued by our Government also include government financed exports in the total of exports to figure our trade balance. These foreign aid giveaways clearly should not be included in such statistics.

Foreign trade statistics compiled on an FOB basis and including foreign aid giveaways support the erroneous conclusion that America is holding its own in the world market.

I believe those of us who deal each day with unemployed constituents, with industries hardpressed by cheap imports, with labor unions—we know that there is a problem. Contrived statistics don't alleviate the problem; they do not produce jobs or save industries.

Our Senate Finance Committee chairman, the distinguished Senator from Louisiana, stated the case superbly on this floor 2 weeks ago. Senator LONG said that bad figures lead to bad conclusions. He suggested that the books are

kept in an erroneous fashion to justify an erroneous policy.

Mr. President, in his talk on May 11, Chairman LONG spoke of "entrenched, faceless bureaucrats" who have thwarted efforts to compile meaningful statistics on our true trade situation. It is hard to understand why anyone should want to continue misleading the American people, but apparently there is a hard core of bureaucrats who believe that they know best and the facts be damned.

When the facts are made available, we see a quick fade in the rosy picture painted by the official Government figures. The 1970 trade surplus quickly disintegrates and becomes a most definite deficit.

Neither is this a new development. We have had balance-of-trade deficits every year since 1966.

Mr. President, I ask permission to include in the RECORD at this point a table which shows the facts about our balance of trade during the past 11 years.

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

BALANCE OF TRADE, 1960–70

[In billions of dollars]

| | Total exports | Less Government-financed exports | Commercial exports | Total imports f.o.b. | Estimated imports c.i.f. | Overall balance | Commercial balance |
|---|---|---|---|---|---|---|---|
| | (1) | (2) | (3)=(1)−(2) | (4) | [1](5) | (6)=(1)−(4) | (7)=(3)−(5) |
| 1970 | 42.7 | 1.9 | 40.8 | 40.0 | 44.0 | +2.7 | −3.2 |
| 1969 | 37.4 | 2.2 | 35.2 | 36.0 | 39.6 | +1.4 | −4.4 |
| 1968 | 33.0 | 2.9 | 30.1 | 32.0 | 35.2 | +1.0 | −5.1 |
| 1967 | 39.9 | 2.8 | 28.1 | 26.8 | 29.5 | +4.1 | −1.4 |
| 1966 | 29.4 | 2.7 | 26.7 | 25.6 | 28.2 | +3.8 | −1.5 |
| 1965 | 26.7 | 2.6 | 24.1 | 21.4 | 23.5 | +5.3 | +.6 |
| 1964 | 25.7 | 2.8 | 22.9 | 18.7 | 20.6 | +7.0 | +2.3 |
| 1963 | 22.4 | 2.6 | 19.8 | 17.1 | 18.6 | +5.3 | +1.2 |
| 1962 | 21.0 | 2.1 | 18.9 | 16.4 | 18.0 | +4.6 | +.9 |
| 1961 | 20.2 | 1.7 | 18.5 | 14.5 | 16.0 | +5.7 | +2.5 |
| 1960 | 19.6 | 1.6 | 18.0 | 14.7 | 16.2 | +4.9 | +1.8 |

[1] Imports including the cost of insurance and freight.

Mr. FANNIN. Mr. President, Senator LONG has introduced S. 1815 which would require that the publication of statistics relating to value of imports include charges, costs, and expenses incurred in the importation. I was most happy to join as a cosponsor of this bill.

Once we remove the blinders, it is easy to see that something is wrong in foreign trade as far as America is concerned. We begin to see the causes behind the Department of Labor estimate that there was a loss of about 700,000 job opportunities in a 4-year period because of imports. Although there was an estimated increase of 300,000 jobs attributable to exports we still are left with a 400,000 deficit for the years 1966–69. Since then it appears that the job export has accelerated considerably, costing American workmen an estimated 107,000 jobs in the electronics industry alone last year.

No, Mr. President, I cannot "buy" the conclusion that we have no problem. Nor do I believe that the answer is to give displaced workers and industries "adjustment assistance." We already have far too many people in this Nation living on handouts.

I also reject the idea that we cannot do anything about trade inequities. One witness at our hearings suggested that if we were to reopen negotiations for the General Agreement on Tariffs and Trade, we might lose some of the "concessions" that we now have. My question is, "What concessions?" I cannot imagine the United States being any worse off than we are regardless of how any new negotiations might come out.

And I am not the least worried about the warnings that our demands for fair treatment by our trading partners could touch off a world trade war.

Mr. Ely R. Callaway, Jr., president of Burlington Industries, Inc., stated the situation well in appearing before our subcommittee:

Many predict that a trade war is coming. I say that a trade war is here—we are in it, and we are losing it.

He said that America has acted like a pitiful, helpless giant because of the threats by foreign nations that they would somehow "retaliate" if the United States attempted to correct current trade inequities.

Our discussions last week delved into these inequities at some length—and yet we only scratched the surface.

Mr. Callaway summed it up this way:

In summary, Europe has found very effective ways, by "hook or by crook", to keep our products from excessive penetration of their markets; they have found ways to effectively limit the Japanese penetration of their markets; they (particularly the EEC) have thus forced the Japanese to try even harder to capture the U.S. market; and all the while they have threatened us if we do to them what they are doing to us. They have bought from us only those things that are in their self-interest to buy, and this will continue, I predict.

And what have the Japanese been doing? They have been doing everything right—for themselves! The Japanese are extremely able people and they have developed a system of domestic and international trade which, in my opinion, is unbeatable. The heart of the system—and its main strength—is that the entire Japanese nation is the equivalent of one company bigger and stronger and more aggressive than any one company the world has ever known (or even thought of). This is the ultimate of all the monopolies ever dreamed. Every segment of the Japanese nation—from the workers, through the business executive, the banker, the trading company—all are in partnership with their government—working diligently for one common purpose—to become the world's #1 economic power.

The American people and American businesses are protected by our laws from being harmed by American monopolies. For this reason, our antitrust laws are good (although, in practice, I think most businessmen in the U.S. feel strongly that our antitrust laws are often enforced and/or interpreted by our government to a silly and very harmful extreme). Even so, the fundamental purpose of these laws is to protect Americans from the ravages of monopolies.

Where are the laws which protect Americans from the ravages of the most powerful—and the most aggressive—monopoly ever devised? Do we really believe that the location of this monopoly—10,000 miles away—makes it any less harmful to America than if it were located in Georgia or Connecticut?

Do we really believe that the Japanese monopoly was developed for any purpose except to capture any portion of any major market that might be desirable for them in America or elsewhere? Of course, it was developed for that purpose—and it's working! Beautifully! For the Japanese.

Mr. Callaway went on to describe what an American firm runs up against when the Japanese decide they want to enter a U.S. market:

Let me give you one illustration as to why Ford Motor Company (long recognized as one of the world's greatest in mass production of the highest technology products) cannot compete profitably against the Japanese if the Japanese make up their minds to capture a big portion of Ford's business. I think most knowledgeable men in industry will agree that if Ford cannot compete with Japan—no one can.

I illustrate by taking a purely hypothetical case. Suppose that the antitrust laws of the U.S. were suddenly suspended for only one day, and that a merger of a number of our biggest and best companies were allowed. Assume that only this one giant merger were permissable and that the next day all other companies in the U.S. would again be subject to our normal antitrust laws. Assume now that a new corporation is formed—let's call it "American Monopoly, Inc."—and that it is a result of a merger of the following companies which had banded together during that one day moratorium I mentioned:

General Motors;
Chrysler Corporation;
Standard Oil of New Jersey;
Atlantic-Richfield;
The Chase Bank;
Bank of America;
U.S. Steel;
Kennecott Copper (and Peabody Coal);
IBM;
RCA;
Sears Roebuck;
J. C. Penney; and—
Burlington Industries!

And—let's assume that this new giant goes to the U.S. Government and say "We would like to capture a big part of Ford Motor Company's business. Will you help us? Will you let us 'fix' prices—will you give us total protection against imports into our own markets while we are doing whatever we need to do in capturing Ford's business?"

Assume Uncle Sam says to American Monopoly, Inc.—"Yes we will help you. We will cooperate, in fact we'll be your financial partner in case you run into difficulty in the process—go ahead!"

Now—under all of these assumptions—how long would the Ford Motor Company last? As long as ten years? Let's ask Mr. Ford.

Of course we are fortunate that in America our antitrust laws won't allow an American Monopoly, Inc., to exist. American business could not compete with such a monopoly, and the American people would lose much in the process.

But we do have such a monopoly—in fact

an even stronger one than my hypothetical one—competing against American industry right here in our own market! And that monopoly—Japan, Inc.—has as its number one purpose the desire to capture a very substantial portion of the richest market in the world—the U.S. market. Our laws and our trade policies are not adequate to counter the obvious competitive advantages in "Japan, Inc."

Mr. President, this monopoly power in Japan is devastating not only in the export field but in the Japanese home market.

Joseph S. Wright, chairman of the board of Zenith Radio Corp., explained to our subcommittee:

In order to support her invasion of the U.S. TV set market with the use of extremely low pricing policies, Japan has maintained a closed market to imports of television products and has fixed and kept domestic prices at artificially high levels. With a closed domestic market, insulated against foreign competition, domestic prices can be easily fixed at a high figure.

It has been reported that the Fair Trade Commission in Japan recently found six of the larger Japanese TV set makers guilty of fixing retail prices in Japan and that decision coupled with the TV dumping case here in the United States appears to have the Japanese consumer quite upset, for he has realized that he has been subsidizing exports to the United States by paying higher than necessary purchase prices, as well as higher taxes to support government subsidies . . . If the Japanese market were completely open and competitive, as is the case in this country, television receivers could be manufactured in the United States and successfully sold in Japan at competitive prices.

Mr. President, earlier this year the Tariff Commission unanimously ruled that:

The imports of television receivers from Japan, sold at less than fair value, have adversely affected the prices of comparable domestically produced receivers in the United States and have caused substantial loss of sales by U.S. producers.

In addition to dumping, Mr. Wright pointed out that the Japanese employ other unfair incentives:

In the area of Japanese government export subsidies and incentives, there is good reason to believe that the Japanese government provides a whole host of subsidies beginning with the remission of a commodity tax and including such things as export credits, accelerated depreciation and a variety of other tax advantages and insurance against loss in export.

While these bounties and grants are a little difficult to find in the original Japanese statutes, they are effectively summarized in a State Department memorandum of November 6, 1968, entitled "Japan's Export Promotion Techniques."

Mr. Wright complained that the U.S. Government concentrates almost entirely on political and diplomatic considerations, showing little interest or understanding in the practical day-to-day problems of business. He noted that in some instances the deck is stacked against American businessmen:

In another area, the Assistant Attorney General in charge of the Antitrust Division has taken a peculiar and ambivalent position. For example, while he is closely watching for violations of the law by U.S. businessmen, he apparently has chosen to take no action against those who have dumped imports into the United States in criminal violation of Sec. 72, Title 15 of the U.S. Code which is part of the Revenue Act of 1916. The Assistant Attorney General, if anything, appears to be biased away from helping the U.S. businessman injured by imports, for he has gone on record in recent testimony before the United States Tariff Commission stating that in determining forces responsible for alleged injury, he is confident that in a number of cases the role of imports will be found to have been greatly exaggerated. He has taken no apparent note that the Japanese export TV pricing and practices in the United States through their U.S. subsidiaries and agents here, are probably just as collusive, anti-competitive, and illegal under our laws as the Japanese government found their domestic pricing to be under their laws.

More interesting testimony came from Fred J. Borch, chairman of the board of General Electric Co. He presented and explained a table showing the excess in domestic price levels over export price levels for seven countries in 1960, 1964, and 1970. I request that the chart and explanation be included in the RECORD at this point.

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

EXCESS OF DOMESTIC PRICE INDEXES OVER EXPORT PRICE INDEXES (EXPRESSED IN PERCENT)

| | G. 1960 | H. 1964 | I. 1970 |
|---|---|---|---|
| Japan | −20 | +3 | +33 |
| Italy | −19 | +5 | +16 |
| United Kingdom | −4 | +1 | +21 |
| France | −10 | −1 | +18 |
| Germany | −2 | +2 | +5 |
| Canada [1] | −7 | +1 | +2 |
| United States | −3 | 0 | +4 |

[1] Because of a statistical change in the Canadian export index in 1961, and following, in the case of Canada the 1961 figure is used instead of 1960.

Column G indicates that, in 1960, all countries export price levels were relatively higher than the domestic price levels—with the Japanese and Italian levels very appreciably higher.

Column H for 1964 shows a near statistical equilibrium, but with domestic price levels generally slightly higher than export price levels.

Column I shows the dramatic change that took place between 1964 and 1970 with domestic price levels from 16% to 33% higher than export price levels in Japan, Italy, U.K. and France.

Mr. FANNIN. Mr. President, it is evident that the great export production of many of our trading partners is made possible only when governments help exporting industries at the expense of the domestic consumers. Mr. Borch mentioned some of the tactics used by competitors:

Each major industrial country has its own technique in particular combinations, for pushing exports and limiting or barring imports. Some clearly favor specific products for export, at the expense of others in their domestic economies. Most have industries which they protect from the rigors and challenges of international competition—specialty electronics, communications gear and heavy electrical equipment are particular favorites.

In looking around for an explanation for this discrepancy between domestic and export prices—which one must admit is quite an economic phenomenon—some have pointed to relative increases in productivity. Such increases are highly desirable, here as well as abroad, and would account for an improvement in exports. And we know that in some foreign countries, notably Japan, the productivity increase has been substantial. But it would be naive to explain these figures wholly on the basis of increased productivity even in the case of Japan, and certainly in the case of France, Italy, and the U.K.

I am convinced on the basis of all the evidence I have seen, that the answer is that we have been out-maneuvered on the international economic front. I refer to the combination of export rebates, dual pricing, tilted tax structures, indirect export subsidies, import restrictions, non-tariff barriers, restrictive procurement policies, and the like, which we face in international competition. Our trading partners like to point out that we, too, have import and trade barriers and this we must admit. On the other hand, the statistics I've just cited indicate quite clearly at least to me, that our restrictions have not been near the order of magnitude of theirs as borne out by the fact that our domestic prices and our export prices are in much greater equilibrium. In short, we have not been able to so successfully shield our export prices from the effect of inflation nor to restrict imports to the same degree.

I think the time has come when we can no longer view this situation with complacency. The recent currency crises, as well as a host of other indications, tell us that we cannot continue to maintain free trade unless it becomes fair as well as free.

Mr. President, I have cited here a few of the important statements made during last week's hearings.

As a result of these hearings, and my recent trip to Japan, and several years of observing the acceleration of imports and the evaporation of American jobs, I would like to say that I definitely believe we have a very serious problem.

The U.S. government has failed and is failing to protect the best interests of our workers and our industries. Misguided efforts to buy friends in international relations have cost us jobs and have brought us to a precarious position in world trade. Our generosity has been regarded not as an expression of good will but as a sure sign of weakness. We are being treated not as benefactors but as suckers.

This is not an indictment of the executive branch of Government alone, nor of any single administration. It took a while for us to get in the current mess, and there is plenty of credit for everyone.

Congress is at fault for allowing the GATT agreement to stand unchallenged for too many years. It is my hope that the creation of our International Trade Subcommittee is a start toward a closer scrutiny of trade matters and toward a means whereby the Senate can "advise" as well as consent.

There are several actions that should be taken immediately or in the very near future.

First, we need to pass legislation to give American industry a more nearly equal break with foreign competitors. One step in this direction would be passage of S. 1476, my bill to effectively apply American antitrust provisions to foreign manufacturers. Another needed step is the speeding up and strengthening of existing laws concerning dumping and countervailing duties. I introduced such legislation last session and will do so again soon.

Further, we should pass S. 1815, the

bill to revamp the method of figuring our balance of trade.

On the administrative front, our trade officials should press Japan, the European Economic Community, and other nations with trade barriers to eliminate these impediments to American products. They must demand reciprocity.

America has been unilaterally lowering tariff and nontariff barriers. This must stop.

It would be preferable to have our trading partners lower their barriers, but if they fail to do so, we should make it clear that we will reinstate ours at a comparable level. It is ridiculous that American television sets and autos are effectively barred from Japan when we allow the Japanese to flood our markets. When the Japanese slap a 17-percent tariff on one of our American-made cars, we should assess a comparable tariff on their cars.

Furthermore, it is time that the European Economic Community lower its trade barriers not only to the United States but to Japan and other nations. Because of the tough Common Market barriers, only 3 percent of Japan's exports go to Europe. Thus, the Japanese are forced to concentrate on the American market.

Negotiations should start, and legislation should be passed, to quickly rectify the inequities which now hamstring American industries and eliminate American jobs.

We also should give serious consideration to legislation which would allow our industries to adopt some of the successful tactics used by their foreign competitors. The Domestic International Sales Corporation (DISC) concept is one possibility. This would give our export manufacturers a tax incentive to seek markets abroad.

We should reexamine and weigh carefully the effect of our antitrust law on our export industries. Some adjustments in this law and its enforcement may well be needed if other efforts to correct trade inequities fail.

Mr. President, I wish to reemphasize the fact that America has a very serious trade problem. It goes much deeper than any one industry—not just textiles, not just steel, not just autos, not just consumer electronics, not just shoes. Rather than moving toward our goal of 4 percent or less unemployment, we are headed in the other direction toward 8 percent, or 10 percent or more by 1975.

The problem is not new; it began more than a decade ago and now is nearing crisis proportions. We must move forward to meet the challenge and preserve jobs for Americans.

Mr. President, in the statement I have just presented to the Senate. I pointed out the rapidly deepening penetration of American markets by foreign prolucts.

The Wall Street Journal today carried an article describing the great success of Toyota and Datsun autos in America. This article contains an estimate that Toyota and Nissan—Datsun—are expected to double their U.S. sales in the next 4 years.

In this article, a Japanese auto official denies that dumping is a part of his firm's strategy. The article does not delve, however, into the matter of subsidies and Japanese Government incentives to its auto industry.

Neither does this article mention the great disparity between American and Japanese tariffs and nontariff barriers. It costs only about $50 to bring a Toyota into the United States, but Ford Motor Co. would have to pay $450 to get a Pinto into Japan. Thus the Japanese have exceedingly easy access to our market while having extensive protection of their home market. No wonder they can concentrate on export sales.

Mr. President, I ask unanimous consent that this article be printed in the RECORD to provide my colleagues with further information on the Japanese progress in capturing a most significant portion of the American car market.

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

SMALL JAPANESE CARS SCORE BIG SUCCESSES IN AMERICAN MARKETS

(By Charles B. Camp)

DETROIT.—The Americans' strategy seemed simple enough at first. Since the Germans were waging the major invasion of home territory, the Germans would be attacked head-on. And it would be a fight to the finish: small car against small car.

The enemy, of course, was Volkswagen. And the strategy adopted by U.S. auto makers here initially seemed to be successful: Volkswagen's U.S. sales share slipped as American minicars—Gremlin, Vega and Pinto—scored rapidly expanding sales.

But the victory may well have been pyrrhic. For while eyes were turned toward the Atlantic, a new and potentially more devastating invasion was picking up steam from across the Pacific. And the invasion, engineered by Japan's Toyota Motor Co. Ltd. and Nissan Motor Co. Ltd.—the No. 1 and 2 auto makers of that island nation—is gaining momentum even as import-leader Volkswagen seems to be losing ground.

Detroit, indeed, is worried. Imports of Toyota and Nissan, which makes Datsun cars, have soared from less than 4 percent of total auto imports in 1965 to nearly 30 percent today. Volkswagen's share, on the other hand, is currently 38 percent, down from 67 percent, in 1965 (Volkswagen's American volume, however, is still considerably higher than either Toyota or Nissan. In 1970, Volkswagen sold 570,000 cars in the U.S., compared with Toyota's 196,000 and Nissan's 104,000.)

Toyota and Nissan together now outsell American Motors Corp. What's more, since General Motors Corp.'s Vega and Ford Motor Co.'s Pinto hit the market last September, sales of Toyotas and Datsuns have exploded—rising 65 percent and 159 percent, respectively—and have far outpaced the gains in the total car market or the percentage increases of any other domestic or foreign big-volume sellers.

SLICK PROMOTERS

What really irks Detroit, however, is the fact that Toyota and Nissan are neatly beating the Americans at their own game. While Volkswagen has been content to rely mainly on its relatively unchanged and unstylish "bug," the two Japanese companies have been producing smartly styled models that are more powerful than their U.S. rivals. Furthermore, Toyotas and Datsuns are slickly promoted, loaded with popular options and yet still priced at or under the tag on American small cars.

U.S. auto makers are also alarmed by the possibility that Toyota and Nissan may be just scratching the surface of their sales potential. Once concentrated on the West Coast, they now are rolling eastward across the country in force. And both companies are pouring millions into warehouses, dealer-training programs and new office buildings.

Some analysts say combined sales of Toyota and Nissan could double to three-quarters of a million cars by 1975. To bolster this rapid expansion, the two are currently building up their dealer and marketing organizations—and they're sparking defections from Detroit in the process. Nissan's sales vice president was once at General Motors. Toyota's sales manager is an ex-Ford man, and its advertising manager was formerly at American Motors. "We've also picked up a number of regional personnel from Chrysler and American Motors," says James McGraw, Toyota's national sales manager.

Highlighting the success of the Japanese is the fact that Nissan signed up more than 300 dealers in the past year, thereby expanding its dealer force by 50% to more than 900. Furthermore, both Nissan and Toyota are recruiting General Motors, Ford and Chrysler dealers, some of whom now are selling Toyotas and Datsuns as second lines.

A FLEET OF SUBMARINES?

In a few instances, Big Three dealers have defected completely. Al Mitchell, a successful Ford dealer for 17 years, recently dropped his Ford franchise in Cranston, R.I., to become exclusively a Toyota dealer. "My profit per car now far exceeds what it was when I was selling Fords—with a lot less headaches," Mr. Mitchell says.

Such Japanese victories are demoralizing for U.S. auto men. "One of our marketing guys tells me that the way to handle the Japanese is to have our own fleet of submarines," says John Z. DeLorean, general manager of General Motors' Chevrolet division.

Some auto makers here, however, are counting on Toyota and Nissan tripping over their own rapid expansion. They cite the fact that a decade ago—when imported auto sales were booming—many importers were eventually undone by quick expansion that was neither well-financed nor supported by an efficient service network.

Nissan, in fact, has already experienced some growth pains. "We've grown a little too fast. We aren't going to add any more dealers this year," says Yutaka Katayama, head of Nissan's U.S. subsidiary, Nissan Motor Co. Nissan has also rationed cars to some of its dealers and has had a shake-up in its marketing organization, with one top Japanese official being stripped of some previous powers.

SCRAMBLING FOR FOOTHOLDS

Such setbacks, however, are thought to be temporary by most Detroit auto makers, who now are contemplating the possible introduction of competitive cars—even smaller than the Pinto, Vega or Volkswagen bug—by 1975. And to compensate for market losses in the U.S., the Americans are scrambling to get footholds in Japan—second only to the U.S. as the world's biggest car market. The Americans' goals are twofold: participation in the Japanese market (including that country's exports to other growing Asian markets) and gaining access to cheap parts and components for use in future U.S.-built import fighters.

These links are currently hard to forge due to a maze of Japanese investment restrictions aimed at protecting Japanese firms from foreign control. However, under pressure from the U.S., which helped to get the Japanese auto industry back in business after World War II, Japan is somewhat easing its restrictions and the U.S. Big Three are busily trying to nail down deals with Japanese rivals of Toyota and Nissan.

At the moment, Chrysler seems to be making the most progress in cementing Japanese relations and has made arrangements

with Mitsubishi Heavy Industries Ltd. to buy a 35% interest in that company's automaking subsidiary for $100 million over the next three years. Chrysler is already importing a limited number of Mitsubishi-built Colts for marketing by Dodge dealers and plans to increase this program in the next few years. Furthermore, Ford's chairman, Henry Ford II, and James Roche, chairman of GM, both recently visited Japan to discuss similar deals wth other Japanese companies.

More importantly, some Detroit sources believe Chrysler might draw on Mitsubishi for engines to include in American Motors, which doesn't yet have any specific Japanese ties, is shopping for parts in Japan. And Ford has entered into an automatic-transmismission venture in Japan with Toyo Kogyo Co. and, ironically, Nissan. Thus far, however, all the American companies have been mum concerning plans for bringing parts from Japan to the U.S.

One important reason that U.S. auto makers are interested in Japanese parts is the enormous gap between American and Japanese production costs. Chevrolet's Mr. DeLorean says it takes 100 hours of labor to build an average car; and on the basis of $7 an hour in the U.S. versus $1.40 an hour in Japan, Mr. DeLorean says the Japanese auto makers start with a $500-per-car cost advantage.

Such cost-advantage estimates may be high. Nevertheless, a key part of the marketing strategy of Toyota and Nissan is undercutting U.S. prices. Since the introduction of Ford's Pinto at $1,919 and Chevrolet's Vega at $2,090, Toyota and Nissan have emphasized models that are priced competitively or cheaper (both have cars that are almost $200 less than the Pinto).

Such a strategy has caused some U.S. auto makers to suspect that the two Japanese firms are resorting to "dumping," or selling their units in export markets at a loss, in order to gain a foothold in the U.S. and to bolster production, thereby spreading fixed costs over a broader base. Dumping is a violation of international trade rules, and Toyota and Nissan flatly deny the practice. "We don't do that," says Toyota's Mr. McGraw. "It's illegal." And Nissan's Mr. Katayama says his company makes "a profit on every car" it sells to its U.S. subsidiary, and the subsidiary makes another profit when it sells them to dealers.

Nobody in Detroit asserts that Toyota and Nissan are prospering on price alone. "They have a tremendous product with great workmanship and a very tough price," says Robert Lund, Chevrolet's sales manager, Henry Ford II calls the cars of the two Japanese companies "excellent." And Road & Track, a car-buff magazine, recently rated the Toyota Corona and the Datsun 510 ahead of the Vega, the Pinto and the Volkswagen "beetle" after road-testing them all.

"BIG HOMER"

To further enhance their attractiveness for American buyers, both Toyota and Nissan have taken major steps to adapt their models to the needs of American drivers and passengers. Nissan, for example, uses a special dummy it calls "Big Homer," modeled after a typical American physique, to set the interior dimensions of its U.S.-bound cars. And both the Toyota Corona and Datsun 510 are equipped with relatively high horsepower to handle the demands of American freeway driving.

Furthermore, at a time when Detroit is trying to reduce the number of models offered, the two Japanses giants are touting increased variety—including Detroit-type hardtops and fastbacks. And popular options, for which U.S. car makers charge extra, are often included in the base price of Toyota and Nissan models.

Perhaps because of their growing array of products, the Japanese companies' sales per dealer have risen dramatically. Toyota dealers averaged 222 car sales last year, up from only eight in 1965. In fact, the average Toyota dealer actually outsold the average Plymouth dealer last year. (The average Toyota dealer was nevertheless still outsold by the typical Volkswagen dealer, who retailed 500 cars last year.)

Toyota and Nissan dealer profits have been further boosted by the two companies' initially successful efforts to crack the lucrative market for medium-priced cars and trucks. Toyota recently added a new line of pick-up trucks, while Nissan introduced a $3,600 two-seat sports car. And Datsun dealers average one truck sale for every two cars.

The growing product lines of the Japanese companies, coupled with their expanding U.S. market areas, has created serious distribution problems—not the least of which is transporting vehicles and parts across the Pacific Ocean. "Getting (boats) to get my cars here is my number-one problem," says Toyota's Mr. McGraw.

SHOPPING IN CANADA

Some automotive analysts believe shipping problems are encouraging both Toyota and Nissan to weigh full-scale assembling of cars in Canada, even though such a move would surrender some of their manufacturing-cost advantages. Hiraki Miki, vice president of Nissan's Canadian company, confirms that there's "a good possibility" Datsun might decide to open a big assembly plant in Canada within the next five years. And sources say Toyota, which already has a small assembly operation in Nova Scotia, is examining the economics of more extensive Canadian production.

Whatever happens in Canada, Toyota and Nissan are planning on maintaining a strong U.S. market—particularly since the sales and production of both have started to slow on their native soil. "Neither of us is willing to accept their idea of no more growth," says a Nissan official.

And neither Japanese firm is willing to see itself outstripped in the U.S. by the other. In fact, their competition in the U.S. is as fierce as the battle bteween Chevrolet and Ford. Toyota's sales a year ago were double those of Nissan, but aggressive selling by Datsun has narrowed this gap by 60%.

Toyota and Nissan are also facing future competition in the U.S. from other Japanese automobiles, including Mitsubishi's Colt, Toyo Kogyo's Mazda and Fuji Heavy Industries Ltd.'s Subaru. Honda Motor Co., famous for its motorcycles, is also beginning a car sales effort. Thus far, however, the Japanese competitors of Toyota and Nissan have a long way to go; their sales last year accounted for only 1% of U.S. car imports.

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## THE LUMMI INDIAN AQUACULTURE PROJECT

Mr. MAGNUSON. Mr. President, on March 25, 1971, Dr. Wallace Heath, of the Oceanic Foundation of Hawaii, spoke to the American Oceanic Organization about the Lummi Indian aquaculture project presently underway in Puget Sound.

Throughout their history, the Lummi Indians have been a seafaring people, and to turn to aquaculture is a natural move for them. But no one guessed the extraordinary success that they would achieve in a short time. Aquaculture has not been well received in the United States. Yet it is clear that through projects such as those of the Lummi Indians aquaculture is growing at an exponential rate. It offers employment and economic independence for the Lummi Indians; it has enormous food potential for the United States and for other countries of the world. The record of Lummi Indian achievement in aquaculture is outstanding.

I ask unanimous consent that the remarks of Dr. Heath about the Lummi Indian aquaculture project be printed in the RECORD.

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

LUMMI INDIAN AQUACULTURE

The Lummi Indians began a project in 1969 to create seawater ponds on their tidelands for growing seafood. Since their 5,000 acres of tidelands are their only major resource, aquaculture offers the best possibility of economic independence for the tribe.

Starting in June, 1969, the Lummi Indians constructed their first oyster hatchery and nursery in the Northwest and had it in operation three months later. By August of 1969 they had converted 100,000 Donaldson rainbow trout to seawater successfully.

Between September and November, 1969, they moved 75,000 cu. yds. of sand and rock to create a 4-acre research area with 8 ponds up to 1.5 acres in size. All of this was completed and in operation by March 1970, when it was officially dedicated.

By October 1970, six months later, the trout had grown on the average from one-tenth pound to two pounds, totalling 9,000 lbs. of growth in an 0.8-acre seawater pond. Due to the high natural food content in the seawater they consumed only one pound of supplemental trout food per pound of fish growth. Thus, these fish grew by a factor of twenty in six months.

Silver (or Coho) salmon were grown from .03 lb. to 0.3 lb. in six months, or grew by a factor of 10. Experimental marketing of young silver salmon has gone well in its first stages. All of the trout-sized fish have been sold. A consumer acceptance study is being conducted.

Oyster seed from the Lummi Shellfish Hatchery was placed in the ponds in April. It grew from ¼ inch to 3½ inches by October. They doubled their weight every two weeks on the average. It is estimated that they will reach the half-shell market size after only two summers of growth, rather than the normal 3 to 4 years required with past methods.

Based on the results of the first year's work as well as other work in various parts of the country, the Lummis began building the second phase of the project. This included a 750-acre pond, a fish hatchery, and a commercial shellfish hatchery. Two miles of dikes were built in three months during the fall of 1970. Hatchery construction is now beginning in the spring of 1971. By September 1971, they shall have the capacity to produce 100 million oyster seed and 4 million fish.

Other essential features of the project included the two year training of over 100 Lummis in various phases of aquaculture. Fifteen Lummis are in colleges or universities this year. This speaks well for a tribe that has had only 2 or 3 college graduates in its history. Next year at least 10 more will go on to higher education from the training program.

Considerable tribal business reorganization is taking place with the guidance of professional businessmen. A young Lummi staff's receiving intensive training in management and more is planned for the near future. The first marketing efforts are now paying off with ample market potential for the crops now planned next year.

A very significant aspect of the project has been the high degree of integration of federal and private agencies. Tap Pryor, president of the Oceanic Foundation, was the first to give funds. These paid for the organiza-

tion costs and matched federal funds. EDA was the first federal agency to support the research aspect. OEO soon followed to provide the research ponds with Lummis doing the construction. The Department of Labor provided funds for training and the Oceanic Institute carried out the training program. Several agencies collaborated in this training. These incuded BCF, BFW, Western Oyster Co., Washington Department of Fisheries, West Washington State College, and the University of Washington.

There have been numerous problems of interest to others. Technically, there is always some disease needing attention, though there was a very little mortality in the dirt ponds either for fish or oysters (1% or less). The salt-water freezes the fish when it drops below −1° C. Fish must be moved to fresh water or deeper seawater then. But this is similar to moving livestock from high to low pasture in the winter time. We have now made provisions for this. The oysters are not harmed by freezing.

Foremost in problems has been the persistent and unrelenting opposition. This is partly due to the involvement of tidelands but is mainly due to the fact that it is an Indian project. A minority of the whites and Indians on the reservation have been very loud in opposition. This appears to be a normal condition for any new project.

In summary, the project has been very successful in growing fish and oysters. Over 350 tribal members have received training or employment in the early stages. About 200 Lummis will be employed by the project by 1973. It is expected that full production by 1973 or 1974 will gross about $3,000,000 based on the results so far. This will be a firm economic foundation for the entire tribe and set a precedent for the aquaculture potential in the Puget Sound area.

## LAKE-RAIL SERVICE FOR GRAIN

Mr. MAGNUSON. Mr. President, a recent speech by John A. Creedy before the Buffalo, N.Y., Chamber of Commerce is of some merit to those interested in the low-cost shipment of bulk cargo. Mr. Creedy is president of the Water Transportation Association and speaks with authority on his industry.

Mr. President, I ask unanimous consent that the text of Mr. Creedy's remarks be printed in the RECORD.

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

IMPLEMENTING PLAN FOR LOW COST LAKE-RAIL SERVICE ON GRAIN FOR NEW ENGLAND

It is a pleasure to be back in Buffalo today. We are certainly delighted with the amount of interest that has been aroused in the grain trade and throughout New York and New England by the proposal we have made for a coordinated lake-rail movement on grain via Buffalo.

The word is coming back to us that we have a sound idea which could result in a great deal of new business for Buffalo. The problem is to get it implemented. That's why I'm here. I want to tell you what you can do to help.

Let me first briefly review what the proposal is and what the problems are. In essence the proposal is very simple. It is to combine the low cost of highly efficient Great Lakes transportation to Buffalo with the economies of the most modern unit train transportation from Buffalo into New England.

We are not proposing anything that hasn't been successfully accomplished elsewhere. We are simply suggesting that successful technologies readily available in other parts of the country be combined and applied to improve the efficiency of the transportation of grain into New England. Our study indicates that about a 50 per cent saving in transportation rates is possible.

A number of things have to happen before that saving can be achieved. The first change that would have to be made in the chain of improved productivity is to provide incentive to the New England grain and feed people to modernize their plants and increase their storage capacity. We were told that a 30 per cent reduction in transport costs would be incentive enough for them to construct fast car-unloading facilities, put in extra track and extra storage so that they can receive 25 or more 100-ton hopper cars at a time, unload them and get them back to the railroad very promptly.

Then the lake-front area owned by the Niagara Frontier Transportation Authority should be developed as an ultra-efficient bulk handling storage and transfer facility. For that we need to adopt the successful technology available in such volume grain loading areas as in Illinois. A loop railroad track large enough to handle 100, 100-ton hopper cars and modern rail car loading facilities so that a train of cars keeps moving steadily and 10 thousand tons can be loaded in a few hours would be required. On the lake side, the self-unloaders would empty into the storage facility. The lake steamers would shuttle back and forth independent of the train and the train would shuttle back and forth to New England independent of the boat; neither would have to wait for the other.

Such an operation of course would help stimulate all kinds of bulk traffic as well as grain and would be a great thing for the port of Buffalo and the economy of the region. Cheaper grain brought into this port would of course stimulate the livestock and poultry industry for northern New York as well as for New England.

Although the overall freight rates would be much lower the proposition should be attractive financially to both railroads and lake carriers because much greater utilization of equipment is proposed. It should be possible to load that unit train twice a week. On the average freight cars are loaded only 15 times a year. The difference in utilization of course justifies the savings.

At Albany, New York, the Penn Central very happily delivers unit train loads of grain from the Midwest to the Cargill facility for export at rates much lower than the WTA study proposes. The heart of our idea is to match the economies of the service to Albany, as far as possible, and apply them to the Buffalo-New England route. If they can do it to Albany, and make money, why can't they do the same sort of thing to New England and make more money? That's really all we are saying.

What would happen if this proposal were adopted? Our New England friends tell us that the poultry industry in New England is being shut out of its own home market by imports of broilers and even eggs from the southeast. Why do New Englanders eat chickens raised in Georgia? Because the freight rates from exactly the same corn growing areas which supply New England, over precisely the same distances are substantially lower to the Southeast. Why are they lower? Because the southern railroads have vigorous barge and truck competition. Why is there a unit train into Albany at low rates? Because there is vigorous competition on export grain via the St. Lawrence Seaway and via the Mississippi River and New Orleans.

New England agricultural experts tell us that the difference in grain rates is the chief reason the New England poultry industry is shut out of its home markets. Equalize the freight rates, they say, and the New England poultry industry will be supplying every supermarket in New England.

Why aren't the freight rates equalized? Because there is no competition for the railroads serving New England. The purpose of our proposal is to provide a viable, lake-rail route that will compete with the all-rail and produce the best efficiencies of railroading and water transportation in the public interest.

Why isn't this sensible proposal which no one has attacked as economically unsound, which would provide profitable traffic for the railroads and greatly expand traffic if the New England poultry industry recaptures its home markets, why isn't this proposal welcomed and adopted at once?

The word trickling back to us from the lower echelons of some of the railroads involved is that they now have a monopoly of the traffic and they don't see why they should share it with the lake carriers. Bear in mind, we don't expect all the grain to move via Buffalo. But even if it did, all of it would move substantial distances by rail. A lot of it would move all-rail, particularly in the winter, if the same level of rates and the same type of service, distance considered, were applied to the all-rail service. There's 2,400,000 tons of it moving into New England for poultry and livestock annually today. That traffic could easily expand to over 6,000,000 tons if the WTA proposal is adopted and has the effect anticipated.

But the idea of maintaining a monopoly of the traffic has a powerful hold on the minds of most railroads. They have been reluctant to join with water carriers even when the public would benefit from a substantial reduction in overall transport costs. They don't like to see a water-rail service competing with an all-rail service because that means the introduction of price competition, rate reductions. Railroads do not, as a matter of policy, compete with each other on rates.

I hope this initial reaction of some railroad staff does not represent rail top management thinking. We should get some meaningful cooperation. If their position solidifies into a plain determination not to cooperate in order to maintain their monopoly of the traffic, I think such a position is untenable.

We're dealing here with huge institutions— the railroads. These institutions hold the answers. If they are like most institutions, they don't move until they are pushed. And that's what you can do to help this project—and the Port of Buffalo—along, you can do a little pushing.

The railroads are certainly pushing for a great many things they want. They want everyone to help them on their problems; why isn't it in the public interest for the New England poultry industry to get a little help in return particularly when the railroads can make money—and perhaps a lot of money—doing so?

I think we have to take a realistic view of the situation. We do have a legal recourse. The Interstate Commerce Act very clearly states that "it shall be the duty of every common carrier subject to this part to provide and furnish transportation upon reasonable request therefor . . . (and) to establish reasonable through rates with common carriers by water." In another section the law states that they must "afford all reasonable proper and equal facilities for the interchange of traffic between their respective lines and connecting lines" and further states specifically that a connecting line includes a common carrier by water.

In the past 25 years, the water carriers have produced a solid line of Supreme Court precedents which simply confirm that that language means what it says. The weakness of going the route of litigation is that it takes three to seven years to get a decision and by that time all the chickens in New England, such as remain today, will be long gone, according to the New England poultry industry.

The traditional position of the Commission has been: if you don't like something the railroads are doing, file a complaint and

we'll process it. But that may take the better part of a decade.

The Commission has the power to prescribe rates from the Port of Buffalo into New England in connection with a water carrier and has often said it would not hesitate to exercise its power under the proper circumstances. But of course in exercising it there would have to be long drawn-out litigation.

Other regulatory Commissions have been successful in moral suasion or jawboning the industries they regulate. They have said: we have the power to institute a proceeding and make you do something you know you ought to do in the public interest, but we would much prefer to have you do it voluntarily. A word to the wise has been sufficient. Costly and time-consuming litigation has been avoided while everyone's *right* to litigate has been preserved.

We would like to see the Commission take leadership in some of these areas in which very large transport savings appear possible by issuing some sort of policy statement recognizing the Commission's responsibility for the proper functioning of the industry under the statute. Perhaps such a policy statement might go something like this:

"Our attention has been called to the concern the New England poultry industry has over the competitive disadvantage under which it suffers because of disparity in freight rates on feed grains as between New England and the Southeast. The National Transportation Policy places a responsibility on the Commission to develop, coordinate and preserve a national transport system by water, highway and rail as well as other means, adequate to meet the needs of the commerce of the country. The railroads and the water carriers are reminded that under Sections 1(4) and 3(4) common carriers are required to provide transportation service upon reasonable request and that through routes and rates with common carriers by water are also mandated. It is clearly in the public interest that the best efficiencies of both water and rail services, in combination, be offered to the public. The Commission would be pleased to see both rail and water carriers examine the potential for improving the efficiencies of services into New England and propose joint rail-water rates reflecting the unit train efficiencies commonly available for commodity movements in this and other sections of the country."

If the ICC were to issue a policy statement along these lines it would be very helpful. I doubt very much if the railroads could afford to ignore it. I think something would be done to improve the efficiency of grain transportation into New England via a water-rail route.

What can you do about all this?

First of course you can reinforce our activities by making a request to the railroads involved, in the stately language of Section 1(4), that the rail common carriers provide and furnish transportation on reasonable request therefor from Buffalo to New England and establish reasonable through routes with water carriers at the same level of efficiency which is readily available elsewhere in the country.

Second, you may wish to suggest to the ICC that it take an interest in the problem on behalf of Buffalo and issue a policy declaration along the lines of the draft above.

Third, it will interest you to know that I have had very cordial interest in the proposal we have made expressed by the Governors of the New England states, by Governor Rockefeller's office, by Mayors of many cities, by the Agriculture Departments of the New England states and by the economic development and transportation departments of the various states. I think you can reinforce that cordial interest by activities of your own expressing the interest of Buffalo in promoting efficient water-rail service.

Fourth, I think the Department of Transportation, which is headed by a New Englander, could be very helpful in this whole struggle. The support of Buffalo for more efficient transport service for New England would be greatly appreciated in that quarter.

Fifth, the problem of developing water-rail services over Great Lakes ports is not unique to Buffalo but is a common problem of almost every Great Lakes port. You may wish to join with other ports in their efforts to achieve rail rates to and from the ports which are comparable to the all-rail, cost and distance considered, and reflect the best efficiencies of modern railroading. Senator Robert Taft recently pointed out that rail rates to and from Great Lakes ports are rigged at such a high level that competition from the Great Lakes ports is shut out. In essence, we have the same problem here. Midwest manufacturers have an extra cost burden placed on them because the rail rate structure prevents them from reaching ocean transportation at the closest Great Lakes port. New England farmers have an extra cost burden placed on them, because the combined efficiencies of Great Lakes and unit train service are denied them. Every port will be interested in this problem and will come to your assistance.

This is a good time to move. The low cost water highways of the Great Lakes are urgently needed to meet the growing demands of the economy for expanded and improved transport services. The railroads freely admit that they do not have the resources to invest in enough equipment and facilities to keep up with the needs of the growing economy. Particularly in the Northeast, the drag of inefficient transport service is becoming a greater and greater burden on the productivity of the economy. The WTA proposition is a self-financing project which will utilize the efficiencies of lake transportation, improve the efficiency of rail transportation and bring in more business for the Northeast. If we all work together, I think we can make it a reality. Buffalo could provide the breakthrough in water-rail cooperation long sought by government and business and open a new era in which water carriers and railroads work as "willing partners" to bring to the public the best efficiencies of each means of transportation at drastically lower overall rates.

## THE U.S. MERCHANT MARINE TODAY—SPEECH BY EARL CLARK

Mr. MAGNUSON. Mr. President, I recently had occasion to read again a speech that was made some time ago by Mr. Earl Clark relating to the Jones Act. Mr. Clark is well known to the Members of this body. He was formerly Deputy Maritime Administrator, is codirector of the Labor-Management Maritime Committee, and is the author of a fine book on maritime policy entitled, "The U.S. Merchant Marine Today: Sunrise or Sunset."

I believe that Mr. Clark's speech, which relates to the application of the Jones Act to our noncontiguous States and Puerto Rico, is quite timely. I also believe that it would be of interest to Senators. Consequently, I ask unanimous consent that it be printed in the RECORD.

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

THE U. S. MERCHANT MARINE TODAY

Ladies and Gentlemen:

I count myself most fortunate to have the privilege of visiting this beautiful gem of the Caribbean. It is our first visit and the answer to a lifetime of anticipation. I was particularly pleased to have been invited through my good friend, Gay Brunelle, whose reputation is widely known not only in Puerto Rico but on the continent as well. I want to thank one and all for being such gracious hosts to Mrs. Clark and to me.

I want to address you this evening on the same subject as the title to my recent book called *The U.S. Merchant Marine Today,* copies of which your propeller club requested and received in quantity of recent date. But I think I would like to amend the title for this occasion to read *the U.S. Merchant Marine Today With Special Emphasis on Puerto Rico.*

From an overall point to view, let us first turn to certain facets of our past maritime history. At the end of World War II the United States was the most powerful maritime Nation in the world. Today in commercial shipping we have sunk to fifth place, some say sixth place, in deadweight tonnage. When World War II ended, we were carrying some 57 percent of all our foreign waterborne commerce. Today we carry something less than 5 percent. No other Nation can equal or even approach this decline.

Now what was the blueprint that helped bring about this downward trend? I believe the following elements summarize it in essence:

1. The sale of 1,113 U.S. war-built vessels to foreign Nations—an altruistic and gracious act but somewhat deleterious in its competitive impact.

2. The lax policies of transfer to foreign registry, creating an additional mass exodus of some 740 large oceangoing merchant ships or over 7 million dwt from 1946 through 1968.

3. Acceptance of the runaway flag philosophy and its copartner, the flags of convenience—which have built up huge fleets of American-owned foreign flag shipping.

4. Full latitude on the part of the United States-based corporations to engage simultaneously in dual U.S.-foreign flag operation. By using cheaper foreign labor and avoiding U.S. taxes these corporations have built up a strong foreign competitive merchant fleet owned by U.S. citizen corporations.

5. Reliance for over two decades upon old World War II vessels bought at bargain prices under the Ship Sales Act of 1946, with little or no provision for new ship replacement on the part of numerous steamship lines.

6. The past failure of any real positive government implementation of our National Maritime policy.

These are some of the major ingredients in a decidedly negative maritime program principally responsible for our maritime decline. Let us examine the extent to which these processes have facilitated the growth of foreign flag shipping owned by foreign affiliates of the United States parent companies. As of December 31, 1968, there were 436 foreign flag ships in this category amounting to over 18 million DWT. As of the same date, other U.S. citizen entities owned and/or controlled 115 additional foreign flag vessels of some 4,172,000 DWT.

The adverse effects of this trend upon our domestic economy have been numerous. Every ship transferred was a ship lost to U.S. flag. Each transfer meant a crew lost, diminished income from shipping and reduced U.S. tax income. The general economy was correspondingly affected.

Foreign ships owned by U.S. parent companies have thus accentuated foreign shipping competition and helped reduce U.S. flag participation in our foreign commerce to an all-time low.

Aside from the massive build-up of foreign merchant fleets, through sale and transfer of U.S. flag ships, new foreign construction has further sharpened the competitive edge. In fact, with the prorgess of time many of the old transferred ships have been replaced by new foreign tonnage.

A large segment of American-owned for-

eign flag shipping operates under the so-called flags of convenience. The name is normally applied to denote a convenient escape from American wages, U.S. standards of living, U.S. taxes and operating rules and regulations.

The flight of American capital to such flags has aptly begotten the designation of "runaway" flags. A national policy calling for the return of so-called runaway ships to U.S. availability in time of national emergency is termed "effective control" by the Military Establishment. Its effectiveness is considered exceedingly tenuous in many circles within the maritime community.

Such concepts and practices have impaired our merchant fleet strength. Its current status is aptly described by the capable Chairman of the Federal Maritime Commission, Mrs. Helen D. Bentley, in a recent address at Pensacola, Fla. She pointed out that as of July 31, 1970, there were only 792 active privately owned U.S.-flag ships—the lowest since the end of World War II. Only 27 Government merchant ships were active on that date. Of the 792 ships, only 333 were built since 1950. Of these, some 50 to 60 are from 17 to 20 years old. She further pointed out that even our expected program of some 300 new ships approximating 10 million deadweight tons is dwarfed by the Japanese who on December 31, 1969, had 1,989 ships of over 34 million deadweight tons—all 15 years of age or less—and who expect by 1974, to increase this to 60 million deadweight tons. The director of the boilermakers and Iron Shipbuilding Marine Council estimates that without a positive maritime program the United States would decline to some 272 active private merchant ships by the same date (1974).

With the Soviet Union adding some 1,000,000 DWT a year to a fleet already consisting of 1,717 ships of well over 12 million DWT, the comparative status of our overall U.S. Merchant Marine stands out in bold outline. Neither our commercial well being nor our national defense can countenance an increased disparity in merchant seapower.

One may well ask what new and positive changes, if any, are on the horizon. Fortunately, there are some. President Nixon has proposed a new maritime program for building some 300 of the newest, fastest and most capable ships in the world. He is the only President to advocate and support a real positive maritime program in the last two decades and for this he deserves the highest respect and admiration of the maritime community. Legislation to effectuate this program is now moving through the Congress of the United States. We have in Maritime Administrator Andrew Gibson not only a man of wide marine experience, but of capable and sagacious judgment as well. He has unrelentingly pursued a course of maritime advancement for the country and, hopefully, he will win his program and bring it through to reality. The Nation is thus moving in the right direction—that of developing a strong American merchant marine. If vigorously pursued, the flight of American capital to foreign steamship operations may be stemmed and even reversed.

One of the specific provisions of the new maritime legislation is that all shipping which receives any Government support must divest itself of foreign-flag interests within a 20-year period or lose Government subsidy for its U.S. flag vessels. In the liner trade, this divestiture must be rather immediate. Thus the Nation is moving toward foreign flag divestiture even in the foreign commerce wherever Government support is involved.

This is good, for it is high time that we stop building up foreign flag shipping at the expense of the U.S. Merchant Marine. Now let me make it clear that I am not against foreign flag shipping as such. We need foreign shipping in international waterborne commerce. But when we surrender some 95 percent of all our own foreign commerce to foreign shipping, it is time to start changing things. It is time to start in the direction so vigorously pursued by other maritime nations.

For example, England transports 37 percent of her foreign commerce in her own ships; France 48 percent; Norway 43 percent; the Soviet Union 50 percent; Japan 50 percent; Sweden 30 percent; Germany 30 percent, and Greece 39 percent, to mention a few.

Now it must be clear that if we are to move toward greater U.S. flag participation in our foreign commerce—and especially under the new administration program—then we cannot afford to take a converse position with respect to our domestic commerce.

In the domestic field, there are also some good signs on the horizon. The Journal of Commerce in its issue of August 27, 1970, announced that Sea-Land Service, Inc. is "negotiating on arrangements which will enable it to provide a direct link, by full-fledged containerships, between gulf ports and the hub of its domestic and overseas transshipment network in Puerto Rico." Such an event would offer shippers in the expansive Mississippi Valley region, greatly increased container carrying capacity with lower inland transportation cost to reach a port with direct sailings to Sea-Land's Puerto Rican hub. Sea-Land is to be complimented for this move. However, I understand that presently only some few conventional break-bulk ships with limited container capacity now ply this trade. More break-bulk shipping appears to be the immediate pressing need.

In my view, we are on the threshold of a myriad of innovations in U.S. merchant shipping which will render it more competitive than at any time in its history. At such a time our cabotage laws as provided in the Jones Act must not be weakened. Let us look at some of the adverse results if we open our domestic commerce floodgates to foreign shipping.

Such an introduction of foreign shipping would render many Puerto Rican seamen jobles with a direct adverse effect upon the economy of the commonwealth and upon the employment status of its citizens. The taxes paid by U.S. flag operators, which are quite substantial, would be seriously diminished. Puerto Rican reliance on foreign shipping would prove precarious at best. As has been historically true, many of these foreign flag fleets would disappear whenever and wherever homeland needs for shipping elsewhere demanded.

During World Wars I and II, we saw what an exodus of foreign shipping did to the United States. This was never portrayed more clearly than by the distinguished chairman of the Merchant Marine and Fisheries Committee of the House of Representatives when on August 27 of this year he pointed out and I quote:

"Prior to World War I, this country let its Merchant Marine decline to a low ebb. No Federal assistance was provided. We relied almost completely for the carriage of our foreign trade upon the vessels of supposedly freindly countries.

"When World War I broke out in Europe in 1914, the vessels of those friendly foreign countries suddenly deserted the United States foreign trade to serve the pressing needs of their own countries abroad and the cargo for export piled up on our docks. The few ships that did come here raised their rates to astronomical levels. Indeed, freight rates rose over 1,000 percent. At that time we frantically engaged in a shipbuilding program—but too late."

Mr. Garmatz indicated this country had learned a bitter lesson and "that we should never again find ourselves completely reliant upon foreign ships."

He concluded that "an American Merchant Marine capable of serving as a military or naval auxiliary in time of war is a basic ingredient of our defense establishment and necessary to our national security."

Economic change can modify the course of shipping as well as world conflagrations. Actually, even in peace time, the decrease of U.S. shipping and reliance on foreign shipping has rarely meant lower rates and shipping costs. Once U.S. shipping is out of the way, costs on given trade routes have actually increased in many cases. The abandonment or modification of the Jones Act to bring in foreign shipping does not necessarily mean lower rates as conference rates, for the most part, would then apply, which means that rates on particular items of cargo are the same, whether U.S. or foreign.

If present trends continue, transportation costs will most certainly be driven downward with the passage of time. New investments in containerization; new ship construction; the roll on/roll off vessels; the lash type ships; the Sea Bees and expansion of trailer areas and modernized terminals—these all show signs of rendering greater service at lower cost. Many of these improved innovations are being brought into the Puerto Rican trade by Sea-Land; Seatrain; TTT, Lykes and others, thus ever increasing the quality of service. Certainly, this is no time to surrender such possibilities and potentialities in our domestic commerce to foreign shipping.

In the new Nixon legislation now before the Congress, construction fund privileges with tax deferment are for the first time extended to carriers engaged in the domestic commerce. This should provide financial incentive to domestic carriers to accelerate new ship construction and provide even better means of domestic transportation. Furthermore, with new marine technology, containerization, and constantly improved shipping service, the price-transportation-cost ratio should correspondingly improve. Certainly in all these specific areas, foreign shipping can do no better. America's lead in marine technological advancement and new shipping methods may even narrow the gap between domestic and foreign operating costs to a point where, in some areas, the American cost potentials will be at no appreciable disadvantage.

The argument has been advanced that ocean freight is a *major* cause of higher prices for the things Puerto Rico must import. On April 1, 1970, the Federal Maritime Commission staff, after long and exhaustive study and research, found little support in fact for such a contention. To quote from a principal finding, the commission staff study indicated and I quote, "examination demonstrated that the effect of ocean freight charges on the wholesale selling price is relatively small compared to the impact of Puerto Rico's marketing system."

An extended research into some of the basic consumer food items, including rice, meats, eggs and vegetables showed retailer markups outrunning transportation cost increases by several times.

In the so-called intermediate class of imports, including cast iron pipe, fittings, enamels, paint, lacquer, libricants, etc., the impact is somewhat greater, and comparison with retailer markup is more difficult since much of it moves directly between the mainland supplier and the manufacturer in Puerto Rico.

However, where retailer markups do exist, the percentage is greater. The commission found that some 41 articles examined, "the price—transportation—cost was from 5 to 19 percent on some commodities, most of which were foodstuffs, and of the remaining items studies—also mainly foods—the ocean freight charge was 4 percent or less."

Actually, Puerto Rican retail prices have increased from a 100 base index in 1958 to 116 by 1967, the latest figures of the FMC report. During the same period Puerto Rican

ocean freight rates declined from 100 to 98 by 1960, increased back to 100 in the indices in 1962 and declined somewhat steadily to 1967, the year the study terminated. Taking foods alone, the rates southbound, compared to total food imports, showed total traffic increasing from a base index of 100 to 234, while ocean freight on foods remained rather constant with periodic declines. Using a different base year, shipping costs to Puerto Rico declined from an index rating of 100 in 1958 to a low of 88.4 in 1969.

Let us take into consideration the cost increase as related to locally produced foods. The Commission staff study found that "between November 1966 and November 1967 alone, the overall cost of living increased 4 percent and that during this period the price of locally produced foods increased almost three times as much as that of imported foods. The cost of living index on locally produced food climbed 9.7 percent while the index on imported foods rose 3.5 percent." The cost of the other Puerto Rican produced products rose during the same index period from a par 100 in 1958 to 163 in 1969.

It must be noted that while freight rates do not appear to be the major cause of increased prices in Puerto Rico, the industry must, nevertheless, strive to drive them downward in the interest of contributing to a stronger economy. Puerto Rico transports 99 percent of her total imports by water. Eighty-one percent of the total value of Puerto Rico's imports are from the continental United States. Domestic production of food and certain other consumer articles is not sufficient for the demand. Under this circumstance, it is highly important that the rate structure in the Puerto Rican-U.S. domestic trade be frequently examined. Meanwhile, the fact that ocean freight rates have a relatively smaller effect on the wholesale selling price, as compared to other facts of the marketing system, is important, and it certainly argues against any hasty condemnation of the Jones Act in such matters.

Let us look at a summarization of the pros and cons under the Jones Act as it relates to Puerto Rico.

1. Foreign-flag lines provision their ships in their homelands. U.S.-flag ships purchase here and on the continent.

2. Foreign-flag companies pay no taxes. U.S.-flag lines do.

3. Foreign crews spend less in Puerto Rico. U.S. seamen spend more—both of time and money.

4. Many foreign-flag ships operate with lower standards of safety. U.S.-flag ships must be built to ABS standards and meet U.S. Coast Guard inspections, therefore, normally safer ships.

5. Foreign-flag ships subtract from our balance of payments position. U.S.-flag shipping overall adds almost one billion dollars a year to our balance of payments on the favorable side of the ledger.

6. Foreign-flag shipping employs foreign seamen. Reportedly, some 47,000 Puerto Ricans are employed in the Maritime industry. They are principally related to American-flag operation. On ships plying the U.S.-Puerto Rican trade, 60 percent are Puerto Rican crewmen.

7. Foreign ships give no assurance of continuity of service when international emergencies demand their return to their homeland. U.S.-flag ships seek to provide continuity of service at all times and in all circumstances.

8. Foreign shipping makes little or no improvement in Puerto Rican local port facilities. U.S. shipping has helped in innovative investments in such improvements estimated at some $100 million.

9. Foreign shipping gives no assurance of stability of rates. The presence of U.S.-flag ships assures rate stability as found by the Federal Maritime Commission.

10. Foreign shipping is not fundamentally motivated by any specific purpose of strengthening the economy of Puerto Rico. Its interests are directly related to the needs of the respective homelands. U.S.-flag shipping must devote itself to promoting the economic welfare of Puerto Rico as a part of the National economy.

To amend or weaken the Jones act to the point where substantial tax income and the employment of U.S. citizens, including those of the Commonwealth of Puerto Rico, are traded off for foreign flag entry into our domestic commerce would be penny wise and pound foolish.

If there are legitimate and reasonable adjustments necessary for the promotion of our domestic commerce, let us make them. However, this does not mean a weakening of our basic maritime laws. Even temporary suspension of coastwise laws by legislative enactment does not appear too satisfactory. The suspension of Puerto Rico's behalf for the transport of lumber from the northwest under Public Law 87–877 in 1962 resulted in the approximate equivalent of one full shipload of lumber being transported in a year's time. Because of this experience the suspension was never extended.

Placing reliance on domestic ships for domestic commerce has greater potential and in so doing, we do not abandon our cabotage laws. To my knowledge, none of the other maritime nations in the world have so abandoned their domestic shipping, nor can they afford to do so.

So much for the Jones act. What about the more basic needs of the commonwealth?

It seems to me the more pressing need in Puerto Rico is for more industrialization to meet three major problems—rising population, unemployment and inadequate family income. Puerto Rico is to be commended for its foresight and initiative in this regard. First with its *PRIDCO* activities and later under the more successful *EDA* program.

Puerto Rico is moving rapidly to attract business and industrialization to the commonwealth. The common market which exists between the mainland and the commonwealth is avaluable asset to be employed in this direction. With EDA offices in New York, Philadelphia, St. Louis, Chicago and Los Angeles, the advantages of Puerto Rican investment and development are being fully disseminated with ever increasing results. Both light and heavy industry are on the upswing in Puetro Rico, bringing benefits to the people of the commonwealth. Shipping must play its part for efficient shipping services at reasonable cost. This is a must and a vital part of the whole process. I intend to do all I can to make this amply clear in Washington and elsewhere. His excellency, the Honorable Luis A. Ferré, Governor of Puerto Rico, and the Honorable Jorge L. Cordova, your resident commissioner in Congress who speaks before our National Propeller Club Convention this year, are vigorously pursuing such desired goals.

Shipping can help in such efforts under the new maritime programs now before the Congress. It will call for a ten year U.S. merchant shipbuilding program of some 30 new fast ships per year for a total of 300 ships. Over the ten year period, these 300 ships will be built at an estimated cost to the government of some $2.5 billion dollars. When private funds, which will be considerably in excess of Federal expenditures, are added, this shipbuilding program will call for some $6 billion in total cost. The New York Journal of Commerce on September 4, 1970, listed a number of companies that had already advised the Maritime Administration of their desire to build ships. The total has now reached some 84 vessels. These ships will be of the most modern design, incorporating all the innovations of advanced technology. In some cases, one ship could well replace as many as four or five and even more of the old conventional vessels now in operation and be competitive with anything afloat.

Bulk carriers will, under this bill, be eligible for Federal construction financial support, including not only subsidy-differential costs but tax-deferred privileges on construction funds as well. This latter privilege, under the new legislation, will now be granted in the domestic commerce also. The proposed legislation of the administration provides support and incentives in both the ship construction and operating fields. Reductions in costs in both areas are envisaged through greater efficiency and increased productivity. New maritime dawnings are on the horizons. New hopes are being engendered. New avenues of service are being opened. Internal divisions within the maritime community are lessening as the industry closes its ranks in the face of this new legislative program and the opportunities it engenders. This is no time to sell the maritime industry short. This is no time to surrender to foreign shipping. This is a time to build a strong U.S. merchant marine to improve our economy and the economic health and welfare of our people and especially those of the Commonwealth of Puerto Rico.

America's major problems of eliminating unemployment, providing better housing, insuring better care for the needy, improving medical care for the sick and aged—all call for positive action. None of these desirable goals can be attained by destroying any vital segment of our economy, including merchant shipping. When we destroy vital producers of American wealth, we at the same time destroy our sources of revenue.

There is much that needs to be done in America and as soon as we can reasonably detach our troops from the Vietnam conflict and devote more of our attention to the needs of our people at home, the better off we shall be and, by God's grace, I believe we shall achieve both these ends.

It has been such a real pleasure for Mrs. Clark and I to visit your beautiful island Commonwealth. Your gracious welcome and hospitality have created in us an appreciation beyond our ability to express, but let us say it as best we can with a heartfelt muchas gracias.

## MEDICAL LIBRARY ASSOCIATION DAY

Mr. HUMPHREY. Mr. President, there is at the desk a joint resolution (S.J. Res. 103). I ask unanimous consent that the committee to which the joint resolution was referred be discharged from further consideration of the resolution, and that the Senate proceed to its immediate consideration.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I do not intend to object—it is my understanding that this matter has been cleared with the ranking minority member of the committee, the Senator from Nebraska (Mr. HRUSKA). Is that correct?

Mr. HUMPHREY. May I say that not only has it been cleared with the Senator from Nebraska (Mr. HRUSKA), but also with the chairman of the subcommittee, the chairman of the full committee, the minority leader, and also by a polling of the Judiciary Committee.

Mr. GRIFFIN. I thank the Senator.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The legislative clerk read the joint resolution (S.J. Res. 103) by title, as follows:

A joint resolution to authorize the President to designate June 1, 1971, as "Medical Library Association Day".

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Minnesota? Without objection, the committee is discharged from further consideration of the joint resolution, and the Senate will proceed to its consideration.

Mr. HUMPHREY. Mr. President, on June 1 of this year, the National Medical Library Association will hold its annual meeting. The joint resolution I introduced on Monday, May 24, authorizes and requests the President to proclaim June 1 as "National Medical Library Day."

The medical libraries represented by those attending this meeting are an increasingly important factor in providing quality medical care to the American people. The benefits of medical research are more readily available to doctors and medical staffs throughout the country. The Medical Library Assistance Act, enacted in 1965, has made funds available to the medical community, through the National Library of Medicine. The sum of $40.8 million has been granted since the enactment of the legislation.

However, much more remains to be done, Mr. President. Far too often, scientific and medical breakthroughs are not widely enough dispersed. Too frequently, the knowledge exists that would permit the curing of a disease or easing a disability, but it is not available to those treating those who suffer.

We must expand the facilities and quality of medical libraries nationally. Funding must be made available for this important task. We must also see to it that the trained personnel are available. Training grants for the specialized skills required must be increased. The important mission of these libraries and those who operate them must be expanded. We must make sure that the sick and disabled are given the very best and up-to-date treatment. Our network of computerized medical libraries are helping make sure this is the case.

It is for this reason that I introduced the joint resolution. Declaration of a "National Medical Library Day" will help bring the importance of these libraries before the American people—the people these storehouses of medical knowledge are designed to serve.

I ask unanimous consent to have printed in the RECORD certain references and tables.

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

LIST OF FIGURE CAPTIONS

Figure I—National Health Expenditures in 1969 for health care, medical research and communications.

Figure II—Percentage Distribution of Funds by Program for the period July 1, 1965 through June 30, 1970.

Figure III—Percentage Distribution of Program Funds by personnel, materiel, techniques and services for the period July 1, 1965 through June 30, 1970.

Figure IV—The number of resource grants distributed by type of institution.

Figure V—The funding distribution of resource grants by type of institution.

Figure VI—Hierarchiacal Structure of Medical Library Network Plan.

Figure VII—A comparison of the distribution of national interlibrary loan activity before and after the establishment of Regional Medical Libraries.

Figure VIII—Regional Distribution of MLAA Funds provided by the Research, Training, Resources, Construction and Regional Medical Library Programs of the NLM.

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TABLE I.—COMPARISON OF NLM AUTHORIZING, APPROPRIATIONS, AND UNFUNDED PROJECTS UNDER THE MEDICAL LIBRARY ASSISTANCE ACT OF 1965 FOR FISCAL YEARS 1966–70 (JULY 1, 1965, TO JUNE 30, 1970)

[In millions of dollars]

| | (A) | | | | (B) | |
|---|---|---|---|---|---|---|
| Program | Funds authorized | Funds appropriated and awarded | Percentage of authorized funds appropriated | Number of projects | Difference between authorized and appropriated funds | Project funds requested but unavailable |
| Resources | $15.0 | $11.8 | 79 | 402 | $3.2 | $0.9 |
| Construction | 40.0 | 11.3 | 28 | 11 | 28.7 | 34.8 |
| Research and development | 15.0 | 6.0 | 40 | 103 | 9.0 | .5 |
| Regional medical libraries | 12.5 | 4.7 | 38 | 10 | 7.8 | .9 |
| Training | 5.0 | 4.5 | 90 | 28 | .5 | .3 |
| Publications | 5.0 | 2.3 | 46 | 43 | 2.7 | .2 |
| Special scientific projects | 2.5 | .2 | 8 | 7 | 2.3 | 0 |
| NLM regional branches | 10.0 | 0 | 0 | 0 | 10.0 | 0 |
| Total | 105.0 | 40.8 | 39 | 604 | 64.2 | 37.6 |

TABLE II.—NLM RESEARCH AND DEVELOPMENT PROGRAM GRANTS AND CONTRACTS AWARDED FISCAL YEARS 1966–70 (JULY 1, 1965, TO JUNE 30, 1970)

| Category | Number of projects | Amount (million) |
|---|---|---|
| Library services, operations, and manpower | 14 | $2.1 |
| Biomedical communications, usage, and tools | 43 | 3.0 |
| History of medicine | 46 | 1.0 |
| Total | 103 | 6.1 |

TABLE III.—NLM TRAINING PROGRAMS, FISCAL YEARS 1966–70 (JULY 1, 1965, TO JUNE 30, 1970)

| | Projects funded | Individuals [1] supported |
|---|---|---|
| A. Training grants: | | |
| Nondegree programs | 6 | 77 |
| Degree Programs: | | |
| Masters | 9 | 143 |
| Ph. D | 5 | 33 |
| Total | 20 | [2] 253 |
| B. Fellowships: | | |
| Postdoctoral Research: | | |
| History | 6 | 6 |
| Biochemical Communications | 2 | 2 |
| Total | 8 | 8 |

[1] During 1966–70; some for more than 1 year.
[2] Training programs funded during 1966–70 will have provided training for approximately 350 individuals, some of whom will actually receive this training in fiscal year 1971. Funds awarded totaled $4,460,000.

TABLE IV.—NLM publications program: grants and contracts, fiscal year 1966–70.

| | *Number of projects* |
|---|---|
| Abstracts | 8 |
| Atlases | 6 |
| Bibliographies | 6 |
| Critical reviews | 1 |
| Handbooks and catalogs | 8 |
| Monographs | 3 |
| Translation projects | 6 |
| Other media | 5 |
| Total | 43 |

Total awarded, $2.3 million.

TABLE V.—LIST OF INSTITUTIONS RECEIVING NLM CONSTRUCTION GRANTS (FISCAL YEARS 1967–70)[1]

| | RML region | Type of institution | Award | Net square feet area | Volume capacity |
|---|---|---|---|---|---|
| Boston University, Boston, Mass. | I | Medical school | $1,017,891 | 29,900 | 100,000 |
| Brown University, Providence, R.I. | I | do | 536,331 | 14,119 | 100,000 |
| Rutgers, the State University, New Brunswick, N.J. | II | do | 541,293 | 12,498 | 100,000 |
| Jefferson University, Philadelphia, Pa. | III | do | 1,765,636 | 44,465 | 145,000 |
| George Washington University, Washington, D.C. | IV | do | 1,295,595 | 29,271 | 80,000 |
| Wayne State University, Detroit, Mich. | V | do | 1,459,567 | 50,107 | 130,000 |
| Auburn University, Auburn, Ala. | VI | Veterinary medical school | 101,229 | 4,000 | 17,000 |
| Southern College of Optometry, Memphis, Tenn. | VI | Optometry school | 176,525 | 5,924 | 20,000 |
| University of Nebraska, Omaha, Nebr. | VIII | Medical school | 1,636,077 | 59,629 | 273,000 |
| University of Utah, Salt Lake City, Utah | VIII | do | 1,121,450 | 35,425 | 190,000 |
| University of Texas (medical branch), Galveston, Tex. | IX | do | 1,598,406 | 48,783 | 150,000 |
| Total | | | 11,250,000 | 334,121 | 1,305,000 |

[1] Congressional appropriations were not made for construction until fiscal year 1967.

TABLE VI.—LIBRARIES RECEIVING NLM GRANTS TO SERVE AS REGIONAL MEDICAL LIBRARIES IN ELEVEN GEOGRAPHIC REGIONS

| Regions | States | Funds (millions) | Operational |
|---|---|---|---|
| No. 1—New England: New England Regional Medical Library, the Francis A. Countway Library of Medicine, Boston, Mass. | Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. | $1.020 | Oct. 1, 1967 |
| No. 2—New York: New York and Northern New Jersey Regional Medical Library, New York Academy of Medicine, New York, N.Y. | New Jersey (northern counties: Bergen, Essex, Hudson, Hunterdon, Middlesex, Morris, Passaic, Somerset, Sussex, Union, and Warren), New York. | .336 | Feb. 16, 1970 |
| No. 3—Mideastern: Mideastern Regional Medical Library, College of Physicians of Philadelphia, Philadelphia, Pa. | Delaware, New Jersey (southern counties: Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Monmouth, Ocean and Salem). | .715 | July 1, 1967 |
| No. 4—Mid-Atlantic: Mid-Atlantic Regional Medical Library, Post Office Box 30260, Bethesda, Md. (NLM). | Maryland, North Carolina, Virginia, Washington, D.C., West Virginia. | | |
| No. 5—East Central: Kentucky-Ohio-Michigan Regional Medical Library, Wayne State University, Detroit, Mich. | Kentucky, Michigan, Ohio | .256 | Apr. 1, 1969 |
| No. 6—Southeastern: Southeastern Regional Medical Library, A. W. Calhoun Medical Library Woodruff Research Building, Emory University, Atlanta, Ga. | Alabama, Florida, Georgia, Mississippi, Puerto Rico, South Carolina, Tennessee. | $0.470 | Jan. 2, 1970 |
| No. 7—Midwest: Midwest Regional Medical Library, the John Crerar Library, Chicago, Ill. | Illinois, Indiana, Iowa, Minnesota, North Dakota, Wisconsin. | .325 | Nov. 18, 1968 |
| No. 8—Midcontinental: Midcontinental Regional Medical Library, University of Nebraska Medical Center, Omaha, Nebr. | Colorado, Kansas, Missouri, Nebraska, South Dakota, Utah, Wyoming. | .228 | July 1, 1970 |
| No. 9—South Central: University of Texas, Southwestern Medical School at Dallas, Dallas, Tex. | Arkansas, Louisiana, New Mexico, Oklahoma, Texas. | .178 | Feb. 1, 1970 |
| No. 10—Pacific Northwest: Pacific Northwest Regional Health Sciences Library, University of Washington, Seattle, Wash. | Alaska, Idaho, Montana, Oregon, Washington. | .639 | Oct. 1, 1968 |
| No. 11—Pacific Southwest: Pacific Southwest Regional Medical Library, Center for Health Science, University of California, Los Angeles, Calif. | Arizona, California, Hawaii, Nevada. | .512 | Sept. 1, 1969 |

TABLE VII.—COMPARISON OF SCOPE AND LEVEL OF NLM'S SERVICES

| | Fiscal year— | | |
|---|---|---|---|
| | 1964 | 1967 | 1970 |
| Interlibrary loans | 130,555 | 175,000 | 100,611 |
| Reference requests | 20,154 | 25,514 | 21,702 |
| Technical services: | | | |
| Items cataloged | 14,157 | 14,529 | 17,767 |
| Publications added | 91,105 | 112,301 | 121,942 |
| History of medicine services: | | | |
| Reference | 281 | 1,338 | 1,461 |
| Index medicus: | | | |
| Articles indexed | 144,057 | 168,310 | [1] 210,000 |
| Issues distributed | 7,600 | [2] | 5,151 |
| Abridged index medicus | | | 1,924 |
| Bibliographics prepared | 1,102 | [2] | [3] |
| Medlars searches | | 4,733 | [4] 22,000 |
| Recurring bibliographies | | 10 | 18 |
| Literature searches | | | 23,351 |
| Audiovisuals distributed | | | 72,865 |

[1] Includes NLM and United States and foreign sources under contract.
[2] Not available.
[3] See Medlars searches.
[4] NLM: 3,520; U.S. centers, 10,560; foreign centers; 7,920.

The PRESIDING OFFICER. The question is on agreeing to the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S.J. RES. 103

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That, as a tribute to the important and dedicated work performed by the medical librarians, the President is authorized and requested to issue a proclamation designating the day June 1, 1971, as "Medical Library Association Day" to coincide with their annual convention.

## A REPORT OF THE JOINT ATOMIC ENERGY COMMITTEE RE NAVAL NUCLEAR PROPULSION PROGRAM

Mr. SYMINGTON. Mr. President, last Saturday, May 22, the Joint Committee on Atomic Energy, of which I am a member, distributed to the press copies of a hearing and report on the naval nuclear propulsion program for 1971 for release to the public on Monday, May 24.

Neither I nor my staff saw this testimony or report prior to its publication; nor was a copy of the printed document delivered to my office. We obtained it upon request after news stories of its content appeared in my State.

The report contains conclusions and recommendations purportedly made by the members of the committee; but as a member of that committee, I was never asked to comment on said conclusions or recommendations.

In all the years I have served in the Senate on various committees, I cannot recall any committee of which I was a member releasing a report of committee recommendations without first obtaining the permission of the members involved.

One recommendation in particular in this report on the naval nuclear propulsion program, with which I do not agree, and to which I would have filed an objection, is the following:

The Joint Committee recommends that Congress approve the Navy's recommendation to substitute CVAN–70 advance procurement funds in the fiscal year 1972 budget for the support ships identified by the Navy as having a lower priority.

I was against the CVAN–70 request for funds last year—which funds the Congress deleted—and will oppose any effort to include funds in the fiscal year 1972 budget for this additional nuclear aircraft carrier.

In that I did not have an opportunity to comment on this report prior to its publication, I would not only like to record my disagreement with the above recommendation, but I would also note that I reserve judgment on any and all of the conclusions and recommendations expressed therein.

## ORDER FOR RECOGNITION OF SENATOR BYRD OF VIRGINIA ON WEDNESDAY, JUNE 2, 1971

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that on Wednesday next, June 2, following the remarks of the two leaders under the standing order, the distinguished senior

Senator from Virginia (Mr. BYRD) be recognized for not to exceed 15 minutes.

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

## EXECUTIVE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations reported earlier today and which are at the desk.

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

The PRESIDING OFFICER. The clerk will state the first nomination.

## U.S. DISTRICT JUDGES

The legislative clerk read the nomination of Solomon Blatt, Jr., of South Carolina, to be a U.S. district judge for the District of South Carolina.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Robert F. Chapman, of South Carolina, to be a U.S. district judge for the District of South Carolina.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Warren H. Young, of the Virgin Islands, to be a judge of the District Court of the Virgin Islands.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

## U.S. ATTORNEYS

The legislative clerk read the nomination of Joel D. Sacks, of the Virgin Islands, to be U.S. attorney for the Virgin Islands.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of Julio Morales Sanchez, of Puerto Rico, to be U.S. attorney for the District of Puerto Rico.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

## DISTRICT OF COLUMBIA COURT OF APPEALS

The legislative clerk read the nomination of Hubert B. Pair, of the District of Columbia, to be an associate judge of the District of Columbia Court of Appeals.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

The legislative clerk read the nomination of J. Walter Yeagley, of Virginia, to be an associate judge of the District of Columbia Court of Appeals.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. GRIFFIN. Mr. President, I ask that the President of the United States be immediately notified of the confirmations of the nominations.

The PRESIDING OFFICER. Without objection, the President will be so notified.

Mr. BYRD of West Virginia. Mr. President, for the RECORD, I wish to state, on behalf of the majority leader, that contacts were made with interested parties on both sides of the aisle, including the two South Carolina Senators, prior to the consideration of the nominations by unanimous consent today, and all parties expressed approval of the request for unanimous consent to proceed immediately to the consideration of the various nominations.

## LEGISLATIVE SESSION

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

There being no objection, the Senate proceeded to consider legislative business.

Mr. BYRD of West Virginia. Mr. President, as far as I can determine, I am about to suggest the last quorum call for today.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

## INTEREST RATES TURN UP

Mr. BYRD of Virginia. Mr. President, the Wall Street Journal in a comprehensive article published May 25, said:

> Interest rates are headed back up again . . . Rates for both short term loans and bonds have jumped sharply in recent weeks, offsetting much of the decline that had been registered since they hit historic highs last year.

Last February, on the floor of the Senate, and again in an interview with Economist Eliot Janeway, I warned that heavy Government borrowing would force an increase in interest rates. I believe we are seeing that prediction come true.

The Federal Reserve Board, of course, could reverse the upward interest rate trend by increasing the flow of the money into the economy. But this would be highly inflationary and could spur interest rates even higher as lenders sought protection from anticipated declines in purchasing power of their money.

The more the Federal Reserve manipulates upward the money supply the greater the fear of inflation and the greater risk of renewed international assaults on the dollar.

The Federal Government is on a highly unsound financial basis. The national debt increased $25 billion between May 1970, and May 1971.

During the last 3 years of President Johnson's administration the accumulated Federal funds deficit was $49 billion; during the first 3 years of President Nixon's administration the accumulated Federal funds deficit will be $62 billion.

Thus, during that 6-year period the Federal Government will have run a Federal funds deficit of $111 billion.

This is the primary cause of the weakening of the American dollar, the primary cause for the inflation we are experiencing. This is eating into the housewife's grocery money and into the wage-earner's paycheck.

The dollar will continue to decrease in value until the Government puts its financial house in order.

I ask unanimous consent that the text of the Wall Street Journal article of May 25, 1971, captioned "Interest Rates Reverse Downward Trend, Stir Fear for the Economy," be published at this point in the RECORD.

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

INTEREST RATES REVERSE DOWNWARD TREND, STIR FEARS FOR THE ECONOMY

(By Charles N. Stabler)

NEW YORK.—Interest rates are headed back up again, and that's bad news for the effort to get the economy humming once more.

Rates for both short-term loans and bonds have jumped sharply in recent weeks, offsetting much of the decline that had been registered since they hit historic highs early last year. Some economic analysts say pressures are building that seem likely to drive interest costs even higher in the weeks and months to come.

As rates go higher, economic analysts get increasingly worried. "The current situation in the money and bond markets is rather precarious," Henry Kaufman, economist for the securities firm of Salomon Brothers, warned yesterday in a talk to the New York Society of Securities Analysts. "A further increase in interest rates will bring about again a sequence of financial events which will eventually abort the current economic recovery."

STALLING HOUSING RECOVERY

Among the more immediate dangers: The long-delayed revival of the housing market could be stalled for lack of money because mortgage interest rates of 7½% (the current common level) aren't competitive with rates available to investors elsewhere. Rates on corporate bonds, for example, have shot up recently to 8½% and more. The same high yields could pull money out of the stock market—and, indeed, may already be doing so. This could lead to stock price declines that, in turn, would shake public confidence in the economy. Thus, some analysts worry, major stimulants that administration and private economists have counted on to encourage economic growth—mainly housing and consumer spending—could lose their momentum.

Looking further ahead, some analysts see even greater dangers. For example, economists at First National City Bank are warning that additional rate increases could prompt the money managers of the Federal Reserve System to increase the flow of money

into the economy in an effort to hold down rates and thus keep the recovery going. But, say these economists, one result would be to stimulate further inflation. This, in turn, would spur interest rates even higher as lenders sought protection from anticipated declines in the purchasing power of their money.

The pressures reflected by interest rates are complex and shot through with cross-currents, economists concede. Among the major determinants: the government's policies on spending and borrowing and the amount of lending capacity funneled into the markets by the Fed; the needs now and in the future for borrowed money to finance construction, industrial activity and state and local government projects, and, finally, what lenders and borrowers think about economic conditions, especially inflation.

CHARTS LIKE ROLLER COASTERS

Over the past year and a half, these pressures generated price changes for borrowed money that make the statistical charts of analysts look like roller coasters. The cost of borrowing in the bond market for, say, highly rated utilities soared to 9½% last June, tumbled to 7% in February and now is back up to around 8⅜%. Treasury bills, a short-term government security that is the bellwether of the money market, started 1970 at close to 8% in yield and then plunged dramatically to a low of 3¼% in March. Now they're back up to a yield of around 4⅓%.

Banks' prime rate, the base interest charge required of the most credit-worthy corporate customers, was a record 8½% at the beginning of 1970 but, starting in March that year, sank swiftly, hitting a low of 5¼% last March. It was boosted to 5½% recently and there now are widespread predictions it will go up again soon, possibly to 6%.

Other rates, too, are expected to rise. For example, Salomon Brothers' Mr. Kaufman predicts a 5% to 5⅛% range for Treasury bills in the second half of this year. Continued large volume of corporate bond offerings would push that rate above 8½%, he adds.

All this has come about because of a combination of fundamental changes in the economy and the monetary policies of the Federal Reserve. The economy slowed last year largely because the Fed sharply restricted the expansion of money supplies in 1969. Interest rates tumbled as credit demand slackened in the sluggish economy. Then, as the economy began to recover late last year, credit demand rose sharply while the Fed followed a policy of moderate expansion of money. Finally, in just the past few weeks, interest rates have rebounded.

ADDITIONAL STRAINS LOOM

Just ahead loom additional strains on the credit markets.

The Treasury may be faced with a sharp increase in its needs for borrowing, for example. In addition, corporate financing requirements are heavy because of the economic expansion.

The money managers at the Federal Reserve are handicapped in coping with the higher interest rates by continued fear of inflation and the risk of renewed international assaults on the dollar. Although the Fed has said its target for expansion of money supply this year is around 6% over last year, actual expansion so far this year has been at about a 9% annual rate. Trying to bring down interest rates would require massive new injections of money into the credit markets, putting the 6% target even further out of sight.

In addition, lowering interest rates in this country, while interest rates available in other nations remain high, would encourage even greater outflows of speculative "hot money" in search of the best market return. The result would be to generate new pressures on the value of the dollar in terms of other currencies.

## QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

## THE PROGRAM

Mr. BYRD of West Virginia. Mr. President, the program for Tuesday, June 1, is as follows:

The Senate will convene at 12 o'clock noon, following the Memorial Day recess.

Following the recognition of the two leaders under the standing order, there will be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements therein limited to 3 minutes.

At the conclusion of the routine morning business, the Senate will resume its consideration of the unfinished business, the extension of the draft.

When the Senate completes its business on Tuesday, June 1, it will adjourn until 9:30 a.m. the following day, Wednesday, June 2.

As a reminder to Senators, on Thursday June 3, at 11 a.m., a vote will occur on Reorganization Plan No. 1. The yeas and nays have already been ordered on this vote.

Moreover, a vote will occur on the Hatfield amendment at 1 p.m. on Friday, June 4; and a vote will occur not later than 4 p.m. on that day, Friday, June 4, on the Schweiker amendment. Undoubtedly, all of these votes will be rollcall votes; but I wish to offer a caveat to the effect that rollcalls during this period are not necessarily limited to those I have mentioned, and they may occur on conference reports, amendments to amendments, and so forth.

I should also mention the fact that the Pastore rule of germanness has been waived during the period Tuesday, June 1, through Friday, June 4, by virtue of the fact that an agreement has been reached controlling the time during those days and providing for votes at times certain.

Mr. President, I suggest—for the last time today, hopefully—the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. BYRD of West Virginia. Mr. President, does the distinguished assistant Republican leader have anything further at this time?

Mr. GRIFFIN. No.

## ADJOURNMENT UNTIL TUESDAY, JUNE 1, 1971

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 316, as amended, that the Senate stand in adjournment until 12 noon on Tuesday, June 1, 1971.

The motion was agreed to; and (at 5 o'clock and 52 minutes p.m.) the Senate adjourned until Tuesday, June 1, 1971, at 12 noon.

## NOMINATIONS

Executive nominations received by the Senate May 26, 1971:

DISTRICT OF COLUMBIA COUNCIL

The following-named persons to be members of the District of Columbia Council for terms expiring February 1, 1974:

Margaret A. Haywood, of the District of Columbia; reappointment.

Joseph P. Yeldell, of the District of Columbia; reappointment.

Henry K. Willard, of the District of Columbia, vice Philip J. Daugherty, term expired.

## CONFIRMATIONS

Executive nominations confirmed by the Senate May 26, 1971:

UNITED NATIONS

W. Tapley Bennett, Jr., of Georgia, a Foreign Service officer of the class of career minister, to be Deputy Representative of the United States of America in the Security Council of the United Nations, with the rank of Ambassador.

U. S. DISTRICT COURT

Solomon Blatt, Jr., of South Carolina, to be a U.S. district judge for the district of South Carolina.

Robert F. Chapman, of South Carolina, to be a U.S. district judge for the district of South Carolina.

DISTRICT COURT OF THE VIRGIN ISLANDS

Warren H. Young, of the Virgin Islands, to be a judge of the District Court of the Virgin Islands for a term of 8 years.

U. S. ATTORNEYS

Julio Morales Sanchez, of Puerto Rico, to be U.S. attorney for the District of Puerto Rico for the term of 4 years.

Joel D. Sacks, of the Virgin Islands, to be U.S. attorney for the Virgin Islands for the term of 4 years.

DISTRICT OF COLUMBIA COURT OF APPEALS

Hubert B. Pair, of the District of Columbia, to be an associate judge of the District of Columbia Court of Appeals for the term of years prescribed by Public Law 91-358, approved July 29, 1970.

J. Walter Yeagley, of Virginia, to be an associate judge of the District of Columbia Court of Appeals for the term of years prescribed by Public Law 91-358, approved July 29, 1970.