SENATE—*Wednesday, July 21, 1971*

The Senate met at 9:45 a.m. and was called to order by Hon. ALAN CRANSTON, a Senator from the State of California.

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

Eternal Father, we thank Thee for Thy mercies which are new every morning, for new light and insight and promise. Through the toil of the day keep us by Thy grace. Make us ever alert to the prompting of Thy spirit, guarding us against the wrong and supporting us in the right, undergirding and reinforcing all our efforts.

Rekindle the light of freedom and the faith of the people in the founding principles of the Republic that in these tumultuous and tension-filled days we may be vitalized by the irresistible moral forces and the spiritual verities which nourish democracy. Keep us from being disheartened by the human perversity and folly of the destructive few while the many give their best for justice, truth, and righteousness. As we labor for a better nation, we beseech Thee to enable us so to order our national life as to contribute to the peace and good will among all the nations.

Hear this and all the unuttered prayers in the secret of our hearts. Amen.

DESIGNATION OF THE ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 21, 1971.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. ALAN CRANSTON, a Senator from the State of California, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 20, 1971, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session, to consider the nominations on the executive calendar under "New Reports."

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

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The legislative clerk proceeded to read sundry nominations on the Secretary's desk in the National Oceanic and Atmospheric Administration.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

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

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to the consideration of legislative business.

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

Mr. MANSFIELD. Mr. President, am I correct in stating, for the benefit of the Senate, that under a unanimous-consent agreement entered into yesterday, the following Senators will be recognized for not to exceed 15 minutes each: Senator MAGNUSON, Senator JACKSON, and Senator SYMINGTON?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Does the Senator from Pennsylvania wish to be heard under the standing order?

Mr. SCOTT. Mr. President, I yield back my time.

Mr. MANSFIELD. I yield back the remainder of mine.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Washington (Mr. MAGNUSON) is recognized for not to exceed 15 minutes.

(The remarks of Mr. MAGNUSON when he introduced S. 2321 and the ensuing discussion are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with the time to be taken out of the limitation already entered into.

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

Under the previous order, the Senator from Missouri is recognized for not to exceed 15 minutes.

(The remarks of Mr. SYMINGTON when he submitted an amendment appear under Submission of Amendment No. 294 to the Military Procurement Authorization Bill, S. 939.)

MESSAGES FROM THE PRESIDENT—APPROVAL OF JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Leonard, one of his secretaries, and he announced that on July 20, 1971, the President had approved and signed the joint resolution (S.J. Res. 101) to authorize and request the President to issue a proclamation designating July 20, 1971, as "National Moon Walk Day."

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore (Mr. CRANSTON) laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Col. Walter B. Staudt, Texas Air National Guard, from further consideration for appointment as a brigadier general, Reserve of the Air Force, which nominating messages were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the transaction of routine morning business, not to exceed 30 minutes, with statements therein limited to 3 minutes for each Senator.

REPORTS REGARDING POSSIBLE RESIGNATION OF DEPUTY SECRETARY OF DEFENSE PACKARD

Mr. BYRD of Virginia. Mr. President, news reports indicate this morning that the Deputy Secretary of Defense, Mr. David A. Packard, may either resign his position or be forced to resign. The reports developed from testimony prepared for a congressional committee yesterday.

Mr. Packard, in his comments prepared for the committee, indicated some

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concern about the proposed legislation dealing with Lockheed Aircraft.

At this point I have not made a firm decision in regard to this proposed legislation. There are arguments on both sides of the question.

But I rise today to say I think it would be very undesirable from the point of view of our Nation if the Deputy Secretary of Defense, Mr. Packard, were to resign or be forced to resign.

When men in the executive branch of Government come before Congress and the respective committees of Congress to testify, Congress wants to know their views, and I think the Congress is entitled to their own view. If they are not going to give their views frankly and conscientiously, I do not see much point in inviting them to come before the committees.

As to David Packard, I think he is a man of unusual talent. He has great ability. He is trying to bring some order out of chaotic conditions which exist in the Defense Department insofar as procurement contracts are concerned. He is making some headway in this endeavor.

Certainly there is no more unselfish man in Government than is David Packard. He is not in Government because he needs a job, or wants a job, or because he is trying to get high political office.

He is in Government for one reason, if I judge him accurately. He is in Government for one reason, and that is to do his best to serve the United States of America. I do not know that I have met, in my time in Washington, a more dedicated individual or one of higher integrity than is David Packard. He believes in speaking frankly. I admire that characteristic. That is one reason many of us in Congress have confidence in him.

So I hope these reports emanating from testimony prepared for a congressional committee yesterday that Mr. Packard is either planning to resign or may be forced to resign are inaccurate. It would be unfortunate were the Government to lose his services.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

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

The ACTING PRESIDENT pro tempore. The Senator from Missouri is recognized.

Mr. SYMINGTON. I would associate myself with the remarks made by the distinguished Senator from Virginia. It was my privilege to defend Deputy Secretary of Defense Packard when he was attacked primarily because he was a businessman and had been successful before he came into Government.

Along with the Senator from Virginia, I have had the privilege of watching Secretary Packard operate, and believe it would be unfortunate if his experience and ability were not continued to be available in the interest of the taxpayers. We have not agreed on everything, he and I; but, in my opinion, he is an able public servant.

Mr. PROXMIRE. Mr. President, I, too, would like to join the distinguished Senator from Virginia. I would like to read from an article in the Washington Post this morning with respect to the situation to which the Senator from Virginia referred:

> In a prepared statement sent to the same committee Monday morning, a few hours before he was scheduled to testify, Deputy Secretary of Defense David Packard was sharply critical of the bigger loan guarantee package.
>
> Packard, however, was pressured into dropping the critical parts of his statement from the version he actually read to the committee.
>
> The pressure, according to well informed government officials, came from the Treasury Department, where the White House efforts to save Lockheed from bankruptcy are coordinated.
>
> Packard's concern is that the $2 billion fund would undermine Pentagon attempts to force the defense industry into better management practices.

Let me interpolate at that point. I think there is nothing more important, as far as procurement is concerned and as far as national defense is concerned in the procurement area, than for us to force on the Pentagon and the defense contract procedure more efficient practices. I have had my differences with Mr. Packard, too, but I think he is a man of enormous ability and competence, and he certainly is dedicated in trying to develop more efficient procurement procedures.

He points out that this bill, which will be before us in a few minutes, probably, will undermine the Defense Department position. I hope Senators will keep that in mind as we discuss, debate, and vote on the bill.

The article continues:

> While Packard is the only insider to openly challenge the administration line thus far, a number of other government officials say privately that they agree with him. The major fear expressed is that once the loan machinery is set up, Congress will have little or no control over the money.
>
> "It's just going to be a big, tempting $2 billion pot sitting there," says one Pentagon official, "and Congress won't have to vote every time someone dips into it."

I want to make clear that David Packard is for a guarantee to Lockheed. I think that ought to be understood. He is for it, not against it. But when he testified he made it clear that it should not be a precedent and, therefore, he was opposed to a generic bill. A generic bill will be before us. That is the bill on which we will vote. I do not think we should grant Lockheed a loan. I think it would be bad precedent. But if the Senate disregards my thinking and takes the Packard view, once we start down that path, it means the free enterprise system that has given this country the greatest economy in the world will end, because it means we will never again have the situation of a company failing and having to discipline itself against that eventuality. There will just be rewards and, therefore, we will not have the force that has made our economy so effective.

(Mr. COOK assumed the chair as Presiding Officer.)

Mr. CRANSTON. First, Mr. President, I want to thank the Senator from Kentucky (Mr. COOK) for taking the chair so that I could speak briefly on the matter before the Senate.

I want to join other Senators in expressing my high regard for Mr. Packard, who is a constituent of mine, a Californian, who has served with great distinction as Under Secretary of Defense. I agree with the Senator from Virginia that no man is more dedicated to public service in the entire executive branch, and he is performing magnificently in the role he is fulfilling in the Department of Defense.

On the matter of Lockheed, I had had the gravest reservations about the original proposals for a loan for that company, and it was only after exhaustive consideration on my part and attendance through all the hearings on that matter before the Bank, Housing and Urban Affairs Committee that I came to the conclusion that, overall, the broadened bill makes a great deal of sense for this country, and I am, therefore, supporting that measure.

(Mr. CRANSTON assumed the chair as Acting President pro tempore.)

Mr. WEICKER. Mr. President, I would like to associate myself with the comments of my colleague from Virginia. I think what is at issue here—and he touched upon it—is the word "credibility," which seems to be in tenuous straits as between the Government and the public, but will certainly become tenuous between the executive and the legislative branches of Government unless we have those persons from the executive branch coming to convince us in the position where they can speak frankly and openly.

David Packard, in the course of his career, has made decisions which have not always been favorable to my State of Connecticut, but they were always well reasoned, and he was fair and objective. I think he has done a fantastic job in the Defense Department of trying to bring order out of chaos, as was well stated by the Senator from Virginia.

For the sake of credibility as between this branch of Government and the executive branch, I would hope we could have a feeling that when men come from that area of government they do not arrive as messenger boys, but, rather, that they are before us using those minds for which minds they were selected for their complicated jobs in the first instance.

In the course of the weeks and months ahead, I would hope that the administration would realize that the comments of Secretary Packard are healthy—even though I happen to disagree with the Lockheed loan—for giving credibility to the administration's request. If there is anything that would turn one against the Lockheed loan, it would be any sort of retribution against the clear thinking of this man.

The ACTING PRESIDENT pro tempore. Is there further morning business?

QUORUM CALL

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

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

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the quorum call be rescinded.

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

PROPOSED AMENDMENTS TO THE BUDGET, 1972, FOR THE ARMY CORPS OF ENGINEERS (S. DOC. NO. 92-32)

A communication from the President of the United States, transmitting proposed amendments to the request for appropriations transmitted in the budget for the fiscal year 1972, involving no net increase in budget authority, for the Army Corps of Engineers (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

INTERCHANGE OF JURISDICTION OF CIVIL WORKS

A letter from the Secretary of the Army and the Secretary of Agriculture giving notice, pursuant to law, of the intention of the Departments to interchange jurisdiction of civil works and National forest lands at Libby Dam and Reservoir in Montana (with accompanying papers); to the Committee on Agriculture and Forestry.

APPROVAL OF LOAN BY THE RURAL ELECTRIFICATION ADMINISTRATION

A letter from the Acting Administrator of the Rural Electrification Administration submitting information, pursuant to law, regarding the approval of a loan to the Minnkota Power Cooperative, Inc., of Grand Forks, N. Dak. (with accompanying papers); to the Committee on Appropriations.

REPORTS OF THE COMPTROLLER GENERAL

Two letters from the Comptroller General of the United States submitting, pursuant to law, two reports; one entitled "Progress Made Toward Independent and Comprehensive Audits of the Inter-American Development Bank," and the other "Legislation Recommended To Reduce Losses of Two Insured Loan Funds of the Farmers Home Administration" (with accompanying reports); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improvements Needed in Management of Projects to Develop Business Opportunities for the Poor", Office of Economic Opportunity, dated July 20, 1971 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Further Improvements Needed in Administration of the Small Business Investment Company Program", Small Business Administration, dated July 21, 1971 (with an accompanying report); to the Committee on Government Operations.

PROPOSED LEGISLATION RELATING TO DEVELOPMENT OF NATIONAL RESOURCE LANDS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to provide for the management, protection, and development of the national resource lands and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS

Petitions were received and referred, as indicated:

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

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

"SENATE JOINT RESOLUTION NO. 32

"Ratifying the proposed amendment to the Constitution of the United States relating to the right to vote of citizens of the United States who are eighteen years of age or older

"Whereas, the 92d 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 —

" '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.'

"Now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring:

"1. That the amendment to the Constitution of the United States of America herein set forth be, and the same is hereby, ratified and affirmed;

"2. That certified copies of this joint resolution be forwarded by the Governor to the President of the United States, to the Secretary of State at Washington, to the Administrator of General Services in Washington, to the President of the United States Senate, and to the Speaker of the House of Representatives of the United States."

A joint resolution of the Legislature of the Commonwealth of Virginia; ordered to lie on the table:

"HOUSE JOINT RESOLUTION NO. 108

"Memorializing the Congress of the United States to exempt public employees' benefit and pension plans from the provisions of the proposed 'Employee Benefit Security Act'

"Whereas, the Congress of the United States is currently considering a bill known as the 'Employee Benefit Security Act' (H.R. 1269) which would place stringent regulations and controls on employee pension and benefit plans, including, as such bill is presently drawn, public employee benefit plans such as those administered by the Virginia Supplemental Retirement System; and

"Whereas, the Virginia Supplemental Retirement System, and other similar public plans are strictly controlled by the statutes which create them and their affairs are already matters of public record; for which reasons they are not subject to the abuses prevalent in some private benefit plans which have induced the Congress to consider such legislation; and

"Whereas, application of the provisions of the 'Employee Benefit Security Act' to the Virginia Supplemental Retirement System and others like it would be unnecessary in some instances, would create statutory conflicts in others, and would be nearly impossible in still others, thereby placing an intolerable administrative burden upon the agencies which manage such public plans; and

"Whereas, public employee plans in general and the Virginia Supplemental Retirement System in particular do not contain the flaws of inadequate funding, vesting and disclosure safeguards, which appear to be the principal targets for corrective action intended by such federal legislation; now, therefore, be it

"*Resolved by the House of Delegates of Virginia, the Senate concurring*, That the Congress of the United States is hereby memorialized to exempt public employees' benefit plans from the provisions of H.R. 1269 and other similar bills; and, be it further

"*Resolved*, That the members of Congress from Virginia are hereby earnestly requested to introduce or support measures designed to effect such an exemption; and, be it finally

"*Resolved*, That the Clerk of the House of Delegates is instructed to send copies of this Resolution to the Clerks of the United States Senate and House of Representatives and to each member of Congress from this Commonwealth, and to send twenty-five copies hereof to Honorable John H. Dent, the Chairman of Subcommittee No. 3 of the House Education and Labor Committee with a request that it be placed in the record of such subcommittee's deliberations on H.R. 1269."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

S. 389. A bill for the relief of Stephen Lance Pender, Patricia Jenifer Pender, and Denese Gene Pender (Rept. No. 92-274).

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

S. 733. A bill to create an additional judicial district in the State of Louisiana, and for other purposes (Rept. No. 92-279).

By Mr. BURDICK, from the Committee on the Judiciary, with an amendment:

S. 1866. A bill for the relief of Clayton Bion Craig, Arthur P. Wuth, Mrs. Lenore D. Hanks, David E. Sleeper, and De Witt John (Rept. No. 92-280).

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

S.J. Res. 105. Joint resolution authorizing the President to issue a proclamation designating 1971 as the "Year of World Minority Language Groups" (Rept. No. 92-275).

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

S.J. Res. 132. Joint resolution extending the duration of copyright protection in certain cases (Rept. No. 92-277).

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

S. Con. Res. 35. An original concurrent resolution favoring the suspension of deportation of certain aliens (Rept. No. 92-276).

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

S. 2330. An original bill to improve judicial

machinery by permitting the retirement of justices and judges of the United States with long periods of service (Rept. No. 92-281).

By Mr. BYRD of West Virginia, for Mr. LONG, from the Committee on Commerce, with amendments:

H.R. 5208. An act to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard, and to authorize the annual active duty personnel strength of the Coast Guard (Rept. No. 92-278).

By Mr. ALLEN, from the Committee on Agriculture and Forestry, with an amendment:

S. 2072. A bill to amend the Egg Products Inspection Act to provide that certain plants which process egg products shall be exempt from such act for a certain period of time (Rept. No. 92-282).

REPORT ENTITLED "ANTITRUST AND MONOPOLY ACTIVITIES, 1970"—REPORT OF A COMMITTEE (S. REPT. NO. 92-283)

Mr. HART, from the Committee on the Judiciary, pursuant to Senate Resolution 230, submitted a report entitled "Antitrust and Monopoly Activities, 1970," together with individual views, which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

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

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

Fred L. Hadsel, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Ghana.

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

Edward R. Neather, of New York, to be a U.S. district judge for the eastern district of New York;

Robert E. DeMascio, of Michigan, to be a U.S. district judge for the eastern district of Michigan;

Aldon J. Anderson, of Utah, to be a U.S. district judge for the district of Utah;

William S. Sessions, of Texas, to be a U.S. attorney for the western district of Texas;

Maurice H. Sigler, of Nebraska, to be a member of the Board of Parole;

William T. Woodard, Jr., of North Carolina, to be a member of the Board of Parole; and

Gerald E. Murch, of Maine, to be a member of the Board of Parole.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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. BEALL:

S. 2319. A bill for the relief of Imelda D. Aragon. Referred to the Committee on the Judiciary.

By Mr. BROOKE:

S. 2320. A bill to promote the orderly adjustment of tobacco production and marketing. Referred to the Committee on Agriculture and Forestry.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 2321. A bill to assist States having an unemployment rate of 7.5 percent or more to provide up to 26 weeks of emergency compensation to unemployed workers who have exhausted their entitlement to both regular unemployment compensation. Referred to the Committee on Finance.

By Mr. STEVENSON (for himself and Mr. HART):

S. 2322. A bill to establish a system of first party, no-fault insurance for victims of motor vehicle accidents, and for other purposes. Referred to the Committee on the District of Columbia.

By Mr. COTTON (for himself and Mr. MCINTYRE):

S. 2323. A bill to provide an additional permanent district judgeship in New Hampshire. Referred to the Committee on the Judiciary.

By Mr. METCALF (for himself and Mr. MCGOVERN):

S. 2324. A bill to establish a national power grid system, for the purpose of assuring an adequate and reliable low-cost electric power supply consistent with the enhancement of environmental values and the preservation of competition in the electric power industry. Referred to the Committee on Commerce.

By Mr. HATFIELD:

S. 2325. A bill to repeal certain provisions of the Foreign Assistance Act of 1961 prohibiting foreign assistance from being furnished by the United States to a country with which the United States does not have diplomatic relations. Referred to the Committee on Foreign Relations.

By Mr. FANNIN (for himself and Mr. GOLDWATER):

S. 2326. A bill to authorize the Secretary of the Interior to acquire certain lands within the area comprising the Organ Pipe Cactus National Monument, Ariz., and to administer such lands to be acquired as a part of such monument. Referred to the Committee on Interior and Insular Affairs.

By Mr. FANNIN (for himself, Mr. ERVIN, Mr. HANSEN, Mr. CURTIS, Mr. BENNETT, and Mr. BROCK):

S. 2327. A bill to provide for strike ballots in certain cases. Referred to the Committee on Labor and Public Welfare.

By Mr. THURMOND:

S. 2328. A bill for the relief of Chi Hung Lai and his wife, Shuk King Lai. Referred to the Committee on the Judiciary.

By Mr. TOWER:

S. 2329. A bill for the relief of Eduarda Jesus Garcia. Referred to the Committee on the Judiciary.

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

S. 2330. An original bill to improve judicial machinery by permitting the retirement of justices and judges of the United States with long periods of service. Ordered to be placed on the calendar.

By Mr. HRUSKA:

S.J. Res. 136. A joint resolution to authorize and request the President to proclaim the second week in January 1972 as "National Retailing Week." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BROOKE:

S. 2320. A bill to promote the orderly adjustment of tobacco production and marketing. Referred to the Committee on Agriculture and Forestry.

TOBACCO MARKET ADJUSTMENT ACT

Mr. BROOKE. Mr. President, more than 7 years have passed since the Surgeon General of the United States issued a report detailing the health hazards caused by cigarette smoking and recommending that appropriate steps be taken by the Government to meet those dangers.

In the meantime, while more Americans die annually from lung cancer than have died during the entire Vietnam war, per capita consumption of cigarettes has decreased only slightly. This is despite the fact that the Congress and the Federal Trade Commission have taken important steps to alert the American public to the dangers of smoking and that the 1964 report released by the Surgeon General concluded that—

> Cigarette smoking is a health hazard of sufficient importance in the United States to warrant appropriate remedial action.

The Congress took a bold and wise step last year when it passed the Cigarette Labeling Act requiring all cigarette packages to bear the following statement:

> Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

That law also prohibited cigarette commercials on broadcast media effective January 2, 1971.

I supported these provisions but believe that much more needs to be done to protect the American public from the hazards of smoking.

Government-sponsored studies have conclusively proven that the risk of developing lung cancer increases with duration of cigarette smoking and the number of cigarettes smoked per day, and is diminished by discontinuing smoking. In comparison with nonsmokers, average male smokers of cigarettes are approximately 10 times more likely to develop lung cancer.

Other scientific studies have concluded that cigarette smoking far outweighs atmospheric pollution and occupational exposures as the prime cause of chronic broncho-pulmonary disease.

Three Yale Medical School physicians recently conducted a thorough study of lung cancer in teenagers and concluded that symptons such as "cough, phelgm, and shortness of breath were much more common among smokers than among nonsmokers." They presented objective evidence of deleterious functional changes in the lungs of teenagers who smoke only a few years.

Several bills have been introduced into the Congress this year that would limit the advertising, distribution, and consumption of cigarettes. Included are proposals to require advertisers to warn consumers of the potential danger to health from smoking cigarettes, to prohibit the mailing of unsolicited samples of cigarettes, and to prevent or control smoking on common carriers operating in interstate commerce. In addition, the Federal Trade Commission has served notice in recent days that cigarette companies must disclose tar and nicotine contents in their advertising.

I applaud these and other efforts that are being made in the interests of the public health and safety.

However, I also believe that the Government ought to review carefully the financial and institutional support which it furnishes for tobacco production. In light of the scientifically proven medical harm, the economic interests of the tobacco industry clearly ought not be considered the overriding factor in this public debate.

The futility of Constitutional prohibition of alcohol early in this century is clear proof that the Government cannot realistically place an outright prohibition on human tobacco consumption. Nor would I favor such an effort.

It is, however, appropriate for the Congress to examine closely the continuation of the means through which the Federal Government provides substantial and important economic assistance to the tobacco industry.

At a time when many programs that make vital contributions to the enrichment of human life are sadly lacking in funds, it is folly to continue to spend tens of millions of dollars for a product that poses a direct threat to healthy human existence.

I introduced into the last Congress S. 1721, a bill which would have had the effect of phasing out price supports for tobacco production over a 4-year period and of prohibiting the use of Government funds to advertise or promote this product.

Unfortunately, no action was taken on this bill by the Senate Agriculture Committee. Nor did the Agriculture Department take the usually routine step of responding to a committee request to present its views on the bill.

Because of my belief that public concern over the use of tobacco has increased the need for Government responsiveness, I am reintroducing today in substantially similar form the Tobacco Market Adjustment Act of 1971. It is my sincere hope that it will receive the close and favorable attention of both the Congress and the administration.

The bill provides for 4-year phasing out of all Federal price supports for tobacco producers. In order to assist farmers who may be adversely affected by this action, the bill authorizes the Secretary of Agriculture to prescribe regulations to assist in orderly crop conversion.

Federal funds expended for the purpose of advertising or promoting the sale or use of tobacco or any tobacco product would be prohibited as would any expenditure for the subsidization of the export of tobacco to any foreign country.

I deeply regret that two amendments introduced by Senator Moss to H.R. 9720, the agriculture appropriations bill, were defeated. The first amendment, similar to the bill which I have introduced today, would have barred any Federal expenditure for tobacco subsidization, advertising, or inspection. The second amendment would have established a Commission on Tobacco Adjustment Assistance which would report in 6 months on legislative and administrative action necessary to aid those farmers who suffer economic hardship as a result of the reduction in tobacco consumption.

I regret that my colleagues failed to approve each of these amendments. The support granted to the tobacco industry is considerably more than that provided in commensurate programs for other farm products. Included in this support for 1971 is $112,277,572 in direct funds for price support and export sales programs, and $892,196,569 in loans outstanding through the Commodity Credit Corporation.

When this issue is viewed in perspective, it is clearly illogical for Congress to authorize hundreds of millions of dollars for the meritorious effort of seeking a cure for cancer, while it continues to spend and provide loans in the hundreds of millions of dollars for support of the production of tobacco for cigarettes, one of the prime causes of cancer.

The 1971 report of the Surgeon General of the United States sets forth the best possible argument of which I am aware as to why this bill should be approved:

Cancer of the lung in the United States accounted for 45,383 deaths among males and 9,024 deaths among females in 1967. It is presently estimated that approximately 60,000 people will die of lung cancer during 1970.

The alarming epidemic of lung cancer is a relatively recent phenomenon. Death rates for lung cancer rose from 5.6 (per 100,000 resident population per year) in 1939 to 27.5 in 1967. This rapid increase followed the increased use of cigarettes among the United States population. The increase has occurred principally among males, although, more recently, females have shown a similar rising pattern.

The converging evidence for the conclusion that cigarette smoking is the major cause of lung cancer is derived from varied types of research. Among these are epidemiological, pathological, and laboratory investigations.

Mr. President, I ask unanimous consent that the full text of this bill be printed in the RECORD at this point together with a collection of articles discussing the health hazards that result from cigarette smoking.

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

S. 2320

A bill to promote the orderly adjustment of tobacco production and marketing

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 "Tobacco Market Adjustment Act".

SEC. 2. The Congress hereby finds and declares—

(1) that medical evidence of the harmful effects of smoking on personal health has been amply developed and analyzed by the Surgeon General of the United States and other qualified authorities;

(2) that the United States Government and the governments of many other nations have published detailed scientific evaluations demonstrating the adverse effects of smoking on health and have undertaken information campaigns to acquaint the public with the hazards associated with the use of tobacco;

(3) that the widespread use of such harmful substances constitutes a danger not only to personal but to public health, in view of the epidemic proportions of illnesses associated with the use of tobacco in our society and of the particularly grave implications of continued habituation of the youth of our country; and

(4) that continued governmental support of tobacco production and marketing is incompatible with the responsibility of the Federal Government to protect the health of American citizens.

SEC. 3. Title I of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new section as follows:

"SEC. 108. Notwithstanding any other provision of law—

"(1) No producer of tobacco shall be eligible for price support on his 1972 crop of tobacco unless he withholds from the production of tobacco during the 1972 crop year not less than 25 per centum of the tobacco acreage allotment for his farm for such crop year.

"(2) No producer of tobacco shall be eligible for price support on his 1973 crop of tobacco unless he withholds from the production of tobacco for the 1973 crop year not less than 33⅓ per centum of the tobacco acreage allotment for his farm for such crop year.

"(3) No producer of tobacco shall be eligible for price support on his 1974 crop of tobacco unless he withholds from the production of tobacco for the 1974 crop year not less than 50 per centum of the tobacco acreage allotment for his farm for such crop year.

"(4) No producer of tobacco shall be eligible for price support on his 1975 crop of tobacco unless he withholds from the production of tobacco for the 1975 crop year not less than 75 per centum of the tobacco acreage allotment for his farm for such crop year.

"(5) Beginning with the 1976 crop, no price support shall be made available under this or any other Act for any crop of tobacco.

"(6) Any acreage withheld from the production of tobacco in any crop year pursuant to the provisions of this section may be devoted, in accordance with such rules and regulations as the Secretary may prescribe, to the production of crops other than tobacco; and any such acreage so withheld from the production of tobacco in any crop year shall, for the purposes of determining tobacco acreage allotments for any future years, be deemed to have been planted to tobacco in such crop year.

"(7) No Federal funds may be expended on or after July 1, 1972, for the purpose of advertising or promoting the sale or use of any kind of tobacco or tobacco product.

"(8) The Secretary is authorized to issue such rules and regulations as he deems appropriate in order to carry out the provisions of this section."

1964 REPORT OF THE ADVISORY COMMITTEE TO THE SURGEON GENERAL: SMOKING AND HEALTH

CHAPTER 4

This chapter is presented in two sections. Section A contains background information, the gist of the Committee's findings and conclusions on tobacco and health, and an assessment of the nature and magnitude of the health hazard. Section B presents all formal conclusions adopted by the Committee and selected comments abridged from the detailed Summaries that appear in each chapter of Part II of the Report. The full scope and depth of the Committee's inquiry may be comprehended only by study of the complete Report.

A. BACKGROUND AND HIGHLIGHTS

In previous studies, the use of tobacco, especially cigarette smoking, has been causally linked to several diseases. Such use has been associated with increased deaths from lung cancer and other diseases, notably coro-

nary artery disease, chronic bronchitis, and emphysema. These widely reported findings, which have been the cause of much public concern over the past decade, have been accepted in many countries by official health agencies, medical associations, and voluntary health organizations.

The potential hazard is great because these diseases are major causes of death and disability. In 1962, over 500,000 people in the United States died of arteriosclerotic heart disease (principally coronary artery disease), 41,000 died of lung cancer, and 15,000 died of bronchitis and emphysema.

The numbers of deaths in some important disease categories that have been reported to have a relationship with tobacco use are shown in Table 1. This table presents one aspect of the size of the potential hazard; the degree of association with the use of tobacco will be discussed later.

Another cause for concern is that deaths from some of these diseases have been increasing with great rapidity over the past few decades.

Lung cancer deaths, less than 3,000 in 1930, increased to 18,000 in 1950. In the short period since 1955, deaths from lung cancer rose from less than 27,000 to the 1962 total of 41,000. This extraordinary rise has not been recorded for cancer of any other site. While part of the rising trend for lung cancer is attributable to improvements in diagnosis and the changing age-composition and size of the population, the evidence leaves little doubt that a true increase in lung cancer has taken place.

Deaths from arteriosclerotic, coronary, and degenerative heart disease rose from 273,000 in 1940, to 396,000 in 1950, and to 578,000 in 1962.

Reported deaths from chronic bronchitis and emphysema rose from 2,300 in 1945 to 15,000 in 1962.

The changing patterns and extent of tobacco use are a pertinent aspect of the tobacco-health problem.

TABLE 1.—DEATHS FROM SELECTED DISEASE CATEGORIES, UNITED STATES, 1962

Cause of death [1]	Total	Males	Females
Degenerative and arteriosclerotic heart disease, including coronary disease (420, 422)	577, 918	348, 604	229, 314
Hypertensive heart disease (440–3)	62, 176	26, 654	35, 522
Cancer of lung (162–3)	41, 376	35, 312	6, 064
Cirrhosis of liver (581)	21, 824	14, 392	7, 495
Bronchitis and emphysema (502, 527.1)	15, 104	12, 937	2, 167
Stomach and duodenal ulcers (540–1)	12, 228	8, 836	3, 392
Cancer of baldder (181)	8, 081	5, 575	2, 506
Cancer of oral cavity (140–8)	6, 481	4, 920	1, 561
Cancer of esophagus (150)	5, 088	3, 973	1, 115
Cancer of larynx (161)	2, 417	2, 172	245
All above causes	752, 693	463, 312	289, 381
All other causes	1, 004, 027	531, 477	472, 550
All causes	1, 756, 720	994, 789	761, 931

[1] International Statistical Classification numbers in parentheses.

Nearly 70 million people in the United States consume tobacco regularly. Cigarette consumption in the United States has increased markedly since the turn of the Century, when per capita consumption was less than 50 cigarettes a year. Since 1910, when cigarette consumption per person (15 years and older) was 138, it rose to 1,365 in 1930, to 1,828 in 1940, to 3,322 in 1950, and to a peak of 3,986 in 1961. The 1955 Current Population Survey showed that 68 percent of the male population and 32.4 percent of the female population 18 years of age and over were regular smokers of cigarettes.

In contrast with this sharp increase in cigarette smoking, per capita use of tobacco in other forms has gone down. Per capita consumption of cigars declined from 117 in 1920 to 55 in 1962. Consumption of pipe tobacco, which reached a peak of 2½ lbs. per person in 1910, fell to a little more than half a pound per person in 1962. Use of chewing tobacco has declined from about four pounds per person in 1900 to half a pound in 1962.

The background for the Committee's study thus included much general information and findings from previous investigations which associated the increase in cigarette smoking with increased deaths in a number of major disease categories. It was in this setting that the Committee began its work to assess the nature and magnitude of the health hazard attributable to smoking.

KINDS OF EVIDENCE

In order to judge whether smoking and other tobacco uses are injurious to health or related to specific diseases, the Committee evaluated three main kinds of scientific evidence:

1. *Animal experiments.*—In numerous studies, animals have been exposed to tobacco smoke and tars, and to the various chemical compounds they contain. Seven of these compounds (polycyclic aromatic compounds) have been established as cancer-producing (carginogenic). Other substances in tobacco and smoke, though not carcinogenic themselves, promote cancer production or lower the threshold to a known carcinogen. Several toxic or irritant gases contained in tobacco smoke produce experimentally the kinds of non-cancerous damage seen in the tissues and cells of heavy smokers. This includes suppression of ciliary action that normally cleanses the trachea and bronchi, damage to the lung air sacs, and to mucous glands and goblet cells which produce mucus.

2. *Clinical and autopsy studies.*—Observations of thousands of patients and autopsy studies of smokers and non-smokers show that many kinds of damage to body functions and to organs, cells, and tissues occur more frequently and severely in smokers. Three kinds of cellular changes—loss of ciliated cells, thickening (more than two layers of basal cells), and presence of atypical cells—are much more common in the lining layer (epithelium) of the trachea and bronchi of cigarette smokers than of non-smokers. Some of the advanced lesions seen in the bronchi of cigarette smokers are probably premalignant. Cellular changes regularly found at autopsy in patients with chronic bronchitis are more often present in the bronchi of smokers than non-smokers. Pathological changes in the air sacs and other functional tissue of the lung (parenchyma) have a remarkably close association with past history of cigarette smoking.

3. *Population studies.*—Another kind of evidence regarding an association between smoking and disease comes from epidemiological studies.

In retrospective studies, the smoking histories of persons with a specified disease (for example, lung cancer) are compared with those of appropriate control groups without the disease. For lung cancer alone, 29 such retrospective studies have been made in recent years. Despite many variations in design and method, all but one (which dealt with females) showed that proportionately more cigarette smokers are found among the lung cancer patients than in the control populations without lung cancer.

Extensive retrospective studies of the prevalence of specific symptoms and signs—chronic cough, sputum production, breathlessness, chest illness, and decreased lung function—consistently show that these occur more often in cigarette smokers than in non-smokers. Some of these signs and symptoms are the clinical expressions of chronic bronchitis, and some are associated more with emphysema; in general, they increase with amount of smoking and decrease after cessation of smoking.

Another type of epidemiological evidence on the relation of smoking and mortality comes from seven prospective studies which have been conducted since 1951. In these studies, large numbers of men answered questions about their smoking or non-smoking habits. Death certificates have been obtained for those who died since entering the studies, permitting total death rates and death rates by cause to be computed for smokers of various types as well as for non-smokers. The prospective studies thus add several important dimensions to information on the smoking-health problem. Their data permit direct comparisons of the death rates of smokers and non-smokers, both overall and for individual causes of death, and indicate the strength of the association between smoking and specific diseases.

Each of these three lines of evidence was evaluated and then considered together in drawing conclusions. The Committee was aware that the mere establishment of a statistical association between the use of tobacco and a disease is not enough. The causal significance of the use of tobacco in relation to the disease is the crucial question. For such judgments all three lines of evidence are essential, as discussed in more detail on pages 26–27 of this Chapter, and in Chapter 3.

The experimental, clinical, and pathological evidence, as well as data from population studies, is highlighted in Section B of this Chapter, which in turn refers the reader to specific places in Part II of the Report where this evidence is presented in detail.

In the paragraphs which follow, the Committee has chosen to summarize the results of the seven prospective population studies which, as noted above, constitute only one type of evidence. They illustrate the nature and potential magnitude of the smoking-health problem, and bring out a number of factors which are involved.

EVIDENCE FROM THE COMBINED RESULTS OF PROSPECTIVE STUDIES

The Committee examined the seven prospective studies separately as well as their combined results. Considerable weight was attached to the consistency of findings among the several studies. However, to simplify presentation, only the combined results are highlighted here.

Of the 1,123,000 men who entered the seven prospective studies and who provided usable histories of smoking habits (and other characteristics such as age), 37,391 men died during the subsequent months or years of the studies. No analysis of data for females from prospective studies are presently available.

To permit ready comparison of the mortality experience of smokers and non-smokers, two concepts are widely used in the studies—excess deaths of smokers compared with non-smokers, and mortality ratio. After adjustments for differences in age and the number of cigarette smokers and non-smokers, an expected number of deaths of smokers is derived on the basis of deaths among non-smokers. Excess deaths are thus the number of actual (observed) deaths among smokers in excess of the number expected. The mortality ratio, for which the method of comparison is described in Chapter 8, measures the relative death rates of smokers and non-smokers. If the age-adjusted death rates are the same, the mortality ratio will be 1.0; if the death rates of smokers are double those of non-smokers, the mortality ratio will be 2.0. (Expressed as a percentage, this exam-

ple would be equivalent to a 100 percent increase.)

Table 2 presents the accumulated and combined data on 14 disease categories for which the mortality ratio of cigarette smokers to non-smokers was 1.5 or greater.

TABLE 2.[1]—EXPECTED AND OBSERVED DEATHS FOR SMOKERS OF CIGARETTES ONLY AND MORTALITY RATIOS IN SEVEN PROSPECTIVE STUDIES

Underlying cause of death	Expected deaths	Observed deaths	Mortality ratio
Cancer of lung (162–3)[2]	170.3	1,833	10.8
Bronchitis and emphysema (502, 521.1)	89.5	546	6.1
Cancer of larynx (161)	14.0	75	5.4
Oral cancer (140–8)	37.0	152	4.1
Cancer of esophagus (150)	33.7	113	3.4
Stomach and duodenal ulcers (540, 541)	105.1	294	2.8
Other circulatory diseases (451–68)	254.0	649	2.6
Cirrhosis of liver (581)	169.2	379	2.2
Cancer of bladder (181)	111.6	216	1.9
Coronary artery disease (420)	6,430.7	11,177	1.7
Other heart diseases (421–2, 430–4)	526.0	868	1.7
Hypertensive heart (440–3)	409.2	631	1.5
General arteriosclerosis (450)	210.7	310	1.5
Cancer of kidney (180)	79.0	120	1.5
All causes[3]	15,653.9	23,223	1.68

[1] Abridged from Table 26, Chapter 8, Mortality.
[2] International Statistical Classification numbers in parentheses.
[3] Includes all other causes of death as well as those listed above.

The mortality ratio for male cigarette smokers compared with non-smokers, for all causes of death taken together, is 1.68, representing a total death rate nearly 70 percent higher than for non-smokers. (This ratio includes death rates for diseases not listed in the table as well as for the 14 disease categories shown.)

In the combined results from the seven studies, the mortality ratio of cigarette smokers over non-smokers was particularly high for a number of diseases: cancer of the lung (10.8), bronchitis and emphysema (6.1), cancer of the larynx (5.4), oral cancer (4.1), cancer of the esophagus (3.4), peptic ulcer (2.8), and the group of other circulatory diseases (2.6). For coronary artery disease the mortality ratio was 1.7.

Expressed in percentage-form, this is equivalent to a statement that for coronary artery disease, the leading cause of death in this country, the death rate is 70 percent higher for cigarette smokers. For chronic bronchitis and emphysema, which are among the leading causes of severe disability, the death rate for cigarette smokers is 500 percent higher than for non-smokers. For lung cancer, the most frequent site of cancer in men, the death rate is nearly 1,000 percent higher.

Other findings of the prospective studies

In general, the greater the number of cigarettes smoked daily, the higher the death rate. For men who smoke fewer than 10 cigarettes a day, according to the seven prospective studies, the death rate from all causes is about 40 percent higher than for non-smokers. For those who smoke from 10 to 19 cigarettes a day, it is about 70 percent higher than for non-smokers; for those who smoke 20 to 39 a day, 90 percent higher; and for those who smoke 40 or more, it is 120 percent higher.

Cigarette smokers who stopped smoking before enrolling in the seven studies have a death rate about 40 percent higher than non-smokers, as against 70 percent higher for current cigarette smokers. Men who began smoking before age 20 have a substantially higher death rate than those who began after age 25. Compared with non-smokers, the mortality risk of cigarette smokers, after adjustments for differences in age, increases with duration of smoking (number of years) and is higher in those who stopped after age 55 than for those who stopped at an earlier age.

In two studies which recorded the degree of inhalation, the mortality ratio for a given amount of smoking was greater for inhalers than for non-inhalers.

The ratio of the death rates of smokers to that of non-smokers is highest at the earlier ages (40–50) represented in these studies, and declines with increasing age.

Possible relationships of death rates and other forms of tobacco use were also investigated in the seven studies. The death rates for men smoking less than 5 cigars a day are about the same as for non-smokers. For men smoking more than 5 cigars daily, death rates are slightly higher. There is some indication that these higher death rates occur primarily in men who have been smoking more than 30 years and who inhale the smoke to some degree. The death rates for pipe smokers are little if at all higher than for non-smokers, even for men who smoke 10 or more pipefuls a day and for men who have smoked pipes more than 30 years.

Excess mortality

Several of the reports previously published on the prospective studies included a table showing the distribution of the excess number of deaths of cigarette smokers among the principal causes of death. The hazard must be measured not only by the mortality ratio of deaths in smokers and non-smokers, but also by the importance of a particular disease as a cause of death.

In all seven studies, coronary artery disease is the chief contributor to the excess number of deaths of cigarette smokers over non-smokers, with lung cancer uniformly in second place. For all seven studies combined, coronary artery disease (with a mortality ratio of 1.7) accounts for 45 percent of the excess deaths among cigarette smokers, whereas lung cancer (with a ratio of 10.8) accounts for 16 percent.

Some of the other categories of diseases that contribute to the higher death rates for cigarette smokers over non-smokers are diseases of the heart and blood vessels, other than coronary artery disease, 14 percent; cancer sites other than lung, 8 percent; and chronic bronchitis and emphysema, 4 percent.

Since these diseases as a group are responsible for more than 85 percent of the higher death rate among cigarette smokers, they are of particular interest to public health authorities and the medical profession.

ASSOCIATIONS AND CAUSALITY

The array of information from the prospective and retrospective studies of smokers and non-smokers clearly establishes an association between cigarette smoking and substantially higher death rates. The mortality ratios in Table 2 provide an approximate index of the relative strength of this association, for all causes of death and for 14 disease categories.

In this inquiry the epidemiologic method was used extensively in the assessment of causal factors in the relationship of smoking to health among human beings upon whom direct experimentation could not be imposed. Clinical, pathological, and experimental evidence was thoroughly considered and often served to suggest an hypothesis or confirm or contradict other findings. When coupled with the other data, results from the epidemiologic studies can provide the basis upon which judgments of causality may be made.

It is recognized that no simple cause-and-effect relationship is likely to exist between a complex product like tobacco smoke and a specific disease in the variable human organism. It is also recognized that often the coexistence of several factors is required for the occurrence of a disease, and that one of the factors may play a determinant role; that is, without it, the other factors (such as genetic susceptibility) seldom lead to the occurrence of the disease.

THE EFFECTS OF SMOKING: PRINCIPAL FINDINGS

Cigarette smoking is associated with a 70 percent increase in the age-specific death rates of males. The total number of excess deaths causally related to cigarette smoking in the U.S. population cannot be accurately estimated. In view of the continuing and mounting evidence from many sources, it is the judgment of the Committee that cigarette smoking contributes substantially to mortality from certain specific diseases and to the overall death rate.

Lung cancer

Cigarette smoking is causally related to lung cancer in men; the magnitude of the effect of cigarette smoking far outweighs all other factors. The data for women, though less extensive, point in the same direction.

The risk of developing lung cancer increases with duration of smoking and the number of cigarettes smoked per day, and is diminished by discontinuing smoking. In comparison with non-smokers, average male smokers of cigarettes have approximately a 9- to 10-fold risk of developing lung cancer and heavy smokers at least a 20-fold risk.

The risk of developing cancer of the lung for the combined group of pipe smokers, cigar smokers, and pipe and cigar smokers is greater than non-smokers, but much less than for cigarette smokers.

Cigarette smoking is much more important than occupational exposure in the causation of lung cancer in the general population.

Chronic bronchitis and emphysema

Cigarette smoking is the most important of the causes of chronic bronchitis in the United States, and increases the risk of dying from chronic bronchitis and emphysema. A relationship exists between cigarette smoking and emphysema but it has not been established that the relationship is casual. Studies demonstrate that fatalities from this disease are infrequent among non-smokers.

For the bulk of the population of the United States, the relative importance of cigarette smoking as a cause of chronic broncho-pulmonary disease is much greater than atmospheric pollution or occupational exposures.

Cardiovascular diseases

It is established that male cigarette smokers have a higher death rate from coronary artery disease than non-smoking males. Although the causative role of cigarette smoking in deaths from coronary disease is not proven, the Committee considers it more prudent from the public health viewpoint to assume that the established association has causative meaning than to suspend judgment until no uncertainty remains.

Although a causal relationship has not been established, higher mortality of cigarette smokers is associated with many other cardiovascular diseases, including miscellaneous circulatory diseases, other heart diseases, hypertensive heart disease and general arteriosclerosis.

Other cancer sites

Pipe smoking appears to be casually related to lip cancer. Cigarette smoking is a significant factor in the causation of cancer of the larynx. The evidence supports the belief that an association exists between tobacco use and cancer of the esophagus, and between cigarette smoking and cancer of the urinary bladder in men, but the data

are not adequate to decide whether these relationships are causal. Data on an association between smoking and cancer of the stomach are contradictory and incomplete.

THE TOBACCO HABIT AND NICOTINE

The habitual use of tobacco is related primarily to psychological and social drives, reinforced and perpetuated by the pharmacological actions of nicotine.

Social stimulation appears to play a major role in a young person's early and first experiments with smoking. No scientific evidence supports the popular hypothesis that smoking among adolescents is an expression of rebellion against authority. Individual stress appears to be associated more with fluctuations in the amount of smoking than with the prevalence of smoking. The overwhelming evidence indicates that smoking—its beginning, habituation, and occasional discontinuation—is to a very large extent psychologically and socially determined.

Nicotine is rapidly changed in the body to relatively inactive substances with low toxicity. The chronic toxicity of small doses of nicotine is low in experimental animals. These two facts, when taken in conjunction with the low mortality ratios of pipe and cigar smokers, indicate that the chronic toxicity of nicotine in quantities absorbed from smoking and other methods of tobacco use is very low and probably does not represent an important health hazard.

The significant beneficial effects of smoking occur primarily in the area of mental health, and the habit originates in a search for contentment. Since no means of measuring the quantity of these benefits is apparent, the Committee finds no basis for a judgment which would weigh benefits against hazards of smoking as it may apply to the general population.

THE COMMITTEE'S JUDGMENT IN BRIEF

On the basis of prolonged study and evaluation of many lines of converging evidence, the Committee makes the following judgment:

Cigarette smoking is a health hazard of sufficient importance in the United States to warrant appropriate remedial action.

B. COMMENTS AND DETAILED CONCLUSIONS

(A guide to part II of the report)

All conclusions formally adopted by the Committee are presented at the end of this section in brackets for convenience of reference. In the interest of conciseness, the documentation and most of the discussion are omitted from this condensation. Together with the tables of contents which appear at the beginning of each chapter in Part II, it is intended as a guide to the Report.

CHEMISTRY AND CARCINOGENICITY OF TOBACCO AND TOBACCO SMOKE

Condensates of tobacco smoke are carcinogenic when tested by application to the skin of mice and rabbits and by subcutaneous injection in rats (Chapter 9, pp. 143–145). Bronchogenic carcinoma has not been produced by the application of tobacco extracts, smoke, or condensates to the lung or the tracheobronchial tree of experimental animals with the possible exception of dogs (Chapter 9, p. 165).

Bronchogenic carcinoma has been produced in laboratory animals by the administration of polycyclic aromatic hydrocarbons, certain metals, radioactive substances, and viruses. The histopathologic characteristics of the tumors produced are similar to those observed in man and are predominantly of the squamous variety (Chapter 9, pp. 166–167).

Seven polycyclic hydrocarbon compounds isolated from cigarette smoke have been established to be carcinogenic in laboratory animals. The results of a number of assays for carcinogenicity of tobacco smoke tars present a puzzling amonaly: the total tar from cigarettes has many times the carcinogenic potency of benzo(a)pyrene present in the tar. The other carcinogens known to be present in tobacco smoke are, with the exception of dibenzo(a,i)pyrene, much less potent than benzo(a)pyrene and they are present in smaller amounts. Apparently, therefore, the whole is greater than the sum of the known parts. This discrepancy may possibly be due to the presence of cocarcinogens in tobacco smoke, and/or damage to mucus production and ciliary transport mechanism (Chapter 6, p. 61, Chapter 9, p. 144 and Chapter 10, pp. 267–269).

There is abundant evidence that cancer of the skin can be induced in man by industrial exposure to soots, coal tar, pitch, and mineral oils. All of these contain various polycyclic aromatic hydrocarbons proven to be carcinogenic in many species of animals. Some of these hydrocarbons are also present in tobacco smoke. It is reasonable to assume that these can be carcinogenic for man also (Chapter 9, pp. 146–148).

Genetic factors play a significant role in the development of pulmonary adenomas in mice. It is possible that genetic factors can influence the smoking habit and the response in man to carcinogens in smoke. However, there is no evidence that they have played an appreciable role in the great increase of lung cancer in man since the beginning of this century (Chapter 9, p. 190).

Components of the gas phase of cigarette smoke have been shown to produce various undesirable effects on test animals or organs. One of these effects is suppression of ciliary transport activity, an important cleansing function in the trachea and bronchi (Chapter 6, p. 61 and Chapter 10, pp. 267–270).

CHARACTERIZATION OF THE TOBACCO HABIT

The habitual use of tobacco is related primarily to psychological and social drives, reinforced and perpetuated by the pharmacological actions of nicotine on the central nervous system. Nicotine-free tobacco or other plant materials do not satisfy the needs of those who acquire the tobacco habit (Chapter 13, p. 354).

The tobacco habit should be characterized as an habituation rather than an addiction. Discontinuation of smoking, although possessing the difficulties attendant upon extinction of any conditioned reflex, is accomplished best by reinforcing factors which interrupt the psychogenic drives. Nicotine substitutes or supplementary medications have not been proven to be of major benefit in breaking the habit (Chaptre 13, p. 354).

PATHOLOGY AND MORPHOLOGY

Several types of epithelial changes are more common in the trachea and bronchi of cigarette smokers, with or without lung cancer, than of non-smokers and of patients without lung cancer. These epithelial changes are (a) loss of cilia, (b) basal cell hyperplasia, and (c) appearance of atypical cells with irregular hyperchromatic nuclei. The degree of each of the epithelial changes in general increases with the number of cigarettes smoked. Extensive atypical changes have been seen most frequently in men who smoked two or more packs of cigarettes a day.

Women cigarette smokers, in general, have the same epithelial changes as men smokers. However, at given levels of cigarette use, women appear to show fewer atypical cells than do men. Older men smokers have more atypical cells than younger men smokers. Men who smoke either pipes or cigars have more epithelial changes than non-smokers, but have fewer changes than cigarette smokers consuming approximately the same amount of tobacco. Male ex-cigarette smokers have less hyperplasia and fewer atypical cells than current cigarette smokers.

It may be concluded, on the basis of human and experimental evidence, that some of the advanced epithelial hyperplastic lesions with many atypical cells, as seen in the bronchi of cigarette smokers, are probably premalignant (Chapter 9, pp. 167–173).

Typing of Tumors.—Squamous and oval-cell carcinomas (Group I of Kreyberg's classification) comprise the predominant types associated wtih the increase of lung cancer in the male population. In several studies, adenocarcinomas (Group II) have also shown a definite increase, although to a much lesser degree. The historical typing of lung cancer is reliable, but the use of the ratio of histological types as an index of the magnitude of increase in lung cancer is of limited value (Chapter 9, pp. 173–175).

Functional and Pathological Changes.—Cigarette smoke produces significant functional alterations in the trachea, bronchus, and lung. Like several other agents, cigarette smoke can reduce or abolish ciliary motility in experimental animals. Postmortem examination of bronchi from smokers shows a decrease in the number of ciliated cells, shortening of the remaining cilia, and changes in goblet cells and mucous glands. The implication of these morphological observations is that functional impairment would result.

In animal experiments, cigarette smoke appears to affect the physical characteristics of the lung-lining layer and to impair alveolar (air sac) stability. Alveolar phagocytes ingest tobacco smoke components and assist in their removal from the lung. This phagocytic clearance mechanism breaks down under the stress of protracted high-level exposure to cigarette smoke, and smoke components accumulate in the lungs of experimental animals (Chapter 10, pp. 269–270).

The chronic effects of cigarette smoking upon pulmonary function are manifested mainly by a reduction in ventilatory function as measured by the forced expiratory volume (Chapter 10, pp. 289–292).

Histopathological alterations occur as a result of tobacco smoke exposure in the tracheobronchial tree and in the lung parenchyma of man. Changes regularly found in chronic bronchitis—increase in the number of goblet cells, and hypertrophy and hyperplasia of bronchial mucous glands—are more often present in the bronchi of smokers than non-smokers. Cigarette smoke produces significant functional alterations in the upper and lower airways to the lungs. Such alterations could be expected to interfere with the cleansing mechanisms of the lung.

Pathological changes in pulmonary parenchyma, such as rupture of alveolar septa (partitions of the air sacs) and fibrosis, have a remarkably close association with past history of cigarette smoking. These latter changes cannot be related with certainty to emphysema or other recognized diseases at the present time (Chapter 10, pp. 270–275).

MORTALITY

The death rate for smokers of cigarettes only, who were smoking at the time of entry into the particular prospective study, is about 70 percent higher than that for non-smokers. The death rates increase with the amount smoked. For groups of men smoking less than 10, 10-19, 20-39, and 40 cigarettes and over per day, respectively, the death rates are about 40 percent, 70 percent, 90 percent, and 120 percent higher than for non-smokers. The ratio of the death rates of smokers to non-smokers is highest at the earlier ages (40-50) represented in these studies, and declines with increasing age. The same effect appears to hold for the ratio of the death rate of heavy smokers to that of light smokers. In

the studies that provided this information, the mortality ratio of cigarette smokers to nonsmokers was substantially higher for men who started to smoke under age 20 than for men who started after age 25. The mortality ratio was increased as the number of years of smoking increased. In two studies which recorded the degree of inhalation, the mortality ratio for a given amount of smoking was greater for inhalers than for non-inhalers. Cigarette smokers who had stopped smoking prior to enrollment in the study had mortality ratios about 1.4 as against 1.7 for current cigarette smokers. The mortality ratio of ex-cigarette smokers increased with the number of years of smoking and was higher for those who stopped after age 55 than for those who stopped at an earlier age (Chapter 8, p. 93).

The biases from non-response and from errors of measurement that are difficult to avoid in mass studies may have resulted in some over-estimation of the true mortality ratios for the complete populations. In our judgment, however, such biases can account for only a part of the elevation in mortality ratios found for cigarette smokers (Chapter 8, p. 96).

Death rates of cigar smokers are about the same as those of non-smokers for men smoking less than five cigars daily. For men smoking five or more cigars daily, death rates were slightly higher (9 percent to 27 percent) than for non-smokers in the four studies that gave this information. There is some indication that this higher death rate occurs primarily in men who have been smoking for more than 30 years and in men who stated that they inhaled the smoke to some degree. Death rates for current pipe smokers were little if at all higher than for non-smokers, even with men smoking 10 or more pipefuls per day and with men who had smoked pipes for more than 30 years. Ex-cigar and ex-pipe smokers, on the other hand, showed higher death rates than both non-smokers and current pipe or cigar smokers in four out of five studies (Chapter 8, p. 94). The explanation is not clear but may be that a substantial number of such smokers stopped because of illness.

Mortality by Cause of Death.—In the combined results from the seven prospective studies, the mortality ratio of cigarette smokers was particularly high for a number of diseases. There is a further group of diseases, including some of the most important chronic diseases, for which the mortality ratio for cigarette smokers lay between 1.2 and 2.0. The explanation of the moderate elevations in mortality ratios in this large group of causes is not clear. Part may be due to the sources of bias previously mentioned or to some constitutional and genetic difference between cigarette smokers and non-smokers. There is also the possibility that cigarette smoking has some general debilitating effect, although no medical evidence that clearly supports this hypothesis can be cited (Chapter 8, p. 105).

In all seven studies, coronary artery disease is the chief contributor to the excess number of deaths of cigarette smokers over non-smokers, with lung cancer uniformly in second place (Chapter 8, p. 108).

For cigar and pipe smokers combined, there was a suggestion of high mortality ratios for cancers of the mouth, esophagus, larynx and lung, and for stomach and duodenal ulcers. These ratios are, however, based on small numbers of deaths (Chapter 8, p. 107).

CANCER BY SITE

Lung cancer

[Cigarette smoking is causally related to lung cancer in men; the magnitude of the effect of cigarette smoking far outweighs all other factors. The data for women, though less extensive, point in the same direction.

[The risk of developing lung cancer increases with duration of smoking and the number of cigarettes smoked per day, and is diminished by discontinuing smoking.

[The risk of developing cancer of the lung for the combined group of pipe smokers, and pipe and cigar smokers, is greater than for non-smokers, but much less than for cigarette smokers. The data are insufficient to warrant a conclusion for each group individually (Chapter 9, p. 196).

Oral cancer

[The causal relationship of the smoking of pipes to the development of cancer of the lip appears to be established.

[Although there are suggestions of relationships between cancer of other specific sites of the oral cavity and the several forms of tobacco use, their causal implications cannot at present be stated (Chapetr 9, pp. 204–205).

Cancer of the larynx

[Evaluation of the evidence leads to the judgment that cigarette smoking is a significant factor in the causation of laryngeal cancer in the male (Chapter 9, p. 212).

Cancer of the esophagus

[The evidence on the tobacco-esophageal cancer relationship supports the belief that an association exists. However, the data are not adequate to decide whether the relationship is causal (Chapter 9, p. 218).

Cancer of the urinary bladder

[Available data suggest an association between cigarette smoking and urinary bladder cancer in the male but are not sufficient to support a judgment on the causal significance of this association (Chapter 9, p. 225).

Stomach cancer

[No relationship has been established between tobacco use and stomach cancer (Chapter 9, p. 229).

NON-NEOPLASTIC RESPIRATORY DISEASES, PARTICULARLY CHRONIC BRONCHITIS AND PULMONARY EMPHYSEMA

[Cigarette smoking is the most important of the causes of chronic bronchitis in the United States, and increases the risk of dying from chronic bronchitis.

[A relationship exists between pulmonary emphysema and cigarette smoking but it has not been established that the relationship is causal. The smoking of cigarettes is associated with an increased risk of dying from pulmonary emphysema.

[For the bulk of the population of the United States, the importance of cigarette smoking as a cause of chronic bronchopulmonary disease is much greater than that of atmospheric pollution or occupational exposures.

[Cough, sputum production, or the two combined are consistently more frequent among cigarette smokers than among non-smokers.

[Cigarette smoking is associated with a reduction in ventilatory function. Among males, cigarette smokers have a greater prevalence of breathlessness than non-smokers.

[Cigarette smoking does not appear to cause asthma.

[Although death certification shows that cigarette smokers have a moderately increased risk of death from influenza and pneumonia, an association of cigarette smoking and infectious diseases is not otherwise substantiated (Chapter 10, p. 302).]

CARDIOVASCULAR DISEASE

Smoking and nicotine administration cause acute cardiovascular effects similar to those induced by stimulation of the autonomic nervous system, but these effects do not account well for the observed association between cigarette smoking and coronary disease. It is established that male cigarette smokers have a higher death rate from coronary disease than non-smoking males. The association of smoking with other cardiovascular disorders is less well established. If cigarette smoking actually caused the higher death rate from coronary disease, it would on this account be responsible for many deaths of middle-aged and elderly males in the United States. Other factors such as high blood pressure, high serum cholesterol, and excessive obesity are also known to be associated with an unusually high death rate from coronary disease. The causative role of these factors in coronary disease, though not proven, is suspected strongly enough to be a major reason for taking countermeasures against them. It is also more prudent to assume that the established association between cigarette smoking and coronary disease has causative meaning than to suspend judgment until no uncertainty remains (Chapter 11, p. 327).

[Male cigarette smokers have a higher death rate from coronary artery disease than nonsmoking males, but it is not clear that the association has causal significance.]

OTHER CONDITIONS

Peptic ulcer

[Epidemiological studies indicate an association between cigarette smoking and peptic ulcer which is greater for gastric than for duodenal ulcer (Chapter 12, p. 340).

Tobacco amblyopia

[Tobacco amblyopia (dimness of vision unexplained by an organic lesion) has been related to pipe and cigar smoking by clinical impressions. The association has not been substantiated by epidemiological or experimental studies (Chapter 12, p. 342).

Cirrhosis of the liver

[Increased mortality of smokers from cirrhosis of the liver has been shown in the prospective studies. The data are not sufficient to support a direct or causal association (Chapter 12, p. 342).

Maternal smoking and infant birth weight

[Women who smoke cigarettes during pregnancy tend to have babies of lower birth weight.

[Information is lacking on the mechanism by which this decrease in birth weight is produced.

[It is not known whether this decrease is birth weight has any influence on the biological fitness of the newborn (Chapter 12, p. 343).

Smoking and accidents

[Smoking is associated with accidental deaths from fires in the home.

[No conclusive information is available on the effects of smoking on traffic accidents (Chapter 12, p. 345).]

MORPHOLOGICAL CONSTITUTION OF SMOKERS

[The available evidence suggests the existence of some morphological differences between smokers and non-smokers, but is too meager to permit a conclusion (Chapter 15, p. 387).]

PSYCHO-SOCIAL ASPECTS OF SMOKING

A clear cut smoker's personality has not emerged from the results so far published. While smokers differ from non-smokers in a variety of characteristics, none of the studies has shown a single variable which is found solely in one group and is completely absent in another. Nor has any single variable been verified in a sufficiently large proportion of smokers and in sufficiently few non-smokers to consider it an "essential" aspect of smoking.

[The overwhelming evidence points to the conclusion that smoking—its beginning, habituation, and occasional discontinuation—is to a large extent psychologically and socially determined. This does not rule out physiological factors, especially in respect to habituation, nor the existence of predisposing constitutional or hereditary factors (Chapter 14, p. 377).]

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CHAPTER IV

Cancer

Introduction

During the early years of this century, a number of pathologists and clinicians reported on a dramatic increase in the incidence of lung cancer. Autopsy studies and studies of lung cancer death rates revealed a significant increase beginning prior to World War I and continuing to grow rapidly during the ensuing years. This epidemic of lung cancer continues to the present day, with nearly 60,000 death expected from this disease in the United States during 1970.

Beginning in the 1920's, a number or reports appeared which suggested a relationship between lung cancer and tobacco smoking (5, 205, 279). Since that time, many clinical and epidemiological studies have been published which confirm this relationship. The 1964 Report (292) contains a thorough review and analysis of the data available at that time as well as an excellent discussion of the considerations necessary for their evaluation.

Major epidemiological studies have demonstrated that smokers have greatly increased risks of dying from lung cancer as compared to nonsmokers. An increased risk of lung cancer has been found for every type of smoking habit investigated, but two characteristics of the risk are particularly evident: The risk is much greater for cigarette smokers than for smokers of pipes and cigars, and, among cigarette smokers, a close relationship exists. That is the more one smokes, as measured by total pack-years of smoking, present level of smoking, degree of inhalation, or age at starting smoking, the greater is the risk. It has also been shown that the risk of lung cancer among ex-smokers decreases with time almost to the level of nonsmokers; the time required is dependent on the degree of exposure prior to cessation.

Pathologists have found that the squamous cell or epidermoid form of lung cancer is the most prevalent one in cigarette smoking populations and that this form accounts for a major portion of the rise in lung cancer deaths (157). Such studies have also indicated a lower prevalence among smokers for oat-cell and adenocarcinomas of the lung than for the squamous form, but in most cases a higher frequency of these tumors is found among smokers than among nonsmokers.

Smoking has been implicated in the development of other types of cancer in humans. Among these is cancer of the larynx. A number of epidemiological studies have demonstrated increased mortality rates for laryngeal cancer in smokers, particularly cigarette smokers, as compared with nonsmokers. Autopsy studies have revealed that a clear dose-relationship exists between smoking and the development of cellular changes in the larynx, including carcinoma *in situ*.

Cancers of the mouth and oropharynx have been found to be more common among users of all types of tobacco than among abstainers. Although smoking is a definite risk factor in the development of malignant lesions of the oral cavity and pharynx, its relative contribution in conjunction with other factors such as poor nutrition and alcohol consumption has not been fully clarified.

Similarly, although smokers are more likely to develop carcinoma of the esophagus than nonsmokers, the realtive additional contribution of smoking in conjunction with nutritional factors and alcohol consumption requires clarification.

Smokers have been found to be more at risk for the development of cancers of the urinary bladder than are nonsmokers, and there is evidence to suggest that some smoking-induced abnormal metabolic product or abnormal concentration of a metabolic product may be responsible for this increased risk. In addition, cancer of the kidney is apparently more common in smokers than in nonsmokers but the epidemiologic evidence for this relationship is not as definite as for bladder cancer.

Epidemiological studies have indicated an association between smoking and cancer of the pancreas. The significance of this relationship is unclear at this time.

Experimental studies have demonstrated the carcinogenicity of the condensate of tobacco smoke, or "tar." This material, when painted on the skin of animals, leads to the development of squamous cell tumors of the skin. Researchers have shown that this condensate contains substances capable of inducing cancers, known as carcinogens. Among these carcinogens are several chemicals which have been identified as tumor initiators; that is, compounds which initiate changes in target cells and also tumor promoters, or compounds which promote the neoplastic development of initiated cells. Other, as yet unidentified, factors are presumably also involved because the sum of the carcinogenic effects of the known agents does not equal that of cigarette smoke condensate.

Numerous experiments have been performed in which either whole cigarette smoke, filtered smoke, or certain constituents of smoke, such as the "tar," is administered by varying methods to animals or to tissue and cell cultures in order to investigate the neoplastic-inducing properties of cigarette smoke. Particular difficulty has been encountered in experiments which have attempted to deliver whole cigarette smoke to the larynx and into the lungs of experimental animals. This has resulted in the use of other methods such as the implanting of pellets containing suspected carcinogens and the instilling into the trachea of suspected carcinogens as such, or adsorbed onto fine inert particulate matter as a carrier. The difficulty with the inhalation studies has been twofold. First, the animals, particularly the smaller species such as the rat, frequntly die from the acute toxic effects of the nicotine and carbon monoxide in the tobacco smoke. Second, the upper respiratory tract of experimental animals, particularly the nose, is much different from analogous human structures, resulting in a more efficient filtration of smoke in the upper respiratory tract. Nevertheless, in rodents and canines, progressive changes apparently indicative of ultimate neoplastic transformation had been identified in the respiratory tract.

Recently, two studies in different species and in different target organs have been reported concerning the development of early invasive cancer following the prolonged inhalation of cigarette smoke. Auerbach and his coworkers (12) trained dogs to inhale cigarette smoke through a tracheostoma. After approximately 29 months of daily exposure, these investigators found a number of cancers of the lung.

Dontenwill (79) in the second of these two studies, exposed hamsters to the passive inhalation of cigarette smoke over varying and prolonged periods of time. He observed the development of premalignant changes and, ultimately, invasive squamous cell cancer of the larynx.

Lung cancer

Cancer of the lung in the United States accounted for 45,383 deaths among males and 9,024 deaths among females in 1967 (290). It is presently estimated that approximately 60,000 people will die of lung cancer during 1970.

The alarming epidemic of lung cancer is a relatively recent phenomenon. Death rates for lung cancer (ICD Codes 162, 163) rose from 5.6 (per 100,000 resident population per year) in 1939 to 27.5 in 1967 (290, 291). This rapid increase followed the increased use of cigarettes among the United States population. The increase has occurred principally among males, although, more recently, females have shown a similar rising pattern.

The converging evidence for the conclusion that cigarette smoking is the major cause of lung cancer is derived from varied types of research. Among these are epidemiological, pathological, and laboratory investigations.

[From *Science*, May 14, 1971]

CIGARETTE SMOKING: OBJECTIVE EVIDENCE FOR LUNG DAMAGE IN TEEN-AGERS

(NOTE.—Figure referred to not printed in the RECORD.)

Abstract. High school students with 1 to 5 years' smoking experience have excessive cough, sputum production, and shortness of breath. When maximum expiratory flow is plotted against maximum expired volume, the curves of nonsmokers and smokers differ in shape. The smokers have lower flow rates at mid-vital capacity and at lower lung volumes. This probably reflects small airway obstruction in the smokers.

We present objective evidence of functional changes in the lungs of teen-agers who smoke only a few years. At least part of this damage to the lungs might be reversible on cessation of smoking. However, permanent effects, including premature arrest of lung development, cannot be excluded at this time.

Although the effects of smoking as a cause of lung cancer and other diseases appear to be well known among young people, antismoking propaganda does little to reduce smoking (1), and it is even suspected that smoking among teen-agers may increase rather than decrease (2). College seniors and others in their twenties who smoke have reduced lung function (3), but at that age smoking habits may already be fixed (4). Since objective evidence of damage to their own lung function might be more convincing to teen-agers than the faraway danger of lung cancer, we therefore looked for such evidence in 365 students of four high schools in the New Haven area. There were 195 boys and 170 girls, aged 15 to 19 years; of these 50 percent of the boys and 37 percent of the girls were regular smokers. Most of the girls (23 percent) were light smokers, with only 1 percent smoking more than 20 cigarettes daily. Most of the boys (26 percent) were moderate smokers (11 to 20 cigarettes per day), with 8 percent smoking more than 20 cigarettes daily.

In selecting a sensitive test for lung function we used the fact that expiratory flow rates are nearly independent of the subject's effort during the last portion of a maximally forced expiration after a full inspiration. During that maneuver, the large intrathoracic airways are compressed because of the high pressures generated in the chest. Under these conditions, more effort does not result in higher flow rates. Rather, the supply of air from the alveoli sets the limits for maximum expiratory flow rates (5). Thus, these maximum flow rates are sensitive indices of slight narrowing of the small airways which is induced by drugs that cause contraction of the smooth muscle in the walls of the airway (6). In addition, measurements of maximum expiratory flow rates, at lung volumes from 10 percent to 75 percent of the vital capacity, have been used to distinguish between nonsmokers and smokers (3). This suggested to us that narrowing of small airways might be an early effect of smoking, and that maximum flow rates might detect these effects even when more conventional indices of lung functions are still normal.

Our subjects were studied with their own and with parental consent. This limited the study to those whose parents reacted posi-

tively to our explanatory letter. Most of the subjects (235 out of 365) were seen in two schools where the total response rate was 90.4 percent. That is, 235 out of a total of 260 students in specified classes participated. The remaining 130 subjects, in two other schools, were essentially volunteers. Since the results did not differ significantly between these groups, we pooled the data. The percentage of smokers (58 percent) among our subjects is similar to that found by Salber (4) among high school seniors. Although subtle sources of selection bias are always difficult to exclude in studies of this kind, we believe that our sample is representative of the general population of this age range. We avoided measuring acute effects of smoking (7) by asking students not to smoke on the day of the tests, which were done early in the morning in the schools. Two separate lung function tests which measured different aspects of maximally forced expirations were used. A direct-reading spirometer (8) was used to measure the air volume that can maximally be exhaled in 1 second (FEV_1) and the full volume range of the forced expiration, that is, the forced vital capacity (FVC). Each subject made five blows into the machine; the average of the two highest FEV_1 and FVC values was taken as the result. The same maneuver, a maximum inspiration followed by a forced and maximum expiration, was also used to record instantaneous expiratory flow rates versus lung volume with the flow-volume spirometer designed by Peters *et al.* (9). This recording is the MEFV curve. At least three curves were recorded, and the outer contour of these nearly superimposable curves was used. We read the highest values of the maximum expiratory flow rates (V_{max} at 50 percent and at 25 percent of the vital capacity (see Fig. 1a). The response characteristics of the flow-volume spirometer are insufficient for accurate recording of the very rapid events at the beginning of the forced expiration; these include the peak expiratory flow rate. After all function tests were completed, one of us filled out a questionnaire on respiratory symptoms for each student. The students themselves provided a detailed smoking history on a separate form that was later attached to the main questionnaire.

Cough, phlegm, and shortness of breath were much more common among smokers than among nonsmokers, with no significant difference between the sexes (Table 1). This striking preponderance of symptoms among the smokers is in agreement with previous studies of schoolchildren in Great Britain (1).

TABLE 1.—RESPIRATORY SYMPTOMS IN TEEN-AGERS (MALE AND FEMALE)

[Symptoms are classified by positive answers to the following questions. (i) Cough: Do you usually cough during the day or at night? (ii) Phlegm: Do you usually bring up any phlegm from your chest during the day or at night? (iii) Dyspnea: Are you ever troubled by shortness of breath when hurrying on the level or walking up a slight hill? The excess of all 3 symptoms among smokers is statistically highly significant (χ^2 test; $P<.001$).]

Cigarettes (number per day)	Subjects (number)	Symptoms		
		Cough (percent)	Phlegm (percent)	Dyspnea (percent)
0	152	2.0	3.3	5.3
<1	52	5.8	5.8	13.5
1-10	72	18.1	19.4	13.9
11-20	72	27.8	31.9	36.1
20+	17	64.7	58.8	58.8
Total	365	13.7	15.1	16.7

Since the daily amount smoked correlated highly with the number of years since the start of smoking, we cannot determine whether the daily amount smoked at present or the duration of smoking in years is more important in producing symptoms or in altering lung function. In comparison with the symptom prevalences, the differences in lung function between nonsmokers and smokers are more subtle and they require a detailed statistical analysis. However, the function data are much more objective as compared to the students' own statements about their symptoms.

For the analysis of the function data we used only results from students whose FVC's were closely the same on the two types of spirometers. This eliminated 22 boys and 12 girls whose flow-volume curve terminated abruptly well before residual volume was reached so that their FVC's were less on the flow-volume spirometer than on the other instrument. We have no explanation for these discrepancies other than insufficient practice since the MEFV curves were always recorded first. Thus, the analysis concerns 173 boys and 158 girls. A visual analysis of the shape of the curve (made without knowledge of smoking habits) placed each curve in one of three categories, as shown in Fig. 1b; (i) convex to the volume axis (curve C), (ii) straight (curve B), or (iii) concave (curve A). This was judged from the part of the curve between approximately 10 and 60 percent of FVC. More nonsmokers had concave curves, and more smokers convex curves; the difference was highly significant ($\chi^2=18.7$; $P<.01$). Anther observer, repeating this analysis independently, agreed with 90 percent of the classifications of the first observer; the disagreement was between adjacent categories in the remaining 10 percent.

For a more quantitative analysis we first computed linear regression equations on height for the different measurements; this is an accepted procedure for adults in a narrow age range. The mean adjusted values for FEV_1 and V_{max} at 50 percent of vital capacity (VC), calculated from these regressions for a standard height of 175 cm in boys and 162 cm in girls, were slightly lower in the smokers, but the difference was significant only at the 5 percent level in girls. However, the validity of this procedure in teen-agers is doubtful since it ignores such factors as changing muscle strength, shoulder width, and ratios of sitting height to standing height. These complexities of growth patterns during puberty and adolescence, particularly in boys, alter the relations between lung function, height, and sex (10). Maturity and body weight indirectly reflect these variables. Since both age and weight correlate positively with smoking and with flow rates, they cannot be ignored when seeking an effect of smoking on these measurements.

We therefore computed multiple regression equations of the type

$$y=a+[b \times \text{age (years)}]+[c \times \text{height (cm)}]+[d \times \text{weight (kg)}]$$

(where age is in years, height in centimeters, and weight in kilograms) for the 70 nonsmoking girls and also for the 73 nonsmoking boys. In these equations, y is the function measurement (FVC, FEV_1, V_{max} at 50 percent and at 25 percent VC), and a, b, c, and d are constants. We used these equations to predict which values the smokers, boys and girls, should have if they belonged to the same population as the nonsmokers from whose data the equations were calculated. Figure 1c compares the actual data in heavy smokers with those predicted by the regression equations for V_{max} at 50 percent VC. In most smokers, the values are less than those predicted. Chi-square tests on the differences between observed and predicted values showed that both V_{max} at 50 and at 25 percent VC were significantly below expected in boys who smoked more than 15 cigarettes per day, and in girls who smoked more than 10 cigarettes per day (χ^2 varying from 8.53 to 16.50, $P < .01$) In contrast, FVC's were close to expected values in all categories of smokers. In girls (smoking more than 10 cigarettes per day), values for FEV_1 were slightly below expected, but the difference was only probably significant ($\chi^2=6.13$; $P< .05$). In boys, smoking did not affect the FEV_1 significantly. Among the light smokers, the only significant effect was again in girls; those who smoked fewer than 10 cigarettes per day had a slightly lower than expected V_{max} at 50 percent VC ($\chi^2=6.03$; $P< .05$). Boys smoking up to 15 cigarettes per day had flow rates that were not significantly below expected.

We conclude from these data that regular smoking for 1 to 5 years is sufficient to cause demonstrable decreases of lung function. In separate experiments we compared MEFV curves of 17 subjects (all regular smokers) before and after smoking of a single cigarette. There was a slight but significant decrease of V_{max} at 50 percent VC but no change of FEV_1 or FVC. However, such acute effects of smoking disappear in about 1 hour (7), and it is very unlikely that these affected our results. The lower maximum expiratory flow rates among smokers are probably due to partial obstruction of small airways, although loss of lung elastic recoil may be a contributory factor (5). Airways become obstructed when the smooth muscle in their walls contracts or when secretions accumulate in the lumen. The latter may, in turn, be due to hypersecretion or to failure of the mucociliary clearance mechanism, or both. Our results cannot distinguish between these various causes of airway obstruction. Emery (11) believes that damage to small airways early in life may cause premature arrest of lung development since new alveoli arein part formed by a process of "alveolarization" of terminal bronchi. Since Emery has also shown that new alveoli may continue to be formed at least until age 20, it is conceivable that damage by cigarette smoke might lead to developmental arrest, especially in students who have already begun to smoke before the age of 10. Follow-up studies of lung function in adolescents who stop smoking should clarify the question of whether arrest of lung development actually occurs. If the functional decrement in smokers can be reversed completely or nearly so after cessation of smoking, it is probably caused by a toxic effect of cigarette smoke on airways, rather than by interference with the final stages of lung development.

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[From the New York Times, May 15, 1971]

HARM FOR YOUTHS FOUND IN SMOKING—FIRST EVIDENCE OF DAMAGE TO LUNGS IS REPORTED

(By Lawrence K. Altman)

Three Yale Medical School physicians have reported what they say is the first documented evidence of lung damage in teen-agers who have smoked cigarettes for just a few years.

The doctors did breathing tests on 365 students in four high schools in the New Haven area.

If teen-agers stopped smoking, the doctors said, "at least part of this damage to the lungs might be reversible." Yet, the doctors emphasized that they could not exclude permanent effects, including premature arrest of lung development, in teen-age cigarette smokers.

Dr. Janet E. Seely, Dr. Eugenija Zuskin, and Dr. Arend Bouhuys, all of whom are specialists in lung physiology and disease, reported the results of the tests in the issue of Science that was published yesterday.

Dr. Seely, who is now at McGill University in Montreal, said in a telephone interview that she and her colleagues had done the study because teen-agers generally are not impressed with the known ultimate risks of lung cancer from cigarette smoking.

"MIGHT BE CONVINCING"

Accordingly, she said that the Yale group did the studies when she was at Yale because "objective evidence of damage to their own lung function might be more convincing to teen-agers than the faraway danger of lung cancer."

The New Haven students included 195 boys and 170 girls, aged 15 to 19 years. Of these students, the doctors said that 50 per cent of the boys and 37 per cent of the girls were regular cigarette smokers.

Because these percentages of teen-age smokers were similar to those reported by other investigators, the researchers said that they believed that their sample was representative of the general population of teen-agers.

With consent from each of the teen-agers and their parents, the doctors said that they had tested the total volume of each student's lungs and the rate of flow of air in their exhaled breaths. Such tests are called flow-volume curves.

Results of the teen-age smokers' breathing tests, which were abnormal, were compared with those of the nonsmokers. The lung tests, the doctors said, provided data that were "much more objective as compared to the students' own statements about their symptoms."

SYMPTOMS OF NONSMOKERS

Symptoms such as "cough, phlegm and shortness of breath were much more common among smokers than among nonsmokers," the researchers said. They noted that their findings of "this striking preponderance of symptoms among the smokers" agreed with studies that British physicians reported in 1969.

In Lancet, a British medical publication, Dr. W. W. Holland and Dr. A. Elliott reported in 1969 that "smoking was associated with respiratory-tract symptoms and the more the child smoked the more likely he was to have these symptoms." The British doctors said that "changes in smoking habits do, however, affect the frequency of respiratory-tract symptoms."

This study, however, was based on questionnaires rather than actual breathing tests.

Dr. Seely said in the interview that she was unaware of any prior studies that documented lung damage by breathing tests in cigarette smokers at such a young age.

The abnormal lung function test results among smokers, the doctors said, "are probably due to partial obstruction of small airways, although loss of lung elastic recoil may be a contributory factor."

Some experts, the doctors said, believe "that damage to small airways early in life may cause premature arrest of lung development." However, Dr. Seely said that such evidence was considered speculative.

Lungs continue to become more voluminous, particularly in boys, Dr. Seely said, even after individuals stop growing in height.

"Follow-up studies of lung function in adolescents who stop smoking should clarify the question of whether arrest of lung development actually occurs," the doctors said.

[From the New York Times, May 23, 1971]

QUITTING SMOKING HARD FOR ADDICTS—SYNANON REPORTS SUCCESS WITH NICOTINE BAN

LOS ANGELES, May 22.—"It was much easier to quit heroin than cigarettes," said a newcomer to Synanon.

A ban on smoking was imposed a year ago this week at the community founded in 1958 for treatment of drug addicts and alcoholics.

Many at Synanon, like the newcomer, have found that the nicotine habit is the hardest one to break.

Michael Kaiser, who has lived at the Seaside Community in Santa Monica for six years, points to the long withdrawal period as a major reason.

"With most drugs you get over the symptoms in a few days, a week at most," he explained. "But with tobacco, we've noticed them for at least six months."

ALMOST AN OBSESSION

In the past, smoking for most at Synanon was an obsession. The bill was almost $200,000 a year for an unlimited supply of cigarettes for the 1,400 members at seven centers.

So it was natural that the notice of the ban—smoking was declared illegal on Synanon property—disrupted the careful balance of the life in which verbal violence is used to counteract aggression and support of colleagues is essential to bolster individual weaknesses.

The most common reactions were depression, irritability and weight gains ranging from seven to 30 pounds. About 100 people left during the six-month period following the ban and chose possible re-addiction to drugs outside Synanon to life without cigarettes.

Pacifiers such as fake cigarettes, toothpicks or even syringes helped many pass the initial shock.

Today most of the trauma of withdrawal is over. The majority say the thought of a cigarette is rare, although some admit to an "occasional urge" or fluctuating weight.

THE EASIEST PLACE

Despite the personal agony, most feel that it is much easier to quit smoking at Synanon than anywhere else.

"I couldn't have stopped without the help of my colleagues," said Charles E. Dederich, founder of Synanon and motivator for the ban.

In a telephone interview from the Synanon retreat at Tomales Bay, north of San Francisco, Mr. Dederich credited his decision to stop smoking to the combination of a cloudy lung X-ray and the pressure from the 200 young people under 15 who live in the community.

"They are nonsmokers, so they don't have no rationalize away the medical reports and antismoking commercials the way I always did," he explained.

Once the decision was made, smoking became the No. 1 crime for the community and was punishable by shaved heads or eventual expulsion.

The trial by fire for each has become both a personal badge of honor and a point of communal pride.

CLEAN INSIDE AND OUT

Random samplings from the spacious common room find testimonials of better health, cleaner air and spotless walls, which are newly painted and never to be nicotine stained, hopefully.

"We have been traditionally governed from smoke-filled rooms," explained Mr. Kaiser, who doubles in microbiology and public relations. But the new society will have to be one of cleanliness inside and outside the body."

Synanon considers itself a leader toward that new society. The ban on smoking illustrates its evolution from a treatment center for addicts to a permanent life style.

James Middleton, a 46-year-old who has been at Synanon for 12 years and was in a variety of prisons for the previous 15, would never leave.

"Why should I?" he smiled. "Here my daughter can grow up in a drug-free and unpolluted environment, and she's happy."

At Synanon, there's more than a hint of the self-righteousness proper for all reformed sinners.

"If we dregs of society can give up smoking," said Mr. Kaiser sarcastically, "then out there in a so-called sane world which is killing itself with the most dangerous of all drugs, responsible people can make a stand."

Although no one has yet entered for the expressed purpose of giving up smoking, Mr. Dederich would welcome them.

"As the word spreads, I would not be surprised to get some nicotine addicts," smiled Mr. Dederich, "since there is gathering momentum that this is a nice place to come for clean air, nice furniture and sweet breath."

[From the Chicago Tribune, May 20, 1971]

MILLIONS KEEP ON SMOKING DESPITE WORLD WARNINGS

LONDON, May 19.—Anti-smoking propaganda is mushrooming but millions of cigarette smokers through the world are still puffing away in defiance of health warnings.

A Reuters survey of world centers shows that government measures against smoking vary widely, but international publicity given to medical reports has made most smokers aware of the risks they run.

Governments face this dilemma: They make a sizeable amount of revenue from tobacco, yet at the same time they know that smoking seriously affects people's lives, health, and productive capacity.

CITE TWO REPORTS

Two scientific reports—from Canada and the United States—argue that if cigarettes were eliminated, there would be more healthy

working people to help compensate for the loss in tobacco taxes.

In France, Japan, Italy, and Russia the tobacco industry is a state monopoly. In Argentina the government pockets 66 per cent of the price of each pack.

Over the last decade tobacco sales have continued to grow despite the anti-smoking movement, although there has been a noticeable swing toward filter tips containing less tobacco. In Britain there has been a 75 per cent swing toward filters in 20 years.

UNITED STATES LEADS FIELD

Top of the world smoking league is the U.S. Figures from the Tobacco Research Council here showed Americans smoke more cigarettes than any other of the 30 national groups included in the survey.

Next on the list is Canada followed by Britain, Ireland, Australia, New Zealand, Japan, Switzerland, West Germany, and Belgium.

American cigarette sales dropped after a sensational report by the U.S. surgeon general in 1964 linked cigarettes with lung cancer.

Since 1966 health hazard warnings have been printed on cigarette packs but by 1970 sales were up again to an average of 50 cigarettes a week for every American.

The virile cowboy inhaling his cigaret and the languid blonde smoking by a mountain stream were barred from American television screens five years after cigaret advertising on television was stopped in Britain.

SCARE FADES QUICKLY

The British were temporarily scared in 1962 by facts and figures presented by the Royal College of Physicians. But by 1969 cigaret consumption had increased again.

The Royal College produced another report in January, 1971, which said 27,500 middle-aged Britons die every year from smoking, with lung cancer, coronary heart disease and chronic bronchitis the main killers.

The college, which claimed that 90 per cent of lung cancer deaths were from smoking, hopes this time to "frighten people to life."

From 1960 to 1968, cigaret sales in the Soviet Union went up by more than 50 per cent. The authorities have stepped in to curb one favorite Russian pastime—drinking—but so far have launched no anti-smoking campaign.

DOUBLES IN CUBA

In the last 10 years sales have doubled in Cuba, land of the world-famous Havana cigar. Premier Fidel Castro, himself a cigar smoker, recently has announced hefty price increases.

Italian cigaret sales—and lung cancer deaths—have risen steadily over the last 40 years although cigaret advertisements were banned in 1962. The Cabinet has approved a draft bill to ban smoking in buses, trains and theaters.

The Dutch government said 10,000 people die in Holland every year from lung cancer or heart diseases caused by cigaret smoking.

In Saudi Arabia cigaret advertisements are banned by law and penalties for infringement range up to six months' imprisonment.

WARNING TO SWEDES

In Sweden this year people will be warned in a campaign "If you must smoke, then don't inhale."

West German manufacturers, who claim to sell the mildest cigarets in the world, have agreed to cut back their advertising campaigns in 1971.

The French government gives only marginal support to private organizations fighting cancer. A cigaret with a low nicotine content proved a failure with the public.

By Mr. MAGNUSON (for himself and Mr. JACKSON):

S. 2321. A bill to assist States having an unemployment rate of 7.5 percent or more to provide up to 26 weeks of emergency compensation to unemployed workers who have exhausted their entitlement to both regular unemployment compensation and extended unemployment compensation. Referred to the Committee on Finance.

EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1971

Mr. MAGNUSON. Mr. President, I am introducing today, along with my distinguished colleague from Washington (Mr. JACKSON), the Emergency Unemployment Compensation Act of 1971. This bill is offered because of the critical situation facing hundreds of thousands of American working people. This bill creates a program of emergency compensation to assist States having an unemployment rate of 7.5 percent or higher. The emergency period will begin after an individual has exhausted his regular and extended benefits and will last for 26 weeks. The program will be 100 percent federally financed until June 30, 1973. By that date, the States will have to enact legislation proving a 20-percent matching fund in order to maintain its eligibility after July 1, 1973.

Mr. President, there is no greater tragedy than an American workingman or workingwoman who has lost a job, who wants to find new employment, and discovers, after weeks of pounding the pavement and answering ads, that a new job simply does not exist. The individual caught in this dilemma first must consider providing for his family and must therefore apply for unemployment compensation. After a period of time, if the same individual has not found new employment, those unemployment benefits will be exhausted. If this worker's State has enacted an extended unemployment compensation program, he will be eligible for another short period of unemployment compensation benefits while continuing to look for a new job.

Mr. President, after the worker has exhausted both the regular and the extended unemployment compensation benefits, no other option exists except to apply for welfare.

This is a tragic situation and is usually one that the individual has little control over. This Nation has a greater responsibility to its working people and I believe that the responsibility includes providing "emergency unemployment compensation benefits" in those areas of the country where the rate of unemployment is the highest and the potential for finding new employment is the lowest.

Secretary John Connally recently stated that 4 percent unemployment is a goal which this Nation's economy cannot meet except when engaged in a war. Mr. President, if this is the case, then it is our duty to provide aid to those unable to find work.

The Congress has enacted S. 31, the Emergency Employment Act, which will create approximately 200,000 public service employment opportunities. This is certainly an important step but it will not help the other 5,200,000 workers who are still unemployed.

Incidentally, in the early part of this week, the Office of Management and Budget sent to my Committee on Labor, HEW Appropriations' a request for a billion dollars to implement the Emergency Employment Act. The committee will act promptly on this budget amendment, probably within the next week.

Mr. President, I would also like to inform Members of the Senate about the situation which exists in Washington State. This problem is not necessarily typical, but does apply to other areas.

Since January 1, 1971, over 25,000 citizens in Washington State have exhausted their extended unemployment compensation benefits. In the month of March, 34,000 workers across the Nation exhausted their extended benefits; 7,700 of those workers reside in Washington State. About 40 percent of these workers will qualify for welfare, the rest have no further source of income, except, in most cases, a few personal assets.

In 1970, 59,600 workers in Washington exhausted their regular benefits—13,400 in the first 4 months. In the first 4 months of 1971, 39,300 workers have exhausted their regular benefits, and as mentioned above, nearly 25,000 workers have already exhausted their extended benefits, which extends the benefits to 52 weeks. This is a very serious situation evidenced by the fact that Washington State officials have now found real pockets of serious hunger and malnutrition existing throughout the State among a citizenry that has never before faced this problem.

Nationally, 495,200 workers have exhausted regular unemployment benefits in the first 4 months of 1971 as compared with 253,300 during the same period in 1970. This illustrates the seriousness of the national problem and the need for this emergency measure.

Recently, Senator JACKSON and I introduced the "Economic Disaster Relief Act of 1971" (S. 1832). I am very hopeful that this measure will be enacted in the very near future. I also believe that it is imperative that Congress enacts this "Emergency Unemployment Compensation Act of 1971" as a relief measure for those areas hardest hit by current economic conditions.

Mr. President, I introduce, for appropriate reference, for myself and Mr. JACKSON, "The Emergency Unemployment Compensation Act of 1971" and ask unanimous consent that the bill be printed in full in the RECORD, together with a statement of purpose of the bill.

Mr. President, I also ask unanimous consent to insert in the RECORD two fact sheets regarding the current unemployment situation in Washington State and an article from the Seattle Times.

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

S. 2321

A bill to assist States having an unemployment rate of 7.5 per centum or more to provide up to 26 weeks of emergency compensation to unemployed workers who have exhausted their entitlement to both regular unemployment compensation and extended unemployment compensation

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Unemployment Compensation Act of 1971".

FEDERAL-STATE AGREEMENTS

SEC. 2. (a) Any State which desires to do so may enter into an agreement with the Secretary of Labor (hereinafter referred to as the "Secretary") under this Act, if the State law of such State contains (as of the date such agreement is entered into) a requirement that extended compensation be payable thereunder as provided by the Federal State Extended Unemployment Compensation Act of 1970.

(b) Any such agreement shall provide that the State Agency of the State will make payments of emergency compensation—

(1) to individuals who—

(A) have exhausted all rights to compensation (including both regular compensation and extended compensation) under the State law;

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law; and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of the Virgin Islands or Canada;

(2) for any week of unemployment which begins in—

(A) an emergency extended benefit period (as defined in subsection (c)(3)); and

(B) the individual's period of eligibility (as defined in section 5 (b)).

(c)(1) For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted his rights to regular compensation under a State law when—

(A) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period; or

(B) his rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(2) For purposes of subsection (b)(1)(B), an individual shall be deemed to have exhausted his rights to extended compensation under a State law when no payments of extended compensation under a State law can be made under such law because such individual has received all the extended compensation available to him from his extended compensation account (as established under State law in accordance with section 202(b)(1) of the Federal-State Extended Unemployment Compensation Act of 1970).

(3)(A) For purposes of subsection (b)(2)(A), in the case of any State, an emergency extended benefit period.

(i) Shall begin with the third week after a week for which there is a State "on" indicator; and

(ii) shall end with the third week after the first week for which there is a State "off" indicator.

(B)(i) For purposes of subparagraph (A), there is a State "on" indicator for a week if the rate of unemployment (including both insured and uninsured unemployment) in the State (as determined by data published monthly by the Bureau of Labor Statistics of the Department of Labor) for the period consisting of such week and the immediately preceding 12 weeks equaled or exceeded 7.5 per centum, and if there is a State or National "on" indicator for such week (as determined under subsections (d) and (e) of section 203 of the Federal-State Extended Unemployment Compenation Act of 1970).

(ii) For purposes of subparagraph (A), there is a State "off" indicator for a week if, for the period consisting of such week and the immediately preceding 12 weeks, the rate of unemployment (including both insured and uninsured unemployment) in the State (as determined by data published monthly by the Bureau of Labor Statistics of the Department of Labor) is less than 7.5 per centum.

(d) For purposes of any agreement under this Act—

(1) the amount of the emergency compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) which would have been payable to him under the State law if he had not exhausted his rights to regular compensation under such law; and

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall (except where inconsistent with the provisions of this Act or regulations of the Secretary promulgated to carry out this Act) apply to claims for emergency compensation and the payment thereof.

(e) Payments of emergency compensation under an agreement entered into under this Act may not be paid to any individual for more than 26 weeks.

(f) No emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week prior to the week after the week such agreement is entered into, or if later, the week after the week in which such agreement becomes effective.

PAYMENTS TO STATES HAVING AGREEMENTS UNDER THIS ACT

SEC. 3. (a)(1) There shall be paid to each State which has entered into an agreement under this Act an amount equal to—

(A) 100 per centum of the emergency compensation paid prior to July 1, 1973 to individuals by the State pursuant to such agreement; and

(B) 80 per centum of the emergency compensation paid after June 30, 1973 to individuals by the State pursuant to such agreement.

(b) No payment shall be made to any State under this section in respect of compensation for which the State is entitled to reimbursement under the provisions of any Federal law other than this Act.

(c) Sums payable to any State by reason of such State having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

FINANCING PROVISIONS

SEC. 4. (a) Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) of the Unemployment Trust Fund shall be used by the Secretary for the making of payments to States having agreements entered into under this Act.

(b) Section 3301 of the Internal Revenue Code of 1954 is amended—

(1) by inserting "(except as otherwise provided in the succeeding sentence)" immediately after "equal"; and

(2) by adding at the end thereof the following new sentence: "In applying the preceeding sentence for the calendar year 1972 and the calendar year 1973, the rate of tax shall, in lieu of 3.2 percent, be 3.25 percent."

(c) The first sentence of section 905(b)(1) of the Social Security Act is amended by striking out "and in the case of any month after March 1972, to one-tenth," and inserting in lieu thereof "in the case of any month after March 1972 and before April 1974, to three-twentieths, and in the case of any month after March 1974, to one-tenth,".

DEFINITIONS

SEC. 5. FOR PURPOSES OF THIS ACT—

(a) The terms "compensation", "regular compensation", "extended compensation", "base period", "benefit year", "State", "State agency", "State law", and "week" shall have the meanings assigned to them under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970;

(b) the term "period of eligibility" means, in the case of any individual, the weeks in his benefit year which begin in an extended benefit period or an emergency extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period or in such emergency extended benefit period; and

(c) the term "extended benefit period" shall have the meaning assigned to such term under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970.

PURPOSE

This bill assists States having an unemployment rate of 7.5 per centum or more to provide up to 26 weeks of emergency compensation to unemployed workers who have exhausted their entitlement to both regular unemployment compensation and extended unemployment compensation.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

Section 2. Federal-State Agreements.

All states that have enacted an extended compensation law pursuant to the Federal-State Extended Unemployment Compensation are eligible for this emergency measure. Individuals are eligible who have exhausted, under State law, both regular and extended unemployment compensation benefits. The emergency extended benefit period shall begin with the third week after a week for which there is a State "on" indicator (an unemployment rate of 7.5 per centum or above); and shall end with the third week after the first week for which there is a State "off" indicator (an unemployment rate of below 7.5 per centum).

The amount of the emergency compensation shall be the same if the individual has not exhausted his rights to regular compensation under State law. Such benefits shall not be paid to any individual for more than 26 weeks.

Section 3. Payments to States Having Agreements Under This Act:

The Federal Government shall pay 100 per centum of the emergency compensation paid by the State prior to July 1, 1973 and 80 per centum of the compensation after June 30, 1973. This allows the States a period of time to enact a matching fund of 20 per centum in order to maintain eligibility for this program after June 30, 1973.

Section 4. Financing Provisions:

A tax increase of .05 per cent from employers will be levied to finance the "Emergency Unemployment Compensation Act of 1971".

The existing tax, Section 3301 of the Internal Revenue Code of 1954, is increased from 3.2 per cent to 3.25 per cent.

Section 5. Definitions.

WASHINGTON STATE ECONOMIC DATA

	May 1971	April 1971	May 1970
Total labor force	1,412,100	1,386,300	1,405,300
Labor management disputes	5,300	300	2,200
Total employment	1,242,900	1,225,100	1,293,700
Nonfarm wage and salary employment	1,039,400	1,040,300	1,088,300
Manufacturing	205,500	209,600	241,600
Lumber and paper	56,200	59,900	61,800
Metals and machinery	34,300	34,000	35,100
Aerospace	39,500	42,400	63,200
Food and kindred products	27,000	25,000	29,000
Other	48,500	48,300	52,500
Construction	50,400	48,400	53,000
Trade and service	402,200	399,100	413,600
Government	252,400	254,100	248,000
Other nonmanufacturing	128,900	129,100	132,100
All other nonfarm employment [1]	136,600	131,400	140,200
Agriculture	66,900	53,400	65,200
Total unemployment	163.9	160.9	109.4
Percent of work force	11.6	11.6	7.8
Seasonally adjusted rate	12.5	11.5	8.4
U.S. unemployment rate	5.3	5.7	4.1
Seasonally adjusted rate	6.2	6.1	4.9
Insured unemployment, mid-month, all entitlements	11,,376	124,461	73,788
Total, State program (regular entitlement)	77,535	82,232	69,686
Percent of covered employment	13.1	14.7	8.4
Male	49,323	53,142	45,233
Female	28,212	29,090	24,453
Unemployed 15 weeks or more	18,977	21,682	17,040
Age 55 or over	16,457	17,088	15,446
Average weekly earnings	April 1971	March 1971	April 1970
Manufacturing [2]	$164.25	$163.46	$157.98
Construction [3]	$237.98	$232.05	$217.20
Retail trade [3]	$116.28	$114.24	$110.45
Employment service activities			
New applications for work [4]	11,705	14,666	12,410
Nonagricultural placements [4]	3,281	2,583	4,134
Agricultural placements [4]	2,805	930	3,241
Consumer Price Index [5]			
United States	[6] 120.2	[7] 119.8	[6] 115.2
Seattle	[8] 114.6	[9] 114.9	[8] 112.5

[1] Self-employed, unpaid family and domestics.
[2] Production workers.
[3] Nonsupervisory workers, retail trade excludes eating and drinking places.
[4] In local offices of the Employment Security Department.
[5] Source: U.S. Department of Labor, Bureau of Labor Statistics (1967=100).
[6] April.
[7] March.
[8] February.
[9] November.

Source: Condensed from latest issues of: The Washington Labor Market; Employment Security Bulletin; Washington Economic Indicators; and Characteristics of the Insured Unemployed.

STATE OF WASHINGTON,
EMPLOYMENT SECURITY DEPARTMENT,
Olympia, Wash.

OLYMPIA, WASH., July 8, 1971.—Insured unemployment under regular entitlement (all programs) in Washington State decreased 2,401 to 78,597 for the week ending June 26, 1971, according to Maxine E. Daly, Commissioner of the Employment Security Department. Including those filing for extended benefits the number of claimants was 102,400, down 1,902 from the previous week's combined total.

The statewide drop in insured unemployment is attributable to persons exhausting their benefit entitlement, increased tourist activity, and general returns to work in various industries.

NUMBER OF PERSONS CERTIFYING TO UNEMPLOYMENT

	Total			Regular entitlement			Extended benefits	
For week ending	All programs	State program	State rate	All programs	State program	State rate	All programs	State program
June 26, 1971	102,400	95,390	12.0	78,597	72,632	9.1	23,803	22,758
June 19, 1971	104,302	97,081	12.2	80,998	74,842	9.4	23,304	22,239
June 27, 1970	77,209	72,662	8.8	76,690	72,155	8.7	519	507

INITIAL CLAIMS, BENEFIT PAYMENTS, AND EXHAUSTIONS

	Regular entitlement				Extended benefits		
		Amount of benefits			Amount of benefits		
During week ending	Initial claims	All programs	State	Exhaustions	All programs	State	Exhaustions
July 3, 1971	10,592	$4,020,762	$3,585,552	2,219	$1,483,743	$1,334,250	772
June 26, 1971	10,487	3,967,969	3,552,093	2,385	1,426,021	1,282,560	716
July 4, 1970	9,314	4,039,814	3,755,833	534	21,037	20,359	

STATE INSURED UNEMPLOYMENT [1] (REGULAR ENTITLEMENT) FOR WEEK ENDING JUNE 26, 1971 [2]

Local office area	State-insured unemployment [3]	Rate of insured unemployment [4] Current	Week ago	Year ago
Statewide	72,632	9.1	9.4	8.9
Bellingham	1,285	7.4	8.5	8.7
Mount Vernon-Anacortes	1,345	10.6	11.4	11.8
Port Angeles	906	9.7	11.4	8.1
Bremerton	1,399	13.1	12.7	14.1
Including UCFE [5]	(1,849)	(7.6)	(7.3)	(8.4)
Seattle-metropolitan	39,852	9.6	9.7	8.6
Seattle	19,673			
Renton	7,211			
Auburn	4,785			
Everett	8,183			
Tacoma	6,647	9.3	9.5	9.6
Olympia	1,388	8.5	8.6	9.0
Centralia	735	7.1	8.1	8.6
Aberdeen	1,181	8.0	8.4	9.5
Raymond	321	9.1	8.8	9.4
Vancouver	2,225	9.3	9.8	8.4
Longview	1,220	5.9	6.1	5.8
Wenatchee	1,757	13.8	14.2	11.9
Toppenish	713	9.8	11.8	10.7
Yakima	2,193			
Ellensburg	512	12.3	12.6	12.2
Okanogan	653	12.8	12.2	14.9
Spokane	4,698	6.7	6.5	5.6
Colville	398	11.8	13.0	9.4
Walla Walla	386	3.9	3.7	5.2
Pasco	1,978	9.0	9.1	8.5
Ephrata	394	16.0	13.5	16.4
Moses Lake	773			

[1] Includes only those claiming benefits for regular entitlement under the State unemployment compensation program. Excludes claims filed under ex-servicemen and Federal employee program; also excludes those unemployed who are not covered under one of these 3 programs or those who have exhausted their current benefit entitlement. Total unemployment rates released separately each month for the State and selected areas include all jobless workers whether or not they are receiving unemployment compensation.
[2] Based on claims filed in succeeding calendar week.
[3] Individual entries do not add to State total because of adjustments to local office figures for biweekly claims reporting.
[4] State-insured unemployment divided by average covered employment for 12-month period as specified by law.
[5] The Bremerton economy is heavily weighted by Federal employment. Figures in parentheses include claims data for Federal employee program (UCFE). (State rate and other local area rates would not be significantly affected by inclusion of UCFE data.)

STATE'S UNEMPLOYMENT HEADED FOR RED

(By Richard W. Larsen)

The flow of payments to the jobless is shriveling the state's once-ample unemployment-compensation reserve fund. The fund is heading into a deficit next year.

The fund, paid for by employers, contained about $318 million in early 1970. It was down to about $122 million at the end of last month.

Carl G. Westine, assistant commissioner of employment security, said the projected payout of jobless benefits will take the fund into the red sometime next year.

But Westine explained the fund's deficit will not affect continued payment of unemployment checks. Federal loans, interest free, are available when the state fund runs out.

Westine noted that as employers begin paying a new, higher tax next year the fund is expected to begin rebuilding.

Now employers in covered industries pay a 1.8 per cent tax on the first $4,200 earned by a worker in the year. That will increase to 3 per cent on the first $4,800 next year and climb to 3 per cent on the first $5,400 in 1973.

Meanwhile, political sparring continued over one segment of the unemployment-pay program which expires October 2.

That is the cutoff date for an emergency extended-benefit program approved by the Legislature earlier this year. It provides an added maximum of 13 weeks of unemployment paychecks for most recipients, boosting the total maximum eligibility for any one recipient to 52 weeks.

The maximum weekly unemployment paycheck now is $75.

Joe Davis, chief of the United Labor Lobby, and other labor leaders favor a special session of the Legislature to extend that October 2 cutoff date.

They estimate 20,000 to 25,000 people now receiving unemployment compensation could lose all or part of that up-to-13-weeks benefit because of the October 2 cutoff.

The State Labor Council convention in Spokane next month is expected to formally announce support for an immediate special session of the Legislature.

Gov. Dan Evans said a special session was not the answer. He cited the sagging state fund and said any further unemployment-pay assistance program should come from the federal government.

Representative Sid Morrison, Zillah Republican, said today the October 2 cutoff date was considered "a realistic cutoff point."

Morrison said there was consideration of removing that deadline from the law, but he added, "The fund in no way could stand a continuing state emergency."

"The state has a beautiful program, perhaps the best in the nation," Morrison said. But he said it operates on an insurance principle, calculating premium payments against probable claims. "We had no way of knowing we were going to face this sort of thing," he said.

The state's most recent report indicated that, including persons filing for extended benefits, the number of unemployment-compensation claimants was 102,400.

The Legislature in January expanded the program.

But the sagging fund is expected to provide an argument against further expansion.

Carl Swenson, a businessman member of the Employment Security Advisory Board, said the board has been studying the problem. But he added that people who have been out of a job for a year probably cease to be a responsibility of the employer fund. Other programs with a broader public-fund base are more appropriate to help those people, Swenson said.

Mr. MAGNUSON. Mr. President, I am also extremely pleased that the distinguished chairman of the Senate Finance Committee, Mr. LONG, has taken time out of his busy schedule to be here on the Senate floor to express his interest in this measure. Senator LONG is chairman of the committee to which this measure will be sent. I am pleased that he could be here to participate in this colloquy. I know that he cannot determine in advance the fate of any measure, but I am confident that the able chairman will see to it that this measure is given very thorough consideration by the Finance Committee.

As chairman of both the Senate Commerce Committee and the Labor, Health, Education, and Welfare, OEO, and Related Agencies Appropriation Subcommittee, I am well aware of the busy schedule that every congressional committee faces. No committee has more significant matters pending before it today than does the Senate Finance Committee. So it is with that in mind that I wish to express my deep appreciation to the Senator from Louisiana.

Mr. JACKSON. Mr. President, my statement is in support of the Emergency Unemployment Compensation Act which my distinguished colleague, Senator MAGNUSON, and I introduced today.

This bill is both simple and essential. I urge my colleagues to support it and pass it promptly, for it holds out a lifeline to thousands of men and women who have no job, and no hope.

It is hard to find words and statistics that fully describe the human tragedy now prevailing in many parts of this Nation, and my own State of Washington.

The tragedy can perhaps best be measured this way: The director of Seattle's manpower programs has given up trying to find jobs for people who apply. Instead, he and his staff spend their time locating food, housing, clothing, and waivers from utility charges and mortgages for the jobless.

In Seattle, as elsewhere in the country, citizens and their officials have been relegated to a search for basic necessities.

For the real tragedy is that some 60 percent of the people whose unemployment compensation has expired do not qualify for any other form of relief. They are not eligible for welfare; food stamp programs are sharply restricted; savings, friends, relatives—these resources are quickly exhausted.

This situation leads to social despair, family disintegration, mental illness, acts of desperation. It cripples an individual's spirit, and a community's livelihood. It should not be tolerated in America—the richest country in the world.

The Emergency Unemployment Compensation Act is a good bill. It is a meaningful bill. It would provide help immediately to several hundred thousand persons across the country, and to at least 25,000 persons in Washington State, who have already exhausted their regular and extended benefits. It is the most effective way to inject some money, some basic necessities of life, and some sense of confidence into these families and their communities.

Unemployment compensation is a tried and proven form of Federal aid. Unfortunately, in this recession, it is becoming a way of life for some rather than a temporary adjustment between jobs.

Unemployment compensation is already too big a business. In Washington State it became the biggest "employer" in the State somehow last year. Tens of thousands of people in my own State and elsewhere have used their basic 39 weeks of relief, plus an additional 12 weeks. In the first 4 months of 1971 nearly half a million Americans exhausted their regular benefits. Some have been on unemployment compensation assistance for a solid year. Now, in growing numbers, their eligibility is expiring. They are losing even this form of help and minimum income.

In my judgment, the Emergency Unemployment Assistance Act is a vital extension of a successful Federal program—that is desperately needed by thousands of American citizens. It is an interim measure. It is no solution—but is a lifeline to those in need.

Congress should pass promptly, and the President should sign quickly, this extension. With it enacted, we should then move to enact an economic disaster relief bill which Senator MAGNUSON and I have introduced, S. 1779.

We must continue, beyond the emergency unemployment compensation bill, to help the administration understand the true nature of unemployment and economic recession in this country. I fear the administration lacks not only the knowledge to lead, but also the will to take effective action.

This emergency unemployment compensation bill would not be necessary if the administration had learned the lessons of postwar economics. The administration's success at throttling the American economy will only be measured in the despair of thousands of jobless men and women.

The Emergency Unemployment Assistance Act is a key form of assistance to Americans without jobs or income.

Mr. MAGNUSON. Mr. President, will my distinguished colleague yield to me?

Mr. JACKSON. I am happy to yield.

Mr. MAGNUSON. The real tragedy here is that when existing unemployment benefits are exhausted, there is only one place to go and that is on welfare, which is the most degrading thing that can happen to an individual who has skills and wants to work.

The distinguished occupant of the chair, the Senator from California (Mr. CRANSTON), knows that that applies in his State as well.

Actually, it costs more to keep a person on welfare—and no one knows that better than I do, after chairing the welfare portion of the fiscal year 1972 budget hearings. It is much less expensive to extend the unemployment compensation where the individual has the dignity of being under unemployment compensation—at least the individual is not on welfare he has helped pay for unemployment compensation benefits himself.

It costs 50 percent more to put a person on welfare than it does to keep that individual worker on unemployment compensation, with all the tragedy, the degradation and humiliation that goes with being on welfare.

That is why this bill should be passed promptly.

Mr. JACKSON. My colleague has made a very important point. The humiliation that goes with welfare is something that we in America should not countenance for those people who have the ability to make an important contribution at this point in our history. I am referring not just to the unskilled workers. I am referring to the tens of thousands of people with advanced degrees, Ph. D.'s and masters degrees, as well as special degrees in a particular discipline—these workers, together with the blue collar workers, who are highly skilled, whether that work be of a machinist, a toolmaker or a diemaker.

I mention this because we always have a certain percentage of unskilled workers out of work. But the real tragedy goes beyond the unskilled worker because it brings home this new factor of what I like to call, or best describe, as qualitative unemployment.

Never in the history of the country have we had so many people, as a percentage of the total labor force, with such outstanding skills who are unemployed. That is unique in our society, I believe.

It is of special concern in the Northwest, as it is in southern California, as it is in Boston, Mass.—the Route 28, MIT complex area, and as it is in the Cape Kennedy area in Florida. We could go on down the line and list the areas which are in truth, and in fact, not suffering from a recession but are suffering from regional depressions. We have a recession throughout the country, but within that context, we do have regional depressions.

That is what my senior colleague had in mind when he spoke about the deep concern which we have for the people who have no place to go because this recession, that was supposed to come to an

end, has not come to an end. It is being extended.

It is about time that we extended the unemployment compensation benefits to cover that period of hardship which these people now suffer.

Mr. MAGNUSON. Mr. President, when we first passed the Unemployed Compensation Act, we used the figure of 39 weeks. Then we extended it. There is no magic in the number of weeks, for no one even thought, then, that it would take over a year for people who wanted to work and had skills to find jobs.

This, tragically, has not been the case and the economic outlook is still very bleak.

There is no reason why we should not extend emergency benefits. When we considered this measure before we did not believe that it would take over a year for a person who had a skill and wanted to work to find employment.

That is not true today. It does not look as though it will be true in the future.

Mr. MAGNUSON. Mr. President, I yield back the remainder of my time.

Mr. JACKSON. Mr. President, I yield the floor.

Mr. LONG. Mr. President, I want to compliment the Senators from Washington (Messrs. MAGNUSON and JACKSON), on their diligence in searching for a solution to the very difficult problem of chronic high unemployment, which they, of course, are not responsible for creating. It is unfortunate that, through no fault of theirs, the State of Washington enjoys the very unenviable distinction of having the highest rate of insured unemployment in any State in the Union. May I say that if the majority of the Senators had voted as the Senator from Louisiana and the two Senators from Washington had voted, this deplorable situation might not have existed.

Last year, the Committee on Finance and the Senate thoroughly reviewed the unemployment insurance system and concluded that it was desirable to set up a program of an additional 3 months of benefits for unemployed persons in times of national or statewide economic recession. The extended benefit program that became law had been recommended by the Johnson administration and the Nixon administration, by business and labor.

As the Senators know, the extended benefit provisions of the 1970 law will not become effective nationally until next January. It seems to me that legislating now to add an additional period of benefits, before last year's provisions become effective nationally, will require the most careful consideration by the Congress and by the executive branch. I want to assure my colleagues that as soon as this proposal is referred to the Committee on Finance, we will seek the views of the appropriate executive agencies on the merits of the bill.

I want to compliment the sponsors of this measure for the fiscal responsibility they have incorporated in it. They have included financing provisions to raise the revenues needed to pay for the additional benefits. I mention this because Senators will recall that earlier this year an amendment was offered on the Senate floor proposing additional Federal expenditures for unemployment insurance while omitting any provision for raising the money to pay these additional costs. Fortunately, that amendment was defeated. So let me again compliment the sponsors of this bill for offering it as a serious legislative proposal, one that is fiscally responsible.

Mr. MAGNUSON. Mr. President, I want publicly to thank the Senator from Louisiana (Mr. LONG) for giving us the encouragement that the Finance Committee will take this matter up just as soon as is possible.

By Mr. STEVENSON (for himself and Mr. HART):

S. 2322. A bill to establish a system of first party, no-fault insurance for victims of motor vehicle accidents, and for other purposes. Referred to the Committee on the District of Columbia.

DISTRICT OF COLUMBIA AUTOMOBILE INSURANCE REFORM ACT

Mr. STEVENSON. Mr. President, in November 1970, the District of Columbia Council recommended "that the Congress consider providing a no-fault insurance system for the District".

The bill I introduce today, on behalf of myself and the Senator from Michigan (Mr. HART), is a response to that recommendation. If the District of Columbia Automobile Insurance Reform Act is enacted into law, the District would in my judgment have far and away the fairest and most efficient system of automobile accident reparations in effect anywhere in the continental United States.

Under the new system, the cumbersome, expensive, and unreal procedure of third party liability coverage under the fault system would be—except for a very small fraction of cases—abolished for accidents occurring in the District and involving only District vehicles. In its place there would be a new system of first party no-fault coverage. Under the existing system, the victim of an automobile accident, if he is to be compensated for his injuries, must often drag another person through the courts to establish that the other person was at fault and that the injured party was not at fault—a process which can consume years of time and tens of thousands of dollars in legal fees.

This bill rejects the antiquated, unworkable fault system and allows the injured party to collect from his own insurer on a first party basis. All the victim needs to do is establish that he has suffered loss—in the form of medical expenses or lost wages, for example, and that the loss is due to an automobile accident. His own insurer then pays him almost immediately. If the insurer does not pay within 30 days, the claim is considered overdue and the insurer is liable for interest on the overdue amount and must also pay any attorney fees the victim incurs to collect his claim.

This switch from third-party to first-party coverage is a sweeping and fundamental change in motor vehicle accident compensation. It is a change which is urged by nearly every impartial analysis of the existing system.

Early this year, the Department of Transportation completed the most exhaustive study of the automobile insurance system ever undertaken. The study, which covered virtually every aspect of the motor vehicle reparations system, resulted in 23 volumes of reports. In its final report to the President and the Congress dated March 1971, the Department of Transportation concluded:

> The coverage of the present compensation mechanism is seriously deficient.

To remedy this situation the Department recommended seven kinds of changes: basic reliance on first-party no-fault insurance; availability of benefits to all victims; coordination of benefits; maximum choice for the insured; privately operated systems; maximum opportunity for rehabilitation; and minimal use of adversary procedures. Except for certain minor points, my bill is entirely consistent with all seven of these recommendations.

There is overwhelming evidence to support the conclusion that the present system works very poorly, and that for millions of accident victims it does not work at all. Consider the following figures:

A DOT study of automobile accidents in Metropolitan Washington revealed that 49 percent of the automobile deaths in a 1-year period did not lead to any recovery whatever from an automobile insurance policy. In the same period 43 percent of those injured but not killed in auto accidents received absolutely nothing from automobile insurance.

In 1967 the compensable economic loss resulting from automobile accidents amounted to a staggering $10.5 billion—only $4.7 billion of which was compensated by automobile insurance.

Of every dollar the public pays for automobile liability insurance, 56 cents goes for overhead, profit, and attorney fees and the like—and only 14½ cents goes for compensation of otherwise uncompensated economic losses. This means that in order to get $1 worth of compensation for otherwise uncompensated economic losses, the policyholder must pay nearly $7 in automobile liability premiums.

The fault system has the bizarre result of paying the slightly injured plaintiffs more than their losses and the badly injured plaintiffs much less than their losses. For small economic losses under $500, successful plaintiffs under the fault system recovered 450 percent of their economic losses, but victims with very large economic losses over $25,000 recovered only 30 percent of their loss through tort actions. These arbitrary and totally irrational disparities are eliminated by a no-fault system. Each victim under this bill would receive 100 percent of his medical expenses whether they be $200, $2,000, or $200,000. Every injured victim under this bill would receive 85 percent of his lost earnings for 3 years up to a maximum of $1,500 a month.

The third party fault system is not only arbitrary and inefficient, it is also

very expensive. During the past decade the cost of automobile liability insurance increased nearly twice as much as the cost of living generally. Because no-fault insurance sharply reduces administrative and litigation costs, it can bring about major rate reductions. In Massachusetts, for example, a limited no-fault system which went into effect on January 1 of this year contained a provision requiring that premiums be reduced by 15 percent. Although detractors of the new system claimed that premiums might actually go up, the plan has been so successful that Massachusetts is considering an additional 25 percent reduction on top of the 15 percent reduction already in effect.

On the basis of an actuarial analysis performed by the American Insurance Association, this bill currently requires an immediate rate reduction of 18 percent in the bodily injury premium. This 18 percent figure may well be on the conservative side. It is very possible that in the course of hearings on this bill additional information will be forthcoming which will justify even larger rate reductions than those presently in the bill. Enactment of this system for the District also creates the prospect of immediate judgmental reductions in the premiums for motorists residing in suburban Maryland and Virginia communities.

The bill does not disturb the existing "file and use" system of ratemaking under the jurisdiction of the District of Columbia Superintendent of Insurance. This is not intended as an endorsement or of a repudiation of the existing ratemaking scheme. Rather, it is a recognition that the merits and the shortcomings of the existing ratemaking scheme and its alternatives have not yet been aired thoroughly enough to determine whether changes are needed. If such an airing occurs during the hearings, changes can be considered then.

The defects in the fault system are so basic and so pervasive—and the prospects of speedy State-by-State reform so uncertain—that a national no-fault bill may be the only real solution. Thanks to the pioneering efforts of Senators HART and MAGNUSON, such a bill is now before the Congress, and hearings have been held in both Houses. The bill I introduce today is not intended as an endorsement of the State-by-State approach as opposed to the Hart-Magnuson national approach. This bill and the Hart-Magnuson bill are similar in many important respects, and several important features of this bill—including the assigned claims plan and the secondary source of benefits—are modeled on the provisions of the Hart-Magnuson bill.

The purpose of this bill is to place the District of Columbia in the best possible position vis-a-vis automobile insurance reform. If a national no-fault bill passes—and it is far from certain that the Congress is prepared to take such a step at this time—the District of Columbia will by virtue of passage of this bill be ready to make an easy transition to the national program. If on the other hand a national bill does not pass for some time, only a bill such as this one will give the District the reform it needs.

Enactment of this bill will also bring about a complete and comprehensive solution to the problem posed by the 80,000 uninsured motor vehicles in the District of Columbia. Because first and third party coverage is compulsory under my bill, there will be very few uninsured vehicles left. Only those who would prefer committing a misdemeanor to buying insurance will continue to be uninsured. To deal with this handful of cases, my bill establishes an assigned claims plan under which anyone injured by an uninsured District of Columbia vehicle will have exactly the same protection he would have had if that vehicle had been insured in compliance with the law. Unlike other approaches which have been proposed, this bill discourages tort actions, provides prompt first party protection for pedestrians, and includes property damage liability coverage. Under this bill, every motorist pays his own way; there are no cut rates for the uninsured motorist.

Because reform is long overdue and because a recent Supreme Court case has in all probability invalidated the District of Columbia Motor Vehicle Safety Responsibility Act, it is my judgment that a very high priority should be placed on automobile insurance reform legislation for the District. As chairman of the Subcommittee on Business, Commerce, and Judiciary of the District Committee, I, therefore, intend to hold hearings on this and related bills at an early date following the August recess.

Mr. President, I ask unanimous consent that a fact sheet and the text of the bill be reprinted at this point in the RECORD.

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

S. 2322

An act to establish a system of first party, no fault insurance for victims of motor vehicle accidents, and for other purposes

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

SECTION 1. *Short Title.* This Act may be cited as the District of Columbia Automobile Insurance Reform Act.

SEC. 2. *Purposes.* The purposes of this Act are as follows:

(a) To provide comprehensive insurance coverage for all vehicles required to be registered in the District of Columbia, at the lowest premium cost consistent with such coverage;

(b) To provide prompt compensation for victims of motor vehicle accidents, without regard to fault;

(c) To encourage prompt medical treatment and rehabilitation of automobile accident victims;

(d) To reduce the backlogs in the civil courts and eliminate the delay, expense, and uncertainty associated with the disposition of automobile accident claims through litigation under the fault system; and

(e) To help assure the availability of motor vehicle insurance.

SEC. 3. *Definitions.* As used in this Act:

(a) "Motor vehicle" means any vehicle driven or drawn by electrical or mechanical power, and manufactured for use primarily on the public streets, roads and highways;

(b) "Insured motor vehicle" means a motor vehicle which is insured by a policy of insurance which meets the requirements of section 5 of this Act, or which is being operated or used by a person who has provided and maintained a surety bond, securities or other proof of qualifications as a self-insurer with obligations equivalent to those contained in a policy of insurance under terms and conditions determined by and subject to the approval of the District of Columbia Council (hereafter referred to as an "approved self-insurer"). A person who is an approved self-insurer shall be treated for purposes of this Act as though holding a policy of insurance meeting the requirements of section 5 of this Act or as an insurer issuing such a policy, as the context of a particular section of this Act requires;

(c) "Owner" means any person having a legally protectible interest in a motor vehicle and right to its possession;

(d) "Injury" means death, bodily harm, sickness or disease caused by a motor vehicle accident;

(e) "Person" means any individual, partnership, corporation, association, trust, syndicate, or other entity.

SEC. 4. *Conditions of Operation.* No person shall knowingly operate or use upon the public streets, roads and highways of the District of Columbia any motor vehicle registered or required to be registered in the District of Columbia unless that vehicle is an insured motor vehicle as that term is defined in section 3(b) of this Act.

SEC. 5. INSURANCE REQUIREMENTS. Every insurer writing motor vehicle insurance in the District of Columbia is required to offer to each policyholder for whom he writes such insurance, a policy which provides the following coverage:

(a) Personal injury and death. The policy shall compensate the insured, any passengers riding in the insured motor vehicle, and any person not riding in a motor vehicle for the accrued net loss arising out of injuries sustained in any motor vehicle accident involving the insured motor vehicle and occurring in the District of Columbia, the States, and territories of the United States, or the Dominion of Canada; provided that with respect to injuries sustained by persons not riding in a motor vehicle in accidents occurring outside the District of Columbia, this provision shall not apply.

(b) Accrued net loss consists of allowable expenses, work loss, and survivors' loss in the event that injury causes death. These benefits shall be payable without regard to fault.

(i) Allowable expenses. Allowable expenses consist of reasonable charges incurred for reasonably necessary products, services, and accommodations including all medical and rehabilitation expenses. In no event will allowable expenses include a charge for a hospital room in excess of a reasonable and customary charge for semiprivate accommodations or a total charge in excess of $1,000 for expenses of all types in any way related to funeral and burial.

(ii) Work loss. Work loss consists of (a) loss of income from work the injured person would have performed had he not been injured and (b) expenses reasonably incurred in obtaining ordinary and necessary services in lieu of those that, had he not been injured, the injured person would have performed not for income but for the benefit of himself or of any other who qualifies as a person suffering loss from the injury. The amount of work loss shall be limited to the lesser of $1,500 per month or 85 percent of the monthly earnings at the time of injury or death and shall be further limited to the work loss in the 36 months immediately following the date of the accident, provided that the insurer shall offer, under regulations promulgated by the District of Columbia Council, optional coverage for work loss above and beyond those limits set forth herein.

(iii) Survivors' loss. Survivors' loss consists of (a) loss, after the date on which the deceased died, of contributions of tangible things of economic value (not including services) that survivors suffering loss would have received from the deceased had he not suffered the injury causing death, subject to the limits in subsection (ii) above, and (b) expenses reasonably incurred by such survivors after the date on which the deceased died in obtaining ordinary and necessary services in lieu of those that the deceased would have performed for their benefit had he not suffered the injury causing death.

(iv) The District of Columbia Council may promulgate regulations under which the insured is given a choice between accrued net loss coverage without a deductible and accrued net loss coverage with such deductibles as the Council may approve, but all policies shall provide that benefits to pedestrians not be subject to any deductible.

(v) Pain, suffering, inconvenience, and physical impairment are not loss, but economic detriment, such as loss of wages, is loss even though arising from interference with work caused by pain and suffering or physical impairment.

(vi) Except as otherwise provided in this paragraph or in regulations promulgated by the District of Columbia Council, all benefits and advantages one receives or is entitled to receive, because of the injury, from sources other than the first party coverage provided under this Act are subtracted from less in calculating net loss. The District of Columbia Council is authorized to issue regulations to modify this rule in particular cases, including regulations for taking into account the value of advantages incident to the fact that certain of the benefits received because of an accidental injury are not taxable income, and problems arising when collateral sources are depleted or exhausted because of an accidental injury arising from the ownership, maintenance, or use of a motor vehicle and a subsequent loss of another type occurs. In no event shall subtraction be made for amounts one receives or is entitled to receive (a) in discharge of familial obligations of support or (b) by way of succession at death or (c) as proceeds of life insurance or (d) as gratuities.

(c) Residual Liability Coverage. The District of Columbia Council shall promulgate regulations governing the issuance of coverage for liability arising out of injury to persons and damage to real or personal property caused by an accident involving an insured motor vehicle and not fully covered by a policy providing first party benefits for such injury or damage; provided that in no event shall the District of Columbia Council provide for bodily injury liability coverage in an amount less than $15,000 per person and $30,000 per accident, or property damage liability coverage in an amount less than $5,000 per accident.

SEC. 6. *Exclusions.* Notwithstanding any other provision of this Act, no first party payments shall be made with respect to injury sustained by the operator or user of a motor vehicle (i) while operating a motor vehicle with the specific intent of causing harm or damage; or (ii) without a good faith belief that he is legally entitled to operate such vehicle; or (iii) at a time when his operator's license was suspended or revoked; or (iv) under circumstances resulting in his conviction for a felony or for driving while under the influence of alcohol or a narcotic or other drug.

SEC. 7. *Vehicle protection insurance.*

(a) The insurer shall offer the policyholder a choice among the following options:

(i) Nonfault option. The insurer will pay for accidental damage to the insured motor vehicle caused by collision or upset, regardless of fault, subject to any deductible stated on the face of the policy and to a limit in an amount not less than the actual cash value of the vehicle less such deductible.

(ii) Fault option. The insurer will pay for accidental damage to the insured motor vehicle caused by collision or upset only if the insured has a valid claim in tort against another identified person or would have had such a valid claim but for the exemption prescribed in this section. The liability of the insurer shall be subject to any deductible stated on the face of the policy and to a limit in an amount not less than the actual cash value of the vehicle less such deductible. If such other identified person is an insured under a policy of vehicle protection insurance but fails to give reasonable assistance and cooperation to the insurer in defending against a claim that he was at fault in causing damage to the insured vehicle, the insurer, if held liable for damage to the insured vehicle, shall be entitled to indemnity from such other person, and such other person's liability insurance shall not apply.

(iii) Full-deductible option. In addition to the deductible offered under the nonfault and fault options, insurers shall offer a full-deductible option under which the policyholder gives up all claims against others insured under vehicle protection policies for damage to and loss of use of his vehicle and has the benefit of an exemption against such persons as provided in subsection (b) below.

(b) Every policyholder choosing any of the several options of vehicle protection insurance, in consideration of exemptions under other vehicle protection insurance policies, elects and agrees that every insured under any vehicle protection insurance policy, regardless of which option was elected by the policyholder, shall be exempt from all claims the policyholder might otherwise have had to recover for accidental damage to the insured vehicle and for loss of use thereof. Likewise, the policyholder's insurer is bound by this exemption, precluding any subrogation claim it might otherwise have had against such other person for damage to or loss of the insured vehicle, and the other person's insurer has the benefit of this exemption. To the extent of its payment, however, the policyholder's insurer may be subrogated to the tort claims of the policyholder, for such damage and loss of use, against any person to whom this exemption does not extend.

SEC. 8. ACTIONS IN TORT—

(a) In cases where persons injured in a motor vehicle accident involving an insured motor vehicle are eligible to receive first party benefits under this Act, no action in tort shall lie except for net loss as defined in section 5(b) of this Act in excess of the limits set forth in the applicable first party policy, and for pain and suffering subject to the conditions set forth in subsection (c) below, and there shall be no right of subrogation except as set forth below in subsection (b) below.

(b) In motor vehicle accidents involving one or more insured motor vehicles and one or more vehicles which do not qualify as insured motor vehicles under section 3(b) of this Act, any insurer paying first party benefits to any person under a policy issued pursuant to this Act shall to the extent of such payments be subrogated to any action in tort which the insured person would have had against any person not eligible to receive first party benefits under this Act.

(c) Pain and suffering shall not be a compensable element of damages in any tort action in which the tort law of the District of Columbia is applicable, except where an injury results in death; loss of an eye or limb; permanent and total disability; or disfigurement which is severe, permanent, and irreparable. No award of pain and suffering damages shall exceed $25,000 per claimant per tort.

(d) Where an accident involves more than one motor vehicle, and where all the motor vehicles involved in the accident are insured motor vehicles, as that term is defined in section 3(b) of this Act, no action in tort shall lie for any damage to any motor vehicle.

(e) In cases involving one or more insured motor vehicles and one or more uninsured motor vehicles, any insurer paying first party vehicular damage benefits under any policy issued pursuant to this Act shall by virtue of such payment be subrogated to the tort rights of any insured person against any person who owns or operates a vehicle which is not an insured motor vehicle.

SEC. 9. PAYMENTS OF BENEFITS—

(a) Net loss benefits are payable monthly as loss accrues.

(b) Benefits for any period are overdue if not paid within thirty days after the insurer receives reasonable proof of the fact and amount of benefits due for that period. If reasonable proof is not supplied as to the entire claim, the amount supported by reasonable proof is overdue if not paid within 30 days after such proof is received by the insurer. Any part or all of the remainder of the claim that is later supported by reasonable proof is overdue if not paid within thirty days after such proof is received by the insurer.

(c) An attorney is entitled to a reasonable fee for advising and representing a claimant on a claim or action for benefits under this Act. If overdue benefits are involved, the attorney's fee shall be a charge against the insurer in addition to benefits recovered, except that, first, there shall be no such charge against the insurer unless some overdue benefits have been recovered in the judgment or paid after receipt by the insurer of notice of the attorney's representation of the claimant, and, second, in the discretion of the court part or all of this fee may be charged against the benefits due the claimant because his claim was in some respect fraudulent or so excessive as to have no reasonable foundation. The provisions of this paragraph are applicable to settlement of a disputed claim before or after commencement of an action, as well as to actions tried, but the extent to which the claim was disputed and the question whether the action was tried are factors among others that may be taken into account in determining what amount of fee will be permitted and how much if any of it will be charged against benefits. If overdue benefits are involved, an attorney, to be entitled to payment of a fee by an insurer, must give the insurer reasonable notice of his representation of his client with respect to the claimed benefits before payment of such benefits has been made. After such notice, the insurer shall pay the fee directly to the attorney. If overdue benefits are not involved, half of the attorney fee shall be a charge against benefits otherwise due the claimant and is chargeable against limits of liability as benefits paid and the other half shall be a charge against the insurer in addition to the benefits due, and it is not chargeable against limits of liability.

(d) Within the discretion of a court, an insurer may be allowed an award of a reasonable sum against a claimant as an attorney's fee for the insurer's attorney in defense against a claim for benefits under this Act that was in some respect fraudulent or so excessive as to have no reasonable foundation. To the extent that any benefits are then due or thereafter come due to the claimant because of the injury on which the claim is based, such a fee may be treated as an offset against such benefits, and judgment may be entered against the claimant for any amount of a fee awarded against him and not offset in this way or otherwise paid.

(e) Overdue payments of all benefits payable under this Act shall bear interest compounded at the rate of 1½% per month.

(f) No person shall be required to disclose income as a prerequisite to obtaining insurance under this Act, but when such

information is disclosed voluntarily it shall be considered for the purpose of determining whether a lower premium charge applies. The insurer shall inform each applicant that disclosure of income may lead to a premium reduction.

SEC. 10. ASSIGNED CLAIMS PLAN—

(a)(1) The District of Columbia Council shall, after consultation with insurers and insurance supervisory authorities, organize an assigned claims bureau and assigned claims plan in which all insurers writing automobile insurance in the District of Columbia shall participate. Upon organization, the bureau and plan shall be maintained by the insurers writing automobile insurance policies in the District of Columbia, and no such insurer may withdraw without the consent of the District of Columbia Council or its designee.

(2) The District of Columbia Council shall promulgate regulations which shall set forth the extent to which, for purposes of this section—

(A) a self-insurer shall be treated as an insurer, and

(B) benefits which a self-insurer is obligated to pay shall be treated as insurance benefits.

(b) The costs incurred in the operation of the assigned claims bureau and assigned claims plan shall be assessed against insurers by the District of Columbia Council or its designee pursuant to regulations promulgated by the Council that assure fair allocations among such insurers on a basis reasonably related to the volume of insurance written under this Act.

(c) No insurer shall write any policy under this Act unless the insurer participates in the assigned claims bureau and assigned claims plan.

(d) Except as provided in subsection (e) of this section, a person or the legal representative of a person sustaining injury or death in an accident involving a motor vehicle required to be registered in the District of Columbia may obtain the insurance benefits described in section 5 of this Act through the assigned claims bureau and assigned claims plan if—

(1) no first or third party automobile insurance benefits are applicable to the injury or death; or

(2) no such insurance benefits applicable to the injury or death can be identified; or

(3) the only identifiable insurance benefits under policies written in the District of Columbia applicable to the injury or death will not be paid in full because of financial inability of one or more insurers to fulfill their obligations.

(e) A person shall be disqualified from receiving benefits through the assigned claims bureau and assigned claims plan established pursuant to this section if—

(1) such person is disqualified under section 6 of this Act from receiving the insurance benefits, or

(2) such person was—

(A) the owner or registrant of an uninsured motor vehicle at the time of its involvement in the accident out of which such person's injury arose, or

(B) the operator of such a vehicle at such time with reason to believe that such vehicle was an uninsured motor vehicle.

(f) A claim or claims arising from injury or death to one person sustained in one accident and brought through the applicable assigned claims plan shall be assigned to one insurer, or to the assigned claims bureau, which after such assignment shall have the same rights and obligations as it would have had had it issued a policy under this Act applicable to such injury or death.

(g) The assignment of claims shall be made according to regulations of the District of Columbia Council that assure fair allocation of the burden of assigned claims among insurers doing business in the District of Columbia on a basis reasonably related to the volume of insurance written under this Act.

(h) A person or his legal representative claiming through an assigned claims plan shall notify the bureau of his claim. The bureau shall promptly assign the claim and notify the claimant of the identity and address of the insurer to which the claim is assigned, or of the bureau if the claim is assigned to it. No action by the claimant against the insurer to which his claim is assigned, or against the bureau if the claim is assigned to it, shall be commenced later than sixty days after receipt of notice of the assignment or after the expiration of the period prescribed by the District of Columbia Council for commencing an action against an insurer, whichever is later.

(i) All reasonable and necessary costs incurred in the handling and disposition of assigned claims, including amounts paid pursuant to assessment under subsection (b) of this section, may be considered in making or regulating rates for the insurance written under this Act.

(j) An insurer who makes an assigned claims payment shall be subrogated to any rights the person to whom the payment was made may have had against the owner or operator of any uninsured motor vehicle involved in the accident out of which the claim arose.

SEC. 11. RATE REDUCTIONS—

Notwithstanding any other provision of law, all insurers issuing insurance coverage under this Act shall comply with the following provisions:

(a) Within sixty days after the effective date of this Act, each insurer shall file its proposed manual, rules, rates and rating plans with the Superintendent of Insurance of the District of Columbia (hereinafter "the Superintendent") for approval. Rates for required first and third party personal injury and death coverage after the effective date of this Act shall be reduced by each insurer by not less than 18 per centum, calculated as a percentage of the rate of such insurer for third party bodily injury and death coverage in effect thirty days prior to the effective date of this Act. Each insurer shall also make judgmental reductions in the property damage liability premiums, after consultation with the Superintendent. Each insurer who writes automobile insurance in both the District of Columbia and contiguous rating territories in Maryland or Virginia shall notify the appropriate official in those States of the rate reductions made under this Act and will cooperate fully with those officials in any effort to reduce automobile insurance premiums in those States or parts thereof. There shall be no exception to the requirements of this provision, unless the Superintendent shall find that the use of the rates required herein by any insurer will result in rates which are inadequate to the extent that such rates jeopardize the solvency of the insurer required to use such rates. No rate for the insurance required by this Act shall be increased during the eighteen months immediately following the effective date of this Act unless the insurer proposing such rate increase shall show that the rates required herein are inadequate as defined above.

(b) If the Superintendent approves the filing or the filing otherwise becomes effective, the manual rules, rates and rating plans shall take effect upon the effective date of this Act.

(c) Upon complying with this subsection, any insurer appealing an order of disapproval under Section 35–1510 of the District of Columbia Code may use the rates set forth in the disapproved filing during the pendency of the appeal, so long as such rates do not exceed its rates for third party bodily injury and death coverage at the time of its rate filing required herein. As a condition to the use of such disapproved rates, the insurer must enter into a legally binding agreement with the Superintendent to secure the repayment to the insurer's policyholders of the difference between the insurer's proposed rate and that rate which would be lower, by not less than eighteen percent (18%) than the premiums for third party bodily injury and death coverage at the time such proposed new rates were filed. In addition to the repayment of the difference in premium, the company shall agree to pay to the insured the legal rate of interest on any money refunded.

(d) Any private passenger automobile liability policy in force one month after the effective date of this Act and thereafter shall reflect by endorsement any reduction in rates for the required coverage under this Act as filed by the insurer and such reduction shall be computed on a prorata basis for the remaining term of said policy. Such endorsement may be issued at the renewal date of the policy or the termination of the policy. Any return premium shall be credited to the renewal policy or if the policy is terminated the return premium shall be refunded to the insured.

SEC. 12. REQUIRED SECURITY—

(a) Every owner or registrant of a motor vehicle required to be registered and licensed in the District of Columbia shall maintain security as required by subsection (b) of this section in effect continuously throughout the registration or licensing period.

(b) Such security shall be provided by one of the following methods:

(i) Security by insurance may be provided with respect to such motor vehicle by an insurance policy which satisfies the requirements of this Act. Any policy of insurance represented or sold as providing the security required hereunder for registered and licensed motor vehicles under this Act shall be deemed to provide insurance for the payment of such benefits; or

(ii) Security may be provided with respect to any motor vehicle by any other method approved by the District of Columbia Council or its designee as affording security equivalent to that afforded by a policy of insurance, provided such security is continuously maintained throughout the motor vehicle's registration or licensing period.

(c) An owner of a motor vehicle with respect to which security is required by this Act who fails to have such security in effect at the time of an accident shall have no immunity from tort liability, and be personally liable for the payment of benefits.

SEC. 13. Issuance and Cancellation of Policies.

(a) Applications to insure under this Act a motor vehicle registered or required to be registered in the District of Columbia may be rejected only if the principal operator of the motor vehicle does not have a license to operate the vehicle, or the applicant does not furnish the insurer with a reasonable portion of the premium, or the applicant does not comply with the insurer's reasonable requests for information.

(b) No policy issued pursuant to this Act shall be cancelled by the insurer except for nonpayment of premiums, revocation or suspension of drivers' license of the principal operator of the insured motor vehicle, or fraud in the procurement of the policy.

SEC. 14. Regulations. In addition to the regulations referred to in other sections of this Act, the District of Columbia Council shall promulgate such other regulations as it deems necessary to carry out the purposes of this Act.

SEC. 15. Criminal Provisions. Any person who knowingly violates any provision of this Act shall be guilty of a misdemeanor punishable by a fine not exceeding $1,000 or imprisonment not exceeding 1 year or both.

SEC. 16. Effective Date. The provisions of

this Act shall take effect one year after the date of enactment.

FACT SHEET ON DISTRICT OF COLUMBIA AUTOMOBILE INSURANCE REFORM ACT

Coverage. The Act requires each motor vehicle registered or required to be registered in the District of Columbia to have the following coverage:

Bodily injury: first party, no-fault coverage for the driver and passengers of an insured motor vehicle for accidents occurring anywhere in the United States or Canada, and for pedestrians injured by an insured motor vehicle in the District of Columbia. (Section 5(a))

The required first party coverage compensates the victims for net economic loss including *all* medical and rehabilitation expenses, burial expenses up to $1000, and lost earnings up to $1500 per month for up to 36 months, or $54,000 maximum. Insurers are required to offer additional lost earnings protection on an optional basis. (Section 5(b))

Residual bodily injury liability coverage (principally for injuries to out-of-state motorists in accidents where the D.C. motorist is at fault) is required in the amount of $15,000 per victim and $30,000 per accident—the highest amount required under state financial responsibility laws. (Section 5(c))

Property damage liability coverage in the amount of $5000 is also required. This coverage will apply primarily to damage to out-of-state vehicles in cases where the D.C. motorist is at fault. (Section 5(c))

Damage to one's own vehicle: The Act adopts the Keeton-O'Connell "triple option" system in which the policyholder chooses one of the following three alternatives with respect to his vehicle: 1) first party "collision" insurance without regard to fault (this is the kind which is currently available); 2) a cheaper form of first-party collision insurance under which the motorist collects from his insurer only when he can establish that someone else was at fault; and 3) the full deductible option under which the motorist acts as self-insurer. (Section 7) The result of this is that in accidents involving only D.C. vehicles, all vehicle damage claims will be disposed of without the use of the courts.

The Hit and Run Problem. To deal with hit and run problems, and with the small number of motorists who may operate uninsured vehicles in violation of the law, the Act establishes an assigned claims plan under which insured persons are put in the same position which they would have been in had the motorist been properly insured under this Act. (Section 10)

Effect on premiums. Because first party no-fault coverage is less expensive than third party liability coverage, several states which have recently enacted no-fault bills (Massaschusetts and Florida) have legislated a premium reduction. This Act follows that pattern by requiring a 18% reduction in the rate for bodily injury coverage. (Section 11) This figure is based on an actuarial analysis performed by the American Insurance Association. The analysis also expresses the Association's opinion that "some limited judgmental reductions would be immediately possible on a class-by-class basis" in contiguous rating territories of Maryland and Virginia. The Act requires insurers to cooperate fully with Maryland and Virginia officials in the reduction of premiums in those states or portions thereof.

Effect on tort actions. The Act sharply reduces the delay, expense, and strain on the courts associated with the fault system of processing auto accident claims. In bodily injury accidents involving only D.C. vehicles, actions in tort are permitted only to the extent that net economic loss exceeds policy limits. In vehicle damage accidents involving only D.C. vehicles, the tort action is extinguished entirely (Section 8).

With respect to bodily injury and vehicle damage accidents involving a D.C. vehicle and an out-of-state vehicle, a D.C. insurer who pays first-party benefits to a D.C. insured is subrogated to the tort rights of that insured. (Section 8(b))

Actions for pain and suffering in *all* tort cases in which the District of Columbia tort law applies are limited to persons suffering certain forms of extreme injury. Such persons may bring an action in tort for up to $25,000 in damages. (Section 8(c))

Payment of benefits. Benefits are payable as loss accrues and are overdue if claims are not paid within 30 days of submission to the insurer. Overdue claims bear interest at 1½% per month, and the insurer must pay the claimant's attorney fees. These incentives should bring about very prompt payment of meritorious claims. In cases involving claims which are not overdue, the claimant's attorney fees are shared between the insurer and the insured. In cases where the claimant perpetrates fraud, the insurer may be awarded attorney fees. (Section 9)

Collateral sources of compensation. There is a sharp difference of opinion as to whether the no-fault policy should be the primary source or a secondary source of benefits for accident victims (other sources being sick pay, Blue Cross policies, and the like). Although there is much to be said for internalizing auto accident losses by making the automobile policy the primary source, this Act opts for the secondary source approach, with certain exceptions. Since this coverage is compulsory, it is important to keep the premiums as low as possible—as the secondary source approach does. (Section 5(b)(vi))

Eligibility and disqualifications. Insurers may not reject the application of a licensed driver, nor may policies be cancelled except for loss of drivers' license, nonpayment of premiums, or fraud in the procurement of the policy. (Section 13)

Persons may be disqualified from receiving benefits if they engage in certain types of improper conduct, including use of insured vehicles in the commission of a felony, or driving while under the influence of alcohol or narcotics. (Section 6)

General Comment. Adoption of a no-fault system in the District of Columbia has the same advantages as no-fault plans in effect elsewhere: prompt compensation, lower rates, and less clogged court dockets. In addition, it solves the serious problem which now exists in the District because fully one-third of all District vehicles are uninsured—a problem which is national in scope because of the large number of tourists and other out-of-state persons who are injured by the 80,000 uninsured D.C. vehicles.

Finally, an Act of Congress establishing a no-fault system in the District would put the federal government on record in favor of reforming the present system of compensation. Whether this reform should be undertaken state-by-state, as the Administration suggests, or through a national no-fault system, as the Hart-Magnuson bill proposes, is a separate question. This Act is not intended as an endorsement of either approach. If a national no-fault bill is enacted, the District of Columbia will be better able to adjust if a no-fault system is already in effect—particularly since this Act is similar in many respects to the Hart-Magnuson bill. If on the other hand a national bill is not enacted, only a bill such as this one will bring about the necessary reform in the District. Either way, the District is well served by a no-fault Act.

No fault legislation, because of its complexity and far-reaching implications, has engendered an extensive body of literature and a great deal of controversy. There are legitimate differences of opinion about many features of a no-fault system, differences which must be explored in thorough hearings before any firm conclusions are reached. For that reason, supporters of this bill need not be wedded to all its particulars.

Mr. STEVENSON. Mr. President, I also ask unanimous consent that a statement prepared by the Senator from Michigan (Mr. HART) be printed in the RECORD at this point.

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

STATEMENT OF SENATOR HART

Mr. President, I commend the distinguished Senator from Illinois for introducing a no-fault auto insurance bill for the District of Columbia, and I am pleased to be a co-sponsor of his legislation.

Although I cannot support state-by-state no-fault reform and am pressing for a national no-fault system through S. 945, I believe, as does my colleague, that "an Act of Congress establishing a no-fault system in the District would put the Federal Government on record in favor of reforming the present system of compensation." However, by co-sponsoring his bill, I wish to make it very clear that I am not endorsing a state-by-state approach. But, as my able colleague has pointed out in his "Fact Sheet" regarding this Act: "If a national no-fault bill is enacted, the District of Columbia will be better able to adjust if a no-fault system is already in effect—particularly since this Act is similar in many respects to the Hart-Magnuson and Moss bills."

Because nothing can be more interstate, particularly in the greater Washington metropolitan area, than motor vehicle travel and its accident consequences, I doubt seriously whether District residents would have the same cost savings potential under this Act as they would have under a national no-fault system. The District act would require liability coverage of $15,000 per victim and $30,000 per accident for injuries to out-of-state motorists (within or outside the District) and pedestrians (outside the District only) in accidents where the District motorist is "at fault".

This liability coverage would extend some protection also for the District motorist negligently injuring another District motorist who sustains lost earnings in excess of $54,000. Because none of us knows when he will be involved in a catastrophic auto accident causing tremendous future earnings loss, it will be impossible to predict what this coverage will cost District residents. This is particularly so when we stop to consider that anywhere from 35% to 50% of District cars are uninsured.

The District bill would require also the purchase of property damage coverage of $5,000 which would apply primarily to damage to out-of-state vehicles in cases where the District of Columbia motorist is "at fault."

We have been told that over 70% of the accidents in the District involve out-of-state motor vehicles. Obviously, with this kind of exposure, how can the residual liability coverages under this Act be anything but expensive.

The result is that once again the most disadvantaged in our society are being required to foot the bill for the most advantaged. This is wrong.

These grave shortcomings are inherent in a piecemeal approach, especially where a large metropolitan area such as the District includes two other states. In fact, a number of our large metropolitan areas include more than one state, for example, Philadelphia-Camden, Louisville, Chicago, St. Louis, Kansas City, and Memphis.

I am certain my colleagues can think of cities and towns in their States which are

but a stone's throw away from the borders of neighboring States.

In spite of all this, Mr. President, the fact remains that an able colleague is willing to actively battle for no-fault auto insurance reform—that is, genuine reform which seeks to eliminate the tort action for damages, at least to the extent of the first-party benefits provided. And, the first party no-fault benefits in my colleague's bill would provide adequate compensation, and rehabilitation.

I welcome this opportunity to support his efforts.

By Mr. METCALF (for himself and Mr. McGOVERN):

S. 2324. A bill to establish a national power grid system, for the purpose of assuring an adequate and reliable low-cost electric power supply consistent with the enhancement of environmental values and the preservation of competition in the electric power industry. Referred to the Committee on Commerce.

NATIONAL POWER GRID ACT

Mr. METCALF. Mr. President, on behalf of the junior Senator from South Dakota (Mr. McGOVERN) and myself, I introduce for appropriate reference a bill to establish a national power grid.

Companion legislation is being introduced in the House today by Congressmen ROBERT TIERNAN of Rhode Island, JAMES ABOUREZK of South Dakota, and HERMAN BADILLO of New York.

The national power grid bill has been a long time coming.

Gifford Pinchot, while Governor of Pennsylvania decades ago, outlined the concept.

Twenty years ago Commissioner of Reclamation Michael Straus proposed a western power grid.

Four years ago former Assistant Secretary of the Interior Ken Holum and his associates proposed, in Study 190, a grid covering half of the United States.

More recently, former Secretary of the Interior Hickel spoke of departmental plans for a national power grid. But no proposal has as yet been put before the Congress.

The bill being put before both Houses of Congress today will, we hope, at last focus congressional, executive branch, and national attention on a problem that has for too long been put aside.

I regard introduction of a bill such as this as an initial pleading. We need to have all segments of the power industry and environmental and consumer groups examine it closely, criticize or applaud, and help the Congress develop through the hearing procedure an act that will provide an interstate highway system for electricity, a transmission system that will move power where it is needed and diminish the demand for construction of additional generation facilities.

The sponsors come from Eastern and Western States. I commend the House Members who have taken a leading role in developing the bill. It belongs on the agenda of priority items to be considered by the Congress.

Mr. President, I ask unanimous consent to have printed the text of the bill at this point in the RECORD.

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

S. 2324

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Power Grid Act".

TITLE I—NATIONAL POWER GRID AND REGIONAL BULK POWER DISTRIBUTION

SEC. 101. DEFINITIONS.

For purposes of this Act:

(1) The term "National Grid" means the National Power Grid Corporation, established by section 102.

(2) The term "national board" means the board of directors of the National Grid.

(3) The term "regional corporation" means a regional bulk power supply corporation established by the National Grid under section 103.

(4) The term "corporation" means the National Grid or any regional corporation.

(5) The term "regional board" means the board of directors of a regional corporation.

(6) The term "region" means a bulk power supply region established under section 103(a)(1).

(7) The term "electric utility" means any person or public agency whose functions include the sale of electric power.

SEC. 102. NATIONAL POWER GRID CORPORATION.

(a) There is created a body corporate by the name of the "National Power Grid Corporation" which shall establish and operate a national power grid system. The National Grid shall have a Board of Directors, which shall consist of three members appointed by the President, by and with the advice and consent of the Senate, in accordance with section 202, and which shall direct the exercise of all of the functions of the National Grid.

(b) The National Grid shall establish and operate a national power grid system, consisting of large electric power generating facilities, and a system of very high voltage transmission lines which, to the extent practicable shall interconnect such generating facilities and the transmission systems of each regional corporation. Such system may be established by constructing generating facilities and transmission lines, or by acquisition of existing facilities and lines under section 105, or both.

(c)(1) The National Grid shall contract to sell electric power to regional corporations at rates which shall be uniform throughout the United States and which shall be set at the lowest possible level consistent with sound business principles and the environmental protection requirements of section 201, taking into account the charges necessary to pay the operating expenses of the National Grid (including depreciation) and to amortize the indebtedness of the National Grid.

(2) The National Grid shall provide base load, peaking, or other power to regional corporations to meet requirements of which the National Grid has at least seven years notice. Any notice of requirements under this paragraph shall be accompanied by an offer to contract for the required power.

(3) The National Grid is authorized to purchase for resale by the National Grid surplus electric power generated by any electric utility on schedules and at rates agreed upon with such electric utility.

SEC. 103. REGIONAL BULK POWER SUPPLY CORPORATIONS.

(a) Subject to section 105(a)(2), the National Grid shall establish by regulation—

(1) a number of bulk power supply regions which in the aggregation shall comprise the entire United States, and

(2) a regional bulk power supply corporation in each such region.

(b) Each regional corporation shall have a Board of Directors which shall be composed of three members appointed by the national board with the approval of the President in accordance with section 202, and which shall direct the exercise of all of the powers of such regional corporation. A member of a regional board may be removed by the national board for cause (including failure to carry out any order of the national board issued under subsection (f)).

(c)(1)(A) A regional corporation shall be the exclusive marketing agency for the National Grid within the region for which such corporation was established. Any electric utility, publicly or privately owned, may enter into a contract for services with a regional corporation. A regional corporation shall sell electric power to any electric utility the needs of which it has adequate notice except in cases of failure of such utility to meet its financial obligations, on proof of fraudulent application, or because of willful failure of such utility to comply with wheeling orders under subparagraph (B) or other requirements of such regional corporation.

(B) A regional corporation may not enter into a contract for services with any electric utility unless such utility agrees to permit (at such times and to such extent as such corporation may order) the use of its excess transmission capacity for the purpose of wheeling power from facilities of such corporation or of the National Grid to load centers of other electric utilities contracting to purchase electric power from such corporation.

(2) Any transmission lines of an agency the facilities of which are transferred to the corporation under section 105(a)(1) may be transferred by the National Grid to the regional corporation for the region in which such lines are located and shall be operated by such corporation. Each regional corporation shall obtain such transmission capacity, in addition to the capacity acquired under the preceding sentence, as may be necessary to sell electric power generated by the National Grid to each electric utility in the region, and to transmit to National Grid transmission lines such electric power as the National Grid may purchase from such utilities. A regional corporation may obtain such additional capacity (A) by lease of or contract for all or part of the capacity of existing transmission lines of electric utilities, (B) by modification of existing facilities of electric utilities, or (C) by construction of new transmission lines by such regional corporation. Any excess transmission capacity of a regional corporation may be made available to electric utilities on a contract carrier basis.

(d) Electric power marketed for the National Grid by the regional corporation shall be sold at a rate equal to the uniform rate established by the National Grid under section 102(c)(1), plus a transmission rate charged by such regional corporation. Such transmission rate shall be at the lowest possible level consistent with sound business principles and the environmental protection requirements of section 201, taking into account the charges necessary to pay the operating expenses of the regional corporation (including depreciation) and to amortize the indebtedness of the regional corporation.

(e) A regional corporation shall have the authority to issue bonds in accordance with section 206, but such bonds shall not be guaranteed by the United States unless issued with the approval of the national board.

(f) Any electric utility aggrieved or adversely affected by any action of a regional corporation may obtain administrative review of such action by the national board. The national board may, on the basis of such review, order the regional board to take appropriate remedial action.

SEC. 104. RESEARCH AND DEVELOPMENT.

(a) The National Grid shall carry out a program of research and development in the area of electric power generation and transmission. In carrying out such program, the National Grid—

(1) may conduct research and develop-

ment activities directly or through contracts with any person or public agency,

(2) shall to the extent practicable coordinate its program with programs of other public agencies, and

(3) shall develop priorities for carrying out such program.

In developing priorities under paragraph (3), the National Grid shall give preference to environmental protection and land use research including, but not limited to, underground high voltage transmission technology, sulfur oxide control and other technology to improve the performance of fossil fuel plants, development and demonstration of utility corridors, development and demonstration of improved methods for disposing of waste heat, and development of alternative methods of electric power generation (including but not limited to thermonuclear fusion, magnetohydrodynamics, and fuel cells).

(b) (1) The National Grid shall expend at least 2 percent of its revenues in each fiscal year to carry out the program under this section.

(2) There are authorized to be appropriated to the National Grid for each fiscal year to carry out the program under this section an amount equal to (A) $250,000,000 less (B) the amount the National Grid is required to expend under paragraph (1) to carry out such program.

SEC. 105. TRANSFER OF CERTAIN EXISTING FEDERAL OWNED FACILITIES.

(a) Effective 180 days after the date of enactment of this Act:

(1) There are transferred to the National Grid all electric power generating and transmission facilities of the following agencies:

(A) Bureau of Reclamation.

(B) Army Corps of Engineers.

(C) Southwestern Power Administration.

(D) Southeastern Power Administration.

(E) Bonneville Power Administration.

(F) Alaska Power Administration.

(2) After amortization, hydroelectric power projects, together with associated Federal transmission facilities, which are transferred to the National Grid under this subsection shall provide financial assistance to water resource development, the reclamation fund, and the basin accounts, in accordance with the laws and procedures under which they were authorized.

(3) (A) The Tennessee Valley Authority shall be designated as the regional corporation for the region consisting of the area in which it operates on the date of such designation, and for such additional areas as the National Grid may designate by regulation. Such Authority shall retain and operate all of its transmission facilities, but all of its generating facilities shall be transferred to the National Grid.

(B) Payment of principal and interest on bonds of such Authority outstanding on such one hundred and eightieth day shall be guaranteed by the United States. The National Grid shall assume all liability with respect to such portion of the outstanding bonds as the President may determine, taking into account the proportion of the Authority's power revenues attributable to the facilities transferred to the National Grid under this paragraph.

(b) Title II of this Act shall not apply to the Tennessee Valley Authority unless expressly so provided.

TITLE II—GENERAL PROVISIONS APPLICABLE TO NATIONAL GRID AND TO REGIONAL CORPORATIONS

SEC. 201. ENVIRONMENTAL PROTECTION

(a) Each corporation shall be subject to Federal, State, and local environmental standards. For purposes of this subsection, the term "environmental standard" means a law or regulation prescribing a standard or limitation for the purpose of control or abatement of air or water pollution or for the purpose of some other aspect of environmental protection.

(b) (1) Prior to applying to any public agency for authority to construct any proposed facility, the corporation which proposes to construct such facility shall hold a public hearing, after adequate public notice, and shall allow interested persons to submit comments on such proposal.

(2) Each corporation shall treat all decisions regarding the siting and design of facilities as a significant aspect of land use planning in which all environmental, economic and technical issues with respect to a facility should be resolved in an integrated fashion. In the resolution of these possibly competing demands such corporation shall give all possible weight to the protection of the environment.

(c) This section shall apply to the Tennessee Valley Authority.

SEC. 202. BOARDS OF DIRECTORS

(a) Of the members appointed to the board of directors of any corporation, one member shall be representative of the interests of privately owned electric power companies, one member shall be representative of the interests of publicly or cooperatively owned electric utilities, and one member shall be representative of the interests of consumers. Not more than two members of any board may be members of the same political party. Not more than two members of the national board may reside on the same side of the 100th meridian.

(b) (1) Members of the board of directors of each corporation shall be appointed for terms of 6 years, except that the terms of office of the members of any such board first taking office after the date of enactment of this Act, shall expire as designated by the President (or the National Grid in the case of members of a board of a regional corporation) at the time of nomination, one at the end of the second year, one at the end of the fourth year, and one at the end of the sixth year, after such date. A successor to a member of a board shall be appointed in the same manner as the original member and shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed. No member may be appointed for all or part of more than two terms.

(2) The members of the national board first appointed shall be deemed the incorporators of the National Grid and the incorporation shall be held to have been effected from the date of the first meeting of the national board.

(c) Any member appointed to fill a vacancy in a board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term. Vacancies in a board, so long as there shall be two members in office, shall not impair the powers of such board to execute its functions, and two of the members in office shall constitute a quorum for the transaction of the business of such board.

(d) The Chairman of each board shall be elected by the members thereof.

(e) Each of the members of the national board shall receive compensation at the rate provided for level II of the Executive Schedule (5 U.S.C. 5313), to be paid by the National Grid. Each of the members of a regional corporation's board shall receive compensation at the rate provided for level IV of the Executive Schedule (5 U.S.C. 5315), to be paid by such corporation. No member of any such board shall, during his continuance in office, be engaged in any other business.

SEC. 203. OFFICERS AND EMPLOYEES OF CORPORATIONS

(a) The board of directors of a corporation may without regard to the provisions of title 5, United States Code, governing appointments in the competitive service—

(1) appoint a manager of the corporation who shall be compensated at the provided for level II of the Executive Schedule, and

(2) appoint such other officers, employees, attorneys, and agents as are necessary for the transaction of its business, fix their compensation (without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and general schedule pay rates), define their duties, and require bonds of such of them as such board may designate.

Any appointee of a board of directors may be removed in the discretion of such board.

(b) (1) For purposes of the Act of March 3, 1931 (Davis-Bacon Act; 40 U.S.C. 276a), each contract to which the corporation is a party shall be considered a contract to which the United States is a party.

(2) If work, which if let by contract would be subject to paragraph (1), is done directly by a corporation, the prevailing rate of wages shall be paid in the same manner as though such work had been let by contract.

(c) In the appointment of officials and the selection of employees for a corporation, and in the promotion of any such employees or officials, no political test or qualification shall be permitted or given consideration, but all such appointments and promotions shall be given and made on the basis of merit and efficiency. Any member of a board of directors who is found by the President of the United States to be guilty of a violation of this subsection shall be removed from office by the President of the United States, and any appointee of a board of directors who is found by the board to be guilty of a violation of this subsection shall be removed from office by such board.

SEC. 204. CORPORATE POWERS GENERALLY.

(a) Except as otherwise specifically provided in this Act, a corporation shall have the same powers as a District of Columbia nonprofit corporation has under subsections (a), (b), (c), (d), and (e) of section 5 of the District of Columbia Nonprofit Corporation Act, and in addition—

(1) May make contracts to carry out its functions under this Act.

(2) May adopt, amend, and repeal bylaws.

(3) Shall have power to acquire real property for the construction of generating facilities, transmission lines, and other structures and projects.

(4) Shall have power in the name of the United States of America to exercise the right of eminent domain, in accordance with section 207.

(5) Shall have such powers as may be necessary or appropriate for the exercise of the powers specifically conferred in this Act upon such corporation.

(b) In order to enable a corporation to exercise the powers and duties vested in it by this Act—

(1) The exclusive use, possession, and control of all property to be acquired by such corporation in its own name or in the name of the United States of America, are entrusted to such corporation for the purposes of this Act.

(2) The President of the United States is authorized to provide for the transfer to such corporation of the use, possession, and control of such other real or personal property of the United States as he may from time to time deem necessary and proper for the purposes of such corporation as stated in this Act.

(c) Each corporation shall maintain its principal office at a place determined by it.

(d) Section 101 of the Government Corporation Control Act is amended by inserting "any corporation established under the National Power Grid Act;" after "Tennessee Valley Authority;".

(e) A corporation may contract with any person or public agency which it deems

qualified, to design, prepare specifications and bidding documents, recommend the award of contracts or supervise the construction and installation of equipment and facilities of any required type anywhere in the United States. A corporation may contract with the Federal Power Commission to participate with the staff of such corporation in system planning and load forecasting.

SEC. 205. ACCOUNTS AND CONTRACTS

(a) A corporation shall at all times maintain complete and accurate books of accounts. Each corporation shall determine its own system of administrative accounts and the forms and contents of its contracts and other business documents except as otherwise provided by law.

(b) Subject to the other provisions of this Act, a corporation is authorized to make such expenditures and to enter into such contracts, agreements, and arrangements, upon such terms and conditions and in such manner as it may deem necessary, including the final settlement of all claims and litigation by or against such corporation; and, notwithstanding the provisions of any other law governing the expenditure of public funds, the General Accounting Office, in the settlement of the accounts of the accountable officer or employee of such corporation, shall not disallow credit for, nor withhold funds because of, any expenditure which the board of directors thereof shall determine to have been necessary to carry out the provisions of this Act.

(c) All purchases and contracts for supplies or services, except for personal services, made by a corporation, shall be made after advertising, in such manner and at such times sufficiently in advance of opening bids, as the board of directors thereof shall determine to be adequate to insure notice and opportunity for competition; except that advertisement shall not be required when, (1) an emergency requires immediate delivery of the supplies or performance of the services; or (2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or (3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed $2,500; in which cases such purchases of supplies or procurement of services may be made in the open market in the manner common among businessmen. In comparing bids and in making awards a board of directors may consider such factors as relative quality and adaptability of supplies or services, the bidder's financial responsibility, skill, experience, record of integrity in dealing, ability to furnish repairs and maintenance services, the time of delivery or performance offered, and whether the bidder has complied with the specifications.

SEC. 206. BONDS FOR FINANCING POWER PROGRAMS.

(a) (1) Each corporation is authorized to issue and sell bonds, notes, and other evidences of indebtedness (hereinafter collectively referred to as "bonds") to assist in financing its activities and to refund such bonds.

(2) The aggregate outstanding amount of bonds issued by the National Grid and by all regional corporations shall not exceed $15,000,000,000 at any time. This paragraph shall not apply to bonds issued by a regional corporation and not guaranteed by the United States.

(b) Subject to section 103(e), payment of principal and interest on bonds issued by a corporation under this section shall be guaranteed by the United States. Proceeds realized by a corporation from issuance of such bonds and from power operations and the expenditure of such proceeds shall not be subject to apportionment under the provisions of section 3679 of the Revised Statutes (31 U.S.C. 665).

(c) (1) Subject to paragraph (2), bonds issued by a corporation under this section shall be negotiable instruments unless otherwise specified therein, shall be in such forms and denominations, shall be sold at such times and in such amounts, shall mature at such time or times not more than fifty years from their respective dates, shall be sold at such prices, shall bear such rates of interest, may be redeemable before maturity at the option of such corporation in such manner and such times and redemption premiums, and shall be subject to such other terms and conditions as such corporation may determine.

(2) At least fifteen days before selling each issue of bonds under this section (exclusive of any commitment shorter than one year) a corporation shall advise the Secretary of the Treasury as to the amount, proposed date of sale, maturities, terms and conditions, and expected rates of interest of the proposed issue in the fullest detail possible and, if the Secretary shall so request, shall consult with him or his designee thereon, but the sale and issuance of such bonds shall not be subject to approval by the Secretary of the Treasury except as to the time of issuance and the maximum rates of interest to be borne by the bonds. If the Secretary of the Treasury does not approve a proposed issue of bonds hereunder within seven working days following the date on which he is advised of the proposed sale, such corporation may issue to the Secretary interim obligations in the amount of the proposed issue, which the Secretary is directed to purchase. In case such corporation determines that a proposed issue of bonds under this section cannot be sold on reasonable terms, it may issue to the Secretary interim obligations which the Secretary is authorized to purchase. Notwithstanding the foregoing provisions of this subsection, obligations issued by a corporation to the Secretary shall not exceed $750,000,000 outstanding at any one time, shall mature on or before one year from date of issue, and shall bear interest equal to the average rate (rounded to the nearest one-eighth of a percent—on outstanding marketable obligations of the United States with maturities from dates of issue of one year or less as of the close of the month preceding the issuance of the obligations of such corporation. If agreement is not reached within eight months concerning the issuance of any bonds which the Secretary has failed to approve, such corporation may nevertheless proceed to sell such bonds on any date thereafter without approval by the interim obligations issued to the Treasury and such interim obligations shall be retired from the proceeds of such bonds. For the purpose of any purchase of a corporation's obligations the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of such corporation's obligations hereunder. A corporation may sell its bonds by negotiation or on the basis of competitive bids, subject to the right, if reserved, to reject all bids; may designate trustees, registrars, and paying agents in connection with such bonds and the issuance thereof; may arrange for audits of its accounts and for reports concerning its financial condition and operations by certified public accounting firms (which audits and reports shall be in addition to those required by sections 105 and 106 of the Government Corporation Control Act) may, subject to any covenants contained in any bond contract, invest the proceeds of any bonds and other funds under its control which derive from or pertain to its power program in any securities approved for investment of national bank funds and deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve Bank or bank having membership in the Federal Reserve System; and may perform such other Acts not prohibited by law as it deems necessary or desirable to accomplish the purposes of this section. Bonds issued by a corporation under this section shall contain a recital that they are issued pursuant to this section, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such bonds and of their validity.

(d) Bonds issued by a corporation under this section 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 the authority or control of any officer or agency of the United States. The Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the bonds of a corporation acquired by them under this section.

(e) Bonds issued by a corporation under this section shall be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes. Interest on such bonds shall not be included in gross income for purposes of any tax imposed by subtitle A of the Internal Revenue Code of 1954.

(f) This section shall apply to bonds of the Tennessee Valley Authority, only if such bonds are guaranteed by the United States, in accordance with section 103(e).

SEC. 207. CONDEMNATION PROCEEDINGS.

A corporation may cause proceedings to be instituted for the acquisition by condemnation of any lands, easements, or rights-of-way, or of any transmission capacity or existing facilities referred to in section 103(C)(2)(A) or (B), which, in the opinion of such corporation, are necessary to carry out the provisions of this Act. The proceedings shall be instituted in the United States district court for the district in which the land, easement, right-of-way, or other interest, or any part thereof, is located, and such court shall have full jurisdiction to divest the complete title to the property sought to be acquired out of all persons or claimants and vest the same in the United States in fee simple, and to enter a decree quieting the title thereto in the United States of America. In any such eminent domain proceeding (including a proceeding in the District of Columbia) a corporation may file with the complaint or at any time before judgment a declaration of taking in the manner and with the consequences provided by the first section and sections 2 and 4 of the Act entitled "An Act to expedite the construction of public buildings and works outside the District of Columbia by enabling possession and title of sites to be taken in advance of final judgment in proceedings for the acquisition thereof under the power of eminent domain", approved February 26, 1931 (46 Stat. 1421).

SEC. 208. REPORTS.

(a) Each corporation shall report to the President annually, and the President shall transmit the report to the Congress with such comment and recommendations as he deems appropriate.

(b) Each corporation shall file with the President and with the Congress, in December of each year, a financial statement and a complete report as to the business of such corporation covering the preceding fiscal year.

By Mr. FANNIN (for himself, Mr. ERVIN, Mr. HANSEN, Mr. CURTIS, Mr. BENNETT, and Mr. BROCK):

S. 2327. A bill to provide for strike bal-

lots in certain cases. Referred to the Committee on Labor and Public Welfare.

Mr. FANNIN. Mr. President, on behalf of myself and other Senators, I introduce, for appropriate reference, a bill to give union members a voice in determining whether they wish to remain on strike. I ask unanimous consent that the text of the 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. 2327

A bill to provide for strike ballots in certain cases

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act—

(1) The term "Board" means the National Labor Relations Board.

(2) The term "labor Organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(3) The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any territory of the United States and any State or other territory, or between any foreign country, and any State, territory, or the District of Columbia, or within the District of Columbia or any territory, or between points in the same State but through any other State or any territory or the District of Columbia or any foreign country.

(4) The term "affecting commerce" means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.

(5) The term "strike" includes any concerted stoppage of work by employees, including a stoppage by reason of the expiration of a collective bargaining agreement, and any concerted slowdown or other concerted interruption of operations by employees.

SEC. 2. Upon the filing with the Board of a petition therefor signed by at least 20 per centum of the employees in the appropriate bargaining unit or units involved in a strike which has been pending for thirty days or more in any industry affecting commerce, the Board shall conduct a referendum among the employees of such unit or units on the question whether such strike should be continued. If a majority of the employees voting in the referendum vote against the strike, the labor organization representing the employees shall order such employees to discontinue the strike and such strike shall not be resumed until at least ninety days have elapsed following the referendum. If a majority of those voting in the referendum vote in favor of the strike no subsequent petition may be filed under this section until at least sixty days have elapsed following such referendum, and unless such subsequent petition has been signed by at least 30 per centum of the employees in the appropriate bargaining unit or units involved in the strike. In determining whether a petition under this section has been signed by the requisite percentage of employees, such petition shall be deemed to have been signed by any employee whose approval in writing of such petition is filed with the Board not later than 30 days following the filing of the petition.

SEC. 3. Any employee who participates in a strike which has been continued, or resumed prior to the expiration of ninety days, after a majority of the employees in the appropriate bargaining unit or units involved in the strike voting in the most recent referendum conducted with respect to such strike under this Act shall have voted against such strike, shall not during the existence of the strike or thereafter, unless reemployed or reinstated by the employer, be considered to be an employee of such employer for the purposes of the National Labor Relations Act or the Railway Labor Act.

SEC. 4. Referendums provided for in this Act shall be conducted by the Board, except that the Board may delegate, generally or in specific cases, authority to conduct such referendums to any public or private agency or organization which, in the opinion of the Board, is qualified to conduct such referendums.

SEC. 5. Nothing contained in this Act shall be construed to supersede or modify in any way the requirements of section 8(d) of the National Labor Relations Act.

Mr. FANNIN. Mr. President, I introduced a similar bill in previous Congresses. As I have noted, the idea of providing for a secret strike vote is not new. It was recommended to the Congress by President Eisenhower in 1954. My proposal is new only insofar as it recognizes that there are legitimate reasons why a prestrike vote may adversely affect free collective bargaining. The bill, accordingly, provides for a secret ballot by the workers concerned only on continuing the strike and only after the right to strike has been exercised and the positions of the parties have tended to become stalemated.

Under my proposal a petition for an election to determine whether a strike should continue could not be filed until after a strike had been in effect for 30 days. The bill further provides that no more than one strike-vote election can be held within any 60-day period. The purpose of this proviso is to insure that the union's ability to bargain effectively will continue after a vote favorable to a continuation of the strike.

The bill also contains a provision designed to protect the identity of petitioners. Thus, under this proposal the required percentages necessary for an election could be secured through the filing with the Board by individuals of their approval of the petition.

Within these limitations the bill provides workers caught in a protracted bargaining stalemate with a means of ending a strike which has gone beyond the point of economic return or, alternatively, with a means of expressing to management and to the public their determination to continue the strike, despite the economic costs.

Mr. President, consider the workers whose lives and livelihoods are directly affected by these struggles between the giants of labor and the giants of industry. These are the real victims in labor disputes that drag on in long and costly strikes. I know about these workers because we had more than 10,000 of them in the State of Arizona—the victims of a copper strike who still have not recovered from the long strike of 1967–68. My distinguished colleagues from New Mexico, Montana, Nevada, and Utah, as well as the other copper-producing States, had thousands more of these "forgotten men" in their constituencies.

The situation in the copper industry was symptomatic of a nationwide problem that can affect almost every working man and woman in America. Consider the copper worker who endured months of enforced idleness. And think also of what the situation is in other industries around the Nation. I think it can be said with accuracy that almost any time a strike lasts more than 30 days, the worker stands to lose more than he can gain. I point out the recent General Motors strike, for example, it will take the average automobile production worker at General Motors several years to make up what he lost during those months of enforced idleness.

Take the machinists' strike against the major airlines during the summer of 1966—73 days of enforced idleness. Who won? Only the high chiefs of the IAM—they showed them who was top dog, all right. And they showed the general public, too, and thousands of vacationers who had to give up their vacation plans or who were left stranded around the country.

Take the strike in the rubber industry in 1968—107 days of enforced idleness. Or the long steel strike in 1959. Or the General Motors strike in 1964—it is the same story right down the line. Who wins? Well, really nobody wins in a strike, but in each instance the union high command shows who is running the ball game, who has the economic stranglehold. And who loses? The worker. Every time, it is the worker.

Last year 3,305,000 workers were unemployed due to 5,716 strikes which cost the Nation 66.4 million man working days lost. This year from January through May there occurred 2,140 strikes with a resulting loss of 12.4 million working days. A total of 1,328,000 workers have been unemployed because of these strikes.

I think that the time is at hand when the Congress must stop automatically labeling any bill which the union leaders oppose as an "antilabor" bill and consider each such bill on its merits. Is it not just as important to protect the rights of workers to vote for an end to a strike as it is to protect their right to strike? If they strike and it proves to have been a mistake, must they, their families, management, and the public suffer the results indefinitely with no opportunity for the workers to reconsider when the point of economic return for all parties involved has been reached and passed?

I sincerely hope, Mr. President, that my bill will receive early and fair consideration on its merits. Members of this Congress, like the striking workers, should be given an opportunity to vote the issue up or down.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 215

Mr. ERVIN. Mr. President, I ask unanimous consent that Senators COOK, FONG, GURNEY, HRUSKA, SCOTT, THURMOND, and TUNNEY be designated as cosponsors with me of S. 215, a bill to provide procedures

for calling constitutional conventions for proposed amendments to the Constitution of the United States on application of the legislatures of two-thirds of the States pursuant to article V of the Constitution.

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

S. 1318

At the request of Mr. FANNIN, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 1318, a bill to deny tax exemption under section 501 of the Internal Revenue Code of 1954.

S. 1442 THROUGH S. 1445

At the request of Mr. Moss, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 1442, a bill to provide that the first $3,000 received as civil service retirement annuity shall be excluded from gross income; S. 1443, to eliminate the survivorship reduction during periods of nonmarriage of retired employees and Members, and for other purposes; S. 1444, a bill to increase the contribution by the Federal Government to the costs of employees' health benefits insurance; and S. 1445, a bill to provide increases in certain annuities payable under chapter 83 of title 5, United States Code, and for other purposes.

S. 1659

At the request of Mr. FANNIN, the Senator from North Carolina (Mr. ERVIN) was added as a cosponsor of S. 1659, a bill to amend the National Labor Relations Act.

S. 2223

At the request of Mr. TALMADGE, the Senator from North Dakota (Mr. BURDICK), the Senator from Georgia (Mr. GAMBRELL), the Senator from Washington (Mr. MAGNUSON), the Senator from Alabama (Mr. SPARKMAN), and the Senator from Kansas (Mr. PEARSON) were added as cosponsors of S. 2223, a bill to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes.

S. 2258

At the request of Mr. GRIFFIN, the Senator from Wyoming (Mr. MCGEE) and the Senator from Alaska (Mr. STEVENS) were added as consponsors of S. 2258, the Motor Vehicle Air Pollution Control Acceleration Act.

SENATE JOINT RESOLUTION 62

At the request of Mr. GRIFFIN, the Senator from Illinois (Mr. STEVENSON) and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of Senate Joint Resolution 62, authorizing the display of the flags of each of the 50 States at the base of the Washington Monument.

SENATE JOINT RESOLUTION 99

At the request of Mr. CASE, the Senator from Utah (Mr. Moss) was added as a cosponsor of Senate Joint Resolution 99, a joint resolution proposing establishment of a National Collegiate Press Day.

SENATE JOINT RESOLUTION 114

At the request of Mr. CURTIS, the Senator from Arizona (Mr. FANNIN) was added as a cosponsor of Senate Joint Resolution 114, a stable purchasing power resolution of 1971.

SENATE CONCURRENT RESOLUTION 35—SUBMISSION OF AN ORIGINAL CONCURRENT RESOLUTION FAVORING THE SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

(Ordered to be placed on the calendar.)

Mr. EASTLAND, from the Committee on the Judiciary, submitted the following original concurrent resolution:

S. CON. RES. 35

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(2) of the Immigration and Nationality Act, as amended (66 Stat. 204; 8 U.S.C. 1251):

[redacted], Chan, Chuen.
[redacted], Chin, Lean.
[redacted], Funk, Thomas Fredrik.
[redacted], Moy, Huey Nai.
[redacted], Torres de Bejarano, Socorro.
[redacted], Yee, Soon Hing.
[redacted], Terrazas-Barrio, Efren.
[redacted], Ioanides, Gabriel Constantinos.
[redacted], Herrera-Marquez, Aurelio.
[redacted], Lum, Wah Gum.
[redacted], Candanoza-Leza, Rogelio.
[redacted], Cartier, Paul August.
[redacted], Liu, Lai Chih.

MILITARY PROCUREMENT AUTHORIZATIONS—1972

AMENDMENT NO. 294

(Ordered to be printed and referred to the Committee on Armed Services.)

CLOSING LOOPHOLES: AN AMENDMENT TO END U.S. FINANCING OF FOREIGN MERCENARIES IN LAOS

Mr. SYMINGTON. Mr. President, last year many of us thought that the Congress, by means of amendments to the Defense authorization and appropriations bills, had made it unlawful for the U.S. Government to pay Thai troops to fight in Laos or Cambodia. Today there are Thai troops in Laos and they are being paid by the U.S. Government. The State Department has finally admitted that we are paying the Thais, but the Thai Government still asserts there are no Thai troops in Laos.

In our discussions with the executive branch, we have encountered two lines of legal argumentation being used to justify the U.S. role in this bizarre affair. First, it is argued that the legislative history of last year's amendments indicates that the amendments' sponsor, whose avowed purpose in proposing the amendments in the first place was to prohibit payment for Thai troops in Laos or Cambodia, had, by inference, condoned the very practice he was seeking to prohibit. Second, it is argued, that, even if this had been the sponsor's intent, the legislation enacted contained loopholes which permits the executive branch to do lawfully what the sponsor had sought to prohibit. Either way, they say it is legal for the United States to hire Thais to fight a war in Laos which the Lao are no longer able to sustain with their own manpower.

For those who find this situation difficult to comprehend, a brief review of the facts will be helpful before I propose a legislative solution to this problem.

Following the U.S. incursions into Cambodia in May 1970, it was recognized that language of the defense authorization and appropriations legislation providing $2.5 billion for "support for Vietnamese and other free world forces in support of Vietnamese forces" could possibly be interpreted as permitting U.S. financing of Thai troops in Cambodia and Laos. Indeed, in August 1970, the State Department acknowledged that a "tentative agreement" had been reached between the United States and Thai Governments regarding the sending of Thai troops to Cambodia.

It was generally understood at the time that the provision of any troops to Cambodia by Thailand would be contingent upon the furnishing of financial support by the United States.

It was in the light of these facts that an amendment was added to both the Defense Authorization and Appropriation Acts which provided that nothing in the authorization to support "Vietnamese and other free world forces in support of Vietnam forces" could be construed "as authorizing the use of any such funds to support Vietnamese or other free world forces in actions designed to provide military support and assistance to the Government of Cambodia or Laos."

This amendment was originally proposed by the distinguished chairman of the Foreign Relations Committee who declared that his intention was to prevent our paying for South Vietnamese or Thai forces to expand their military activities in Cambodia and Laos so that we would become involved in large-scale operations in close support of the Government of Cambodia or the Government of Laos.

Nevertheless, despite this amendment, a Department of State spokesman admitted on June 7 that there were Thai forces in Laos and also that the United States was supporting them, although he described them as "volunteers."

This spokesman did not say that these Thai forces are operating principally in the war in northern Laos, a war that Deputy Assistant Secretary of State Sullivan has said has "nothing to do with military operations in South Vietnam or Cambodia."

The amendment included in the Defense Authorization and Appropriation Acts for fiscal year 1971 never defined "local forces in Laos and Thailand" and the prohibitions written into the Appropriation Act applied, of course, only to "appropriations available to the Department of Defense during the current fiscal year." Thus, it might be argued that Central Intelligence Agency funds were not covered by the amendment.

In addition, it has been argued by the executive branch that the Thai forces in Laos are "local forces in Laos," even though they are Thai nationals who were recruited and trained in Thailand, are transported by us from Thailand to Laos; then they are sent back to Thailand after their tours where they are given

various special benefits by the Thai Government.

There are certain other facts about the composition of this Thai force in Laos, facts I gave the Senate in the course of the closed session on June 7 of this year, but which the executive branch typically continues to insist must remain classified. This testimony seriously undermines the credibility of the claim that these Thai are "local forces in Laos."

I now submit an amendment to H.R. 8687, the bill authorizing military procurement appropriations for fiscal year 1972. This amendment is designed to prohibit U.S. support for Thai soldiers—regulars or irregulars, conscripts or volunteers—in Laos. The amendment therefore authorizes the use of funds appropriated to support "local forces of Laos in Laos and local forces of Thailand in Thailand," instead of "local forces in Laos and Thailand."

The amendment also inserts language at the end of paragraph (1) of section 401(a) of the act of March 15, 1966, which language states that notwithstanding any other provision of law—including the sentence of that paragraph which authorizes funds appropriated to be made available to support "Vietnamese and other free world forces in support of Vietnamese forces"—funds made available under this law, or under any other law, cannot be used to support any member of a local force in Laos who is not a citizen or national of Laos.

If this amendment is adopted, it will cover not only Defense Department funds but all appropriated funds, including those appropriated for the Central Intelligence Agency. It will also mean that no U.S. funds can be used to support a local force in Laos that is not composed of citizens or nationals of Laos. It will therefore once and for all put an end to our paying for Thai mercenaries in Laos; and thereby remove any technical loophole which might be used to continue to circumvent the intent behind the amendment to last year's authorization and appropriation acts.

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

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

AMENDMENT NO. 294

On page 5, line 26, beginning with the word "local," strike out through the word "Thailand" in line 1 on page 6, and insert in lieu thereof "local forces of Laos in Laos and local forces in Thailand in Thailand."

On page 6, line 25, immediately before the quotation marks, insert the following: "Notwithstanding any other provision of law (including but not limited to the foregoing provisions of this paragraph), none of the funds made available under this or any other law may be used to support any member of a local force of Laos in Laos who is not a citizen or national of Laos."

Mr. SYMINGTON. Mr. President, here is an article published this morning in the Washington Post entitled "Thais Said To Erect Base Complex in Laos." We have had testimony from the Secretary of Defense stating that the Department of Defense is not conducting any military operations in Laos. If that is correct, and I am sure it is if he said it, it means that the American taxpayer is financing secretly a mercenary army being utilized by the President, to invade a country with which the United States is not at war. This secret war is being carried on not only without the approval of Congress, but without full knowledge on the part of Congress.

If this article is correct, we are both financing and training an invasion force into Laos, despite an amendment to the law which specified that could not be done.

I ask unanimous consent that the article, "Thais Said To Erect Base Complex In Laos" written by D. E. Ronk, dateline from Vientiane, July 20, be printed at this point in the RECORD.

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

THAIS SAID TO ERECT BASE COMPLEX IN LAOS

(By D. E. Ronk)

VIENTIANE, July 20.—Elements of a Thai army regiment have reportedly moved across the frontier and established permanent bases in western Laos.

The bases were set up in a large area of Sayaboury Province which borders Thailand, according to reports reaching here from Xieng Lom, 160 miles northwest of Vientiane.

The reports say Thai units entered Laos from Nan Province of Thailand during an antiguerrilla sweep in recent weeks and constructed satellite camps to the complex of CIA-maintained bases extending eastward from Xieng Lom in a 40-mile shallow arc to Hong Sa.

U.S. sources say the move is being coordinated by the Central Intelligence agency, probably for area security.

Other U.S. sources reporting from Sayaboury Province say the Thai units are showing indications of permanently occupying a strip of Laos nearly 100 miles deep and 20 miles wide. They are also said to be turning southward toward Sayaboury City, the province capital, establishing outposts.

A recently improved all-weather highway from Nan City in Thailand to the Lao border, where it becomes an improved trail, is said to be the supply link with the Thai units.

Western military sources last week confirmed that there have been border incursions by Thais in recent weeks, but ascribed them to the ill-defined demarcations.

A heavy security curtain maintained over northern Sayaboury Province. Air transport, which is necessary for entry, is routinely denied to those without security clearances, including newsmen.

Nan and Uttaradit provinces of Thailand, which border Sayaboury, are also off limits to journalists by orders from Bangkok.

Informed sources in Vientiane have confirmed that an operation had taken place in the Xieng Lom area in recent days but denied knowledge of any Thai participation in Laos. They said, however, that a concurrent and "possibly coordinated" sweep had occurred on the Thai side of the border.

U.S. mission sources said the clearing operation had been completed about 10 days ago. Until Monday, however, knowledge of such an operation was denied by all U.S. embassy offices normally releasing such information.

The Xieng Lom—Moung Ngeum-Hong Sa complex, with its satellite camps, are reliably reported to have outstripped the Meo base at Long Cheng near the Plain of Jars in importance to the U.S. war effort in Laos. They are said to be less important, however, than a base near Ban Houei Sai, 210 miles northwest of Vientiane and 50 miles northwest of Xieng Lom.

A unit of Thais training hill tribesmen in Laos is regularly reported to be stationed in Xieng Lom and operating along the complex of positions.

A subcommittee of the Senate Foreign Relations Committee has prepared a report that puts the number of Thai troops in Laos at 4,800.

In an action possibly related to the Thai incursion from the west, pro-government irregulars have reportedly launched an offensive thrust westward from Luang Prabang across the Mekong. There is no official confirmation of the thrust.

Other reports tending to confirm Thai operations in Sayaboury Province were printed in the Bangkok Post last week and attributed to "informed government sources."

The Post said that Thai intelligence had located the headquarters of a Pathet Lao battalion less than 5 miles from the Thai border, with another battalion moving from Sayaboury Province to join it. The Pathet Lao, according to the sources, had sent men to pick up food from Thai territory.

An alert has been ordered in Uttaradit Province, according to the Post, and "the 2d Cavalry Regiment has been assigned to double the number patrolling the border area as a precaution against possible invasion by the Pathet Lao."

"Meanwhile," the Post reported, "an intelligence mission has been sent to collect more reports on Pathet Lao movements, the source said." U.S. analysts in Vientiane suggest the Post story may be a "planted cover" for operations 100 miles north of those reported and say they have received no reports on Pathet Lao presence in northern Sayaboury Province for months.

Western military sources only last week said they had no reports of enemy movements in northern Sayaboury and no knowledge of anything more than isolated, ineffective pockets of Pathet Lao.

It is noteworthy, however, that northern Sayaboury lies just across the Mekong from where military analysts believe Chinese engineers will eventually stop building their road through northwestern Laos.

U.S. intelligence sources say construction was halted 20 miles short of the Mekong a year ago but it continues to produce official comments of alarm in the Thai capital.

It is also noteworthy that Sayaboury Province was annexed by Thailand during World War II, then returned to Laos and the French as part of the war settlement. The Bangkok government is generally believed to still covet the strip of Laos west of the Mekong.

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

Mr. SYMINGTON. I am happy to yield to the able majority leader.

Mr. MANSFIELD. Mr. President, I commend the distinguished Senator from Missouri for the statement he has just made and his constant surveillance of what is happening in Laos especially, and in other parts of Indochina, as well.

I, too, have read the same news story, which indicated that Thais were moving in on a permanent basis to take over the province of Sayaboury in western Laos.

To me it appears that Laos, which is a very poor, simple country at best, is becoming more and more a victim of circumstances over which it has no say and no control.

I am hopeful that despite the fact that the distinguished Senator from Missouri has not been able to receive

replies to letters he sent to the State Department and the Department of Defense that with the arrival here—if my recollection is correct—of the American Ambassadors to Laos and Cambodia, who, I think, will be appearing before the Committee on Foreign Relations shortly, that we will be able to go into this matter in more detail.

I would like to know more about the extent of the authority of the American Ambassador to Laos; I would like to know more about what really is going on in Cambodia, where we now have a mission which has risen since the invasion from 11 to in excess of 100, I believe, at the present time. There are many questions about these areas about which we know too little, and it is because of that that I commend the distinguished Senator from Missouri for his watchdog activities over Laos, especially, but, to repeat, other areas of Indochina as well. I would express the hope that when these two Ambassadors, one to Vientiane and the other to Phnom Penh, appear before the Committee on Foreign Relations, we will get a clear picture of what is being done actually and how much is being spent.

In addition, speaking to the Senator's amendment, I most certainly hope we will be able to limit expenditures so that an expenditure of the nature the Senator has in mind will not apply to any one segment of our participation, but across the board, as he has indicated it would.

Mr. President, I commend the Senator.

Mr. SYMINGTON. I thank the able majority leader, the best authority in this body on the Far East.

The Senator mentioned letters written to the Secretary of State requesting information about Laos gotten up by the staff of the Committee on Foreign Relations. We have received no answer to date. I also wrote to the Secretary of Defense last May 27 and asked for information on Laos. On the first of June I received an answer from an Assistant Secretary which stated they were working on it and would answer shortly. That is the last we have heard about it.

I understand the Secretary of Defense will appear in executive session tomorrow about Laos before the Committee on Armed Services.

All this is an effort on the part of this Senator to find out the facts. If we first authorize and then appropriate money in this body, and later find that the money is being used to wage an unauthorized secret war, what is the purpose of our being here? In effect, what is the purpose of the legislative branch?

Mr. President, I ask unanimous consent to have printed in the RECORD the letters to which the distinguished majority leader referred; namely, a letter written on May 27, 1971, to the Secretary of Defense, also the reply received from his Assistant on June 1.

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

MAY 27, 1971.

HON. MELVIN R. LAIRD,
Secretary of Defense,
Washington, D.C.

DEAR MR. SECRETARY: As a result of the recent visit to Laos by the Staff of the Subcommittee on U.S. Security Agreements and Commitments Abroad I wish to obtain additional information concerning the overall cost of Department of Defense related activities in that country. Accordingly I would appreciate your supplying answers to the enclosed list of questions.

Your cooperation in providing this information at your earliest convenience will be greatly appreciated.

Sincerely yours,

STUART SYMINGTON.

Attachment.

ATTACHMENT

1. What is the total cost of military assistance to Laos expected to be in FY 1971?

2. What is the cost of maintaining the organization headed by the Deputy Chief Joint U.S. Military Advisory Group, Thailand, which supports military assistance activities in Laos?

3. What are the comprehensive costs, direct and indirect, including personnel, facilities, aircraft and ordnance, of U.S. air activities, for all services, in and over Laos for FY 1971 and FY 1972? What are the average per sortie costs for the operation of various types of U.S. aircraft in Laos?

4. What is the cumulative cost of the facilities and equipment now operated by Task Force Alpha? What are the personnel and operating costs of Task Force Alpha? for FY 1971? What is estimated for FY 1972?

5. What is the current fiscal year cost of maintaining the U.S. Army and Air Force Attache organizations in Laos, including pay, allowances, housing, local personnel costs, supplies, equipment, transportation, communications and office space (figures for the Air Attache component should include all costs associated with the American Forward Air Controllers in Laos). What is the estimate of FY 1972 costs?

6. What Defense Department related or financed activities are now being conducted or are contemplated in Laos through or under the auspices of the AID program? What is the cost of these activities for FY 1971 and what will it be for FY 1972?

7. What amount of funds appropriated to the Defense Department have been transferred to other U.S. Government agencies as reimbursement, or for any other purpose, during FY 1971? Identify all transactions of this nature, including amounts of money involved, for the current fiscal year. What transfers or transactions are expected in FY 1972?

8. How many Defense Department personnel, including armed service personnel, are on loan or detailed to other U.S. Government agencies for activities related to Laos? What are the costs (salary and maintenance) of such personnel and to what agency are they charged?

9. What is the total amount of reimbursement or other forms of payment or transfer of funds from other U.S. Government agencies to the Defense Department or to the various services during 1971? What are the anticipated totals for 1972?

10. What is the value of surplus or excess equipment given to the Royal Lao armed forces or to U.S. financed irregular forces, both Lao and Thai, for use in Laos?

11. What is the value of U.S. financed military equipment and supplies given, transferred or loaned to the Royal Lao armed forces by third countries, including specifically Thailand?

12. What was the cost of all types of military or military related training, including travel costs and language training, provided by the United States to Laos in FY 1971? What are the projected costs for FY 1972?

13. Describe the types and value of U.S. military aircraft loaned, rented or "bailed" to Air America, Continental Airlines, Lao Air Transport, Royal Air Lao or any other company during FY 1971. What is the total amount of payments or other forms or reimbursement received for the use of these aircraft?

14. What was the cost of all construction financed by Defense appropriated funds in Laos in Fiscal Years 1970 and 1971? What construction is contemplated in FY 1972?

15. What expenditures have been made from Defense Department funds for purposes related to Lao irregular forces or Thai irregular forces?

16. In addition to the information requested above, are there any other categories of Defense Department expenditures in Laos? What amounts are expected to be spent for these activities in FY 1971 and FY 1972?

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., June 1, 1971.

HON. STUART SYMINGTON,
Chairman, Subcommittee on U.S. Security Agreements and Commitments Abroad, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Secretary Laird has asked that I acknowledge your letter of May 27 in which you request additional information concerning the overall cost of the Department of Defense activities in Laos.

Your letter is receiving attention and you can expect a further reply at an early date.

Sincerely,

RADY A. JOHNSON,
Assistant to the Secretary for Legislative Affairs.

Mr. SYMINGTON. Mr. President, I also ask unanimous consent to have printed in the RECORD a letter written to the Secretary of State on June 29 and again on July 16 with respect to matters that have to do with Laos.

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

JULY 16, 1971.

HON. WILLIAM P. ROGERS,
The Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: On June 29 I wrote you requesting background information related to a statement made by the Department of State spokesman on June 7 concerning United States financing of Thai troops in Laos.

In my letter I presented that we needed this information in connection with the Senate's consideration of pending legislation having to do with United States expenditures in Laos; and for that reason asked for a reply by July 5.

More than two weeks have passed since my letter and we are now ten days beyond the date on which we had hoped to receive the information requested. So far we have not even received an acknowledgement.

It is difficult to understand the protracted delay of the Department in responding. As noted above, the questions raised were directly related to the Department's statement of June 7; therefore the Department must have made a review of the facts before issuing said June 7 statement and must have had at hand the relevant documents on which a response to our letter could have been based.

Failure to respond to such legitimate requests raises serious questions regarding the willingness of the Executive Branch to maintain a working relationship with the Senate, because continued delay in the receipt of information is tantamount to a denial of information.

Sincerely,

STUART SYMINGTON,
Chairman, Subcommittee on U.S. Security Agreements and Commitments Abroad.

JUNE 29, 1971.

Hon. WILLIAM P. ROGERS,
The Secretary of State,
Washington, D.C.

DEAR MR. SECRETARY: On June 7 a State Department spokesman told the press that the United States support for Thai troops in Laos began as a program authorized by President Kennedy, that the troops are in Laos at the request of the Prime Minister of Laos and that United States financing of these troops is "fully consistent with all pertinent legislation." As Chairman of the Subcommittee on United States Security Agreements and Commitments Abroad, I am interested in obtaining background information and documentation relevant to these assertions by the Department's spokesman.

In this connection we would appreciate your furnishing the Subcommittee with the following information.

(1) A description of the specific decisions taken by President Kennedy to authorize United States funding of Thai troops in Laos, and of the subsequent actions taken by United States diplomatic and military authorities to implement such decisions.

(2) An explanation of the funding procedure used to provide financial support for Thai troops pursuant to President Kennedy's original authorization.

(3) A description of Prime Minister Souvanna Phouma's request for Thai troops, including answers to the following specific questions:

a. When was the Prime Minister's request (or requests) made?

b. In what form was the request made?

c. To whom and to what government or governments was it addressed?

d. What specifically did the Prime Minister request?

e. What did the Prime Minister's request say with regard to arrangements for financial support and publicity concerning Thai troops?

f. What response was given to the Prime Minister by the person, government or governments to whom the request was addressed?

(4) An explanation of how Souvanna's request relates to the various undertakings of the Royal Lao Government in the Geneva Agreements of 1962.

(5) A detailed explanation of any discussions, arrangements and agreements, formal or informal, involving the United States Government and the Royal Lao Government or the Government of Thailand relative to past or present United States financing and support for Thai troops in Laos.

(6) An identification of the departments or agencies which have provided funds for support of each of the various programs involving Thai troops in Laos.

Because the above request is relevant to the Senate's consideration of pending legislation having to do with United States expenditures in Laos, we would respectfully request that the information be provided at earliest opportunity.

Sincerely,

STUART SYMINGTON,
Chairman, Subcommittee on U.S. Security Agreements and Commitments Abroad.

Mr. SYMINGTON. Mr. President, this is getting to be quite an interesting development. When there was a crisis in the British Government in 1936, a story was around that Sir Winston Churchill suggested the King use the King's men. If, in accordance with press reports, the CIA is conducting a war in Laos, we might call them the President's men, people operating not only without the approval of Congress, but also without its knowledge.

FEDERAL ELECTION CAMPAIGN ACT OF 1971

AMENDMENTS NOS. 295 THROUGH 300

(Ordered to be printed and to lie on the table.)

Mr. BELLMON submitted six amendments intended to be proposed by him to the bill (S. 382) to promote fair practices in the conduct of election campaigns for Federal political offices, and for other purposes.

AMENDMENTS NOS. 301 THROUGH 305 AND 310 THROUGH 314

(Ordered to be printed and to lie on the table.)

Mr. PACKWOOD submitted 10 amendments intended to be proposed by him to the bill (S. 382), supra.

AMENDMENT NO. 306

(Ordered to be printed and to lie on the table.)

Mr. ALLEN. Mr. President, I submit an amendment to S. 382, and ask unanimous consent that the amendment be printed at this point in the RECORD.

I also ask unanimous consent that certain supplemental views relating to the bill, presented by me, be printed in the RECORD.

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

AMENDMENT NO. 306

On page 15, line 8, insert "608," before "610".

On page 22, strike lines 9 and 10, and insert in lieu thereof the following:

Sec. 203. Section 608 of title 18, United States Code, is amended to read as follows:

"§ 608. Limitation upon certain campaign expenditures

"(a) No candidate shall make or authorize expenditures on behalf of his candidacy, or to influence the outcome of the election in which he is a candidate, for goods or services other than broadcast communications media (as regulated by section 315(c) of the Communications Act of 1934) and nonbroadcast communications media (as regulated by section 103 of the Federal Election Campaign Act of 1971) in excess of—

"(1) 10 cents multiplied by the estimate of resident population of voting age for the office for which he seeks nomination for election or to which he seeks election, as determined by the Bureau of the Census in June of the year preceding the year in which the election is to be held; or

"(2) $60,000, if greater than the amount determined under clause (1).

"(b) No person may make any charge for goods or services (other than those regulated by section 315 (c) of the Communications Act of 1934 (relating to broadcast communications media) or by section 103 of the Federal Election Campaign Act of 1971 (relating to certain nonbroadcast communications media)) furnished to or on behalf of a candidate in connection with his campaign for nomination for election, or election, unless such candidate, or an individual authorized by such candidate to do so, certifies to such person that the payment of such charge will not violate subsection (a). Any person who furnishes such goods or services to or for the benefit of a candidate without charge therefor shall be deemed to have made a contribution to such candidate in an amount equal to the amount normally charged by such person for such goods or services. Any person who furnishes such goods or services to or for the benefit of a candidate at a charge which is less than the charge usually made by such person for such goods or services shall be deemed to have made a contribution to such candidate in an amount equal to the excess of the amount usually charged for such goods or services over the amount charged such candidate.

"(c) Violation of the provisions of this section is punishable by a fine not to exceed $5,000."

On page 24, between lines 17 and 18, strike the item relating to section 608 of title 18, United States Code, and insert in lieu thereof the following:

"608. Limitation upon certain campaign expenditures.";.

SUPPLEMENTAL VIEWS OF MR. ALLEN

While I voted to order reported from our Committee on Rules and Administration the bill, S. 382, as amended, I feel that it is subject to the objection that it does not limit the overall cost of campaigning. While commendable in purpose and potentially effective in the limited area of its operation, it simply does not go far enough.

The bill would limit campaign expenditures in two categories only, (1) broadcast media advertising, and (2) nonbroadcast media advertising, such as newspapers, magazines and other periodicals, and billboard facilities.

The limit set is 5¢ for each person of voting age for such office and each of the two categories of advertising. However, the expenditures are interchangeable, so that actually a limit of 10¢ for each person of voting age for such office is provided, to be divided as the candidate wishes between the two categories.

In most cases, the limits set are much higher than those set by S. 3637 which passed during the 91st Congress but was vetoed by the President and his veto sustained.

In the President's veto message, he said that S. 3637 did not limit the overall cost of campaigning. Neither does S. 382.

He also said in his message:

"The problem with campaign spending is not radio and television; the problem is spending. This bill plugs only one hole in a sieve.

"Candidates who had and wanted to spend large sums of money, could and would simply shift their advertising out of radio and television into other media—magazines, newspapers, billboards, pamphlets, and direct mail. There would be no restriction on the amount they could spend in these media.

"Hence, nothing in this bill would mean less campaign spending.

"In fact, the bill might tend to increase rather than decrease the total amount that candidates spend in their campaigns. It is a fact of political life that in many Congressional districts and States a candidate can reach more voters per dollar through radio and TV than any other means of communication. Severely limiting the use of TV and radio in these areas would only force the candidate to spend more by requiring him to use more expensive techniques.

"By restricting the amount of time a candidate can obtain on television and radio, this legislation would severely limit the ability of many candidates to get their message to the greatest number of the electorate. The people deserve to know more, not less, about the candidates and where they stand."

These same criticisms apply to S. 382 except that nonbroadcast media advertising has been limited along with radio and TV.

The President seemingly favors an overall limitation on expenditures and with this position I agree.

The bill places no limit on expenditures for mass mailings, for handbills, brochures, printing, WATS lines, telephones, postage, campaign headquarters (state and various local ones), unlimited campaign workers, airplane rentals and tickets, buses, trains (special and regular), campaign newspapers,

movie theatre film advertisements, campaign staffs, public relation firms, production expenses for broadcasts, public opinion polls, paid campaigners and poll watchers, novelties, bumper stickers, sample ballots.

I feel that an overall limit should be placed on the total amount of campaign contributions and expenditures that a candidate may receive or spend.

I would feel that a limit of 10c or less per person of voting age for an office should be set for all expenditures not limited by the broadcast and nonbroadcast media advertising limitations.

Total contributions that might be received could thus be limited to 20c or less per person of voting age for such office. This limitation on the total amount of contributions would probably be more effective than merely adding the 10c or less limitation for all expenses other than media advertising. I would also feel that the candidate's own expenditures should be treated as contributions to the campaign.

I submit that there is even greater need to limit expenditure for nonmedia advertising than for media advertising. Media advertising is open and aboveboard and available for all to see. Overuse of media advertising might even be counter-productive if the electorate felt that the candidate was overspending in that field. The nonmedia expenditures would not be as apparent to the public but could be as effective and as expensive. It would be in the field of nonmedia expenditures that irregularities, or corrupt practices or abuses, if any, might be more likely to occur. A limit should be placed on nonmedia expenditures, and I plan to offer an amendment providing for such a limit.

JAMES B. ALLEN.

AMENDMENT NO. 307

(Ordered to be printed and to lie on the table.)

COMPARABLE UNIT RATE AMENDMENT

Mr. STEVENS. Mr. President, today I am introducing an amendment to S. 382, to promote fair campaign practices in Federal elections, which is designed to prevent political candidates from reaping an economic windfall because of the lowest unit rate provisions of this legislation.

Specifically, my amendment would alter section 101(b), which deals with broadcast media, by eliminating the requirement that such media charge political candidates for Federal elective office their lowest unit rate during the 45-day period preceding a primary election and the 60-day period preceding a special or general election and by substituting in lieu thereof a requirement that such candidates be assessed the rates charged for the "same class and amount of time and same frequency of use" during the specified periods. Similarly, my amendment would change section 103(b), which deals with nonbroadcast media, by eliminating the lowest unit pricing requirement and substituting a requirement that candidates be assessed the rate charged others by the person furnishing such medium for the "same class and amount of space and same frequency of use" during the time periods stipulated in the bill.

As presently written, sections 101(b) and 103(b) would require that a candidate purchasing prime television and radio time or buying space in the printed media be provided the same preferential rates that the media now gives its volume customers in order to attract additional advertising. Thus, these provisions would give volume advertising rates to a preferred group the members of which may very well not qualify under the usual volume and space criteria. In this sense, we are creating a discriminatory preference.

While I joined in voting to report S. 382, which I believe to be an important step forward in Federal campaign reform, I am strongly opposed to the concept of lowest unit pricing. One of the primary purposes of S. 382 is to limit political campaign expenditures. This is the effect of other sections of the bill. However, since sections 101(b) and 103(b) would drastically increase the value of the political dollar during the specified periods, this laudable goal would be partially thwarted. This is so because the amount of time and advertising space which a candidate could purchase with a specific amount of money would be substantially increased. Thus, these provisions are nothing more than a giveaway within the overall context of a limitation on political expenditures. If sections 101(b) and 103(b) are enacted, the broadcast and nonbroadcast media will be jammed during election time with political advertisements that do not meet the usual lowest unit pricing criteria.

In addition to thwarting one of the major purposes of S. 382, these provisions would have an extremely adverse economic impact on small broadcasters and elements of the print media. This impact would result from the fact that sections 101(b) and 103(b) would compel many elements of the media to give politicians bargain rates during prime time or in advertising space which could be more profitably utilized if allocated to other customers. In order to survive, some components of the media would find it necessary to abandon lowest unit pricing altogether. In many instances, the loss of income incurred by those radio and television stations, newspapers, and magazines which decide to retain lowest unit pricing would be just as great as for those which abandon it.

In my State of Alaska, which has many small broadcasters and elements of the print media, the economic consequences of sections 101(b) and 103(b) would be specially acute. The Alaska media is doing its best to provide our small population with modern, quality news and programing services; however, they are doing so on what often amounts to a shoestring budget. To impose additional economic burdens on an industry which is now beleaguered by high taxes and other problems would result in the collapse of some broadcasters, newspapers, and other publications. This would be most unfortunate.

On a nationwide basis, the failure of some media elements would result in the increasing aggregation of communications resources in a few individuals and corporations. This type of aggregation is foreign to one of the basic tenets of our democracy; that is, that our citizens should be exposed to many ideas and points of view from which the best ideas will ultimately emerge. Over the years, we have seen an alarming decrease in the number of newspapers which serve the various cities of this Nation. This decrease is due to many factors. I do not want to see the Congress, through the enactment of restrictive legislation, add another factor which is sure to accelerate the trend toward the consolidation of communications media.

In many parts of Alaska and in other rural areas throughout the Nation, the collapse of small broadcast and print media would result in the termination of all sources of information, not just the end of a healthy competition between different sources. Again, one of the basic premises of our democracy would be violated since the citizenry in these areas would not have the information necessary to make the type of informed decisions upon which the ideological health of our Nation is so heavily dependent. In addition, in places like Alaska where access to weather data and public service information is so important to the safety of the people, the collapse of the commercial media would mean that Federal, State, and local governments would have to provide all such essential information. This would be most costly and unnecessary, especially in view of the willingness of the commercial media to disseminate public service information provided that governmental regulation does not deprive them of the economic wherewithal to do so.

Mr. President, I believe that the considerations which I have referred to today are compelling reasons for the elimination of the lowest unit pricing concept from S. 382, which, as amended by the Committees on Commerce and Rules, is indeed an important statement of political campaign reform. Accordingly, I ask the Members of this body to act favorably on the amendment which I have just described.

I ask unanimous consent that the amendment be printed at this point in the CONGRESSIONAL RECORD. In addition, I also request that the rate schedule of certain broadcast and nonbroadcast media in my State be printed in order to document further the contentions which I have made today.

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

AMENDMENT NO. 307

On page 3, line 14, strike out "amount of time" and insert in lieu thereof "class and amount of time and same frequency of use".

On page 10, line 6, strike out "amount of space." and insert in lieu thereof "class and amount of space and same frequency of use".

KWKO FM STEREO, 102.1 MHZ—COMMERCIAL ANNOUNCEMENTS

Weekly rates	6	12	18	24	30
1 minute:					
AAA	5.50	5.00	4.85	4.60	4.35	4.10
AA	4.25	4.00	3.80	3.60	3.40	3.20
ROS	4.00	.....	3.60	3.40	3.20	.....
½ minute:					
AAA	4.50	4.00	3.90	3.70	3.50	3.20
AA	3.25	3.00	2.80	2.60	2.50	2.30
ROS	2.50	.....	2.40	2.30	2.20	.....

	13 week	26 week	52 week
Earned rate:			
1 minute	3.80	3.50	3.00
½ minute	2.75	2.60	2.10

Notes: AAA: Monday through Friday, 7 to 9 a.m. and 5 to 11 p.m. Saturday and Sunday, 9 a.m. to 11 p.m. AA: Monday through Friday, 9 a.m. to 5 p.m. ROS: Monday through Sunday, 6 a.m. to 1 a.m. ER: Earned rate is based on a minimum 13 week schedule with no less than 3 announcements per week. Air time is ROS between 7 a.m. and 11 p.m.

KBYR—ANCHORAGE, SINGLE RATE CARD NO. 1, JAN. 1, 1971

Times per week (seconds)	AAA [1]	AA [2]	A [3]
1 Time:			
60	12.50	11.00	9.50
30	10.00	9.00	8.50
3—Time:			
60	12.00	10.50	9.00
30	9.50	8.50	8.00
6—Time:			
60	11.50	10.00	8.50
30	9.00	8.00	7.50
12—Time:			
60	10.00	8.50	7.00
30	8.00	7.00	6.50
18—Time:			
60	9.00	7.50	6.00
30	7.00	6.00	5.50
24—Time:			
60	8.00	6.50	5.00
30	6.00	5.00	4.50

[1] Class AAA time: Monday to Friday, 6 to 9 a.m. and 3 to 7 p.m. Saturday, 9 to 7 p.m., Sunday 12 noon to 7 p.m.
[2] Class AA time: Monday to Friday, 9 a.m. to 3 p.m. Saturday, 6 to 9 a.m. Sunday, 6 a.m. to 12 noon.
[3] Class A time: Monday to Sunday, 7 p.m. to 12 midnight. Class B time: All remaining times.

Note: 10 seconds 50 percent of comparable minute rate, excluding A and B rates. Minimum charge $4.

ALL ANNOUNCEMENTS COMBINE FOR FREQUENCY DISCOUNTS

[Total audience plan, ½ AAA, ½ AA.]

	60 seconds	30 seconds
Plan 1—12 per week (each)	9	7.25
Plan 2—18 per week (each)	8	6.25
Plan 3—24 per week (each)	7	5.25

Note: Annual discounts: 208 times, use 6 plan weekly rates; 426 times, use 12 plan weekly rates; 780 times, use 18 plan weekly rates; 1,040 times, use 24 plan weekly rates.

KNIK—FM ANCHORAGE—SINGLE RATE CARD NO. 2, JUNE 1, 1971

Times per week (seconds)	AAA	AA	A
1 time:			
60	9.60	7.00	5.00
30	7.70	5.60	4.00
3 times:			
60	8.20	6.00	4.40
30	6.60	4.80	3.50
6 times:			
60	7.40	5.40	4.00
30	5.90	4.30	3.20
12 times:			
60	6.20	4.80	3.60
30	5.00	3.80	2.80
18 times:			
60	5.80	4.40	3.00
30	4.60	3.50	2.40
24 times:			
60	5.20	4.00	2.80
30	4.20	3.20	2.20

NOTES

Time segments:
Class AAA time:
Monday to Friday, 6 to 9 a.m. and 3 to 7 p.m.
Saturday, 9 a.m. to 7 p.m.
Sunday, 12 noon to 7 p.m.
Class AA time:
Monday to Friday, 9 a.m. to 3 p.m.
Saturday, 6 to 9 a.m.
Sunday, 6 a.m. to 12 noon.
Class A time: Monday to Sunday, 7 p.m. to 12 midnight.
Class B time: All remaining times.
ROS: Use AA rates.

B rates available on request.
10 seconds—50 percent of comparable minute rate, excluding A and R rates. Minimum charge $2.
All announcements combine for frequency discounts.

Total audience plan (½ AAA and ½ AA)	Per week	60 seconds	30 seconds
Plan 1	12	5.50	4.40
Plan 2	18	5.10	4.00
Plan 3	24	4.60	3.70

Frequency discounts:
208 times, use 6 plan weekly rates.
426 times, use 12 plan weekly rates.
780 times, use 18 plan weekly rates.
1,040 times, use 24 plan weekly rates.

KENI RADIO, POST OFFICE BOX 1160, ANCHORAGE, ALASKA

(Local rate card No. 8, effective Aug. 1, 1969)

Times	hour	½ hour	¼ hour	10 minutes	5 minutes
1	$100	$55	$35	$25	$20
26	85	50	30	22	18
52	75	42	25	18	15

PRIME TIME—AAA, MONDAY THROUGH FRIDAY 6 A.M. AND 4-6 P.M.—SATURDAY 10 A.M.-6 P.M. SUNDAY 12 NOON-6 P.M.

60-second minimum—weekly:	30-second minimum—weekly:
3 for $25.50, at $8.50.	3 for $21, at $7.
10 for $80, at $8.	10 for $65, at $6.50.
20 for $150, at $7.50.	20 for $120, at $6.

PREFERRED TIME—AA, 9 A.M. 4 P.M.

60-second minimum—weekly:
3 for $22.50 at $7.50.
10 for $70 at $7.
20 for $130 at $6.50.
30-second minimum—weekly:
3 for $18 at $6.
10 for $55 at $5.50.
20 for $100 at $5.

BEST TIME AVAILABLE ANNOUNCEMENTS

60-second minimum—$5.50; each—6 p.m. to 6 a.m.
30-second minimum—$4.50 each—6 p.m. to 6 a.m.
10-second identification announcements—minimum 10 spots 50 percent of applicable 60-second rate.

ALASKA BROADCASTING SYSTEM, GENERAL RATE CARD, KTVA-TV, CHANNEL 11

Programs	1	26	52
60 minutes:			
A	$300.00	$250.00	$200.00
B	225.00	187.50	150.00
C	150.00	125.00	100.00
30 minutes:			
A	200.00	150.00	115.00
B	150.00	112.50	86.25
C	100.00	75.00	57.50
15 minutes:			
A	150.00	125.00	95.00
B	112.50	95.25	71.25
C	75.00	62.50	47.50
5 minutes:			
A	100.00	80.00	70.00
B	75.00	60.00	52.50
C	50.00	40.00	35.00

Spot announcements	1	13	26	52	104	156	260
60 seconds:							
A	$80.00	$75.00	$70.00	$65.00	$60.00	$55.00	$50.00
B	60.00	56.25	52.50	48.75	45.00	41.25	37.50
C	40.00	37.50	35.00	32.50	30.00	27.50	25.00
30 seconds:							
A	48.00	45.00	42.00	39.00	36.00	33.00	30.00
B	36.00	33.75	31.50	29.25	27.00	24.75	22.50
C	24.00	22.50	21.00	19.50	18.00	16.50	15.00
20 seconds:							
A	40.00	37.50	35.00	32.50	30.00	27.50	25.00
B	30.00	28.00	26.25	24.50	22.50	20.50	18.75
C	20.00	18.75	17.50	16.25	15.00	13.75	12.50
10 seconds:							
A	32.00	30.00	28.00	26.00	24.00	22.00	20.00
B	24.00	22.50	21.00	19.50	18.00	16.50	15.00
C	16.00	15.00	14.00	13.00	12.00	11.00	10.00

NOTES

Time classifications:
A—7 p.m. to 10 p.m. daily.
6 p.m. to 10:30 p.m. Sunday.
B—5 p.m. to 7 p.m. and 10 p.m. to 11 p.m. daily.
4 p.m. to 6 p.m. and 10:30 p.m. to 11 p.m. Sunday.
C—All other times.

Weekly Rate:
3 times 104 rate.
5 times 156 rate.
10 times 260 rate.

KYAK (RATE CARD NO. 4, EFFECTIVE APR. 1, 1971)

	60's	30's
Weekly AAA rates:		
25 times	9.00	7.50
20 times	10.50	9.00
15 times	12.00	10.50
10 times	13.50	12.00
5 times or less	15.00	13.50
Weekly AA rates:		
25 times	7.50	6.50
20 times	9.00	8.00
15 times	10.50	9.50
10 times	12.00	11.00
5 times or less	13.50	12.50
Weekly A rates:		
25 times	5.00	4.00
20 times	5.50	4.50
15 times	6.00	5.00
10 times	7.00	6.00
5 times or less	8.00	7.00
Weekly B rates:		
25 times	4.00	3.00
20 times	4.50	3.50
15 times	5.00	4.00
10 times	6.00	5.00
5 times or less	7.00	6.00

Note: Total audience plan (various times) 4 times a day, A-AAA time: 60 seconds (120 mo) $6.60; 30 seconds (120 mo) $5.60.

KFRB RADIO—OPEN RATES EFFECTIVE JUNE 15, 1970

SPOT ANNOUNCEMENTS

"A" time (6 a.m. to 6 p.m.)

	Specified	ROS
60 second	$6.00	$5.50
30 second	5.00	4.50
20 second	4.00	3.50

"B" time (6 p.m. to 6 a.m.)

	Specified	ROS
60 second	$4.50	$4.00
30 second	3.50	3.00
20 second	2.75	2.50

Programs: 60 minute, $85; 30 minute, $60; 15 minute, $35; 10 minute, $26; 5 minute, $16.

Specials: 4 10-minute remotes (within 2 days), $75; 4-hour remote from business, $225; daily 2-minute feature (5 times), $40 per week; daily 5-minute feature (5 times), $50 per week; CBS News, half sponsorship, $240 per month; CBS News, full sponsorship, $400 per month. Discounts: 3 month contract, 5 percent; 6 month contract, 10 percent.

RETAILER'S PACKAGES

Time and number per day	5 days	7 days	20 days	30 days
30 second:				
5 (2 "A," 3 "B")	$70	$95	$250	$350
8 (4 "A," 4 "B")	110	150	360	530
60 second:				
5 (2 "A," 3 "B")	95	140	350	520
8 (4 "A," 4 "B")	150	215	550	800

Note: Local retailers only—Spots ROS—No discounts.

MIDNIGHT SUN BROADCASTERS, INC., KFAR-FAIRBANKS, ALASKA

	Number of times								
	1	13	26	52	104	156	260	312	365
1 hour	$90.75	$87.00	$83.40	$81.70	$76.35	$72.60	$68.92	$65.20	$61.90
½ hour	58.20	54.45	50.80	49.15	43.40	41.70	40.05	36.30	32.65
¼ hour	34.65	32.65	31.00	28.90	27.25	25.60	23.55	21.90	18.15
5 minutes	21.90	19.80	18.05	17.35	15.30	14.50	13.65	10.75	9.90
1 minute	10.25	8.60	7.25	5.70	5.60	5.30	5.00	4.65	4.20
30 seconds	5.95	5.25	5.00	4.75	4.65	4.50	4.35	4.00	3.70

SPOT PACKAGE RATES—RUN OF SCHEDULE[1]

MINUTES		30 SECONDS	
10 per week	$57.00	10 per week	$47.50
15 per week	84.00	15 per week	69.75
20 per week	106.00	20 per week	90.00
25 per week	125.00	25 per week	108.75
30 per week	139.50	30 per week	120.00
35 per week	147.00	35 per week	129.50
50 in 10 days	198.00	50 in 10 days	175.00

Note: 10 second spots—10 per day at $25. Minimum of 5 per day at $15.

[1] Special times are 20 percent additional. All spots are preemptible for special events.

KINY-TV-CHANNEL 8, JUNEAU, NBC, ABC, EFFECTIVE: APRIL 1, 1970

	Times—											
	1	26	52	104	156	260		1	26	52	104	156	260
Class AA: 7:00–10:00 p.m. daily:							1 minute	$27.00	$23.00	$22.00	$20.00	$18.00	$17.00
1 hour	$84.00	$72.00	$60.00				30 seconds	17.00	14.00	13.00	12.00	11.00	10.00
½ hour	51.00	48.00	45.00				20 seconds	14.00	12.00	11.00	10.00	9.00	8.00
¼ hour	42.00	39.00	36.00				10 seconds	11.00	10.00	9.00	8.00	7.50	7.00
Class A: 6:00–7:00 p.m. daily 10:00–10:30 p.m. daily:							1 minute	20.00	18.00	17.00	15.00	14.00	12.00
1 hour	63.00	54.00	45.00				30 seconds	12.00	11.00	10.00	9.00	8.00	7.50
½ hour	38.00	36.00	34.00				20 seconds	10.00	9.00	8.00	7.50	7.00	6.50
¼ hour	32.00	29.00	27.00				10 seconds	8.00	7.00	6.50	6.00	5.50	5.00
Class B: 5:00 to 6:00 p.m. daily 10:30 to 12:00 midnight daily:							1 minute	15.00	14.00	13.00	12.00	11.00	9.00
1 hour	50.00	43.00	36.00				30 seconds	9.00	8.50	8.00	7.00	6.50	6.00
½ hour	30.00	29.00	27.00				20 seconds	8.00	7.00	6.50	6.00	5.50	5.00
¼ hour	25.00	23.00	22.00				10 seconds	6.00	5.50	5.00	4.50	4.00	3.50
Class C: All other times:							1 minute	11.00	10.00	9.00	8.00	7.00	6.00
1 hour	38.00	34.00	31.00				30 seconds	6.50	6.00	5.50	5.00	4.50	4.00
½ hour	22.00	21.00	19.00				20 seconds	5.50	5.00	4.50	4.00	3.50	3.00
¼ hour	16.00	14.00	13.00				10 seconds	4.50	4.00	3.50	3.00	2.50	2.00

KINY-RADIO, 800 KHZ; JUNEAU, ALASKA; NBC, ABC, EFFECTIVE: APRIL 1, 1970

	Times—						
	1	13	26	52	104	156	260
Specified time:							
1 hour	$50.00	$48.00	$46.00	$45.00	$42.00	$40.00	$38.00
½ hour	32.00	30.00	28.00	27.00	25.00	23.00	22.00
¼ hour	19.00	18.00	17.00	16.00	15.00	14.00	13.00
5 minutes	12.00	11.00	10.00	9.50	8.50	8.00	7.50
1 minute	6.50	6.00	5.50	5.00	4.50	4.25	4.00
30 seconds	4.00	3.75	3.50	3.25	3.25	3.00	2.75
10 seconds	2.00						

Package plans:

Short term packages: Radio (must run in 3 day period) run of station:

10 to 30 sec. ROS spots	$30
20 to 30 sec. ROS spots	60
30 to 30 sec. ROS spots	75
10 to 60 sec. ROS spots	50
20 to 60 sec. ROS spots	100
30 to 60 sec. ROS spots	130

Short term packages: Television (must run in 3 day period) Class AA time:

10 to 30 sec. AA spots	100
20 to 30 sec. AA spots	190
30 to 30 sec. AA spots	220
10 to 60 sec. AA spots	200
20 to 60 sec. AA spots	270
30 to 60 sec. AA spots	310

Note: 3 plan, earns 104 times rate; 5 plan, earns 156 times rate; 10 plan, earns 260 times rate.

KJNO RADIO, JUNEAU—RETAIL RATE CARD EFFECTIVE JAN. 1, 1970, RATES NET TO STATION

Number of times	1 hour	30 minutes	15 minutes	10 minutes	5 minutes	1 minute	30 seconds
3,000						$2.20	$1.55
2,000						2.60	1.70
1,500						2.70	1.85
1,000						2.85	2.05
624			$10.00	$9.05	$5.50	3.15	2.20
312	$39.00	$28.50	12.50	9.50	6.00	3.40	2.50
260	40.50	30.00	13.25	10.00	6.35	3.65	2.65
156	$43.00	$31.00	$14.25	$11.00	$7.00	$3.75	$2.75
104	47.50	33.00	15.00	12.50	8.75	3.80	2.80
52	49.75	34.25	17.50	13.25	9.25	4.00	2.85
26	52.50	35.25	18.50	13.50	9.80	4.25	3.10
13	57.00	37.00	19.00	14.25	10.00	4.35	3.20
1	60.00	40.00	22.50	16.00	10.50	4.45	3.30

SPOT PACKAGES

	60 seconds	30 seconds	10 seconds
300 ads within 1-month period.	810.00	516.00	½ 60-second rate.
150 ads within 1-month period.	429.00	314.00	
100 ads within 1-month period.	314.00	220.00	
50 ads within 1-month period.	170.50	121.00	
25 ads within 1-month period.	90.75	63.25	
15 ads within 2-week period.	59.50	43.00	

KFQD RADIO, ANCHORAGE, ALASKA

Yearly (weekly) duration	Drive time 6–10a 3–7p	Housewife time 10a–3p 7–9a	Other time
(1 to 19):			
60 seconds	10.00	8.50	6.75
30 seconds	7.50	6.40	5.10
260 (20 to 29):			
60 seconds	9.00	7.60	6.00
30 seconds	6.70	5.70	4.50
500 (30 to 39):			
60 seconds	8.50	7.20	5.70
30 seconds	6.40	5.40	4.20
1,000 (40 or more):			
60 seconds	7.50	6.40	5.00
30 seconds	5.60	4.80	3.75

Note: Specified takes next higher rate (10 seconds is 50 percent of minute) (Saturday and Sunday take housewife time).

COMBINATION PACKAGES

Weekly and duration	Drive-housewife-other	Cost
10:		
60 seconds	2–5–3	$80
30 seconds		60
20:		
60 seconds	4–10–6	145
30 seconds		110
30:		
60 seconds	6–15–9	198
30 seconds		150

Note: 10 seconds is 50 percent of minute.

PROGRAMS

Yearly	1 hour	30 minutes	15 minutes	5 minutes
1	125.00	75.00	50	20
52	112.50	67.50	45	18

MIDNIGHT SUN BROADCASTERS, INC., KFAR-TV (CHANNEL 2) FAIRBANKS (NBC-ABC) EFFECTIVE NOV. 1, 1969

CLASS AA: 7–10 P.M. DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$168	$144	$120			
½ hour	102	96	90			
¼ hour	84	78	72			
1 minute	55	46	44	$39	$36	$33
30 seconds	33	28	26	23	22	20
20 seconds	28	23	22	20	18	17
10 seconds	22	19	17	16	14	13

CLASS A: 6–7 P.M. DAILY AND 10–10:30 P.M. DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$126	$108	$90			
½ hour	77	72	68			
¼ hour	63	59	54			
1 minute	41	35	33	$29	$27	$25
30 seconds	25	21	20	17	16	14
20 seconds	20	17	16	14	13	12
10 seconds	16	14	13	12	11	10

CLASS B: 5–6 P.M. DAILY AND 10:30–12 MIDNIGHT DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$101	$86	$72			
½ hour	61	58	54			
¼ hour	50	47	43			
1 minute	30	28	26	$23	$21	$19
30 seconds	18	17	16	14	13	11
20 seconds	15	14	13	12	11	10
10 seconds	13	12	11	10	9	8

CLASS C: ALL OTHER TIMES

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$67	$58	$48			
½ hour	41	38	36			
¼ hour	34	31	29			
1 minute	21	19	17	$15	$13	$11
30 seconds	13	11	10	9	8	7
20 seconds	11	10	9	8	7	5
10 seconds	9	8	7	6	5	4

Note: 3-plan—earns 104-time rate; 5-plan—earns 156-time rate; 10-plan—earns 260-time rate.

KTVF-11, FAIRBANKS, ALASKA—EFFECTIVE SEPT. 1, 1970

CLASS "A" (7 TO 10:30 P.M. DAILY)

	Number of times					
	1	26	52	104	156	260
SPOT ANNOUNCEMENTS						
60 seconds	40	35	32	30.00	28.00	25.00
30 seconds	24	21	19	18.00	17.00	15.00
10 seconds	16	14	12	10.00	9.00	8.00
60 seconds	30	27	24	22.00	21.00	19.00
30 seconds	18	16	14	13.00	12.00	10.00
10 seconds	12	11	10	9.00	8.00	7.00

	Number of times					
	1	26	52	104	156	260
CLASS "C" (ALL OTHER TIMES)						
60 seconds	20	18	16	14.00	13.00	12.00
30 seconds	12	10	9	8.00	7.50	7.00
10 seconds	8	7	6	5.50	5.00	4.50

Note: There is a $10 charge for 60-second announcements done live or on video tape in studio.

PROGRAMS

	Class "A" (Number of times)				Class "B" and "C" (Number of times)		
	1	26	52	Studio charge	1	26	52
5 minutes	50	40	35	15	35	24	20
15 minutes	75	60	50	20	45	36	30
30 minutes	120	100	80	30	75	60	50
60 minutes	180	150	125	40	110	90	75

MIDNIGHT SUN BROADCASTERS, INC., KENI-TV (CHANNEL 2), ANCHORAGE (NBC-ABC), EFFECTIVE NOV. 1, 1969

CLASS AA: 7 TO 10 P.M. DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$280	$240	$200			
½ hour	170	160	150			
¼ hour	140	130	120			
1 minute	101	87	83	$75	$70	$65
30 seconds	61	52	50	45	42	39
20 seconds	51	44	42	38	35	33
10 seconds	40	35	33	30	28	26

CLASS A: 6 TO 7 P.M. AND 10 TO 10:30 P.M. DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$210	$180	$150			
½ hour	128	120	113			
¼ hour	105	98	90			
1 minute	76	66	63	$57	$53	$49
30 seconds	45	39	38	33	31	29
20 seconds	38	33	31	28	27	25
10 seconds	30	26	25	23	21	20

CLASS B: 5 TO 6 P.M. AND 10:30 TO 12 MIDNIGHT DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$168	$144	$120			
½ hour	102	96	90			
¼ hour	84	78	72			
1 minute	58	54	51	$47	$43	$39
30 seconds	34	32	30	27	25	23
20 seconds	29	27	26	24	22	20
10 seconds	23	22	21	19	17	16

CLASS C: ALL OTHER TIMES

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$112	$96	$80			
½ hour	68	64	60			
¼ hour	56	52	48			
1 minute	37	34	31	$27	$24	$20
30 seconds	22	20	18	16	14	12
20 seconds	19	17	16	14	12	10
10 seconds	15	14	13	11	10	8

Note: 3 plan—Earns 104-time rate; 5 plan—Earns 156-time rate; 10 plan—Earns 260-time rate.

MIDNIGHT SUN BROADCASTERS, INC.—KFAR-TV (CHANNEL 2) FAIRBANKS (NBC-ABC)

(National rate card No. 8, effective Aug. 1, 1969)

CLASS AA: 7-10 P.M. DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$168	$144	$120			
½ hour	102	96	90			
¼ hour	84	78	72			
1 minute	55	46	44	$39	$36	$33
30 seconds	33	28	26	23	22	20
20 seconds	28	23	22	20	18	17
10 seconds	22	19	17	16	14	13

CLASS A: 6-7 P.M. AND 10-10:30 P.M. DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$126	$108	$90			
½ hour	77	72	68			
¼ hour	63	59	54			
1 minute	41	35	33	$29	$27	$25
30 seconds	25	21	20	17	16	15
20 seconds	20	17	16	14	13	12
10 seconds	16	14	13	12	11	10

CLASS B: 5-6 P.M. AND 10:30-12 MIDNIGHT DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$101	$86	$72			
½ hour	61	58	54			
¼ hour	50	47	43			
1 minute	30	28	26	$23	$21	$19
30 seconds	18	17	16	14	13	11
20 seconds	15	14	13	12	11	10
10 seconds	13	12	11	10	9	8

CLASS C: ALL OTHER TIMES

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$67	$58	$48			
½ hour	41	38	36			
¼ hour	34	31	29			
1 minute	21	19	17	$15	$13	$11
30 seconds	13	11	10	9	8	7
20 seconds	11	10	9	8	7	5
10 seconds	9	8	7	6	5	4

Note: 3-plan—earns 104-time rate; 5-plan—earns 156-time rate; 10-plan—earns 260-time rate; 3 station buy earns 15-percent discount.

MIDNIGHT SUN BROADCASTERS, INC.—KINY-TV (CHANNEL 8) JUNEAU (NBC-ABC)

(National rate card No. 8, effective Aug. 1, 1969)

Class AA: 7 to 10 p.m. Daily

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$84.00	$72.00	$60.00			
½ hour	51.00	48.00	45.00			
¼ hour	42.00	39.00	36.00			
1 minute	27.00	23.00	22.00	$20.00	$18.00	$17.00
30 seconds	17.00	14.00	13.00	12.00	11.00	10.00
20 seconds	14.00	12.00	11.00	10.00	9.00	8.00
10 seconds	11.00	10.00	9.00	8.00	7.50	7.00

CLASS A: 6 TO 7 P.M. AND 10 TO 10:30 P.M. DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$63.00	$54.00	$45.00			
½ hour	38.00	36.00	34.00			
¼ hour	32.00	29.00	27.00			
1 minute	20.00	18.00	17.00	$15.00	$14.00	$12.00
30 seconds	12.00	11.00	10.00	9.00	8.00	7.50
20 seconds	10.00	9.00	8.00	7.50	7.00	6.50
10 seconds	8.00	7.00	6.50	6.00	5.50	5.00

CLASS B: 5 TO 6 P.M. AND 10:30 TO 12 MIDNIGHT DAILY

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$50.00	$43.00	$36.00			
½ hour	31.00	29.00	27.00			
¼ hour	25.00	23.00	22.00			
1 minute	15.00	14.00	13.00	$12.00	$11.00	$9.00
30 seconds	9.00	8.50	8.00	7.00	6.50	6.00
20 seconds	8.00	7.00	6.50	6.00	5.50	5.00
10 seconds	6.00	5.50	5.00	4.50	4.00	3.50

CLASS C: ALL OTHER TIMES

	1 time	26 times	52 times	104 times	156 times	260 times
1 hour	$38.00	$24.00	$31.00			
½ hour	22.00	21.00	19.00			
¼ hour	16.00	14.00	13.00			
1 minute	11.00	10.00	9.00	$8.00	$7.00	$6.00
30 seconds	6.50	6.00	5.50	5.00	4.50	4.00
20 seconds	5.50	5.00	4.50	4.00	3.50	3.00
10 seconds	4.50	4.00	3.50	3.00	2.50	2.00

Note: 3 plan—Earns 104-time rate; 5 plan—Earns 156-time rate; 10 plan—Earns 260-time rate; 3 station buy earns 15-percent discount.

MIDNIGHT SUN BROADCASTERS, INC.—2 STATION COMBINATION WEEKLY SPOT PACKAGE: KENI-TV (CHANNEL 2) ANCHORAGE (NBC-ABC) AND KFAR-TV (CHANNEL 2) FAIRBANKS (NBC-ABC)

(National rate card No. 8, effective Aug. 1, 1969)

CLASS AA: 7-10 P.M. DAILY

	1 time	3 times	5 times	10 times
60 seconds	$131.50	$93.50	$86.50	$79.00
30 seconds	79.00	56.00	52.00	47.50
20 seconds	66.50	47.50	43.00	40.50
10 seconds	52.00	38.00	34.00	31.50

CLASS B: 5-6 P.M. AND 10:30-12 MIDNIGHT DAILY

	1 time	3 times	5 times	10 times
60 seconds	$72.00	$56.00	$50.00	$45.00
30 seconds	43.00	33.50	30.50	30.00
20 seconds	36.00	29.00	26.00	23.50
10 seconds	30.00	23.50	20.50	19.00

CLASS A: 6-7 P.M. AND 10-10:30 P.M. DAILY

	1 time	3 times	5 times	10 times
60 seconds	$98.00	$70.00	$65.00	$59.50
30 seconds	59.50	41.50	38.50	36.00
20 seconds	48.50	34.00	32.50	29.50
10 seconds	38.00	28.50	26.00	24.50

CLASS C: ALL OTHER TIMES

	1 time	3 times	5 times	10 times
60 seconds	$50.00	$36.00	$31.50	$26.00
30 seconds	30.50	21.50	19.00	16.00
20 seconds	26.00	19.00	16.00	12.50
10 seconds	20.50	14.50	12.50	10.00

MIDNIGHT SUN BROADCASTERS, INC.—3 STATION COMBINATION WEEKLY SPOT PACKAGE: KENI-TV (CHANNEL 2) ANCHORAGE (NBC-ABC); KFAR-TV (CHANNEL 2) FAIRBANKS (NBC-ABC); KINY-TV (CHANNEL 8) JUNEAU (NBC-ABC)

(National rate card No. 8, effective Aug. 1, 1969)

CLASS AA: 7 TO 10 P.M. DAILY

	1 time	3 times	5 times	10 times
60 seconds	$147.00	$105.50	$97.00	$89.00
30 seconds	89.50	63.00	58.65	53.50
20 seconds	75.00	70.50	48.50	45.00
10 seconds	59.00	42.50	38.50	35.50

CLASS B: 5 TO 6 P.M. AND 10:30 TO 12 MIDNIGHT DAILY

	1 time	3 times	5 times	10 times
60 seconds	$80.00	$63.00	$57.00	$50.00
30 seconds	48.50	37.50	34.50	30.50
20 seconds	41.00	32.50	29.50	26.50
10 seconds	33.00	26.00	23.00	21.00

CLASS A: 6 TO 7 P.M. AND 10 TO 10:30 P.M. DAILY

	1 time	3 times	5 times	10 times
60 seconds	$110.00	$79.00	$73.00	$66.50
30 seconds	66.50	47.00	43.50	40.50
20 seconds	54.50	39.00	36.50	33.50
10 seconds	43.50	32.50	29.50	27.00

CLASS C: ALL OTHER TIMES

	1 time	3 times	5 times	10 times
60 seconds	$57.00	$41.00	$35.50	$30.00
30 seconds	34.50	25.00	21.50	18.50
20 seconds	29.50	21.00	18.50	14.50
10 seconds	23.50	16.00	14.00	11.00

FAIRBANKS DAILY NEWS-MINER DISPLAY ADVERTISING RATES, REVISED NOV. 1, 1970

	Net[1]	Gross
Open rate, without contract	$2.70	$3.00

ANNUAL CONTRACTS FOR MINIMUM WEEKLY SPACE

	Per column inch	
	Net rate[1]	Gross rate
At least 2 inches each of 50 weeks	$2.34	$2.60
At least 6 inches each of 50 weeks	2.25	2.50
At least 12 inches each of 50 weeks	2.205	2.45
At least 30 inches each of 50 weeks	2.151	2.39
At least 60 inches each of 50 weeks	2.115	2.35
At least 120 inches each of 50 weeks	2.061	2.29
At least 189 inches each of 50 weeks	2.025	2.25
At least 350 inches each of 50 weeks	1.989	2.21
At least 500 inches each of 50 weeks	1.953	2.17
At least 750 inches each of 50 weeks	1.917	2.13

ANNUAL CONTRACTS FOR YEARLY BULK SPACE WITH AND WITHOUT MONTHLY MINIMUM SPACE

350 inches within 12 months	$2.637	$2.93
With at least 20 inches every month	2.529	2.81
750 inches within 12 months	2.538	2.82
With at least 45 inches every month	2.439	2.71
1,250 inches within 12 months	2.43	2.70
With at least 75 inches every month	2.34	2.60
2,500 inches within 12 months	2.331	2.59
With at least 150 inches every month	2.25	2.50
5,000 inches within 12 months	2.241	2.49
With at least 300 inches every month	2.16	2.40
10,000 inches within 12 months	2.151	2.39
With at least 600 inches every month	2.07	2.30

NONCONTRACT DISPLAY RATES

Church services, benefits, rummage sales, charitable entertainments, community enterprises	$2.25	$2.50
Cash advertising: Professional sports events, transient amusements and the like	2.70	3.00
Political advertising	2.70	3.00

All political advertising cash with copy.

COLOR RATES

	Extra charges	
	Net[1]	Gross
1 color and black:		
Full page or less	$54.00	$60.00
Double truck	157.50	175.00
2 colors and black:		
Full page or less	103.50	115.00
Double truck	211.50	235.00
3 colors and black:		
Full page or less	153.00	170.00
Double truck	346.50	385.00

TABLOID SECTIONS

[A full tabloid page is the equivalent of one-half of a standard page in the Daily News-Miner. The format for tabloid pages is four columns that are wider than conventional columns, thus adding extra space in width to each column inch. Space in tabloid sections is charged as follows:]

Basic space	Tabloid inches
Tabloid:	
Double Truck	180
Full Page	92
¾ Page	69
½ Page	46
¼ Page	23
⅛ Page	11½
1/16 Page	6

Note: Space in all tabloid sections will be charged as shown above to both contract and noncontract advertisers.

TOURIST GUIDE

	Net[1]	Gross
Per inch per edition	$2.70	$3.00

[1] Net rates apply only when account is current and payment is received no later than the 15th of the following month.

PROGRESS EDITION

	Net[1]	Gross
Tabloid:		
Double truck	$630	$700
Full page	324	360
¾ page	252	280
½ page	180	200
¼ page	99	110
⅛ page	54	60

NOTES

Contract advertisers: Advertisers having annual contracts for display space in the Daily News-Miner will be charged at their established contract rate, plus $1 per inch (gross) for advertising in the Progress edition.

Progress edition color: Color in the Progress edition will be charged at the rate shown on this card, plus $21.50 for each color. This color charge applies alike to contract and noncontract advertisers.

PREPRINTS (INSERTS)

Preprints are charged at ¼ advertisers gross rate or $500, whichever is greater. Number of column inches is computed by measuring to the nearest column width by inches deep times number of pages.

FOR YOUR CONVENIENCE USE THIS HANDY SCALE OF NET COSTS IN PLANNING YOUR ADVERTISING INVESTMENT

Form of contract	Average or minimum weekly net cost	Average or minimum monthly net cost	Total annual net cost	Total annual space (inches)	Net rate
2 inches weekly	$4.68	$18.72	$234.00	100	$2.34
6 inches weekly	[1] 13.50	[1] 54.00	675.00	300	2.25
350 inches with 20 inches monthly	17.70	[1] 50.58	885.15	350	2.529
350 inches annually	18.45	76.91	922.95	350	2.637
12 inches weekly	[1] 26.46	[1] 105.84	1,323.00	600	2.205
750 inches with 45 inches monthly	36.59	[1] 109.76	1,829.25	750	2.439
750 inches annually	38.07	158.63	1,903.50	750	2.538
1,250 inches with 75 inches monthly	58.50	[1] 175.50	2,925.00	1,250	2.34
1,250 annually	60.75	253.12	3,037.50	1,250	2.43
30 inches weekly	[1] 64.53	[1] 258.12	3,226.50	1,500	2.151
2,500 inches with 150 inches monthly	112.50	[1] 337.50	5,625.00	2,500	2.25
2,500 inches annually	[1] 116.55	[1] 485.63	[1] 5,827.50	2,500	$2.331
60 inches weekly	[1] 126.90	[1] 528.75	6,345.00	3,000	2.115
5,000 inches with 300 inches monthly	162.00	[1] 648.00	10,800.00	5,000	2.16
5,000 inches annually	233.44	933.75	11,205.00	5,000	2.241
120 inches weekly	[1] 247.32	[1] 1,483.92	12,366.00	6,000	2.061
189 inches weekly	[1] 382.73	[1] 1,594.69	19,136.25	9,450	2.025
10,000 inches with 600 inches monthly	414.00	[1] 1,242.00	20,700.00	10,000	2.07
10,000 inches annually	430.20	1,792.50	21,510.00	10,000	2.151
350 inches weekly	[1] 685.65	[1] 2,742.60	34,282.50	17,500	1.989
500 inches weekly	[1] 976.50	[1] 3,906.00	48,825.00	25,000	1.953
750 inches weekly	[1] 1,437.50	[1] 5,750.00	71,875.00	37,500	1.917

[1] Denotes minimum weekly or monthly cost. Other figures are average cost per week or per month.

TUNDRA TIMES ADVERTISING RATES

Reg. display ads: $2 per column inch.
Business directory: $1.50 per column inch.
Half page: $67.50.
Full page: $128.
Classified: 35 cents per line: 1st insertion; 25 cents thereafter
Legal advertising: 25 cents per line: 1st insertion; 20 cents thereafter.

DISPLAY ADVERTISING RATES

	Per inch
Monthly rates:	
10 inches	$2.70
20 inches	2.60
30 inches	2.50
40 inches	2.40
50 inches	2.30
60 inches	2.20
70 inches	2.10
80 inches	2.00

Note: Monthly rates will be determined by the number of inches used during the month.

Double truck rates: One full column, 16 inches, will be added to two pages for a total of 176 inches for a double truck ad.
National advertising rate: Per line, $0.20.
Political and propaganda: Cash with copy, this is required by U.S. Public Law 722. Charged at normal display rate.

SOUTHEAST ALASKA EMPIRE

Guaranteed position charge: 10 percent.
Repeat ad discount—Ads 42 inches or larger may be repeated 1 time at half the earned rate within the same billing period if no changes in copy are made.
Business directory listing—2 inches, 3 times a week, 6 months contract, $25 per month.
Preprint insert charges.—30 percent of earned rate plus $30 handling fee, figured on a full page minimum. Insert must show "Supplement to S. E. Alaska Empire" in upper right hand corner of supplement front page.
Save—A big 5 cent per col. inch. A 5 cent per inch discount may be taken if paid by 10th of month following billing date unless an unpaid balance is due.
Advertising rates open rate $2.60 per col. inch National line rate: 19c per agate line.
Contract rates—Daily contract rate 4 col. inch minimum (Per col. inch) $1.55.

YEARLY CONTRACT BULK RATES—FOR SEASONAL ADVERTISERS

Column inches	Billed rate
1,200 to 2,999 inches per year	$1.85
3,000 to 5,999 inches per year	1.75
6,000 to 8,999 inches per year	1.65
9,000 to 10,000 inches per year	1.55
Full page or more weekly	1.35

YEARLY CONTRACT RATES ON MONTHLY BASIS—FOR CONSISTANT ADVERTISERS

Column inches	Billed rate
25 to 99	$1.95
100 to 249	1.85
250 to 499	1.75
500 to 749	1.65
750 to 849	1.55
Full page or more weekly	1.35

20 percent discount granted to charitable and nonprofit organizations.

DISPLAY ADVERTISING RATES—EFFECTIVE NOV. 1, 1969

	per column inch
Open—without contract	$3.00

ANNUAL CONTRATCS FOR WEEKLY SPACE

At least 4 inches each of 50 weeks	2.32
At least 8 inches each of 5u weeks	2.20
At least 15 inches each of 50 weeks	2.12
At least 30 inches each of 50 weeks	2.05
At least 60 inches each of 50 weeks	1.98
At least 100 inches each of 50 weeks	1.92
At least 172 inches each of 50 weeks	1.88
At least 344 inches each of 50 weeks	1.84
At least 500 inches each of 50 weeks	1.80
At least 750 inches each of 50 weeks	1.76
At least 1,000 inches each of 50 weeks	1.72
At least 1,500 inches each of 50 weeks	1.68

ANNUAL CONTRACTS FOR BULK SPACE, WITH AND WITHOUT MINIMUM MONTHLY SPACE

300 inches within 1 year	$2.65
With at least 15 inches every month	2.55
500 inches within 1 year	2.54
With at least 30 inches every month	2.45
1,000 inches within 1 year	2.44
With at least 60 inches every month	2.35
1,500 inches within 1 year	2.34
With at least 90 inches every month	2.25
2,500 inches within 1 year	2.24
With at least 150 inches every month	2.16
3,500 inches within 1 year	2.15
With at least 210 inches every month	2.07
5,000 inches within 1 year	2.08
With at least 300 inches every month	2.02
10,000 inches within 1 year	2.03
With at least 600 inches every month	1.95
15,000 inches within 1 year	1.96
With at least 900 inhces every month	1.89
25,000 inches within 1 year	1.90
With at least 1,500 inches every month	1.83
35,000 inches within 1 year	1.84
With at least 2,100 inches every month	1.79

MONTHLY EARNED RATES WITHOUT CONTRACT—FOR TOTAL SPACE USED IN 1 CALENDAR YEAR

Up to 30 inches—Open rate	$3.00
30 to 299 inches	2.65
300 to 499 inches	2.50
500 to 999 inches	2.40
1,000 to 1,749 inches	2.30
1,750 to 2,999 inches	2.20
3,000 to 4,999 inches	2.10
5,000 inches or more	2.00

EXTRA CHARGES FOR COLOR

Black and 1 color; no minimum:	
Up to 1 page	$65.00
Double truck	90.00
Black and two colors; 70 inch minimum:	
Up to 1 page	110.00
Double truck	160.00
Black and 3 colors; 70 inch minimum:	
Up to 1 page	160.00
Double truck	240.00
Front page 2d sec., 2 cols. by 5 inches only; flat	50.00
Legal and public notices; per line	.30

ANCHORAGE DAILY NEWS, ANCHORAGE, ALASKA

RETAIL STORE ADVERTISING RATES, EFFECTIVE MAY 1, 1971

	Per column inch		
	Daily	Sunday	Wednesday
Open—Without contract	$1.31	$2.10	$2.25

ANNUAL CONTRACTS FOR WEEKLY SPACE

	Per column inch		
	Daily	Sunday	Wednesday
At least—			
4 inches each of 50 weeks	$1.05	$1.80	$1.95
8 inches each of 50 weeks	1.00	1.65	1.80
15 inches each of 50 weeks	.95	1.55	1.72
30 inches each of 50 weeks	.91	1.45	1.65
60 inches each of 50 weeks	.87	1.35	1.56
100 inches each of 50 weeks	.84	1.25	1.48
172 inches each of 50 weeks	.80	1.15	1.37
350 inches each of 50 weeks	.75	1.10	1.24
500 inches each of 50 weeks	.71	1.07	1.21
750 inches each of 50 weeks	.67	1.05	1.19
1,000 inches each of 50 weeks	.63	1.03	1.17
1,500 inches each of 50 weeks	.60	1.00	1.16
Per page (21" X8 columns)	176.40	302.40	327.60
	168.00	277.20	302.40
	159.60	260.40	288.96
	152.88	243.60	277.20
	146.16	226.80	262.08
	141.12	210.00	248.64
	134.40	193.20	230.16
	126.00	184.80	208.32
	119.28	179.76	203.28
	112.66	176.40	199.92
	105.84	173.04	196.56
	100.80	168.00	194.88

COMBINATION PAGE RATES

Wednesday/ Sunday or Sunday/ Wednesday	Wednesday and 1 other weekday in same week	Sunday and 1 other weekday except Wednesday	Any 2 days in 7 except Wednesday or Sunday
$574.63	$459.65	$433.80	$321.79
523.73	425.05	406.03	303.61
492.01	401.69	376.74	285.88
462.27	381.70	352.04	271.40
428.85	358.10	327.84	256.43
394.34	335.08	307.23	242.67
355.50	306.10	283.38	225.72
321.18	273.09	253.62	205.89

Wednesday/ Sunday or Sunday/ Wednesday	Wednesday and 1 other weekday in same week	Sunday and 1 other weekday except Wednesday	Any 2 days in 7 except Wednesday or Sunday
$306.48	$258.05	$235.99	$190.88
295.30	245.20	220.19	176.66
283.38	231.84	204.42	162.30
270.13	220.08	192.20	150.08

[1] Same full page and published 2 days in 7-day period with no copy change on second run except date of sale and store hours. To qualify for discount, combination running dates must be specified on original order. 50 percent of combination linage counts toward fulfillment of annual contracts for weekly space.

ANNUAL CONTRACTS FOR BULK SPACE, WITH AND WITHOUT MINIMUM MONTHLY SPACE

Within 1 year	Daily	Sunday	Wednesday
300 inches	$1.25	$1.90	$2.05
With at least 15 inches every month	1.20	1.76	1.91
500 inches	1.19	1.75	1.90
With at least 30 inches every month	1.15	1.66	1.85
1,000 inches	1.14	1.65	1.84
With at least 60 inches every month	1.10	1.59	1.78
1,500 inches	1.09	1.58	1.77
With at least 90 inches every month	1.05	1.52	1.71
2,500 inches	1.04	1.51	1.70
With at least 150 inches every month	1.00	1.47	1.64
3,500 inches	.99	1.46	1.63
With at least 210 inches every month	.96	1.42	1.57
5,000 inches	.95	1.41	1.56
With at least 300 inches every month	.93	1.34	1.47
10,000 inches	.92	1.33	1.46
With at least 600 inches every month	.90	1.24	1.39
15,000 inches	.89	1.24	1.38
With at least 900 inches every month	.87	1.17	1.32
25,000 inches	.86	1.16	1.31
With at least 1,500 inches every month	.84	1.11	1.28
35,000 inches	.84	1.11	1.28
With at least 2,100 inches every month	.80	1.05	1.24
40,000 inches	.80	1.05	1.24
With at least 2,500 inches every month	.72	1.02	1.20
60,000 inches	.64	1.02	1.20
With at least 4,000 inches every month	.60	.98	1.16
Per page (21"×8 columns)	210.00	219.20	344.40
	201.60	295.68	320.88
	199.92	294.00	319.20
	193.20	278.88	310.80
	191.52	277.20	209.12
	184.80	267.12	299.04
	183.12	265.44	297.36
	176.40	255.36	287.28
	174.72	253.68	285.60
	168.00	246.96	275.52
	166.32	245.28	273.84
	161.28	238.56	263.76
	159.60	236.88	262.08
	156.24	225.12	246.96
	154.56	223.44	245.28
	151.20	210.00	233.52
	149.52	208.32	231.84
	146.16	196.56	221.76
	144.48	199.88	220.08
	141.12	186.48	215.04
	141.12	186.48	215.04
	134.40	176.40	208.32
	134.40	176.40	208.32
	120.96	171.36	201.60
	107.52	171.36	210.60
	100.80	164.64	194.88

MONTHLY EARNED RATES WITHOUT CONTRACT FOR TOTAL SPACE USED IN 1 CALENDAR MONTH

	Daily	Sunday	Wednesday
Up to 30 inches	$1.31	$2.10	$2.25
30 to 299 inches	1.16	1.85	1.99
300 to 499 inches	1.09	1.75	1.87
500 to 999 inches	1.05	1.68	1.80
1,000 to 1,749 inches	1.00	1.61	1.72
1,750 to 2,999 inches	.96	1.53	1.65
3,000 to 4,999 inches	.91	1.47	1.57
5,000 and up inches	.87	1.40	1.50

EXTRA CHARGES FOR COLOR ADVERTISEMENT

	Additional
1 color and black	$25.00
2 colors and black	40.00
3 colors and black	55.00

Note: These rates apply to standard colors only. Special inks may be ordered at additional cost upon notice of at least 1 month prior to publication date. Advertiser will be billed for the difference in cost of specially ordered inks over standard inks. Color advertising copy and proof release deadline is 24 hours in advance of regular deadlines.

SOLID ADVERTISING SECTIONS

The following discounts from contract rates will be allowed when (1) 75 percent of the copy is in newspaper office 10 full days before publication, and (2) complete copy is in 5 full days before publication.

	Inches billed	Number of tab pages	Inches billed	Discount applicable (percent)
Number of full pages:				
4	672	8	560	5
6	1,008	12	840	7
8	1,344	16	1,120	10
10	1,680	20	1,400	10

RETAIL HI-FI (ROLL-FED PREPRINTS)

Billing at regular black and white rates.

PREPRINT INSERTS

	Daily	Sunday	Wednesday
8 page tabloid (4 full size pages)	$400	$500	$800
12 page tabloid (6 full size pages)	600	750	1,200
16 page tabloid (8 full size pages)	800	1,000	1,600

POLITICAL ADVERTISING

Regular commercial rates apply. Set as display advertising only. Must state "Paid political advertisement" and bear signature and information as prescribed by State election statutes. Payment must be made in full in advance.

AMENDMENT NO. 315

(Ordered to be printed and to lie on the table.)

Mr. DOMINICK. Mr. President, I send to the desk an amendment to S. 382, the Federal Election Campaign Act of 1971, and ask that it be printed. This amendment is aimed at correcting what I view as a great infringement on the rights of individual union members in the United States—the use of union dues funds by labor organizations for political purposes.

Direct use of union dues money for supporting presidential, senatorial, or congressional candidates in campaigns is now illegal under title 18, section 610, of the United States Code. However, labor leaders can and do use dues money in State and local elections; and, as we all know, it is quite simple to get around this law by setting up a separate committee to support political candidates. This is frequently accomplished with only the thinnest veil of disguise.

When this happens, the individual union member from whom these funds are obtained has no choice of how the moneys are to be used. The choice of financially supporting particular candidates is that of union leaders, not the individual union members.

The individual member is often put in the position of contributing to the support of a candidate with whom he does not agree. The only remedy available to a union member is to bring a law suit to get back part of his dues if he does not agree with the union leader's choice of candidates. This remedy is expensive, inadequate, and, in reality, impractical. The cost of such a law suit, even in the nature of a class action, would be many times that of the dues paid. The remedy is fine in theory; in reality, it is nonexistent.

Mr. President, my amendment is of particular importance in today's society where the political funds controlled by a large union coupled with the impact of today's sophisticated communications media could reverse the outcome of an election. My amendment would not halt a union from engaging in legitimate political activities involving particular issues or legislation. The unions, like other organizations, have a right to engage in activities which will further legitimate goals and objectives of their members. This is the job which is assigned to the union by the employees it represents. However, it is not the job of the labor union to use dues money which is often collected involuntarily under a union security agreement for the selection of officeholders. My amendment would only preclude the use by a labor organization or any other group or person of moneys collected from employees who are required to pay dues, fees, or assessments as a condition of employment.

The net effect of my amendment would be to allow all union members to contribute or not contribute to the political cause of their choosing. This would be accomplished without dilution of legitimate union political influence.

The amendment is a fair and equitable solution to the serious problem of abuse of individual political rights. I hope my colleagues in the Senate will support such necessary legislation.

EMERGENCY LOAN GUARANTEE ACT OF 1971

AMENDMENT NO. 309

(Ordered to be printed and to lie on the table.)

EMERGENCY LOANS FOR U.S. BUSINESS AND AGRICULTURE

Mr. McGOVERN. Mr. President, the proposed Federal guarantees of a $2 billion loan to the Lockheed Corp. graphically demonstrate the abuse of the American taxpayer which is perpetrated for the benefit of the oft-decried but still flourishing military-industrial complex. In the words of John Kenneth Galbraith, the loan guarantees at issue represent nothing so much as "socialism for the rich."

Approval of these guarantees will commit this Government to act vigorously to protect a mismanaged corporation's profits, many of which have been accrued from bungled Government contracts. It will insure the profits of the 24 major banks which have pleaded so touchingly for these guarantees. But it will also continue this Nation's sad neglect of the needs of small business, minority-run enterprise, and small farms. And the gnawing question whether Lockheed can

ever be a solvent, stable company under the present management in the present economy would be ignored.

It is clear that the Federal Government has no business in bailing out big business. Just this sort of intertwining of business and government warps policy decisions to the extent that the interests of the taxpaying citizens are ignored. The integrity of the Federal Government should not be compromised by rushing into the breach every time a major corporation flounders.

However unpleasant such a policy of loan guarantees appears when considered in the abstract, it becomes odious in the sordid case of the Lockheed Corp. This company has been living off Government contracts for the last 20 years, during which time it has not built a successful large commercial airplane.

Lockheed has to its credit one of the most egregious abuses of a public contract in recent history: the C–5A cargo plane. The C–5A contract was awarded to Lockheed because the company deliberately underbid by 10 percent the sum required to complete the contract, misleading the Defense Department. Lockheed went on to pile up a $2 billion cost overrun, while the unit cost of the C–5A skyrocketed from $23 million to $60 million apiece. And the General Accounting Office recently reported that the giant cargo plane was unable to perform up to requirements.

Lockheed has also recorded smaller violations of the public trust. The Cheyenne helicopter program, which was scheduled to have been deployed by now, is still in the research and development stage due to the company's underestimation of cost and technical problems. A severe overrun has also been incurred on the SRAM rocket motor, which according to the GAO is still technically deficient. Both programs had fixed price contracts which were renegotiated to Lockheed's advantage.

None of this is surprising considering the recent disclosure by a former Lockheed executive of the rampant inefficiency and corporate irresponsibility within the company. For this is but a partial presentation of the mass of evidence that does not merely cloud Lockheed's reputation but which indicts the company for extreme incompetence and mismanagement.

The corporate picture does not brighten when we turn to the specific project in question—the L–1011 or Tri-Star commercial jet. Lockheed has had $400 million in loans until now for the project. The banks have refused further loans without Federal guarantees. They apparently recognize that their money is bound to be misallocated and misspent if they grant the loans. And they can further see that even if the Tri-Star is finally completed, the company only has 110 firm orders for commercial sale, well under the 300-plus mark which must be reached for the company to break even on the project.

No bank would survive if it loaned money under such circumstances. And why should the Federal Government make the loan? This Government has already put up $500 million in assets as collateral for loans for Lockheed for the C–5A. Should the company go bankrupt—an eventuality which should never be dismissed when dealing with this company—it is highly unlikely that the Government will be able to recover its funds. And Lockheed does not even say that this $250 million i all it needs to complete the Tri-Star program, leaving the door open for future loan applications.

The one appealing argument the proponents of this measure have put forth is the protection of 31,000 Lockheed jobs through the guarantee of these loans. But a better way to protect these jobs would be to have the company declare bankruptcy, reorganize, and rid itself of the present catastrophic management. One advantage of capitalism is that an inefficient company that cannot operate profitably must change or go under. But Congress is now asked to prevent this alternative from arising. Under such bankruptcy proceedings most of Lockheed's job openings would remain. And it is difficult to take seriously the administration's interest in providing jobs in light of the recent veto of a public works bill that would have established 200,000 jobs in the construction industry.

Perhaps, though, we should look at the situation through the eyes of Lockheed's competitors, and their employees. Both McDonnell-Douglas and Boeing are under great financial pressure, and will undoubtedly be at an unfair competitive disadvantage if Lockheed gets its loan guarantees. Shall this Government then guarantee loans for the other two companies to protect their jobs? Or shall we restrict ourselves to insuring the profits of only one company in the field? In either case the result would be an undermining of any element of free enterprise left in the aircraft industry.

An attempt has been made to obscure the purpose of the legislation by asking for $2 billion in loan guarantees, ostensibly for any large business which is in similar trouble. That does not change the fact that this legislation is designed to save Lockheed. It compounds the harm that will be done by this measure, however, by opening the door for future guaranteed loans to future Lockheeds. Earlier we were presented with the possibility of saving one company: now we see that the Federal Government is to become the lifeguard for all companies.

Thus, I oppose this measure. The Government should not be in the business of helping giant corporations to continue their incompetence. The job issue which has been raised concerns me, but is not so serious as Lockheed would have us think when compared with the dangerous precedents which would be set. This measure is one way to hasten the disappearance of free enterprise in this country as mammoth, inefficient, and Government-subsidized companies take over the landscape.

However, because the matter has progressed to the floor of the Senate, I am asking for some measure of economic justice by introducing an amendment to establish an equal $2 billion amount of loan guarantees for small businesses and farmers.

Just as Lockheed faces problems—mostly of its own making—many farmers and merchants are suffering from the effects of inflation and tight credit. There are now more than 10,000 small businesses across the Nation which are in danger of collapsing in this time of inflation-recession. Approval of this bill may clinch the failure of these companies, for banks will again be encouraged to loan to major corporations, which are protected by the Government, rather than to small businesses, which are at the mercy of an unfriendly marketplace.

This Nation must begin to address itself to the issue of the quality of the life we all share. We must decide now whether as a matter of national policy we will show preference for the assembly line over the small shop, corporate agriculture over the family farm, chainstores over neighborhood merchants. The resources of this Nation would be appropriately and profitably spent aiding the small businessman, the small farmer, and the minority businessman, all of whom are discriminated against by the structure of our financial and economic system. Two billion dollars of loan guarantees would go a long way toward helping the little man in our economy.

Surely, our values and our sense of justice have not been so perverted that we hasten to prop up Lockheed with its many failures and demonstrable irresponsibility in dealing with public moneys, while we abandon the sturdy entrepreneur who stands alone in industry, agriculture, and commerce. The economic deck is stacked stolidly against the individual, and this bill simply puts another ace up the sleeves of large corporations. I implore this body to spurn the attempt to make Government the handmaiden of big business.

The amendment which I am introducing would at least extend the same open hand to our farmers and small businessmen. For those who want to provide assistance to our major corporations—deemed "major" because of their size—it should not be difficult to recognize that we should also provide help to the small businessman and farmer who, in the aggregate, constitute the major underpinning of our economy.

Thus, in the name of economic justice, any Senator who supports the bill before us should have no difficulty in supporting this amendment.

Mr. President, I ask unanimous consent that the text of the amendment that I am introducing be printed in the RECORD at this point.

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

AMENDMENT NO. 309

On page 2, line 14, insert the following: "In the case of guarantees of loans to farm owners or proprietors of small businesses under section 4(a)(3), the Board may delegate its authority to consider and grant or deny loan guarantees under this Act to the Farmers Home Administration or the Small Business Administration."

On page 3, line 11, insert the following new paragraph:

"(3) The requirements of clause (1)(A) of this section shall not apply in the case of a loan guarantee to a farmer owner or proprietor of a small business within the definition of section 3, United States Code 632."

On page 7, line 25, strike out "$2,000,000,000" and insert in lieu thereof "$4,000,000,000".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 159

At the request of Mr. SAXBE, the Senator from Alaska (Mr. STEVENS) and the Senator from Colorado (Mr. ALLOTT) were added as cosponsors of amendment No. 159, intended to be proposed to S. 1657, the International Security Assistance Act of 1971.

AMENDMENT NO. 238

At the request of Mr. PEARSON, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of amendment No. 238, intended to be proposed to S. 382, a bill to establish a Federal Elections Commission.

AMENDMENT NO. 245

At the request of Mr. BAKER, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of amendment No. 245, intended to be proposed to S. 2201, a bill to amend the servicemen's group life insurance program to extend conversion privileges and insurance coverage from 120 days to 1 year after discharge or release from active duty or active duty for training.

NOTICE CONCERNING NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Rodney Doane Bennett, Jr., of Maryland, to be an examiner in chief, U.S. Patent Office, vice Isaac C. Stone, resigned.

Brereton Sturtevant, of Delaware, to be an examiner in chief, U.S. Patent Office, vice George A. Gorecki, resigned.

On behalf of the Committee on the Judiciary notice is hereby given to all persons interested in these nominations to file with the committee, in writing, on or before Wednesday, July 28, 1971, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, July 28, 1971, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nominations:

Paul Benson, of North Dakota, to be U.S. district judge for the district of North Dakota, vice Ronald N. Davis, retiring.

C. Stanley Blair, of Maryland, to be U.S. district judge for the district of Maryland, vice a new position created by Public Law 91-272, approved June 2, 1970.

Charles L. Brieant, Jr., of New York, to be U.S. district judge, southern district of New York, vice John F. McGohey, retired.

Albert V. Bryan, Jr., of Virginia, to be U.S. district judge, eastern district of Virginia, vice a new position created by Public Law 91-272, approved June 2, 1970.

Malcolm M. Lucas, of California, to be U.S. district judge, central district of California, vice a new position created by Public Law 91-272, approved June 2, 1970.

Lawrence T. Lydick, of California, to be U.S. district judge, central district of California, vice Thurmond Clarke, deceased.

Herbert F. Murray, of Maryland, to be U.S. district judge for the district of Maryland, vice Roszel C. Thomsen, retired.

Spencer M. Williams, of California, to be U.S. district judge, northern district of California, vice a new position created by Public Law 91-272, approved June 2, 1970.

Joseph H. Young, of Maryland, to be U.S. district judge for the District of Maryland, vice R. Dorsey Watkins, retiring.

William H. Timbers, of Connecticut, to be U.S. circuit judge, second circuit, vice Robert P. Anderson, retired.

David Luke Norman, of the District of Columbia, to be an Assistant Attorney General, vice Jerris Leonard.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from Arkansas (Mr. MCCLELLAN), the Senator from Nebraska (Mr. HRUSKA), and myself as chairman.

NOTICE OF HEARINGS BY SUBCOMMITTEE ON LABOR

Mr. WILLIAMS. Mr. President, I would like to announce that the Subcommittee on Labor will hold public hearings beginning July 27, 1971, in room 4232 of the New Senate Office Building to receive the testimony of persons who have participated in private pension plans of private industry and who for various reasons have not received the pension benefits they believed they would receive.

NOTICE OF HEARINGS OF THE SELECT COMMITTEE ON EQUAL EDUCATIONAL OPPORTUNITY

Mr. MONDALE. Mr. President, in accordance with the requirements of section 111(a) of the Legislative Reorganization Act of 1970, I announce that the Select Committee on Equal Educational Opportunity will hold hearings on July 27, 28, and 29, 1971, at 10 a.m. in rooms 1318, 1202, and G-308 New Senate Office Building respectively on urban education in the black community.

ADDITIONAL STATEMENTS

SUSPENSION OF AMERICAN AID TO PAKISTAN

Mr. SAXBE. Mr. President, I take great pleasure in announcing that the senior Senator from Colorado (Mr. ALLOTT) has agreed to cosponsor the Saxbe-Church amendment suspending American aid to Pakistan until adequate relief measures are undertaken in East Pakistan. In agreeing to cosponsor this amendment the Senator from Colorado stated:

> It appears that West Pakistan is more concerned with military measures against East Pakistan, and is uninterested or incompetent regarding the desperate business of alleviating the suffering of East Pakistan.
>
> We cannot control the actions of the West Pakistan government, but we should insist that American aid be used to alleviate the suffering, not intensify it.

Mr. President, I am aware that Pakistan may have been instrumental in arranging the Kissinger trip to China. I hope that we were not required to pay too high a price for Pakistan's role in this affair.

Mr. President, I invite the attention of Senators to further press accounts on Pakistan and ask unanimous consent that the articles be printed in the RECORD.

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

[From the Washington Evening Star, July 20, 1971]

BENGALI ADVOCATES OF PEACE WARNED ABOUT COLLABORATION

(By Henry S. Bradsher)

DACCA, EAST PAKISTAN.—Kondukar Mahaburbur Rahman does not sleep at home any more. It is unsafe.

He moves about warily during the daytime. At night he hides in the home of one friend or another. He is afraid of being murdered.

Rahman is a member of the peace committee at Jhikargacha, a small town near the Indian border on the road to Calcutta. Peace committees have been established all over East Pakistan since the army crackdown to collaborate with martial law authorities.

Rahman said he had received a threatening letter signed by the East Pakistan Communist party warning against collaboration.

Two peace committee chairmen in nearby villages have been killed, he said. He's worried.

LETTER OF WARNING

To the south, at Khulna, the top civil official for the southwestern part of East Pakistan, Commissioner Hasan Zaman, has received an unsigned letter warning him to quit working for the martial law regime or he would be killed. The chief police official for the area also was threatened. Both live behind armed guards.

The clandestine radio of the "Bangla Desh government," now—exiled opponents of rule from West Pakistan, frequently reports "executions" of peace committee members and other alleged enemies of the East Pakistani people.

While peace committee members are afraid of assassination, residents of a number of villages say they are afraid of peace committee members as well as the army.

ACCUSATION MADE

The peace committee members are accused of using their positions to even old political scores and for common gangsterism.

According to some prominent Bengali leaders, the most discredited and disreputable men came forward after the initial bloodshed in March and April to offer their services to the army. "They are people who would do anything for money or a plane ticket to Geneva", one leader said.

Many members are politicians who were

wiped out when Mujibur Rahman's Awami League got 72 percent of the vote in last December's elections in East Pakistan. The League is now banned and Rahman is awaiting trial for treason.

President A. M. Yahya Khan has said by-elections will be held to fill the National Assembly seats of Awami League members whom the government thinks guilty of crimes.

GOVERNMENT GAINS

So far the government is known to have won over only about 20 of 160 Awami League members of the National Assembly. It hopes to pressure more into denouncing Mujibur Rahman, thus reducing its embarrassment at the lack of local support and limiting the number of by-elections.

Peace committee members apparently hope to win the by-elections and resume the political roles from which the voters dumped them in the free election Dec. 7.

The organizer of the peace committees was Khwaja Khairuddin, an old politician who got only 20 percent of the vote against "Sheikh Mujib" in Khairuddin's old Dacca constituency in December.

Khairuddin explained that the peace committees are supposed to provide communication between the people and the government.

FORMING AUXILIARIES

They are raising their own armed auxiliaries, he said.

Khairuddin estimated the number of peace committee members killed in the last two months at between 300 and 400.

He has been threatened and goes around Dacca with a carload of armed men.

The officer directing civil affairs in East Pakistan, Maj. Gen. Rao Farman Ali Khan, said the number of peace committee members killed was only about 100 and only 20 of them were important leaders.

But both a sampling of several areas and impressions of observers here suggest Khairuddin and right and the general was trying to play down the problem.

In Jessor district, where Jhikargacha is located, 421 committee members were reported killed in recent weeks. In Khulna district, 33 reportedly were killed.

These districts probably have higher than average tolls, but still the province-wide total seems high.

LITTLE MEANING SEEN

Gen. Farman said almost every Bengali working for or with the government in a prominent position has received a threatening letter. Therefore, he contended, the letters have little meaning—they would be more frightening if more selective.

This did not sound like the kind of reasoning with which Kondukar Mahaburbur Tahman would agree, but there was no chance to go back and try it out on him.

Unable to spread its forces around enough to protect all peace committee members, as well as all bridges and other important points in the province, the army has tried to protect them with terror.

There have been reports of retaliatory killings of villagers where peace committee members have been murdered. Although this could not be directly confirmed, it followed logistically from the announced policy of holding an area collectively responsible for anything that goes wrong in it.

REMINISCENT OF VIETNAM

The pattern of local representatives of the central authority having to sleep away from home in order to escape assassination is reminiscent of Vietnam.

The tests of security there is whether the village headmen or foreign advisers can sleep in their own residences.

But for all the atrocities of Vietnam, the Saigon government has never followed the practice of retaliating against the villagers when the headman gets murdered. There the assumption is that the villagers are likely to be as much in fear of and opposed to Viet Cong terror bands as the government's agents are.

Here, however, martial law authorities from West Pakistan seem to assume that underground assassins represent the feelings of the common people and the way to stop them is to bring pressure on the people.

[From the Washington Post, July 21, 1971]

REBELS MOVE FREELY IN PAKISTAN

(By Lee Lescaze)

DACCA.—The guerrilla leader waited until two foreign reporters had been in the village for about 10 minutes before he appeared from behind a house, unarmed, but followed by a young man carrying a rifle.

He had agreed to the meeting on the condition that neither his name nor the name of the village he now lives in be reported.

He appeared to be so confident of his safety that no security guards were posted on the muddy road the reporters walked to reach him.

The Pakistan government said the only significant Liberation Army (Mutki Fauj) guerrilla elements fighting for East Pakistan's independence operate from sanctuaries across the Indian border, making hit-and-run raids.

The guerrilla, who is deputy leader of a platoon of 37 men, freely conceded that almost all his ammunition and weapons come from India and that he once took his unit into India after a successful ambush of army soldiers that he knew would bring reprisals.

However, he says that his band has been living in the same predominantly Moslem village since it returned from India June 29 and intends to stay well inside East Pakistan.

His men avoid the main roads some 5 miles from their base during the daytime, but otherwise they move freely, the guerrilla said. The night belongs to them and in the day, they have no fear of encountering soldiers in the waterlogged paddies and jute fields of this low-lying land.

They get no pay, but occasionally receive money from across the border which they use to pay for food. Some, the guerrilla explained, is not paid for. "We go from house to house picking up voluntary contributions."

He said the local farmers didn't mind supporting his men and were happy to have them in the village. Residents of a nearby village said later that they resented giving up scarce food, but that they preferred the guerrillas to the army.

All of the platoon's leaders are veterans of the Bengali regiments of the Pakistan army. The deputy leader served for 21 years as a noncommissioned officer before he retired a year ago.

He said that seven platoon members had regular military backgrounds and 30 are students recruited locally after the Pakistan army struck and the civil war began March 25.

The platoon operates independently, but has frequent contact with another platoon of roughly equal size that lives in a nearby village.

They receive no orders from higher military authorities, but send written reports of their actions by runner across the border to guerrilla camps in India, he said.

His men have sten guns, light machine guns and adequate supplies of ammunition, dynamite and mines, the guerrilla leader said. He added they have no shortage of medicine.

At the moment he is not interested in finding new recruits and appears to rely for ultimate victory on large numbers of guerrillas now training in India. He maintains that 200,000 will shortly move across the border to attack the army in his sector, but that figure seems enormously exaggerated.

He is suspicious of strangers and explained that if a man arrived in the village wanting to enlist, he would be shot as a Pakistan army agent. He was also determined that his platoon will execute any soldier taken prisoner, but none have been captured alive yet.

The largest action his unit has participated in was an ambush that he and other local residents believe killed more than 20 Pakistani soldiers in April.

It was after that fire-fight that he retreated to India, where he was housed and cared for by the Indian army. From the battles he watched at the border, he confirmed Pakistan's allegation that Indian artillery and mortars often fire across the border in support of guerrilla attacks on the Pakistan army.

Since returning to East Pakistan, his platoon has been relatively inactive considering their freedom of movement in a generally undefended countryside.

They ambushed an army truck and believe they wounded one soldier. Most recently, they raided a police station and captured 13 rifles without suffering or inflicting any casualties after the sentry fled.

The deputy platoon leader says that his unit has not suffered any casualties since the war began and that no one has deserted from his command.

He was reticent about future plans, but made it clear that his men will use their dynamite and mines to cut roads in an effort to further limit the movement of the army which relies on its jeeps and trucks and rarely ventures into the countryside.

In addition to harassing the army and police, the guerrillas want to assassinate members of the Peace Committees—groups of local people who work with the army and often decide for the army which local villagers are reliable and which should be arrested or shot.

Reports of Peace Committee members being killed are common throughout East Pakistan. The deputy platoon leader's men have caught and murdered one.

Their victim had ordered the murder of two men and, by the guerrilla leader's account, was not unprepared for their retribution.

He asked for an hour to say good-bye to his mother and after that time had elapsed, he emerged from the house and faced a "people's court" the guerrillas had hastily assembled by waking up several neighbors.

The unsurprising verdict was guilty and the guerrillas led him about a mile to the main road, where they shot him and left his body by the roadside.

Like the Pakistan army, the guerrillas have given themselves the power of life and death. The leader remarked that he had spent the last night unsuccessfully looking for another Peace Committee member who is marked for assassination.

He believes in the outlawed Awami League of Sheikh Mujubur Rahman which won Pakistan's first national election last December.

He sees the guerrilla movement as the military army of the Awami League and is confident that the Awami League will become the ruling party when East Pakistan wins its independence.

He spoke unemotionally about his guerrilla activities and his view of the future, predicting that he would not have to live in East Pakistan's villages for long.

So far, the guerrilla leader has run a leisurely, relatively painless underground resistance struggle since March 25.

Most observers here do not share his conviction that the civil war will end soon. His platoon is likely to see much more fighting before there will be a chance that his goal can be achieved.

PAKISTAN REBELS BLAST DACCA POWER PLANTS

DACCA, EAST PAKISTAN.—East Pakistani rebels carrying automatic weapons stormed three power plants in Dacca and blasted them out of commission, leaving major industrial

and residential areas without electricity today.

Officials of the East Pakistani Water and Power Development Authority said the bombings were carried out almost simultaneously last night in three different parts of the city, knocking out more than half the electricity-generating capacity of the East Pakistan capital.

The officials said three guards were wounded at an old substation near the Sha Agh Hotel.

Officials at a second substation at Malibagh Hulberg said at least half a dozen men carrying sten guns ordered five police guards to drop their weapons and blew up the transformer at 8:30 p.m.

Also knocked out of action was a 30-megawatt station in the Ullon district.

[From the New York Times, July 21, 1971]

McNAMARA APOLOGY TO YAHYA REPORTED

KARACHI, PAKISTAN.—President Agha Mohammad Yahya Khan was reported today to have received a letter from Robert S. McNamara, president of the World Bank expressing regret over the unauthorized publication in the American press of a World Bank report on the situation in East Pakistan.

Receipt of the letter was reported by the Associated Press of Pakistan, the official press agency. The agency said the report, prepared by a World Bank team after a visit to Pakistan, was meant for private information of the 11-nation consortium that coordinate aid for Pakistan. It said that Mr. McNamara had found the document "biased and provocative" and had placed restrictions on its circulation.

Excerpts from the report were printed in The New York Times of July 13, accompanied by a Washington dispatch disclosing its contents.

The agency said that "vested interests behind the biased and tendentious report defied the ban and leaked out portions of the draft report they thought damaging to Pakistan and embarrassing to the United States Government."

The agency quoted "political quarters" in Rawalpindi, Pakistan's interim capital, as having said that the World Bank mission had "swallowed the Indian propaganda hook, line and sinker" and had produced a "highly tendentious and politically motivated report."

RECYCLING URBAN ORE

Mr. MOSS. Mr. President, I call the attention of my colleagues to an article appearing in yesterday's editions of the Washington Post. It describes some promising projects aimed at converting "trash" into cash. For in reality, that "trash" is our largest unused natural resource. As we continue to deplete our other resources, we will surely want to explore the possibilities of a resource that is growing day by day. With new techniques such as those described in this article, it should soon be possible to begin "mining" our solid waste on a large scale and at a substantial profit.

At this point, I ask unanimous consent that the text of the article be printed in the RECORD.

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

URBAN ORE: AN UNTAPPED NATURAL RESOURCE

(By David Mahsman)

America spends $4.5 billion annually to bury something worth millions of dollars.

It's called "urban ore" by the director of the U.S. Bureau of Mines Research Center in College Park, and he says it's America's only growing natural resource at a time when other such resources are being consumed to the point of extinction.

Max Spendlove is not referring to copper, gold or silver. He is talking about refuse—tin cans, old bottles, everything that the American housewife throws out as trash. A few miles away from the bureau's center, a bureau pilot plant in suburban Edmonston is proving the ultimate value of "urban ore."

Since November, 1969, the Edmonston pilot plant, the only one of its type in operation, has been taking incinerator residue—what is left after urban waste is burned—from Alexandria and other cities, and recycling the residue, separating its component parts—glass, iron and nonferrous metals such as aluminum and zinc.

In the works is a new plant that will take raw, unburned refuse and do the same thing, recovering paper and plastics in the process.

The project was set up to prove that reclamation is both feasible and commercially attractive for areas with populations at least of 500,000. Martin Stanzyck, supervising metallurgist at the pilot plant, says the processing cost is about $4 a ton. But he says the products from the recycling process will sell for about $15 a ton.

The initial cost of setting up a recycling plant for an area of 500,000 population is estimated by Stanczyk at $1.3 million. The plant could process about 250 tons of incinerated residue a day, he says, and the $11 profit per ton would eventually offset the cost of the plant and the processing.

Francis Palumbo, a project chemist, sees two immediate and interrelated problems for recycled waste: the lack of a market for reclaimed products and consumer aversion to the term "secondary materials."

But Palumbo, along with other project officials, says that these are temporary problems at best and that recycling is the wave of the future.

Officials feel this will be particularly true when the raw refuse recycling plant—which operates without an incinerator—is developed. Paul Sullivan, coordinator for the Edmonston project, says the new plant should be open in three months.

Raw refuse recycling plants will be designed to serve areas of under 500,000 population. "In six months, we'll know if we're headed in the right direction," said Sullivan.

Officials estimate the cost of building a raw refuse recycling plant will be about the same as constructing an incinerator to handle the same amount of refuse. Paper and plastic will be the principal items reclaimed by such a plant.

Spendlove says that potential uses of reclaimed paper are "tremendous."

It can be used, Spendlove said, as a fuel or as wallboard or packing material. "The Agriculture Department has a process for making it into protein for cattle feed. It can be converted into crude oil or synthetic natural gas.

"There are probably a half-dozen ways to use it that we haven't thought of yet, because we haven't had to," he continued. "I'm convinced that as the problem (lack of resources) becomes greater, ingenuity will show itself in even more products."

"Urban ore is a phenomenal material," Spendlove asserts. "Based on the content of metals, it must be classed as a high-grade ore. And on the variety of different metals that it contains, it is different from anything that Mother Nature ever thought of.

"No smelting is necessary, because it is already in a metallic state," he said. "We're way ahead of the game from the start. Urban ore has a lot going for it—it's as good or better than other materials."

The Edmonston plant separates individual materials by dumping incinerator residue into a rotating drum where it is washed. The smaller pieces drop through the drum to various sized screens where they are further separated according to size. The larger material is shredded and put back with the smaller material.

The iron is then taken out with a magnet and the remainder is ground, the glass to powder and the nonferrous metals to flat flakes that are easily separated. The material is washed throughout the operation, and the water recycled.

The equipment used in the pilot plant is of the conventional type, is relatively inexpensive, and was installed by plant workers, according to project officials.

"Every piece of equipment is off the shelf, nothing exotic," said Palumbo. "That's the nice thing about it. There's no problem in building such a plant." Money for the project comes from bureau metallurgy research funds.

The products that can be made from recycled waste "are limited only by your imagination," Palumbo said. Almost anything that can be made with virgin materials can be made with reclaimed materials.

Among the products that can be made from the recycled glass, Palumbo said, are new bottles, bricks that are better than bricks made from new materials, insulation, roofing materials and "glassphalt."

"I'd like to build a model demonstration house made entirely of reclaimed glass," Palumbo said. "This would include bricks, insulation, roofing and, of course, windows."

There are other benefits, not the least of which is making some inroads against pollution.

For instance Spendlove feels recycling plants will save trees by reusing paper products, get rid of landfills, stop pollution from incinerator smokestacks and help cut down on the use of irreplaceable natural resources. In particular, raw refuse recycling plants will help combat air pollution. "I would guess that 80 per cent of the incinerators in the country are operating in violation of the air pollution codes," said Spendlove. "Raw refuse recycling plants could eliminate the need for expensive incinerators."

Project coordinator Sullivan sees the general aim of his project as one of "insuring an adequate supply of minerals and fuels at a reasonable cost. "It's a shame to waste materials like this when you can reclaim 80 to 85 per cent of waste material into a potentially useful form. Industry must have a continuous and reliable supply."

Supervising metallurgist Stanczyk notes that "the demand for metal is becoming greater and greater. We (the United States) mine enough lead and zinc for our own use, but we import more than we mine of the rest. We'll have to reclaim usable materials."

The lack of a market for the reclaimed materials, says Palumbo, stems largely from the fact that "no one has been able to do this before. This is the only plant of its type, and we can't produce enough for industrial use.

"If we could set up a full-scale demonstration plant in a metropolitan area," he continued, "we could make a market. For example, we could give reclaimed metal to U.S. Steel free. They would find a way to use it, and when they do, we have a market."

Palumbo added that many people are simply "turned off" by the thought of using something that someone else has already used.

"If you go to a store and see two identical coats, for example, but one says 'reprocessed wool' and the other 'virgin wool'," he said, "which are you going to take?

"And if you buy a bottle of Chanel, even though the bottle may cost only two cents, it had better look like $10. We've got to convince manufacturers that people are more interested in the Chanel than in the bottle," he said.

Business may lead the way in acceptance, officials said.

"The aluminum industry is willing to accept the material back without qualification. They have made such a commitment," said Spendlove. "The steel industry has made a similar commitment. The glass industry has shown a tremendous interest in doing their part in recycling. Industry will gear itself to the problem as the materials become available."

"Perhaps the first people to recycle goods were the people in the Stone Age," Spendlove said with a smile, "when they reclaimed their arrowheads from dead animals."

Sullivan said that as a result of the pilot project recycling plants "could go into operation tomorrow. We could invite engineering firms to bid (on designing plants) now, but everyone is broke."

In spite of the economic situation, Spendlove figures that some type of full-scale recycling plant will be in use within two years. For example, Chicago is working on a plant that will recover heat for steam from the city's incinerator. And New York City is looking into the possibility of attaching a plant similar to the pilot plant to its incinerator, "but the hangup is a lack of funds," he conceded.

Spendlove said that the technical acceptance of recycling "is moving at a heck of a fast pace," but that a full-sized demonstration plant will have to be developed before recycling meets with general acceptance. And until a full-sized plant is built, profitability can be based only on "technical speculation."

"But in the long haul we'll see a tendency toward recycling, probably of raw refuse," said Spendlove. "It may be several decades, even 30 years or more. But once we get the initial start, we will see recycling plants mushroom all over the country."

A COMMON BOND: CAPTIVITY

Mr. ROTH. Mr. President, barely 2 weeks have passed since we as a nation paused briefly to celebrate our independence. Appropriately, we pause this week to reflect upon the number and plight of other nations still captive, whose citizens do not and cannot appreciate the true meaning of freedom.

Freedom is a word we use loosely here in the United States, frequently without any thought as to what it means in comparison to other nations. I think it would be helpful to briefly compare the degree to which we enjoy freedoms with the degree to which the captive nations enjoy the same freedoms.

Here, we worship when, where, and how we please; elsewhere, there is no worship, much less any freedom of worship.

Here, we speak as we see fit, up to the point of "crying 'fire' in a crowded theater"; elsewhere, citizens are imprisoned.

Here, we publish information virtually without limit, including state secrets; elsewhere, there are no newspapers except those owned by the Government and no journalists except those who speak for the Government.

Here, we travel when, where, and how we wish; elsewhere, there is no travel without a Government permit.

Here we cannot be searched without a warrant, arrested without probable cause, held without a lawyer, tried without a jury, or imprisoned without a conviction; elsewhere, searches are by whim, arrests by direction, trials by secrecy, and imprisonment on suspicion.

In short, Mr. President, we are free; elsewhere, the people are captive. The list of nations is not long, but if it included only one name, that would be too many.

Some of the names are strange to most Americans, and do not lie easily on the tongue, but other names are familiar to us. Regardless of the familiarity or strangeness of their names, all of these nations are joined by a common—and I mean this quite literally—bond. Our job here in the United States is to maintain our own freedoms while helping to expand the freedoms elsewhere.

A PROPOSED FEDERAL WORKMEN'S COMPENSATION LAW

Mr. PELL. Mr. President, the General Assembly of the State of Rhode Island recently forwarded to me a resolution memorializing the U.S. Congress to establish a Federal workmen's compensation law.

As the members of the Rhode Island General Assembly suggested, there are many improvements that need to be made in the workmen's compensation legislation, and I would ask that my colleagues take cognizance of the excellent points raised in the resolution of the General Assembly of Rhode Island.

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

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

RESOLUTION, STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

A resolution memorializing the Congress of the United States to enact legislation establishing a federal workmen's compensation law.

Whereas, Dissatisfaction with the adequacy and administration of state Workmen's Compensation laws is becoming widespread; and

Whereas, An attempt was made in the 90th Congress to establish a National Commission on State Workmen's Compensation Laws which would undertake a comprehensive study and evaluation of state workmen's compensation laws and "methods of implementing the recommendations of the Commission"; and

Whereas, There are possibilities of the introduction of a bill setting minimum standards for all state workmen's compensation laws. One provision of which would be complete coverage of all occupations and employments, eliminating present exemptions based on the nature of the employer's business or the number of employees; now therefore be it

Resolved, That the Congress of the United States be memorialized to enact legislation establishing a Federal Workmen's Compensation Law; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the senators and representatives from Rhode Island in the Congress of the United States in the hope that they will use every effort to further the passage of a Federal Workmen's Compensation Law.

I, August P. La France, Secretary of State of the State of Rhode Island and Providence Plantations, hereby certify that the aforegoing is a true copy of resolution (H 2336) entitled "Resolution memorializing the U.S. Congress to establish a Federal workmen's compensation law" taken from the records in this office and compared with the original resolution (H 2336) passed by the General Assembly at the January Session, A.D. 1971 and approved by the Governor on the twenty-fifth day of June, 1971 and now remaining on file and of record in this office.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the State of Rhode Island, this twenty-eighth day of June, A.D. 1971.

AUGUST P. LA FRANCE,
Secretary of State.

PRESIDENT NIXON'S "JOURNEY FOR PEACE"

Mr. BELLMON. Mr. President, like many Americans, I was highly pleased at the announcement by President Nixon that he plans to make a personal visit to the People's Republic of China before May of next year.

As I have stated previously on the floor of the Senate, it is futile for this country to try to ignore the existence of a country which contains one-fourth of the world's people; and while we may regret the direction the Government of China took after World War II, the belligerent attitudes that have been allowed to develop between our two nations have not proven to be helpful to either the United States or China.

Therefore, I applaud the actions of President Nixon in pursuing new initiatives for peace with Mainland China—through visitor exchanges, relaxation of trade restrictions, and now through this dramatic demonstration of personal diplomacy.

While it would certainly be wrong to anticipate any immediate broad changes in the relationship between our country and one whose political ideologies are opposite from those most Americans believe in, President Nixon's plan is a positive forward step, and I wish him well in his "journey for peace."

It is my impression that the people of the State of Oklahoma also support the President's decision with regard to China, as well as his general conduct of foreign affairs. My feeling is based on results of a survey of public opinion conducted by our office. Questionnaries were distributed to households in every part of the State. Following are results based on tabulation of 8,800 questionnaires:

1. Do you approve of the Vietnamization policy?

Yes	6,495
No	1,926

Is it progressing rapidly enough?

Yes	4,366
No	3,259

2. Should the United States increase its relations with China?

Yes	5,266
No	2,562

If so, how?

Trade:	
Yes	4,299
No	684
Cultural exchange:	
Yes	4,284
No	493
Admit to U.N.:	
Yes	3,011
No	1,294

3. Do you agree with the present U.S. policy in the Middle East?

Yes	5,028
No	2,307

Should American troops be sent to the Middle East to enforce a cease-fire?

Yes	971
No	6,817

4. Do you feel that it is necessary for the United States to have troops stationed in—

Europe:	
Yes	4,732
No	2,501
Japan:	
Yes	3,184
No	3,034
South Korea:	
Yes	3,593
No	2,811
Vietnam:	
Yes	3,502
No	2,756

5. Last year Chile elected a Communist president. What should the United States do when this happens?

Intervene militarily:	
Yes	331
No	3,400
Cut off foreign aid:	
Yes	6,575
No	692
Withdraw recognition:	
Yes	1,997
No	2,194
Continue trade relations:	
Yes	3,466
No	1,187
Continue normal diplomatic relations:	
Yes	4,833
No	943

COMMEMORATION OF 80TH BIRTHDAY OF LEWIS S. ROSENSTIEL

Mr. CHILES. Mr. President, we hear and read much these days about the generation gap and the problems it creates for our society. But the generation gap has no place in the story of Lewis S. Rosenstiel, a Florida senior citizen with a real understanding of young people and their problems and, more important, with a desire to help them.

I have selected today, July 21, to offer these comments because it is the anniversary of Mr. Rosenstiel's 80th birthday.

During his career years, Lewis Rosenstiel achieved peak success in the world of business, but I choose to center my remarks on the humanitarian side of his life—a life that is remarkable in its spirit and its direction. At age 80 he has a zest for living that overshadows most people of fewer years.

In 1968, Mr. Rosenstiel retired to Miami Beach, Fla., after founding and heading Schenley Industries for 35 years. Everyone thought he was putting himself out to pasture, but nothing could have been further from the truth. He was deeply concerned about the drug abuse problem, that it was killing and that it was destroying our most valuable natural resource—the young. So he got involved, launching a special project. He consulted authorities and youth alike to determine what he might do to best be of service. He determined that the four basic needs to cope with drug addiction are education, research, enforcement, and control. Believing that research is a government obligation, enforcement a police problem, and control both a government and nongovernment agency function, he decided to devote his energies to education.

Thus was born the Penny Parade Foundation, dedicated to educating pre-college-age young people in Dade County, Fla., to the dangers of drugs, working in cooperation with groups already functioning in the field. Mr. Rosenstiel has backed up his concern with a quarter of a million dollar investment in getting the foundation program started. He has consulted with the Psychiatric Institute Foundation of Washington, D.C., which has many years of service in the field, and plans to have the institute send psychiatrists to Dade County to educate young people who will then carry the message to their peers in the elementary, junior high, and senior high schools.

But Lewis Rosenstiel's devotion to the problems of others is not new. In 1944 he established the Lewis S. and Dorothy H. Rosenstiel Foundation to administer philanthropies in behalf of cancer research and other causes. He has donated $20 million to Brandeis University for research in biochemistry and for a medical-service research center. In addition $12 million has gone to the University of Miami to establish the University's Institute of Marine Sciences, and a million dollars or more each to the San Francisco Foundation, the Francis Cardinal Spellman Foundation, Mount Sinai Hospital, and Hebrew Union College-Jewish Institute of Religion.

Mr. Rosenstiel has served as a director of the United Jewish Appeal, a director of the Federation of Jewish Philanthropies of New York, and a trustee of Mount Sinai Hospital in New York.

Also noteworthy are some accomplishments by Mr. Rosenstiel's company under his leadership. In 1943 the company developed a commercial method of manufacturing penicillin and soon became a major producer of that drug which was so vital at that time of World War II. Later, the company also developed streptomycin, an important antibiotic, and also played an important role in the Korean conflict by developing a synthetic blood extender for treatment of shock and for fluid replacement.

Lewis S. Rosenstiel is truly a remarkable man who has done much for his fellow man but is not satisfied to rest on his past accomplishments. Mr. President, I offer these remarks in recognition and appreciation for this man's contributions to the people of his country and his world.

AMBASSADOR TASCA VISITS THE KING OF GREECE

Mr. PELL. Mr. President, I take this opportunity to congratulate Ambassador Henry Tasca and the Department of State on the recent visit of Ambassador Tasca to King Constantine.

This recognition by our Government of the important role of the King in Greek affairs is a great indication of the hope and prayers of the United States that Greece may soon return to its traditional democracy.

The Greek people should not be fooled by the pictures that they may see in their press of members of the junta and various American admirals and generals and civilian officials. They should not believe for 1 minute that the people of the United States approve of the junta and its present regime.

In fact, I would trust the Greek people recognize the deep-hearted wish of so many Americans for early resumption of the normal electoral process in Greece.

Moreover, Americans are asking themselves: If the junta believes they have the approval of the majority of its own people, why are they so afraid to hold an election?

In conclusion, I congratulate the administration and Mr. Tasca on the Ambassador's visit to the King of Greece and hope it will remove from the Greek people the thought that our people stand behind the cruel and arbitrary ruling junta in their country.

GENOCIDE TREATY WILL HELP SOVIET JEWRY

Mr. PROXMIRE. Mr. President, for some time there has been a bitter controversy raging between many people in this country and the Government of the Soviet Union concerning that country's treatment of its Jewish population. These individuals claim that there is an official policy of discrimination in Russia which seeks to eliminate its Jewish population. The Soviets claim that these charges are untrue, that the bad publicity is the work of a small group of "zionist conspirators," and that the Jews are, in fact, one of the most widely respected groups in the Soviet Union.

Recently, there have been long overdue efforts on the part of Congress to seek relief for Soviet Jewry. Unfortunately, we have not had firm ground to stand on because this is an internal matter of the Soviets. If the genocide treaty is passed, we will have the means to prove the allegations and if validated, punish those involved.

Under article VIII of the treaty, an impartial investigating board could be set up to see if the Soviet Union is indeed attempting to do away with their Jewish population. The provision reads:

> Any contracting party may call upon the competent organs of the United Nations to take such action under the Charter of the United Nations as they consider appropriate for the prevention and suppression of acts of genocide or any of the other acts enumerated in Article III.

Since 1967, I have spoken in support of the treaty daily on the floor of the Senate. I believe that now, more than ever before, it is the time to act on the genocide treaty.

TRIBUTE TO DR. D. C. GRIGGS

Mr. THURMOND. Mr. President, the death of my good friend, Dr. D. C. Griggs, of Pageland, S.C., brought to an end a lifetime of public service and unselfish devotion to the welfare of his neighbors.

Dr. Griggs gave his people 45 years of his professional life. Since 1926 he delivered 9,927 babies. That amounts to two babies every 3 days for 45 years. He

was known as "the scourge of sandhill paths" because of the many trips he made over poor roads, and sometimes, over no roads at all, to answer the calls of the sick.

Dr. Griggs was a family doctor in the truest sense of the word. Friends say he did not know the difference between 3 a.m. and 3 p.m. when someone was sick and needed him.

Perhaps the clearest demonstration of what this kind and highly esteemed man meant to his community was seen on the day of his funeral. All business places in Pageland closed between the hours of 4 and 5 p.m. as a mark of love and respect. The day before, hundreds of friends streamed to the funeral home to pay their last respects. The services were scheduled for 4 p.m., and, 20 minutes before that time, the sanctuary of the church was filled to capacity.

Despite his long hours of medical service, Dr. Griggs found time to serve his community in other ways. He was a deacon in the First Baptist Church of Pageland, and he served on the church's finance board for many years. His interest in education was expressed through his service on the District Four School Board. He also served as a South Carolina highway commissioner. He was a member of the Pageland Lions Club, the Pageland Chamber of Commerce, a Mason, a Shriner, and a director of the Peoples Bank & Trust Co.

Mr. President, South Carolina has lost a distinguished citizen, and I have lost a personal friend. Mrs. Thurmond and I join in extending our heartfelt sympathies to Dr. Griggs' wife, Gladys, and their fine children and brothers and sisters.

Several newspaper articles have been published recently concerning the many contributions Dr. Griggs made over his years of service. Three of these articles appeared in the Charlotte Observer of Charlotte, N.C. One of them was written by Jay Gross in the May 16 issue, nearly 6 weeks before the death of Dr. Griggs. The other two articles appeared in the July 1 edition after his death. A fine tribute was printed in the July 7 issue of the Pageland Journal of Pageland, S.C. In that same issue, a poem written by Judy Arant Lackey of San Antonio, Tex., appeared on the editorial page.

Mr. President, I ask unanimous consent that these articles be printed in the RECORD.

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

[From the Charlotte Observer, May 16, 1971]

PAGELAND'S DR. GRIGGS IS "TEMPORARILY" RETIRED—9,927 BABIES SINCE 1926

(By Jay Gross)

PAGELAND, S.C.—A new ceiling is going up in what was Kennington's Drug Store.

Across the street, a barbershop soon will get a new coat of paint after 20 years. The painters likely will paint over the lettering on the back room: "Operations."

The old drug store and the barbershop once housed the office of Dr. D. C. Griggs, Pageland's "temporarily" retired country doctor. More recently he used a four-bed clinic—the nearest thing Pageland has to a hospital—on S.C. 151.

Griggs, 68, moved here in 1926, fresh out of The S.C. Medical College at Charleston.

"I didn't have an office when I first came here," Griggs said. "I had to do all my practicing from behind the drug counter at Kennington's Drug Store."

When that got troublesome, Griggs moved to an upstairs office a few doors away.

"That was down there where the bank is, but I decided that anybody that could get up those stairs wasn't sick enough that they needed a doctor."

Then he moved into the barbershop. But until the mid-50s, when he built his clinic, the barbershop played second fiddle.

Griggs practiced much of his medicine in the rural areas.

Millon Tucker, a lumber dealer here, tells a story about how he went with Doc Griggs up to Charlotte some time back.

Seems the Doc had just bought a new Essex car, which was supposed to be guaranteed. But he'd worn it out in less than three months, joggling down Pageland's dirt and clay roads making house calls.

"I did most of my work in the country delivering babies—by candlelight or fireplace light, most of the time." When I was in the office, I'd see an average of fifty to seventy-five people a day."

Griggs practiced regularly till October of last year. Except on days for South Carolina football games. (Griggs got a pre-medical degree from the University of South Carolina.)

"There weren't many days I didn't go eighteen to twenty hours . . . I totaled up one time, and I've delivered 9,927 babies . . . you can't deliver that many babies and not work long hours."

That's three times as many babies as Pageland's population.

Griggs' father was in the lumber business. He brought the family to Chesterfield, S.C. from up in Virginia.

A doctor in Pageland had offices in McBee and Ruby, where the family lived, and he got the younger Griggs interested in medicine.

"They had a rock quarry here then, and they were always getting arms and legs and fingers knocked off, and he tried to tell me I could get enough patients from accidents alone," Griggs said.

But delivering babies seemed to be Griggs' principal business.

"There's some women here that I have delivered 12 babies for."

And Griggs even has a photograph of identical triplets he delivered six years ago.

"I'm proud of those children, because they like to died." Griggs said he got county agencies and local people to help out the family of the triplets.

"Their father was working at the sawmill for $18 a week," Griggs said, "and he had three other children. Bullington Mills donated diapers—lots of them, and the county board of health helped tidy up the house.

Griggs charged a flat $15 a baby when he started practicing back in '26. But he couldn't stick by it most of the time.

"I got paid off in potatoes and peanuts and hams, and anything else the people had. Fifteen dollars was hard to come by then."

Now, Griggs is retired. But not by choice. Arthritis got him.

"I've been getting around on a walking stick," he said, "but I got up this morning and I couldn't walk . . . so I had to send for the rolling chair."

As soon as he can get up and about again, though, he'll be back at work, Griggs promised. "One doctor in Pageland isn't enough."

[From the Charlotte Observer, July 1, 1971]

PAGELAND TO SHUT DOORS IN TRIBUTE TO ITS DOCTOR

(By Jay Gross)

PAGELAND, S.C.—Dr. D. C. Griggs, who 45 years ago set up a practice in this small Chesterfield County town and became a family doctor and friend to many, died of a heart ailment in a Charlotte Hospital Tuesday.

Griggs was 68.

"He was one of the last of the old-time general practitioners. He worked day and night," said C. M. Tucker Sr., a lumber dealer and long-time friend of Griggs.

The extent to which Griggs was liked and respected in Pageland is reflected in the fact that the town will shut its doors for an hour during his funeral today. The funeral will be at 4 p.m. at Pageland Baptist Church.

Griggs took credit for delivering almost 10,000 babies in and around Pageland.

Ill health forced Griggs to retire from active practice in Pageland several months ago. But even in retirement, he always promised to take up practice again, as soon as his health permitted. He had served on the Pageland school board.

Reared in nearby Ruby, the son of a family who earned a living from lumber, Griggs spent his last days at his comfortable, formal home in a sylvan setting near Pageland. He read the newspapers and several magazines, and chatted with visitors who dropped in.

On several occasions, people in Pageland reported, Griggs showed up at his office, but he was never able to break his retirement.

He tried hard, from his wheelchair, to find a new doctor to take his place in Pageland. The town has only one doctor left in general practice for its 2,500 people.

"It's hard to find somebody now," he told the Observer several weeks ago. "Who'll put up with the trouble of a small town. Everybody wants to be near the big medical centers and hospitals."

Griggs started his practice in Pageland behind the counter of a local drugstore. When he retired, though, he left a substantial medical clinic, the closest thing to a hospital that Pageland has.

Survivors: daughters, Mrs. Barbara Smith, Mrs. Carolyn Agerton, Mrs. Phyllis Johns, all of Pageland, Mrs. Patricia Blakeney of Greenville, S.C., Mrs. Gail Collins of Allendale, N.J.; sisters, Mrs. Ethel Hayes of Latta, Mrs. Kola Reid of Fort Mill, Mrs. Georgia Baldwin of Trumbull, Conn. Mrs. Chaworth McIlwain of Belton, Mrs. Katie McCreight of Ruby, Mrs. Beth Crowell of Miami, Fla., Mrs. Mary Wells Reagan of Winston-Salem; brothers, Johnny Griggs, T. G. Griggs, both of Cheraw.

[From the Charlotte Observer, July 1, 1971]

DR. DONOPHAN CARSON GRIGGS

PAGELAND, S.C.—Dr. Donophan Carson Griggs, age 68, died Tuesday, June 29th, 1971, in Charlotte after a prolonged illness. He was born Dec. 6th, 1902, son of the late Thomas George and Annie Mae Frye Griggs. After education in the Ruby, S.C., public schools, Wingate College, University of South Carolina and the Medical College of South Carolina, he began to practice medicine in Pageland in 1926. In the 45 years since, he has delivered over 9,000 babies. To celebrate the 40th year of his practice the citizens of Pageland honored him with a testimonial dinner using as the theme "The Beloved Physician". He was a member of the Chesterfield County, and Pee Dee, South Carolina and American Medical Association, a member of the South Carolina Academy of General Practice and the American Academy of General Practice. He was also a member of the First Baptist Church of Pageland, serving on its finance board for many years. He was also a Lion, Mason, Shriner, a member of the Pageland Chamber of Commerce, Director of the Peoples Bank and Trust Co. and for many years a member of the Pageland School Board, and recently as a South Carolina Highway Commissioner. As a lover of sports he was a staunch supporter of the athletic programs of the Pageland High School and the University of S.C. He is survived by his wife, Gladys West Griggs, 5 daughters, Mrs. Barbara Smith, Mrs. Carolyn Agerton, Mrs. Phyllis Johns, all of Pageland, Mrs. Patricia Blakency of Greenville, S.C. and Mrs. Gail Collins of Allendale, N.J.

Also 12 grandchildren; 7 sisters, Mrs. Ethel Hayes, Latta, S.C.; Mrs. Kola Reid, Fort Mill, S.C.; Mrs. Georgia Baldwin, Trumbull, Conn.; Mrs. Chaworth McIlwain, Belton, S.C.; Mrs. Katie McCreight, Ruby, S.C.; Mrs. Beth Crowell, Miami, Fla.; Mrs. Mary Wells Reagan, Winston-Salem, N.C.; 2 brothers, Johnny Griggs and T. G. Griggs of Cheraw, S.C. Funeral services will be held at the First Baptist Church, Pageland, S.C., Thursday, July 1st, at 4 p.m. The family request in lieu of flowers, memorial gifts be made to the Baptist Church Kindergarten Fund and the Union Memorial Hospital, Monroe, N.C. Arrangements by Sutton Funeral Home, Pageland, S.C.

[From the Pageland Journal, July 7, 1971]

RITES HELD FOR DR. D. C. GRIGGS

Dr. Donophan Carson Griggs was buried Thursday.

After 45 years of tending to the aches and pains, the minor ailments and the major illnesses, delivering the babies and doing all he could to keep the flame of life alive in his patients, his own body wore out

He died Tuesday in a Charlotte hospital, after arthiritis and a heart condition forced him to stop work about six months ago.

Hundreds of friends streamed to the funeral home to pay their last respects Wednesday evening and Thursday. The funeral was scheduled for 4 p.m., and 20 minutes before that time, the sanctuary of the First Baptist Church was filled to capacity.

All business places in Pageland closed between the hours of 4 and 5 p.m. as a mark of love and respect.

Rev. J. C. Meigs, interim pastor of his church, and Rev. H. Dennis Anderson, former pastor, conducted the last rites.

Rev. Meigs spoke on Griggs' "service to his own generation." He cited the Doctor's service by providing for his family; by exercising good citizenship; by his efforts on behalf of the schools; and by his commitment to his calling.

Rev. Meigs said "continuous study in the field of medicine and love for his people" contributed to his success as a physician. "His people loved him because he first loved them," Meigs said, adding that Griggs' finest service was "his answer to God's call to be a Christian."

Rev. Anderson, pointing out that the work of the world is accomplished by many people in all walks of life, said that perhaps the physician is "the most important of all God's workers."

"Our friend served for more than 40 years, ministering to thousands of people and winning their respect, admiration, love and friendship.

"So today, when we come to pay our respects, we have gratitude in our hearts that this doctor lived so usefully," Anderson said, adding that "He gave himself utterly to the task of being a doctor . . . He ministered until he literally could not move. . . ."

And Rev. Anderson concluded by using St. Paul's words, "I fought a good fight, I have kept the faith, I have finished my course. . . ." to describe the doctor's life.

Rev. Douglas Baker, pastor of Berea First Baptist Church in Greenville, gave the prayer.

SURVIVORS

Married to the former Gladys West of Jonesville for 43 years, Dr. Griggs is also survived by five daughters, Mrs. Barbara Smith, Mrs. Carolyn Agerton and Mrs. Phyllis Johns, all of Pageland, Mrs. Patricia Blakeney of Greenville and Mrs. Gail Collins of Allendale, N.J. There are 12 grandchildren.

Also surviving are seven sisters, Mrs. Ethel Hayes of Latta, Mrs. Kola Reid of Fort Mill, Mrs. Georgia Baldwin of Trumbull, Conn., Mrs. Chaworth McIlwain of Belton, Mrs. Katie McCreight of Ruby, Mrs. Beth Crowell of Miami, Fla., and Mrs. Mary Wells Reagon of Winston-Salem, N.C.; and two brothers, Johnny Griggs and T. G. Griggs, both of Cheraw.

Members of the family requested that in lieu of flowers, memorial gifts be made to the Baptist Church kindergarten fund or to Union Memorial Hospital in Monroe.

Dr. Griggs, the son of the late Thomas George and Annie Mae Frye Griggs, was born and reared in Ruby, where he attended school. After graduation from Wingate College, the University of South Carolina and the Medical College of South Carolina, he began practicing medicine in Pageland.

His first office was in the rear of Dr. George Kennington's drug store. Several years later, he moved across the street to offices where the City Barber Shop is now located. In 1954, the old Rallings house on South Pearl Street was remodeled into a modern clinic for his patients. Later, when Dr. Griggs' son-in-law, Dr. B. C. Blakeney was associated with him, the clinic was expanded.

During his years of practicing medicine, Dr. Griggs delivered almost 10,000 babies.

HONORED BY TOWN

Dr. Griggs was recognized on the occasion of his 40th anniversary of service by a testimonial dinner hosted by the Pageland Chamber of Commerce on Oct. 27, 1966.

The anniversary was brought to the attention of the Chamber by a friend, Mrs. Archie Jenkins, and a special committee planned the event. The highlight of the evening was the tribute given by Milton Tucker which reviewed Dr. Griggs' years here and used the theme "The Beloved Physician."

Tucker, a close friend through the years, called the Doctor "the scourge of the sandhill paths" because of the many trips he made, over poor roads and sometimes no roads at all, to answer the calls of the sick. "He didn't know the difference between 3 p.m. and 3 a.m. when someone was sick and needed him," Tucker said.

He also related humorous incidents illustrating Griggs' love of sports and his method of driving, and asked the question:

"How do you say thank you to a dedicated doctor, a civic-minded citizen, a gallant gentleman, and a good friend? His skill and knowledge are qualities of the heart as well as the head. He has a warmth, and enthusiasm for life, a concern for others, a vitality and personal magnetism that draw people to him in confidence and love. . . ."

Tucker's heart-warming tribute ended by saying, "Surely no man is more respected or more loved than our beloved physician, Dr. D. C. Griggs."

ACTIVE CITIZEN

Despite his 20-hour professional days, Dr. Griggs found the time to serve his community in other ways.

He served on the finance board of his church, the First Baptist Church, for many years.

His interest in education was expressed through his service on the District Four School Board; and he also served as a South Carolina Highway Commissioner.

He was a member of the Pageland Lions Club, the Pageland Chamber of Commerce, a Mason, a Shriner and a director of the Peoples Bank and Trust company.

He tried hard to keep abreast of the latest medical discoveries through membership in medical associations. He was a member of the Chesterfield County, the Pee Dee, the South Carolina and the American Medical Associations; and he also was a member of the S. C. Academy of General Practice and the American Academy of General Practice.

PALLBEARERS

The Doctor's double-first cousins served as active pallbearers. They were Jerry Griggs, Tinsley Griggs, Bobby Griggs, Bill Griggs, Jack Griggs, Charles Griggs and Tom Griggs.

Serving as honorary pallbearers were the bank directors, C. M. Tucker, Jr., John Amos Arant, Roddy W. Outen, Rufus Jordan, Ed C. Watford, Byron Mangum and Cecil A. Knight; and physicians from Monroe, Marshville, Charlotte, Chesterfield, Ruby and Cheraw. They included Dr. Aubrey Hawes and Dr. Cecil Hawes, Dr. McChord Williams, Dr. John Ranson, Dr. Douglas Ritch and Dr. William Raby, all of Charlotte; Dr. C. A. Bolt of Marshville; Dr. J. G. Faulk, Dr. K. E. Neese, Dr. J. W. Ormand, Dr. F. B. Lee and Dr. Phil L. Barringer, all of Monroe; Dr. Michael A. Valverde of Ruby; Dr. William Perry and Dr. Jerry Perry, both of Chesterfield; Dr. J. C. Thrailkill, Dr. W. Y. Godwin and Dr. J. E. Hodge, all of Cheraw.

[From the Pageland Journal, July 7, 1971]

A GIFT OF SERVICE

A doctor's place in a community is unique.

And since Dr. D. C. Griggs had been serving this community for 45 years, it would be difficult to find a single soul whose life had not been touched, in one way or another, by this man.

No wonder, then, that people in the area felt almost stunned at news of his death; no surprise that the tempo of the community seemed to miss a beat as individuals tried to reconcile themselves to their loss.

Yes, this is a time for mourning.

But it is also a time for gratitude. For Dr. Griggs' service was the finest gift a man can offer to his age and time—the gift of a constructive and creative life.

[From the Pageland Journal, July 7, 1971]

"Doc"

(By Judy Arant Lackey)

"Doc" was a lot of different things to a lot of people
But there was a common quality he had for all people . . . Love
I loved him.
"Doc" was a member of the family
Always glad to see you—hoped you were doing well
And somehow managed to come up with a couple of extra tickets to this weekend's ballgame.

"Doc" made you feel equal. He talked with you on an adult level about business and sports and things.
He made you feel important—like you were somebody.
"Doc" was always the one to make you well when you were sick—and he was never sick! Well, he didn't like to admit it!

Even then he didn't like it one little bit stopping his practice, so he could get better.

It was a short time for me to know him. It was 29 years and one day since he delivered me, that he passed away.
Boy—I'm really gonna miss you, "Doc"!

TRUMBULL'S "DECLARATION OF INDEPENDENCE"

Mr. PELL, Mr. President, in the New York Times of Wednesday, June 23, 1971, there appeared an article discussing a most fascinating study of the John Trumbull oil painting of the Declaration of Independence which hangs in the Capitol rotunda.

Irma B. Jaffe, associate professor of art history at Fordham University in New York, has studied the key which identifies the various personages in the painting. In an article which appeared in the current issue of the American Art

Journal, Professor Jaffe writes that, through the use of Trumbull drawings held by Fordham, she believes that at least three people in the picture are wrongly identified. This is a most diligent work of scholarship and detection work. I commend the article to the Senate and ask that it be printed in the RECORD.

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

SCHOLAR DISPUTES KEY TO TRUMBULL OIL

(By Grace Glueck)

[Key not printed in RECORD]

Who's the man wearing the hat in "The Declaration of Independence," John Trumbull's famous painting of the nation's founding fathers?

Most art scholars have never given the question a second thought, accepting his identity as established in a "key" to the painting published nearly 150 years ago. Now Irma B. Jaffe, associate professor of art history at Fordham University, has come up with a new identity for him, and several others in the crowded canvas, traditionally dated between 1786 and 1797.

In the current issue of The American Art Journal, a scholarly publication issued twice a year by the Kennedy Galleries here, she disputes the identity of the hatted man as Stephen Hopkins, colonial governor of Rhode Island, and suggests that he is really John Dickinson, a Quaker Congressman from Pennsylvania, who refused to sign the Declaration on the grounds that it would lead to war.

KEY IDENTIFIES MAN

The hatted man occupies position No. 23 in the key, an outline of the painting with the 48 figures in it cued by number to names underneath. The key has been associated with the painting since it was engraved by Asher B. Durand between 1820 and 1823.

No. 23 is currently identified as Stephen Hopkins but, playing a complicated game of musical chairs, Professor Jaffe contends that the real Stephen Hopkins occupies position No. 8 in the painting. Thus, he unseats Gov. George Clinton of New York, who is really the man is position No. 45, misidentified as John Dickinson.

Professor Jaffe's findings are based on her examination last year of a group of Trumbull drawings given to Fordham in 1943, specifically, a drawing of Stephen Hopkins dated 1791. "I looked at our drawing and then at the painting. The faces didn't match," she recalls. "So I took a magnifying glass to a photo of the work, and saw that No. 8 was our Hopkins."

IDENTITIES POSE PROBLEMS

"The problem then," she continued, "was to find out what to do with Governor Clinton—identified as No. 8—and even more intriguing, who was the man in the hat labeled by the key as Hopkins?"

Reasoning that the hatted citizen had to be a devout Quaker, who would keep his head covered on such an occasion by reason of his beliefs, Professor Jaffe considered the four Quakers who were members of the Continental Congress at the time Independence was voted—Hopkins, Joseph Hewes, Charles Humphreys and John Dickinson.

Dismissing the others on various grounds, she arrived at Dickinson who, though he had played a leading role in formulating Congressional policy against British oppression, was convinced that the Declaration was premature and would lead to war. "As a Quaker, a pacifist, a man of uncompromising character, he refused to sign," writes Professor Jaffe. "He risked and lost his public career by his negative vote."

Her identification of No. 23 as Dickinson is based not only on his lifelong devotion to Quaker beliefs, but also on two portraits of him by Charles Wilson Peale, done in 1770 and 1782–83, that resemble the face of the hat-wearing figure more than they do any other in the painting.

And she establishes the identity of No. 45 as Governor Clinton through "the long bony nose and deep-set eyes" in a Trumbull portrait of the New York governor, who became a Vice President, done in 1791, that bears a close resemblance to the face of the Declaration figure.

At the Yale University Art Gallery, which owns the largest body of Trumbull works, including the original "Declaration" painting, Professor Theodore E. Stebbins Jr., curator of American painting and sculpture, said yesterday that "like any new contribution, Professor Jaffe's findings will have to be authenticated over time by other scholars. But the 'Declaration' key has always been taken for granted," he added, "and it's very helpful to have someone re-examine it."

"The whole discovery rests on the small pencil drawing of Hopkins in Fordham's collection that no one ever bothered to look at before," Professor Jaffe said yesterday. "The images of Hopkins are all taken from that 'Declaration' painting. It amuses me that in the musical '1776,' he tramps around the stage wearing a hat."

CAPTIVE NATIONS WEEK, 1971

Mr. TOWER. Mr. President, this week marks the 13th anniversary of Captive Nations Week. In July 1959, both Houses of the Congress, by unanimous vote, approved a resolution authorizing the President to issue a proclamation "designating the third week of July 1959 as 'Captive Nations Week' and inviting the people of the United States to observe such week with appropriate ceremonies and activities." The resolution further authorized the President to issue similar resolutions in future years—until freedom and independence are realized by all the captive nations of the world.

Mr. President, I regret that this proclamation must be issued in 1971. However, the dictum enunciated in the Brezhnev doctrine continues to emphasize the fact that Russian communism controls the lives of 100 million Europeans in a state of constant captivity.

Recent events have served to remind the world that the Communist hold on the people of the Eastern European nations is both oppressive and tenuous. We saw in Czechoslovakia in 1968 the crushing of the hopes of millions for freedom and self-determination through the invasion of that country by a large number of Russian armored divisions.

We saw late last year a series of open protests in the streets of many Polish cities against the repressive policies of Communist imperialism. These protests caused the shakeup of the Polish Communist Party and the Government of Poland. They clearly demonstrated that the people's yearning for freedom remains kindled.

The protests in Poland were significant because they clearly showed that Soviet Communist hegemony would no longer be supported by the working class. Thus, the working class has now joined groups of students and academicians in opposing the oppressive status quo that the Brezhnev doctrine intends to serve.

It is quite clear that the people of the Eastern European nations will no longer remain silent in the face of Communist enslavement. This fact is crystal clear to the Kremlin and they have made appropriate plans to reinforce their domination within the Communist orbit. Therefore, the Brezhnev doctrine represents not an adherence to a policy of limited sovereignty and mutual cooperation between the Soviet Union and the nations of Eastern Europe, but, rather a firm commitment to continue its policies of enslavement at any cost.

I am convinced that the powers that be in the Communist world will exercise their military might to stymie any type of uprising which threatens their hegemony. The free world must make it quite clear to the peoples of those nations that it fully supports their aspirations for freedom and independence from outside control. The leaders of the West should not take any action which could lead to a stifling of those aspirations.

Events of the past few years have shown that the Communist sphere is not as united as the rhetoric from the Kremlin would have us believe. Even within Russia such wide ranging groups as Jews and Ukranians have publicized their complete opposition to the ideological precepts of a government which restricts such fundamental rights as freedom of speech and association. We must not be fooled by the constant rhetoric of Pravda that would have us believe that overt discrimination toward minorities in the Soviet Union does not exist.

The Assembly of Captive European Nations, which includes representatives of the formerly free nations of Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania, holds to the belief that a general relaxation of world tension can only be achieved once the universal principle of self-determination is applied. I support this general principle and believe that world tensions cannot be reduced until the Soviet Union renounces the Brehznev doctrine and all the political and economic implications connected with this policy.

Mr. President, we are in the midst of an extremely crucial period in our history. This Nation, founded on and dedicated to the principles of freedom and self-determination, will soon be celebrating its 200th anniversary. At the same time, some have taken the position that the United States no longer needs to maintain a position of military strength in the world. A relaxation of our international commitment for peace with freedom will certainly bring on a spiritual letdown in the hearts of the peoples of the captive nations who have long depended upon us for leadership and support of their humanitarian cause.

Captive Nations Week is a good time to reflect upon the current international situation. A so-called policy of "normalization of relations" between the United States and the Communist world will, in the long run, heighten the chances of world conflict unless the United States makes it perfectly clear that it will not support under any circumstances the continuation of a policy of Communist

enslavement in violation of fundamental human rights. To act in any other manner would be a betrayal of the hopes and aspirations of the people Captive Nations Week seeks to recognize.

NATIONAL POWER GRID

Mr. McGOVERN. Mr. President, it is indeed a pleasure for me to join with the distinguished junior Senator from Montana (Mr. METCALF) as a cosponsor of a bill which will provide for the creation of a national power grid.

The recurring power supply crises which seem to hit our great urban areas with almost predictable regularity, my own concern about the effect of our Nation's electricity supply facilities upon the limited air and water of this Nation, and the snowballing rate at which we are burning up our exhaustible fossil fuels, have led me to support the concept of a nationwide power grid.

The idea of a national power grid is not new. It exists in many other western nations. The late Leland Olds spoke often of the idea of tying our major power supply regions together. Clyde Ellis, of the National Rural Electric Cooperative Association, revived the idea a few years ago. This year the American Public Power Association urged the creation of a national grid. It was proposed as a solution to our power crisis in a major article in Playboy magazine earlier this year.

The extrahigh and ultrahigh voltage transmission lines which would form the backbone of a national grid, connecting all the major load centers with the principal generating facilities, would offer several decided advantages:

It would alleviate localized situations of power shortage caused by equipment failures or inadequate planning by utility executives by movement of large amounts of power from a region of surplus to a region of scarcity.

It holds out a very real hope of minimizing the number of major power generating stations to be built in the future by affording the advantage of diversity of time zone, season, and other differences in load characteristics among regions.

It would minimize the need which utilities feel to promote so-called "off-peak" uses of electricity to even out their individual system load curves by spreading the load curve throughout a vast land area.

It would mean economies which would offset the inflationary costs of new facilities and result in rates to consumers lower than those possible if the industry continues on its present course.

By making possible a more efficient use of all the utility plants now in service and yet to be built, a national grid might slow our civilization's ravenous consumption of finite natural resources: the oil, gas, and coal which took so many million years to form.

With an interconnected national system for power transmission, giant generating stations could be built far from population centers, minimizing safety risks in the case of nuclear stations and eliminating the effects of fossil fuel emissions on large masses of our population.

Such a grid could be built in a relatively short time, and for little cash outlay. We could build the major backbone of a national grid in 3 to 6 years. It would cost less than $2 billion, an amount we spend every 10 days on machines of death and destruction.

The national grid ranks high on our agenda. We have been talking about it since the 1930's. It is time to get on with the job. I regret to say the administration is not only indicating lack of interest in a national grid, but since the departure of former Secretary of the Interior Walter Hickel, there has been an active disinterest.

Nor, apparently, can we look to the Federal Power Commission. With a natural gas company lawyer sitting at the Chairman's desk and a former private power executive heading the power division, the Federal Power Commission seems more occupied at the moment with finding a way to give millions of the consumers' dollars to the natural gas industry than with solving the power crisis.

Although I would hope that more progressive minds prevail in the future, the private companies at this time appear to offer no more hope than the administration. The new president of the companies' trade association, the Edison Electric Institute, told a luncheon at the National Press Club on June 18 that he opposed the idea of a national power grid because it implies Federal control. Their response to the reliability problem, the so-called "regional reliability councils," have been an abject failure, little more than baling wire patchwork on a major structural fault.

I strongly suggest, therefore, that the task of bringing a national grid is a responsibility of Congress.

The bill may be modified. But the increasing demands we thrust every year on our sources of electrical power require that we take action. If nothing else, we should at least provide a national intertie of generation and transmission facilities.

NORTH VIETNAM'S PEACE PROPOSAL

Mr. PELL. Mr. President, Averell Harriman was the last American chief negotiator on Vietnam and is a statesman and a diplomatist who has always possessed a particularly sharp and astute eye for the verities underlying any situation or proposal.

He points out that there have been basically three reasons why the administration has so far refused to negotiate a definite time for the withdrawal of our forces in Vietnam: First, the safety of our men there, second, the release of our prisoners of war, and third, the giving to the South Vietnamese a "reasonable chance" of a continuation of their independence.

Mrs. Binh's recent proposal at Paris certainly meets the first two requirements. And a very strong hint dropped at Paris that Hanoi would accept any South Vietnam government for a period of time, as long as it does not contain President Thieu, seems to handle the third and final point.

I believe since bombs continue to fall and men, women, and children are being killed each day, the administration should face up to Mrs Binh's proposal and grasp the nettle that has been presented. In this regard, I ask unanimous consent to insert in the RECORD following my remarks a copy of Ambassador Harriman's statement printed in the New York Times of July 15, 1971.

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

A REASONABLE CHANCE

(By W. Averell Harriman)

WASHINGTON.—Publication of the Pentagon Papers has increased a widespread feeling that the public has not been adequately informed of United States intentions in Vietnam. The credibility of the Government was already at low point. To restore confidence it is essential that the Administration now clarify its aims in Vietnam.

The Administration has previously justified its refusal to negotiate a definite date for withdrawal of all American forces on three grounds—the safety of our forces, the release of our prisoners of war and giving the South Vietnamese "a reasonable chance."

Mrs. Binh's seven-point proposal satisfies the first two reasons. The Administration should now explain what it means by giving South Vietnam "a reasonable chance," and what American vital interests are involved. There are certain factors that already appear clear.

One that should be understood is that we have been fighting North Vietnam, a strongly nationalist Communist state which does not want to be dominated by China. It is supported, of course, by both China and the Soviet Union. During my months of talks in Paris, Hanoi's historic desire for independence was apparent. They were gratified that they were able to establish normal relations with the French and wished to have similar relations with us. Like Tito, they understand to avoid domination by the Communist giants they must have relations with the West and particularly the United States. We must recognize this and no longer blindly follow the concept that we are fighting Communist China.

Another factor is that the majority of the South Vietnamese clearly desire peace and prefer a non-Vietcong-controlled government. During recent years we have helped strengthen the Saigon Government military to Vietnamize the war, but not politically to expand its base to permit negotiations for a compromise settlement and to succeed in the political competition which would ensue. A political settlement worked out by the South Vietnamese themselves could give a "chance" for the South Vietnamese while experience indicates continued attempts to achieve a military solution can only mean endless fighting [with no settlement in sight].

In South Vietnam there are no effective political parties but there are groups representing the non-Communist elements in the country—Buddhists, Catholics, Cao Dai, Hoa Hao, and the labor unions. It is not too late for President Thieu to rally these forces and bring their representatives into a peace cabinet or a negotiating committee. Conditions must be agreed to with the National Liberation Front under which a national election can be held from which would evolve a new constitution and a new government. As the front has proposed, provision should be made for guarantees against reprisals, and release of political prisoners.

There is increasing evidence that the other

side would agree to an independent neutral South Vietnam for a period of years. The front, made up of people who are themselves southerners, evidently wants the South to be independent of the North until such time as a merger can be negotiated between equals.

Evidence indicates a willingness to agree to a non-Communist South. In fact Le Duc Tho has stated this in a New York Times interview. Furthermore, the Chinese, for the first time are not publicly supporting a peaceful settlement, and speak of the four countries of Indochina, including both North and South Vietnam. They may wish to keep Indochina Balkanized and not unified under Hanoi.

After the settlement Hanoi must be induced to leave its neighbors alone and that can best be done by long-term cooperative arrangements for the reconstruction and development of North and South Vietnam, Laos, Cambodia and Thailand. The United States should be generous in its financial contribution but must leave the management to an international agency.

I can see only further confusion by awaiting the October elections in South Vietnam. Senator Tran Van Don has succinctly pointed out in a recent speech that President Thieu controls (1) the administrative, military, police and intelligence apparatus, (2) the mass media, and (3) large financial resources. Senator Don concluded that control of any one of the three factors would be sufficient to elect President Thieu, and he also has a fourth "decisive" factor—U.S. support.

Under these circumstances there is no reason to delay negotiations until the election which can hardly be a meaningful democratic expression. Moreover, the frustration pervading our country requires negotiations for our prompt withdrawal from the war.

BEHIND THE LEAD CURTAIN

Mr. METCALF. Mr. President, the problem of toxic leads in our air, water-manufactured products, and our own bodies has been increasingly in the news in recent months.

Lead is the most insidious of polluters. It comes from many sources and occurs in many forms—automobile fuel, paints, containers and industrial by-products. Its effects on humans are adverse; fatalities, mental disorders and sterility have been traced to excess lead. Lead collects in the body so that the effects of small doses are cumulative.

One of the finest articles I have read on the subject of lead poisoning, "Behind the Lead Curtain," appeared in the May issue of Clear Creek, the enterprising new San Francisco monthly tabloid. Written by Mrs. Polly Roberts, it is a cogent, documented and comprehensive report on the problem.

I found particularly interesting her review of the occurrence of lead poisoning through history. I regret only that the instructive pictures and drawings accompanying the article cannot be included.

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

There being no objection, the article is ordered printed as follows:

REPORT FROM BEHIND THE LEAD CURTAIN

(By Polly Roberts)

(NOTE.—Two major reports on lead poisoning in America—the Five Cities Study and the Lead Criteria Document—are presently complete. Both reports are being suppressed by high officials of the U.S. government. Polly Roberts, former Nader Raider, lucidly describes why the lead story has been swept under the bureaucratic rug. On the rapidly withering theory that an informed public is the strength of democracy, rather than a threat to the smooth operation of the governmental-industrial complex, Clear Creek presents Mrs. Roberts' account. Among her findings:

(At least 400,000 American children, most of them poor, have dangerously high lead levels, from nibbling leadpaints, which are still sold for indoor use.

(The lead content of American air is steadily rising, and lead is collecting in the bones of Americans. Conventional wisdom about the relative safety of lead, developed by Dr. Robert Kehoe with the Funding of the Ethyl Corporation, has recently been largely discredited. The scientific community is apprehensive, and many fear that urban American society is slowly breathing in the fate which leaded the upper classes of declining Rome.

(In a cruelly cynical ploy to narcotize public opinion, major oil companies have added lead to their premium gasolines, and come out with saturation-advertised "no-lead" and "low-lead" fuels. The net effect is the addition of more lead to America's atmosphere than was being fumed out before the change.

(Also, Clear Creek has obtained a purloined copy of part of the "Five Cities Study," presently being suppressed by the National Air Pollution Control Administration. This study offers evidence that the air at test sites in Los Angeles is increasing in lead content at an average rate of 7 per cent per year, compounded annually. This means that Los Angeles' atmospheric lead levels are well above California state limit already, and will soon pass the industry-proposed limit of 10 micrograms per cubic meter over a 24-hour period. It also means that the truth is out: NAPCA might as well tell us what is happening to the air of other American cities.)

WHEN IN ROME

Before the second millenium BC, the inhabitants of the Middle East valued silver above all other metals, because pure silver deposits are extremely rare. By the end of the second millenium, gold had become mankind's most prized metal. The ancients had learned to smelt silver from galena, an abundant, lead-rich ore.

The ancients soon began using the lead itself. Soft and corrosion-resistant, lead was fashioned into vessels and utensils, and sheeted for rooves, gutters, and cistern linings. The Greeks poured molten lead around iron rivets to secure building blocks. Ships were lead-sheeted to repel wood worms. Grape sugars were boiled in lead pots, to produce wine which would sour slowly. Lead compounds were used to tint paints, cosmetics, and pottery glazes. Alloyed with tin, lead became the pewter with which bronze pots and utensils were lined to keep toxic copper out of food and drink (pewter linings can still be found in Middle Eastern utensils.)

In the second century BC, the Greek poet-physician Nicander first described the symptoms of lead poisoning among men who mined and refined the metal. Dioscorides also described occupational lead poisoning in the first century AD. The Greeks also became aware of some of the hazards of lead-coated utensils and lead-glazed pottery.

The findings of the Greeks were lost on the Romans. Luxury-loving Roman nobles used lead abundantly—in pottery, cooking utensils, and plumbing. Heavy metal poisoning of the upper classes probably gave Roman civilization a nudge toward doom. Modern techniques have confirmed the presence of high lead concentrations in the bones of wealthy Romans. S. C. Gilfillan has observed that lead afflicted the cream of Roman society with "sterility, miscarriage, stillbirth, heavy child mortality and permanent mental impairment in the children."

After the Romans had declined and fallen, the inhabitants of medieval Europe rediscovered lead poisoning. Vintners found that a touch of lead nicely sweetened wine; even the decree of a death penalty for wine-leaders failed to end this heavy metal spicing. In 1723, the Massachusetts Bay Colony banned the distillation of rum in leaded stills, to prevent what was called the "dry gripes." Modern moonshine makers often use lead-soldered auto radiators as condensors, or drop in lead battery plates to make their white lightning more tasty. As a result, many of the moonshiners' customers suffer from chronic lead poisoning.

As Rome forgot the lessons of the Greeks, America is ignoring the fate of Roman lead consumers. At McGill University, recent tests showed that more than one-half of 264 glazed earthenware containers leached more lead than is permitted by U.S. standards—standards which themselves are highly suspect. Not long ago, two children were poisoned, one fatally, by drinking from an earthenware jug their mother kept constantly full of apple juice. Since only specialists can recognize mild lead poisoning, most cases pass unnoticed.

Many old American houses have lead plumbing (*plumbus* is Latin for lead), and in modern houses the pipes are usually lead-soldered. A number of municipal water systems use lead pipe, and line their water tanks with lead paint. Soft or slightly acidic water dissolves this lead, to the distress of public health officials.

HEAVY METAL CAPITALISM

Despite lead's history as a scourge of humanity, lead poisoning received little medical attention until the late nineteenth century. By that time, lead poisoning was epidemic among workers in proliferating lead-using industries.

Lead enters the body either through the digestive tract or the lungs. Once in the body it accumulates, chiefly in the bones. Because it accumulates a single large dose and many small doses produce similar results. Symptoms begin with anemia, fatigue, loss of appetite, cramps, and headaches. Such low-level poisoning causes sterility, miscarriage, and the birth of brain-damaged babies, even though the poisoned adult's symptoms may not be noticeable.

More severe poisoning may cause vomiting and kidney damage; as well as various nervous disorders, especially the paralysis of frequently-used muscles. The classic "wrist drop," or paralysis of the right wrist of right-handed people, is common at this stage. More severe poisoning produces a condition known as "lead encephalopathy," described by MIT scientist Harriet Hardy:

"The effect of acute lead poisoning on the brain is extreme. Central nervous system damage caused by lead is marked by destruction of various types of brain cells and degeneration of capillaries and blood vessels throughout the entire structure of the brain.

"Lead encephalopathy can cause brain hemorrhage, accumulation of fluid, swelling or shrinking of the brain and atrophy of the convolutions. There are serious and widespread disturbances of blood circulation throughout the brain in acute cases. Lead damage to the brain can cause convulsions, delirium, or coma. It can result in severe headaches, blindness, paralysis, mental retardation, or death."

The tetraethyl lead industry offers an example of lead management's callous attitude toward the safety of workers. Tetraethyl lead (TEL) was introduced as a gasoline additive in the early twenties. Unlike other inorganic lead compounds, TEL is highly volatile and passes easily through the skin and lining of the lung. It concentrates in fatty parts of the body, including nerve linings and the brain. A small dose produces insomnia, excitement, and psychotic attacks so severe that the victim may die of sheer exhaustion.

The TEL industry has reported only 88 cases of poisoning, 16 of which were fatal, since 1926. Independent health officials note that factory physicians conceal lead poisoning cases from both public and workers, and that the symptoms of many cases appear long after the poisoning occurred. Ray Davidson reports in *Peril on the Job* an interview with Harlan Harrison, union chairman of the Houston Chemical Plant in Beaumont, Texas:

"We're continuously exposed to some part of tetraethyl lead. The company runs a urine sample on us once a month. But in between this time we could all of a sudden go into the red or get highly contaminated with the lead.

"They vent this stuff out into the atmosphere. It falls back to the ground; you can smell it . . . Now, the company does take samples, air samples, at Lamar, downtown, and at Gulf States, which is four or five hundred yards from us. But we don't know the results of these and the people there are certainly exposed to this lead whenever they vent it out. What effect it has on you, then or later on, we haven't been able to find out. We have asked these questions. We can't get any answers as of yet."

Other lead-using industries began applying safety policies only in 1943. By that time, many workers were breathing air leaded with seven times the "safe" concentration. The worst lead hazards were in the soldering sections of auto assembly lines. Major industries still do not vigorously enforce lead safety standards; and small shops often take no precautions whatever. Nonetheless, the rate of acute lead poisonings among workers has decreased: only 99 cases were reported in 1967.

More subtle effects of lead poisoning, such as shortened life spans and increased susceptibility to brain and kidney diseases, still plague industrial workers. For example, a study of apparently healthy Japanese workers in a battery factory showed them to have a 25 per cent rate of sterility, compared with a 15 per cent rate in a control group; while 8 per cent of the lead workers' pregnancies ended prematurely or in stillbirths, as opposed to 0.2 per cent of the controls'. In England, a study of retired battery workers indicated that they had a significantly higher rate of brain and kidney diseases than the general population; and the battery workers died at an earlier average age.

In 1969, the United States consumed about 1,390,000 tons of lead in the manufacture of paints, batteries, gasoline additives, lead piping and sheeting, ammunition, and many other items. From the mining and smelting of lead to the use of end products, there is abundant occupational exposure. Two exposed classes of workers are not even in the lead industry: garage mechanics and policemen, who work immersed in auto exhaust fumes.

LITTLE LEAD SOLDIERS

Remember those lead soldiers our grandparents loved? They're gone now, and for good reason. Little children nibbled them—and died. But little children still nibble lead . . .

In the early part of this century, lead came into widespread use as a base and pigment in paints. In 1918, an estimated 40 per cent of all painters showed signs of lead poisoning. As leaded paints aged and peeled, young children would pick off the flakes and nibble them, perhaps enjoying the sweet flavor that lead the ancients to add lead to wine. This happened most often in slums, where houses were poorly maintained. In the late forties, doctors in Chicago and then in other major cities discovered a lead poisoning epidemic among children. Many children, particularly between the ages of one and four, were dying; and even more were brain damaged for life. As a result of the ensuing outcry, home use of lead paint was greatly reduced—though not outlawed.

Nevertheless, statistics on childhood lead poisoning continued and still continue to rise, for the simple reason, as one health official put it, "the more you look the more you find." So when cities such as Baltimore and New York initiated case-finding programs, statistics lept by several orders of magnitude. For example, between 1954 and 1965, New York City treated 2038 children for lead poisoning, of whom 128 died. Nationally, about 750 cases are reported every year.

Among the children who develop lead encephalopathy (brain inflammation), modern treatment has brought the mortality rate down from two-thirds to under 5 per cent. Nonetheless, the outlook for survivors is tragic: one follow-up study of 52 children showed that 82 per cent had permanent brain damage such as epilepsy, cerebral palsy, blindness, and severe mental retardation. Other damage, such as kidney malfunction, may show up later. As Dr. R. K. Byers noted, even children who never exhibit acute symptoms may suffer permanent damage:

"I had originally got interested in lead because of children who had had lead poisoning and had been sent home from the hospital as cured, who then turned up in my neurological clinic because they were misbehaving in one way or another, or not learning in school. One kid set the schoolroom on fire, another nice litle girl danced around on the desk."

Dr. Byers emphasized that none of these children had acute brain inflammation, and concluded, "I think that lead does something to the growing brain which is different from what it does to the adult brain."

Most cases of childhood lead poisoning go unrecognized. A 1969 conference on lead poisoning estimated that 30,000 children in New York City had excessive levels of lead, of whom 4500 had unsuspected severe poisoning. In November, 1970, US Surgeon General Jesse Steinfeld estimated that *400,000 American children have dangerous levels of lead in their bodies. If the same fraction have* serious lead poisoning as estimated for New York City, there are 60,000 children nationwide with *severe* lead poisoning.

What becomes of children with undiagnosed lead poisoning? Recent studies have shown striking correlations between levels of lead and mental retardation. In other words, lead-poisoned children, their illness unrecognized, make up perhaps a majority in that sad population inhabiting our institutions for the mentally retarded.

In belated recognition of the problem, Los Angeles recently began testing all incoming mentally retarded or disturbed children for lead poisoning. Some cities, notably New York, Chicago, and Baltimore, have programs to find and treat lead-poisoned children. When a child with a high lead level is found in Baltimore, the city forces the landlord to remove or cover the leaded paint.

Yet public health officials in most of the country treat lead poisoning of children with indifference; or, at best, ineffective gestures. Why? Because most of the victims are poor, and many are Black. President Nixon recently signed a bill which will provide about $9 million for the detection and treatment of lead-poisoned children—about $25 per affected child, or enough to pay for some 600,000 screening tests at $15 each. An adequate bill would have to provide for the testing of millions of children. One can easily understand the comment of the noted biologist, René Dubos, at a 1969 national conference on lead poisoning in children:

"The problem is so well-defined, so neatly packaged, with both causes and cures known, that if we don't eliminate this social crime, our society deserves all the disasters that have been forecast for it."

METALLIC MALLARDS

After children and leadworkers, the most frequent victims of lead are cows and waterfowl. Lead has become the most serious cause of cattle poisoning. If anyone carelessly dumps junk into a cattle pasture, the whole herd will probably come over to sample the refuse by licking and chewing it. If the litter includes leaded paint, plaster, or battery plates, too bad for the herd. Cattle are extremely sensitive to lead, and can suffer acute lead poisoning from body-level doses in the "normal" human range. Just by grazing along a busy highway, cows can pick up enough lead to cause miscarriage.

Waterfowl get lead poisoning another way. These birds grind their food for digestion with the help of gravel in their gizzards. They pick up this gravel while grubbing for food on lake bottoms. As the result of years of hunting, the bottoms of many lakes and marshes are liberally sprinkled with lead shotgun pellets, which the birds pick up along with natural gravel. Enough lead can be absorbed from a single No. 6 shot pellet to seriously weaken or kill a mallard duck. Conservationists estimate that 2 to 3 per cent of America's waterfowl population dies each year from lead poisoning. The problem could be alleviated by substituting iron for lead shot; but without government regulation, munitions makers have no reason to change.

HEAVY RAIN

To the sources of lead poisoning discussed above has been added, in this century, a use of lead unprecedented in human history. Lead levels in the atmosphere and waters of America—indeed, of the whole earth—have risen beyond levels ever experienced before by the planet's environment.

Part of this contamination comes from industrial discharge into water and air. According to one estimate, American industries "lose" between .25 and 2.5 million pounds of lead every year. As a result, parts of some major rivers (for example, the Ohio) contain lead in amounts above the presently-accepted safe standard; and the ground near some plants is coated with enough lead to kill grazing animals, as happened at Benecia, California, where 47 horses have died of lead poisoning in the past 18 months.

Industries often exhibit cavalier carelessness in lead waste disposal. For example, tetraethyl lead sludge periodically must be cleaned out of refinery and service station tanks. In a 1964 letter to a chemical workers' local union, R. B. Davis, Du Pont's Supervisor of Operations, recommended five methods of lead sludge disposal: burning, burying, dumping in deep sea water, dumping in an acid pit, and "weathering." Davis endorsed weathering most enthusiastically, which means spreading the sludge in a layer three inches thick on a "large, open, well-drained area . . . remote from people," and marked with warning signs. The weathering sludge is then sampled at monthly intervals until most of the lead is gone.

Gone where?

By far the largest source of environmental lead contamination is automobile exhausts. Cars pour out over 200,000 of the estimated *700,000 tons* of lead debouched annually into the American environment. The autos dump lead directly into the atmosphere of crowded cities. What lead is not breathed and absorbed into the bodies of citizens settles to contaminate the land.

People relying on streams, lakes, or rainwater cisterns for drinking water run a serious risk of lead poisoning, if they live near major cities or highways. A 1965 survey of the Illinois River and its tributaries in the Chicago area disclosed that 30 of 80 samples contained lead at above the safe limit set by the US Public Health Service. Cincinnati received a very heavy rain recently: five out of 12 rainwater samples had better than

twice the Public Health Service "safe" limit, with one sample containing almost ten times the limit.

Fish and shellfish concentrate water-borne lead. Fish recently caught near Los Angeles had an average of 22 parts per million (ppm) of lead in their livers; 15 times the 1.5 ppm that produces classic poisoning of the human devourer within months.

Lead fallout also contaminates food, to the extent that food grown near major highways (and sold in those seductive roadside stands) may be quite dangerous. Tests have shown that plants near highways often contain 100 ppm of lead—67 times the concentration that will eventually cause lead poisoning of humans—and sometimes are weighted with 3000 ppm of lead. As a result, the average American eats a truly heavy diet.

The upper layers of Earth's oceans now contain about five times as much lead as the lower layers, where lead has not penetrated as rapidly. The lead content of Greenland's ice cap has increasd over the millenia to a present level of about 500 times the natural land level; *two-thirds of this increase occurred in the past 30 years,* and must be attributed to the pervasive use of leaded gasoline.

In the view of scientists, lead in the air is far more dangerous to humanity than is lead in food or water. Although Americans eat far more lead than they breathe, most lead is expelled by the digestive tract; whereas the lungs absorb a high percentage of inhaled lead. City dwellers get between one-third and one-half (or possibly more) of their total lead intake from the air.

COOL BLUE MILLIGRAMS

Despite the widespread and rapidly-increasing exposure of the American people to lead, before 1965 there was virtually no public discussion of lead hazards. A flurry of concern about tetraethyl lead occurred in the twenties and thirties, then died out. Due to governmental and scientific apathy, the field of lead toxicology in America became the province of one man: Dr. Robert A. Kehoe, Professor of Occupational Medicine at the Kittering Institute of the Cincinnati College of Medicine.

In 1930, the Ethyl Corporation, which makes 40 per cent of America's tetraethyl lead, began giving Dr. Kehoe funds for lead research. Kehoe commenced year-long feeding experiments with volunteers, to study the metabolism of lead in the human body and establish toxic thresholds. He came up with the following conclusions, which have become the cannons of lead:

First, Kehoe decided, lead is naturally abundant in the environment, and people have always been exposed to it. This exposure, Kehoe observed, had not increased with the increased use of lead throughout history.

Second, Kehoe advanced an "equilibrium" concept of the metabolism of lead in the body. By his feeding tests, Kehoe concluded that for a given intake of lead, there is a corresponding output. Lead, thought Kehoe, accumulates in the body only to that level where there is an equilibrium between input and output, after which no further storage takes place. Therefore, he suggested, the amount of lead in the blood provides an accurate measure of body lead content.

Finally, Kehoe set a threshold for lead damage based on the content of lead in the bloodstream. He observed ill effects on his volunteers only when their blood contained over .08 milligrams of lead per 100 grams of blood, and insisted that no ill effects occurred below that level. This became Kehoe's danger threshold, and is still the accepted danger level for industrial exposure in this country. The average American has about .025 milligrams of lead per 100 kilograms of blood, or one-third of Kehoe's "danger level." (Cigarette smokers average a bit more, due to leaded insecticides that have been dumped on tobacco fields.)

Kehoe's conclusions received their first major public challenge in 1965, after being used to comfort lead consumers for over 30 years. In an article in the *Archives of Environmental Health,* Dr. Clair Patterson of the California Institute of Technology asserted that virtually all the lead to which Americans are exposed comes from man-made, rather than natural, sources. Patterson estimated that Americans contain about 25 times the lead they would absorb under natural conditions. Because the human body has not evolved to cope with this lead, Patterson hypothesized most Americans *already* suffer from chronic subacute lead poisoning.

Kehoe's industry-fed supporters responded with outraged attacks not only on Patterson's work, but on Patterson personally and the editor of the *Archives.* The American Petroleum Institute (the oil industry's trade association and lobby) cut off Patterson's research funds. Nonetheless, Kehoe's reputation had been tarnished. Toxicologists awoke to look again at lead; and the rest of Kehoe's reputation quickly crumbled.

In 1968 Henry A. Schroeder and Isabel H. Tipton reported, also in the *Archives,* that the average lead concentrations in the tissues of Americans are much higher than lead concentrations in people living where little lead is consumed. Schroeder and Tipton also found that lead levels in Americans *increase markedly* with age. Here ended Kehoe's theory of an equilibrium between lead intake and output. Lead, in fact, collects in increasing quantities in bones and other tissues. This means that the lead level in the blood is not a reliable measure of body lead content.

While lead stored in the bones is relatively harmless (compared with lead in the brain), if that lead should be released from the bones, a healthy-appearing individual can suddenly show signs of lead poisoning. Lead may be released from storage by bone fractures, prolonged illness or alcoholism, and possibly during pregnancy. The medical literature contains a number of cases of lead poisoning occurring in individuals who had absorbed lead many years earlier with no apparent ill effects. Schroeder and Tipton attributed the increasing burden of lead in American bodies to leaded gasoline; and grimly predicted that, with the rapid rate of increase, toxic symptoms might soon appear in the general public.

Kehoe based his still-accepted lead tolerance standard on the experimental response of healthy young volunteers. Some people, such as those with blood or kidney diseases, are more susceptible to lead than are healthy youths. Small children also are highly susceptible to lead: the younger the child, the more vulnerable he is. Women exposed to lead with no easily visible ill effects often suffer miscarriages or stillbirths, or produce severely brain-damaged children. Indeed, children with symptoms of classical lead poisoning have been found to have a blood level of lead as low as .04, a value at the top of the "normal" range of lead levels in American blood. Charles C. Johnson, Administrator of the Environmental Health Service of HEW, recently suggested that small children may get lead poisoning largely from a contaminated city environment, though most toxicologists would dispute this.

Now that Dr. Kehoe's lead curtain has been ripped, scientists are beginning to discover that minute doses of lead cause little-understood chemical changes in the human body. Recent research has shown that delta-amino-levulinic-acid (d-ALA), a building-block in the manufacture of hemoglobin and other essential body compounds, is released at body lead levels far below those generally associated with lead poisoning symptoms. Lead interferes with the action of an enzyme that normally converts d-ALA into a related compound necessary for the synthesis of blood. Studies conducted last year by Dr. Sven Hernburg, a Finnish scientist, showed that lead interferes with the d-ALA enzyme at levels normally found in the population; Hernburg could find *no lead blood level below which the interference did not occur.* This finding is consistent with Dr. Patternson's controversial suggestion that since modern man contains about 25 times the natural amount of lead, *ipso facto* lead causes damage to humans.

The Russian government is much more restrictive of the lead imposed on its citizens than is the American government. Since the days of Pavlov, Russians have regularly tested toxic compounds for their effects on conditioned reflexes. Soviet scientists put lead in the air breathed by test rats, and found that their vigor and reaction time was significantly reduced. The amount of lead tested by the Soviets—11 micrograms per cubic meter for six hours in the air—is probably about comparable to a 24-hour exposure of 2.75 micrograms, which inhabitants of many U.S. cities presently experience. The Russian rats did not have to eat lead; and there is evidence that rats are less susceptible to lead than are humans. The relatively cautious Russians have set a maximum level of 10 micrograms for occupational exposure and .7 micrograms for the population—in contrast to U.S. standards of 200 micrograms occupational, and the industry-proposed 10 micrograms for the American people.

In short, much as industry scientists may squirm, Russian research suggests that current levels of exposure to lead in cities probably causes minor behavioral changes, such as the slowing of reflexes—e.g., the reflex of breaking in the face of an oncoming car. Latest research has pulled the comfortable industry-woven rug out from under the field of lead toxicology. At a time when lead in the environment and in the bodies of the American people is rapidly increasing, scientists have been reduced almost to scratch, with little but forebodings to guide them. Only the State of California has acted, by setting a maximum level for lead in the air of 1.5 micrograms.

All this is not to say that Ethyl acted amiss in funding Kehoe's research; rather, the fault lies with the federal government. For the government completely abdicated its responsibility in allowing Kehoe to so dominate the field of lead toxicology, and in failing to recognize that no more "objectivity" can be expected from an industry-paid scientist than from the lawyer who represents the industry in court. Meanwhile, Dr. Kehoe's place as the pillar of the lead community has been filled by one Dr. Gordon J. Stopps, Assistant Director of Du Pont's Haskell Laboratory (Du Pont makes 40 per cent of America's tetraethyl lead). Dr. Stopps, who at least does not operate under the camouflage of a university professorship, has earned a grudging respect in the scientific community; for while other scientists may disagree with his biases, they have found his methods scrupulously honest. This very honesty of course makes Stopps a more formidable opponent, as he can ably defend his biases.

Nonetheless, one may ask, isn't all this fuss a little academic? After all, the oil companies are phasing lead out of gasoline, removing the worst source of lead. Well, that's what the oil companies would like you to *believe* they're doing . . .

E PLUMBUS UNUM

On January 14, 1970, Edward N. Cole, President of General Motors, dropped a bomb on the normally harmonious auto-oil-lead industry. Lead, said Cole, gums up the catalytic mufflers GM planned to use, starting in 1972, to reduce automobile ex-

haust pollution. To make matters worse, he claimed, lead in gasoline greatly increases particulate (sooty) emissions. In short, the oil industry would have to begin putting out lead-free gasoline. At the same time, Henry Ford II wrote to the biggest oil companies, suggesting they convert to a two-fuel system of unleaded regular and leaded premium.

The oil and lead industries reeled from this disloyal attack. Malcolm McDuffie, President of Mohawk Petroleum, told a congressional committee that "all the incredible power, influence and adroitness of Detroit had been massed in an obvious attempt to foist onto the American consumer a colossal snow job based on the emotionally inspired and publicly popular theme, 'Get the Lead Out.'"

Lead increases the octane rating of gasoline—that is, the smoothness of burning. Two and one-half grams of lead per gallon, at a cost of half a cent, raises octane rating about eight points. The American Petroleum Institute (the oil lobby) happened to have a study in hand which alleged that conversion to produce high-octane leadless gas would cost $10.8 billion in new refining equipment.

GM fired a counter-study at the oil lobby, calculating that improved engine maintenance and increased power from cleaner gas would save the public about 2.75 cents a gallon.

The Ethyl Corporation, which stood to lose 40 per cent of its lead sales, hit GM with a counter-counter-study. Ethyl argued that leadless gasoline would *increase* air pollution, because the high-octane aromatics which would be added to gas irritate eyes, cause cancer, and form photochemical smog. Ethyl's study had been done by the US Interior Department's Bureau of Mines, under contract with the American Petroleum Institute. With the full weight of government authority behind it, Ethyl took out nationwide ads claiming that getting the lead out would increase smog. Dr. John T. Middleton, head of the National Air Pollution Control Administration (NAPCA), called Ethyl's ads "ill-advised and not true."

Bob Walker of *Finance Magazine* nicely summed up the public impression of this fraternal squabble:

"The problems involved become so technical that the consumer really has no way of knowing who, if anyone, is right. The layman generally is forced to decide which expert he trusts, and he usually is trying to decide among a group of apologists for many special interests, none of whom he knows."

Despite all the jousting concerning who should pay for cleaning up the internal combustion engine, the automotive-petroleum heavy metal combine continued to agree that lead is good for America. As President Charles M. Heinen of Chrysler said, the lead health hazard was a "phony issue" raised by a bunch of "air pollution scare specialists [who] are still trying to convince the American public that automobile emissions are a serious menace to life and health."

This unseemly sniping among members of the internal combustion brotherhood was resolved by Secretary Finch of the Health, Education, and Welfare Department. Acting with unbureaucratic swiftness four days after receiving a proposal for "phasing out lead" from Robert Cole of GM, Finch passed Cole's proposal on to the oil industries:

1. After July 1, 1971, gasoline marketed in the U.S. would contain no more than 0.5 grams per gallon of lead, *unless* its octane rating were at least 97;

2. After July 1, 1974, gasoline marketed in the U.S. would contain *no* lead *unless* its octane rating were at least 97;

3. Gasoline of 97 or greater octane levels would contain up to *four* grams per gallon of lead, *so long as demand for such gasoline* existed.

The lead companies reacted predictably, with press releases as hysterical as any from the get-the-lead-out forces. Charged J. L. Kimberley, Executive Vice President of the Lead Industries Association: "The Secretary is intimidating the petroleum industry into removing lead from gasoline without any proven benefit from doing so. There is no known present or imminent health hazard from lead in the atmosphere." In reference to the industry-sponsored Bureau of Mines study, Kimberley added, "We suggest the Secretary of Health, Education, and Welfare get 'all his ducks in a row' and check with his own and the other governmental agencies before he begins his intimidation program."

But the oil companies found Finch's proposal so appealing they did not even wait for the deadlines. Texaco began it, coming out on April 2 with a lead-free "premium" priced 6 cents above regular, and 2 cents above leaded premium. Union followed, with a new low-lead regular 76, "a gasoline for people, like us, who care about our air," priced one cent above regular. (A Union spokesman charged that Texaco had set their price so high to prove people wouldn't pay for clean air.) By November, 1970, *a Chemical and Engineering News Survey* found that nine oil companies had joined Texaco and Union in marketing no-lead and low-lead fuels, and other companies planned to follow. These gasolines are priced up to three cents per gallon more than regular fuels, with a majority costing one cent more than regular.

Conservationists suspected a heavy metal plot. As it turns out, the slug in the Finch schedule is the allowance of four grams of lead per gallon of high octane gasoline. Until a few years ago, the oil industry had had a "gentleman's agreement" with the U.S. Public Health Service (HEW) limiting lead to three grams per gallon. In the early sixties the oil industry requested the Surgeon General to raise the limit to four. Not having the power to refuse, and unable to *prove* that the increase would be harmful, the Surgeon General acceded, on condition that surveys to be conducted of lead in city atmospheres show no dangerous levels. The so-called "Three Cities" survey of lead in LA, Cincinatti and Philadelphia, completed in 1963, showed lead levels that public health officials did not find reassuring. Therefore, the oil companies needed a green light for adding four grams—which they got from Finch.

Since at the time the oil companies used an average of 2.7 grams per gallon in their premiums, and almost never more than three grams, what made that four gram raise so important? It is very simple: an oil refiner can raise the octane of his gas in two ways; by adding more high-quality ingredients, or by adding more lead. To make no-lead and low-lead gasolines, the oil companies are simply taking some of the high-quality ingredients out of the premium, and putting them into the regular; then, to make up the lost octane of the premium, they add more lead to it. In fact, for technical reasons they must add more lead to the premium than they take out of the regular, *increasing average lead content per gallon.* Since TEL is very cheap (⅕ cent/gram), this reshuffling of ingredients costs essentially nothing. So when the oil companies then charge one to three cents more for their "clean fuels, they really clean up—money if not air. Without the HEW guarantee that the government will not object to four grams per gallon, this profitable little maneuver would not be possible.

Most of the oil companies will not admit they are doing this. However, Union Oil PR chief Fritz Springman did allow that Union might be raising its average lead content per gallon, but "only as a temporary measure." Temporary or not, the oil companies are putting more lead into the air in the name of taking it out, and charging us gullible consumers a fortune for the favor.

THE CATALYTIC CAPER

By the middle of 1969, it had become clear to all that Senator Muskie's Clean Air Act of 1965 had failed to take a molecule of pollutants out of the air. By the incredibly cumbersome procedures it established, the Act actually weakened the powers federal officials already had. So Congress geared up to produce a new Clean Air Act. As the automobile contributes so heavily to lead and other air pollution, much of the lobbying and wheeler-dealering concentrated on cleaning up auto engines, and giving the National Air Pollution Control Administration power to regulate hazardous gasoline additives. In December, President Nixon signed into law the new Clean Air Act of 1970, essentially the Senate version, a stronger bill than most conservationists would have believed possible.

The bill authorizes NAPCA to regulate fuel additives, an important power should NAPCA wish to exercise it. The bill also sets a 1976 deadline by which auto emissions on new cars must have been reduced 90 per cent from present levels. This looks like a victory for clean air, but is it really?

No. In fact, it is a real triumph for GM and its fellow auto manufacturers.

First, it won't work. To reduce emissions so much, auto makers must add catalytic mufflers to their autos. Catalytic mufflers are not only expensive (about $200 each) but extremely fragile. Therefore, to ensure that these mufflers work, NAPCA must, in cooperation with the states, set up an extensive nationwide network of testing stations to which motorists must come at frequent intervals to have their exhaust checked. Until such stations have been established, the auto companies are not responsible for seeing that their autos meet standards. So, if NAPCA does not manage to get the stations established by 1975, (a good possibility considering the size and expense of the task) the 90 per cent reduction will remain a piece of paper. Even if the stations are established, they will be expensive to maintain. The frequent checking will also put an enormous burden on John Q. Public to take good care of his car. Not only that, but 1971 emission controls already interfere so seriously with the operation of cars that many car owners just strip them off. The catalytic mufflers will probably be worse. Of course, this is as the auto companies want it, so they can point to air pollution and say, "See, it's not our fault. The public just won't pay for clean air."

Second, the catalytic muffler racket is a dead end. Even if GM and friends can manage a 90 per cent reduction, they can't do any better without abandoning the internal combustion engine—as they admit they may have to—in the dim distant future. But, as Dr. Ernest Starkman, professor of mechanical engineering at Berkeley, recently charged, by throwing themselves into the frantic though ultimately futile scramble to clean up the internal combustion engine over the next five years, the auto companies must neglect their research on alternate engines, *further delaying the switch to cleaner cars.* The auto companies of course claim they could not possibly mass produce an alternate engine by 1975. According to Edward Lear, developer of some steam and gas turbine engines, "That's because no one is holding a blow torch to their backsides."

Finally, as far as lead pollution goes, cleaning up the air GM's way means abandoning any attempts over the next ten or twenty years to reduce the steadily growing concentration of that heavy metal in our air. Lead

wrecks catalytic mufflers. So, in order that these inventions may have their lead-free gasoline, the oil companies put more lead in the gasolines for old model cars than they take out of their lead-free gasolines—and make a tidy profit into the bargain.

In short, with the passage of the Clean Air Act of 1970, the heavies in the auto and oil industries won a respite for the polluting way of life. The American people will pay, both with their tax money, and with their health.

LED TO BELIEVE

Now we are ready for a look at the information about lead in the American environment, data which the Environmental Protection Agency is assiduously protecting from the gaze of the American public.

Suppressed Document One: The Lead Criteria Document, describing the dangers of lead and setting national standards to protect public health, originally had been scheduled for release this January. Immediately after the passage of the 1970 Clean Air Act, William D. Ruckleshaus, head of the Environmental Protection Agency (which now contains NAPCA), immediately announced that the Lead Criteria Document would be released "within a 13-month deadline" (the deadline specified by the Act). To veteran bureaucracy-watchers, this means "not for 13 months."

Yet the document *has* been written, and is currently circulating among a limited number of scientists under the title "Criteria Document for Lead, Draft No. 2." Even more interesting, it turns out that the Epidemiological Study portion was written by Dr. Gordon J. Stopps, the Du Pont employee who has filled Dr. Kehoe's shoes as the leading defender of lead pollution. Naturally, the document is soft on the dangers of lead.

Now it may seem a trifle shocking that an agency charged with protecting public health should rely on scientists from the very industries which threaten public health. However, NAPCA has very little choice. Since the federal government has so long left the field of lead toxicology entirely to industry, it has no respected experts of its own. Furthermore, unlike the governments of most European countries, the US government has no independent research capacity. It must depend on that quasi-official body of scientists, the National Academy of Sciences—National Research Council. By its charter, the National Academy must include industrial scientists. The Academy's aptly-named Lead Liaison Committee naturally includes Dr. Stopps.

Nonetheless, because the Criteria Document has not yet been released, there remains hope. California state recently adopted an atmospheric lead ceiling of 1.5 micrograms per cubic meter (in contrast to the industry-proposed limit of 10 micrograms). Dr. John Goldsmith of the California Department of Public Health, who led the fight for that strict limit, told us, "I believe they (NAPCA) may yet come around to our way of thinking."

We hope Dr. Goldsmith is right. However, the new Clean Air Act requires NAPCA to set public health standards *that can be enforced nationally within four years.* The California Department of Public Health, on the other hand, explicitly recognizes that air pollution standards necessary to protect public health cannot be achieved *without major changes in technology and modifications in life styles*—such as a halt to urban growth and a vast increase in public transportation in Los Angeles. NAPCA would have to buck its own authorization statute to recognize this truth; so the Agency may well take the easy path and set standards that industry, not the public, can "live with." On the other hand, the Clean Air Act *does* give NAPCA power to regulate fuel additives—if it wants to.

Suppressed Document Two: The Lead Criteria Document cannot be suppressed forever, as it faces a statutory deadline of about February 1972. But another, even more important, document has been suppressed by the NAPCA, with no deadline set for its release. This is the Five Cities Study, done in 1968–69 by the US Public Health Service in cooperation with the NAPCA. This study is a measurement of lead pollution in the air of five American cities, three of which were tested in the 1961–62 Three Cities Study.

As Dr. Jack Oppenheimer, a high NAPCA official, told a correspondent of ours last fall, the Five Cities Study was essentially complete at that time, except for summaries and conclusions. Yet at this writing (March 1971) the study had not been released. Furthermore, NAPCA *has refused to release even the raw data to Dr. John Goldsmith* of the California Department of Public Health, although Dr. Goldsmith is a leading expert on lead pollution and participated in the Three Cities Study.

For the benefit of our readers, we have obtained some of the data from the Five Cities Study. This section, showing 1968–69 lead levels in Los Angeles, was procured by a reporter at an air pollution conference last fall. Column (4) shows that average atmospheric lead levels in Los Angeles were 3.6 micrograms per cubic meter in 1968–69—well above the California limit of 1.5 As indicated by column (5), over a seven-year period, lead levels at Los Angeles test sites have increased from 33 to 64 per cent, the average increase being about 56 per cent. This is an increase *of 7 per cent compounded annually.* Another chart in the report suggests that the monthly average lead pollution of downtown Los Angeles for December 1968 was about 7.6 micrograms per cubic meter. Furthermore, the largest lead pollution in downtown Los Angeles was recorded by a station about 95 feet above the ground. Measurements taken down close to traffic and people probably would have been even higher.

The implications of this data are inescapable. The lead levels in the city of Los Angeles are already so high (well above the official California limit of 1.5 micrograms) and are increasing so rapidly that they will soon pass the industry-proposed 10-micrograms 24-hour limit, if indeed they have not already done so in some parts of the city. But the implications extend beyond Los Angeles. The 1961–62 study showed that downtown Philadelphia had the same lead levels as Los Angeles. In other words, all major cities in the country are probably being leaded at the same rate as Los Angeles.

In short, the federal government is actively suppressing data showing that even the *industry*-supported atmospheric lead limit has been approached or passed in American cities. Why? One can only speculate. It is natural for Dr. Stopps of Du Pont and the Lead Liaison Committee to insist that all data be checked and rechecked and checked again . . .

After all, the government has committed itself to cleaning up the air GM's way, which means an *increase* in atmospheric lead pollution for at least the next ten years. If government officials were now to come out and admit that lead pollution has already reached crisis levels, what could they do but wring their hands? Apparently, in the time-honored tradition of "don't alarm the public," they are playing ostrich in hopes the lead will all blow away.

COVER THE EARTH

Since the late 1940s, water-based latex paints have, to a fair extent, replaced lead-containing oil-based paints for indoor use. Nonetheless, lead-containing indoor paints continue to be widely available, particularly in various shades of orange, green and yellow, for which alternate pigments are much more expensive. Some paints, such as Pratt & Lambert House Paint, contain lead in red, brown and grey as well.

These paints have warnings on the labels. For example, a can of Boysen Plasolux (trademark) orange reads: "CONTAINS LEAD. Do not apply on window sills, toys, furniture or interior surfaces of rooms which may be used by children." The same label recommends the use of the paint for "kitchen, bathroom, woodwork, sash and trim, autos, lawn furniture, interior furniture, tools and implements, leather, plastic, boats and many other household applications."

Such warnings are totally inadequate. As many studies have amply demonstrated, most people do not read labels. But even if people did read labels, furniture and houses change hands; future owners may not know a window sill or chair has lead paint on it. Worst of all, lead-containing oil-based paints have a higher gloss and durability than latex paints, making them particularly suitable for bathrooms, kitchens and window frames. For this reason, penny-pinching, unscrupulous (or ignorant) landlords, particularly in the slums, will tend to use lead paints for these purposes regardless of the hazard to tenants.

LEAD NUMBERS

Blood lead levels

Milligrams/100 grams blood and Significance

0.001: "Natural" blood level before man began using lead, calculated by Patterson

0.010: Lower limit of normal blood levels in USA

0.025: Average blood level in USA

0.04: Upper limit of "normal" US blood levels; lower limit of blood levels in children showing poisoning symptoms

0.07: European "danger" threshold for occupational poisoning

0.08: American "danger" threshold for occupational poisoning

Lead in the air

Micrograms/Cubic meter, Period, and Significance

0.7, 24 hrs average, Russian limit for general population.

1.5, 30 day average, California limit for general population.

2.5, annual average, Los Angeles 61–62.

3.6, annual average, Los Angeles 68–69.

6.4, highest monthly average, LA 61–62 at highest-reading station.

7.6, highest monthly average, LA 68–69.

8.0, highest weeklong average, San Diego, 1970.

10.0, 8 hrs/day, Russian limit for industrial exposure.

10.0, 30 day average, Industry-proposed limit for US population.

25, unkown, Average LA freeways 61–62.

44, unknown, Average, vehicular tunnel, LA 61–62.

71.3, unkown, Recorded during peak traffic in LA, 1967.

200.0, 8 hrs/day, US limit for industrial exposure.

LEADED POTTERY

Most pottery contains lead in the glaze, that is, the glassy surface coating. However, only earthenware (brick-colored on breaking) as opposed to china (white on breaking) causes any hazards. Whether or not a given piece of earthenware reaches dangerous amounts of lead depends on whether the piece was fired at a high enough temperature to seal in the lead. Scientists tests for lead by filling the piece with hot vinegar, letting it stand for half an hour, and then analyzing the lead content of the vinegar. This is the only foolproof method of measuring the hazard of pottery.

So how can you tell whether the pottery you use is dangerous? You can't for sure. However, *handmade pottery* of any sort, American or imported, is almost always dangerous, since small potters cannot obtain sufficiently high firing temperatures. In fact, even the products of the "best" commercial

firms may be hazardous; for example, on March 4, 1971 Meltox Potteries of California announced it would withdraw all its "California Tempo" line because an 18-month-old baby probably had been fatally poisoned by drinking grape juice from one of the pitchers.

The only way to be really safe is by not using earthenware. If you do, stick to the recently-manufactured products of the biggest American, European or Japanese firms, don't store food in them, and don't put acid foods like fruit juice into them at all. (The same, incidentally, goes for pewter.) If you have any doubts about your current earthenware, toss it out and get a set of china—it's cheaper than having it tested.

If you have been using handmade or other suspicious earthenware regularly, see a doctor and ask for a blood test. The test costs about $15 and low-level lead poisoning is easily treated. If you have small children or expect to have children in the next few years, don't hesitate. Remember, babies and small children run a high risk of permanent brain damage.

This is not a joke. For while only a handful of poisoning cases from pottery turn up every year, public health officials strongly suspect that thousands more go undiagnosed. Since the symptoms of lead poisoning mimic those of so many other diseases, from anemia to viral encephalitis, only trained doctors with reason to suspect lead poisoning will diagnose correctly. After all, lead paint poisoned only a handful of children every year until doctors started looking for cases.

A ban on lead glazes would of course eliminate the danger. Such a ban would not affect most large commercial potters, some of whom indeed support it; however, it would put handicraft potters out of business, as only lead glazes melt at their low firing temperatures. The opposition of these artisans, plus the even more powerful opposition of the Lead Industries Association, has to date stalled all attempts to ban lead glazes.

HEAVY METAL SOUP RECEIPE

An oil refiner begins the gasoline blending process with a number of lead-free, or "clear," octane components. These he normally mixes to make a regular and premium grade, adding about 2½ grams of lead per gallon, to raise the octane of each grade by about 8 points. For example, starting with an 86 "clear" octane regular and a 92 "clear" octane premium, by adding lead the refiner gets a 94 octane regular and a 100 octane premium. Tetraethyl lead is very cheap, so the refiner gets that 8-octane boost for about half a cent per gallon. However, the effectiveness of lead additives is subject to the law of diminishing returns; so while the first half-gram of lead may increase the octane 3 points, the last half-gram added will increase the octane less than one point.

But the refiner can, and does, use another recipe. He can get 94 octane regular and 100 octane premium as follows: instead of mixing his components into an 86 "clear" octane regular and a 92 "clear" octane premium, he can, for example, throw them all into one pot to get an 89 "clear" octane blend. Then he can add 1 gram of lead per gallon to half of this blend, to get a "low-lead" 94 octane regular; and add *4½ grams of lead* to the other half to get a 100 octane premium. He has to dose the premium with this much lead because, by the law of diminishing returns, it takes about 4½ grams of lead to raise octane 11 points from 89 to 100, though it only took 2½ grams to raise the octane 8 points from 92 to 100.

As a result, instead of 2½ grams of lead per gallon, the refiner's gas now averages 2¾ grams of lead per gallon. This costs him 1/20th of a cent per gallon more. Then he bucks the prices of his "no-lead" and "low-lead" gasolines by 1 or 3 cents per gallon and makes millions.

LOS ANGELES SECTION OF SUPPRESSED FIVE CITIES STUDY

A—LOS ANGELES

Site number and classification	Height above ground (feet)	Location
1—Commercial	80	Downtown Los Angeles—County air pollution control district.
2—Commercial	5	La Grea district—Telephone Co.
3—Rural	5	Arcadia—County Aboretum.
4—Residential	10	Pasadena—County air pollution control district.
5—Residential	60	Pasadena—California Institute of Technology.
6—Residential	40	Westwood—University of California at Los Angeles.
7—Industrial	5	Vernon—Vernon City Health Department.
8—Commercial	95	Downtown Los Angeles—Los Angeles City Health Department.

SUMMARY OF MONTHLY AVERAGES OF LEAD PARTICLES BASED ON DECEMBER 1961–NOVEMBER 1962 AND DECEMBER 1968–NOVEMBER 1969

Location	Station	Geometric mean, lead micrograms per cubic meter— 1961–62	1968–69	Percent change (4)/(3)
(1)	(2)	(3)	(4)	(5)
Los Angeles	1	2.49	4.03	+61.42
	2	2.63	4.23	+60.45
	3	2.61	3.46	+32.71
	4	2.27	3.72	+64.04
	5	2.04	3.06	+49.78
	6	1.49	2.36	+58.63
	7	2.17	3.39	+56.29
	8	2.80	4.55	+62.62

INTERNATIONAL WHEAT AGREEMENT

Mr. McGOVERN. Mr. President, on July 12 this body ratified the International Wheat Agreement of 1971. Just before the vote on the wheat agreement, the Senate voted favorably on Senate Resolution No. 136. This resolution provided that the President, at the earliest practicable date, request the International Wheat Council to convene a negotiating conference with a view toward the negotiation of suitable provisions relating to the prices of wheat and to the rights and obligations of members in respect to international trade in wheat.

As originally drafted, the resolution called on the President to ask for such a meeting at the earliest possible date. Yet because some said the time was not right for such a request and because it was suggested we would be handcuffing the administration by such language, this body instead inserted the phrase "at the earliest practicable date."

When the resolution accompanying the International Wheat Agreement was passed, we fully expected the administration would pay some heed to the resolution. Those of us concerned about the well-being of the wheat farmer expected the administration to begin to explore times and places for negotiations as provided for by the treaty.

But within a few days of the adoption of the resolution, Assistant Secretary of Agriculture, Clarence Palmby, was asked when negotiations might begin. Secretary Palmby's reply was that it was not yet "practicable" for talks to begin; and, what is more, he did not foresee the time when such talks might begin.

With reports of record crop yields in the offing both here and in Europe, farmers are genuinely concerned about the lack of pricing provisions in the International Wheat Agreement. Farmers want to know now what the administration intends to do. The administration should spell out in no uncertain terms how it will comply with the Senate resolution requesting the administration to begin negotiations on pricing provisions and related issues as soon as practicable.

The statement by Mr. Palmby seems to be definitely at odds with the resolution we passed on the same day we passed the International Wheat Agreement of 1971. I call upon the administration to clarify its intentions. At the very least, it should tell those of us concerned about the welfare of the farmer what it intends to do.

Price provisions were not included in the wheat agreement. Without the direction provided by S. 136, the new agreement benefits only the international traders.

Devoid of pricing provisions, basing points and references wheats, the agreement we passed last week is of little meaning and does not serve the aim of stabilizing the international wheat trade.

The Senate resolution adopted last week provided the administration the means to give assurance to wheat producers that there would be protection against international price wars in wheat trading and the resulting loss of income to wheat farmers. The President and the Secretary of Agriculture should act quickly to comply with the Senate's recommendation. To fail to do so would leave our wheat farmers in a serious predicament at a time when over half the wheat harvested in the United States goes into the international market.

THE INTERNATIONAL WHEAT AGREEMENT

Mr. MONTOYA. Mr. President, on July 12, 1971, the Senate considered and passed Senate Resolution 136 and the International Wheat Agreement. I made a statement on the floor of the Senate regarding these two pieces of legislation, but through an inadvertent printing error, my statement did not appear in the CONGRESSIONAL RECORD that day. I ask now that the statement I made that day appear in the RECORD at this point.

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

INTERNATIONAL WHEAT AGREEMENT

(Statement by Senator JOSEPH M. MONTOYA on the floor of the U.S. Senate, July 12, 1971)

Mr. President, today the Senate faces an issue that will have a direct bearing on the well-being of the American farm community. Farmers in this country are not doing well now; the index of farm prices has slipped to 70, the lowest level since the depression. At a time like this, we should expect every action taken to be in the direction of alleviating the plight of farmers, yet we are asked today to make a decision regarding a very inadequate agreement on international wheat marketing.

The International Wheat Agreement be-

fore the Senate today does not contain any minimum price level. This means that a fundamental barricade against the extreme harm done to farmers by wildly fluctuating prices has been removed. Past agreements have contained minimum price levels to avoid such disastrous consequences. We can thank the distinguished Senator from Wyoming (Mr. McGEE), for coming to the aid of the wheat farmers in this country by introducing Senate Resolution 136, which instructs the administration to go back to the conference table as soon as possible to negotiate specific price levels. The adoption of Senate Resolution 136 would make the adoption of the International Wheat Agreement much more palatable than the agreement would be by itself.

Though I would prefer to have price levels set in the present agreement, I am willing to support the compromise now forged by the introduction of the McGee resolution to accompany the agreement. This arrangement is better than leaving international wheat trading completely adrift while a new agreement is negotiated.

The International Wheat Agreement consists of two parts; the Wheat Trade Convention, and the Food Aid Convention. As article one of the Wheat Trade Convention indicates, a major objective of this treaty is to further international cooperation in connection with world wheat problems. The basic factor in relation to cooperation and expansion of international trade is stability. And the means of guaranteeing stability in trade of wheat are price stabilization provisions.

Mr. President, it is very important to the people of my State of New Mexico that the new IWA be as strong as possible in its protection of wheat farmers.

During the 1970 crop year, New Mexico farmers planted 184,000 acres of winter wheat, from which was harvested 5.5 million bushels of wheat. The total value to farmers of the 1970 wheat crop in New Mexico was almost $14 million.

With the addition of Senate Resolution 136, this treaty takes on real meaning for wheat farmers in New Mexico and the other wheat-producing States. For in the interest of economic stability, it is essential that minimum and maximum price provisions, along with acceptable basing points of shipment and reference wheats, be implemented. We can thus avoid the threat of price wars which do damage to not only the wheat producers, but also the spirit of international cooperation.

To those who claim that we should rely upon "free trade" and the supply and demand nature of a "world price", the only reply necessary is a call to reality. There is no world price for wheat because factors other than "unfettered enterprise" enter into the international sphere of trade. Political maneuvering, to some extent, guides the tactics of world trade. Markets exist under framework of law, property rights, wealth distribution, and economic conditions. Justice and order are best served in world trade by well-defined guidelines and accessible mechanisms for negotiation.

Without these price stabilization measures, both the farmer and taxpayer in America will suffer. When the price of wheat sold abroad is below the price in the United States, the Government must pay the difference in the form of an export subsidy. The wider the difference, the greater the subsidy. In a "free trade" situation, there would be no safeguards against prices dipping so low as to cause exhorbitant subsidy costs—at the taxpayers expense. These mounting costs could endanger the farm subsidy program which is so important to the welfare of producers and consumers in our country.

So, Mr. President, it is with the knowledge that a clear majority of the other nations involved also desire these price stabilization provisions and the firm conviction that the Senate Resolution 136 makes this international wheat agreement a benefit to our domestic wheat producers that I recommend approval of this treaty.

I also believe, Mr. President, that it is the obligation of this administration to insure compliance by the United States with the provisions of the international wheat agreement. Any violations of treaty conditions, as have happened in the past, must be rectified with enthusiastic cooperation and support for the worthy goals of this international commitment.

I urge consent of this treaty.

CHARLES W. MILLER, PRESIDENT OF NATIONAL ASSOCIATION OF COUNTY ADMINISTRATORS

Mr. FANNIN. Mr. President, the members of the National Association of County Administrators are to be congratulated for their good judgment in selecting as their new president Mr. Charles W. Miller, of Phoenix, Ariz.

Chuck Miller is an extremely capable administrator who is doing an outstanding job for the residents of Maricopa County, Ariz., as their county manager. I have known Chuck Miller for many years, and I am sure that the National Association of County Administrators will benefit greatly from his business acumen, foresight, understanding, and problem-solving abilities.

I ask unanimous consent to have printed in the RECORD an article from the July 19 edition of the Phoenix Gazette, which tells of the election of Mr. Miller to the national office.

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

COUNTY MANAGER WINS POST

Quiet, soft-speaking Charles W. Miller, 49, is newly-elected president of the National Association of County Administrators.

Elected Saturday in Milwaukee during a preliminary conference of this affiliation of the National Association of Counties, Miller is believed to be the first Arizonan ever to be elected to the organization's top post.

Miller who recently completed his second year of a second hitch as Maricopa County's manager, has launched many programs aimed to upgrade the quality of county government.

He was first Maricopa County's top administrator from 1960 to 1964, and returned to the county in 1969 after resigning as controller of the Valley National Bank.

In demeanor and approach to a political office, Miller's is that of a banker. In his dealings with others, he has the best poker face hiding the shrewdest mind in the business.

Born in New Castle, Ohio, Miller has lived in Arizona since 1948 and was an officer of the Valley Bank before moving into county government for the first time.

He has a bachelor's degree in accounting and economics from the University of Denver, and in 1948 was one of the 10 students selected on a nationwide basis to participate in a specialized course initiated by that university under a Sloan Foundation grant.

He received a master's degree in government management that same year.

He served with the Army in World War II.

In 1968 he was selected by the editorial board of Who's Who in America for the 36th edition. He and his wife Suzanne have two children.

OPPORTUNITIES IN ENVIRONMENTAL CAREERS

Mr. MUSKIE. Mr. President, a number of distinguished men and women are meeting this summer at Bar Harbor, Maine, to plan a unique new college to be devoted to human ecology and called College of the Atlantic. I have just received two publications from the college which speak with great optimism about our Nation's future. One is an article excerpted by Saturday Review from a new Vocational Guidance Manual by Odom Fanning entitled "Opportunities in Environmental Careers." Mr. Fanning states in this book that he believes "that environmental management is going to be the fastest growing area of industry, public services, and the economy for at least the next decade and probably much longer." His book describes, for parents and students, the studies that are available to prepare young persons for careers in environmental management.

To meet the fast growing demand for trained personnel, new institutions also will be needed, such as the College of the Atlantic, described in the second publication. This projected nondenominational, private, coeducational, 4-year college should go a long way toward helping fill the need for manpower for environmental management programs. Although the college is not scheduled to open until September 1972, prospective students have been identified and invited to meet with the founders. These include a distinguished Board of Trustees headed by Dr. Seldon E. Bernstein of the Jackson Laboratory at Bar Harbor. A former assistant dean of the Harvard Graduate School of Education, Edward G. Kaelber, is the president.

The College of the Atlantic will be located at a site already leased, a large estate on Frenchman's Bay, Mount Desert Island, Maine. I cannot imagine a more lovely or ideal place to acquire the attitudes and knowledge necessary for an understanding of human ecology. Most of the island remains undeveloped. Its coniferous forests, mountains, and freshwater ponds are set off dramatically by the surrounding waters of Frenchman's Bay and the North Atlantic Ocean. Approximately one-third of the island is permanently protected by Acadia National Park.

I shall observe the growth of this fine new institution with great interest. I would encourage prospective students or others interested to request literature from College of the Atlantic, Bar Harbor, Maine 04609.

I ask unanimous consent that both of the documents be printed in the RECORD.

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

THE ENVIRONMENT BOOM

(By Odom Fanning)

On the basis of present evidence, I feel confident in predicting near-future developments in the environment. This prediction is based on two mandates from the Congress: the National Environmental Policy Act of 1969, sponsored primarily by Senator Henry M. Jackson of Washington, and the Environmental Quality Improvement Act of 1970,

sponsored primarily by Senator Edmund S. Muskie of Maine. These two laws establish a permanent policy and program. From them, I have made five fundamental assumptions:

1) This policy will be continued indefinitely by the Congress. Both parties support it with equal fervor.

2) Any prospective President of the United States, for the foreseeable future, will have to be an ardent environmentalist. Otherwise, he could not be elected.

3) The federal government will continue to reorganize to implement the laws passed by the Congress to push environmental programs. The reorganization plans of 1970 moved toward logical consolidation, but most Washington observers agreed that they will be followed by more reorganizations.

4) Business and industry will accommodate to the environmental clamor because they inevitably follow the market and respond to market demand. If there is profit in pollution, business will pollute. If there is more profit in less pollution, business will lessen the pollution. If there is no profit in any pollution, business will eliminate the pollution with surprising rapidity. And that is clearly what we already are seeing. Not overnight, because the technology is not available. Not even soon, because we didn't start until yesterday. But rapidly, far more rapidly than businessmen generally thought possible as recently as 1970. To the manufacturer, the retailer, the individual, the cost of cleanup is unavoidable. Not just for good housekeeping—for survival.

5) Public opinion will continue to favor environmental concerns. The environment is a cause around which young people, regardless of differences, can unite. As the mass media of communications usually follow rather than lead, they will continue to respond to these demands. Through opinion feedback, they will help to build further public interest, which will be mobilized into further public action.

Conservation and restoration of the environment can be accomplished only by people working at it. And only part of the work can be volunteer, non-paid—important though that will continue to be. Most of the active participants, and the most effective, will be full-time professionals and paraprofessionals employed at various levels of government and private industry, or in consulting or service firms.

How many such people will be gainfully employed in the United States by 1980? Surprisingly, no one really knows. Only in a few areas of environmental management—notably recreation and parks and environmental protection—have responsible agencies conducted manpower surveys and made logical projections. In my opinion, most of these projections are unrealistically conservative. The Bureau of Labor Statistics' fundamental assumptions about the economy are far more bullish than any official or unofficial estimates of manpower needs. I choose to be far more bullish about the future of the environment, too, than many cynics today, for to me it seems logical. You cannot turn on a spigot of public demands for environmental quality and expect only a trickle of institutional response.

I believe that environmental management is going to be the fastest growing area of industry, public services, and the economy for at least the next decade and probably much longer. I rest my case on the assumptions I have stated about the economy and about the environment, on the few projections available, on educated hunches that democratic processes are ideally suited to respond to a youthful fervor for revolutionary, though peaceful, social change, and on the belief that the young people of America are not going to drop the environmental cause.

The table below lists, by major disciplines, the total environmental manpower available in 1970 and what I estimate will be the needs of 1980.

	Practitioners in 1970	Practitioners needed 1980
Ecology	4,300	12,000
Geology	22,800	33,400
Geophysics	6,800	10,400
Meteorology	4,000	12,000
Oceanography	5,800	40,000
Forestry	25,000	37,000
Forestry aids	13,000	23,800
Range management	6,000	8,000
Soil conservation	26,000	30,000
Wildlife conservation	15,000	20,000
Fisheries conservation	4,500	7,500
Recreation and parks	215,790	220,000
Architecture	34,000	61,600
Engineering (construction and consulting)	40,000	70,000
Landscape architecture	8,500	14,500
Urban planning	7,000	16,600
Environmental protection	217,500	565,000

As the figures show, I believe that the five areas of environmental management—ecology, earth sciences, resources and recreation, environmental design, and environmental protection—will grow from 655,990 professional and paraprofessional jobs in 1970 to 1,181,800 such jobs by 1980—close to an unprecedented doubling in one decade.

Who will mobilize and energize the resources to motivate and recruit the needed young men and women . . . to build and expand the schools to educate them . . . to develop the science and technology to enable them to solve our pressing environmental problems . . . to expand our economy so that we can afford to do what we want to do . . . to send to Washington, and the statehouses and courthouses, statesmen and politicians and public administrators who will develop the needed programs?

All of us will.

COLLEGE OF THE ATLANTIC

MOUNT DESERT ISLAND, MAINE.

INTRODUCTION

This brochure announces the formation of the College of the Atlantic, an institution committed to the broad study of human ecology. The college will be unique in that faculty and students will engage in a single curriculum. It will focus on problems and studies most relevent to the understanding of man's dependence upon and responsibility to his environment.

The problem orientation of the curriculum will by its very nature necessitate the active participation of residents of Mount Desert Island and surrounding communities.

This is an announcement rather than a prospectus as important alternatives remain in the development of this curriculum. It does describe the ideas and ideals which will be the basis for further refinement before the college's opening in 1972.

Consider this an invitation to share our ideas and enthusiasm.

ORIGINS

The College of the Atlantic was incorporated in July of 1969 as a non-denominational, private, coeducational, four-year college to be located on Mount Desert Island, Maine. The idea of the college was conceived by the original trustees, a group of men resident on Mount Desert and interested in higher education. Early in the planning, the study of human ecology was decided upon as the unifying theme of the curriculum. A large estate on Frenchman's Bay was leased as a site for the college, and a local fund raising drive began to gather support. A president, Edward Kaelber, formerly Associate Dean of the Harvard Graduate School of Education, was appointed in January of 1970 to begin actual planning for the college and its curriculum. After extensive assessment, the president and the Board of Trustees projected an opening date for September of 1972.

GOALS AND PHILOSOPHY

The College of the Atlantic will be distinguished by its focus on human ecology, defined as studies pertaining to man's dependence upon and responsibility to his environment.

The problems caused by man's interaction with his environment are not new, though recently signs of the stress he has inflicted upon it have become more obvious. It is clear that our society and the educational system have failed to develop the attitudes and values which tend to protect and enhance rather than deplete and destroy our environment. Neither have we learned to anticipate the environmental consequences of particular activities nor to use our technology effectively.

To quote Barry Commoner, ". . . we are in a period of grace. We have the time, perhaps a generation, in which to save the environment from the final effects of the violence we have done it."

Immediate disaster, perhaps, with a summoning of will and effort can be staved off. We have the resources and skills, for instance, to control most types of pollution. But we have lacked the appropriate values and attitudes to make use of them.

Concurrently, we have allowed our created environments to grow unmindful of human considerations. Our buildings, cities, organizations and institutions have evolved in such a way as to put stress upon the human qualities of our existence. The impersonality and disorganization of our cities, the automation quality of many aspects of modern life, the lack of concern for aesthetics, the disregard for human rights, and the difficulty of pursuing meaningful lives are all aspects of this stress.

In the words of Pogo, "We have met the enemy, and he is us."

The quality of life

That the decline in the quality of human life cannot be reversed by the mere accumulation of more technical knowledge is a concern of Rene Dubos, a College of the Atlantic trustee. *In So Human an Animal,* he wrote: "Contrary to what is generally claimed, increased knowledge of natural forces and the growth of technology have not improved man's control over the environment. While the rate of environmental change has immensely accelerated, the social and biological responses have not kept pace with the new situation thus created. As a result, technicized societies may be close to the threshold beyond which it will be impossible to evaluate, let alone control, the effects on human life by the new environments created by technological innovations."

College of the Atlantic takes the position that to avoid losing touch with ourselves, we must study man as a product of a cultural as well as a biological past. The humanities and social sciences must serve to temper and guide scientific discovery if we are to enhance our human existence. As environments become ever more man-created, the task of relating man to himself will become more difficult and vital.

Interdisciplinary approach

We consider bodies of knowledge interdependent. Extreme specialization is incompatible with an ecological point of view. The technologist who tries to operate detached from his culture is like a writer with a huge vocabulary but no sense of the use of nuance. Both are likely to be misunderstood and to create destruction.

We will attempt an interdisciplinary ap-

proach; but we will recognize the danger of dilettantism. Thus we will expect some students will want to achieve depth in an least one area. This competency, however, must be related effectively to other disciplines. Otherwise, it risks becoming pedantic and irrelevant to real problems facing the world.

College of the Atlantic aims to embody these ideals into a curriculum and a program which will allow students to prepare themselves to do something about the world in a rigorous, understanding and compassionate manner. It will be difficult; there are no easy answers; we could fail. But if we are to develop a college that will make a difference, the risk must be taken.

CURRICULUM PLANS

The initial curriculum planned to meet the goals of the college will be prepared by a nucleus of faculty and staff prior to 1972. Student participation in the development of this curriculum will be sought and will become a necessary part of their program after enrollment in the college. It is anticipated that the curriculum will be limited to pursuing in depth those areas vitally concerned with human ecology. The strength of the college will lie not in an attempt to cover the breadth available in the well-known liberal arts colleges, but in exceeding their quality and setting the standard of excellence in the interdisciplinary study of human ecology.

However, we cannot at this early stage of planning propose a detailed program or pattern of offerings. We do not choose to preempt decisions which will ultimately rest with students and members of the faculty. We can describe in broad outline a curriculum and a structure which we feel would best fulfill the goals of the college as we presently conceive them.

A problem orientation

From the beginning, real and simulated environmental problems will be investigated. Besides providing an overview of the complexity of real problems, a realization of the interdependency of all fields of knowledge will result. The temptation to reduce problems to neat packages and solutions will be lessened. At the same time, this experience will broaden perspectives and provide the motivation for further study.

Concurrently, areas of study will be pursued which relate to or emerge out of the nature of the problems being confronted. Though courses in skills will be offered, the primary purpose of the introductory program will be the awakening and acquisition of the values and attitudes we deem so important.

Before a student can learn to develop solutions for contemporary problems, he must equip himself with as broad a perspective as possible from which to view the problem. Before he can find practical solutions, he must acquire certain skills and tools with which to develop them. Before he can successfully change others, he must understand himself as a human being dependent upon and related to his environment. All of the introductory programs will be offered with these ends in mind. They will be preparatory, and exploratory, in the literal and best sense of those words.

Individual needs

Advanced programs will be closely tailored to individual students' needs and interests. Each student, with the assistance of faculty advisors, will select a specific problem he wishes to investigate concerning man and his relationship to his environment. He will also have the opportunity to study in depth those areas pertinent to his field of inquiry, either in planned courses or independently with those faculty members best equipped to guide him. Particularly, he will be acquiring the specific tools and skills he will need to work out the projects to which his final year will be devoted. During his final year the student will be encouraged to draw upon all the resources of the college and the larger community. His program may, in fact, take him away from the college altogether for a period of time. Though he will have the guidance of a faculty advisor, and his work will be evaluated upon completion, he will work and study independently, or perhaps with a team of other students working on a larger project. While the early part of the program will be largely directed toward an exploration of man's value system, these final stages will enable the student to acquire the specific skills, as John Fischer, the editor of Harper's puts it "to do something about what is going on in the world."

A flexible structure

In order to give this suggested structure the necessary flexibility, we will not be bound by the traditional system of rigid credit hours nor full semester or year courses. Some students will spend three years at the college, while others who spend considerable time in work-study may need more. Rather than the lecture being the mainstay of the educational program, we plan instead that the seminar, laboratory work and field study will take the forefront where students working with faculty members at close quarters can begin to understand how scholars and professionals work and think.

Course and program content will differ from that in other colleges in that wherever possible, subjects will be explored with a view toward illuminating man's relationship to his environment. For example, a program in the humanities concerning American literature might be organized around a study of the ways individual writers have responded to and expressed their attitudes toward their natural surroundings. A program in the social sciences might deal with the interrelationship of environment and the nature and rate of social change. A survey of philosophy might center on the development of thought and values in relation to environment. Programs in the natural sciences will pursue a means of understanding the nature of man and his biological dependence upon his environment as well as a means of acquiring the tools and the methods one must have in order to preserve it.

The approach we most favor is often called problem centered. We believe that at an undergraduate level study should be linked with the real problems and issues facing the working community. Yet we cannot ignore rigor nor content nor skill acquisition just to be relevant. We cannot ignore theory and historical development merely to be current. To maintain this delicate balance will be difficult, but it will be our goal.

INFORMAL CURRICULUM

The informal curriculum of the school will concentrate on those activities particularly suited to a small, coeducational college, located on coastal Maine and devoted to the study of human ecology. Thus it is anticipated that the college will not, in the near future, provide programs in intercollegiate athletics. Instead we plan to provide facilities for an extensive program of individual and team sports to be pursued on the intramural level in areas desired by the students. We will give particular encouragement and support to outdoor sports and recreation associated with Maine. Mount Desert is surrounded by some of the most beautiful and versatile sailing waters on the Eastern seaboard. The Island, a large portion of which is Acadia National Park, is rugged and mountainous and criss-crossed by over twenty miles of carriage paths and trails suitable for hiking, bicycling, cross country skiing, snowshoeing, climbing, or just plain exploration and solitude.

The college will not support some of the social activities sometimes believed to be associated with collegiate life, such as fraternities. Instead, the college will provide resources for such activities as film societies, music enjoyment, both rock and classical, workshops for the arts and crafts, or woodworking and mechanics, and any other activities students desire to pursue commensurate with the goals of the college. As with our formal curriculum, these decisions will not be made for the students, but the encouragement and resources necessary to make their recreational life both relevant and enjoyable will be provided. Again, we do not see the program as something "extra" but a part of the life style, attitudes and values we wish to promote.

THE SETTING

Mount Desert Island, Maine, should be an ideal place to acquire the attitudes and knowledge necessary for an understanding of human ecology. Promoted as the most beautiful island in the world, it is difficult to describe without resorting to the inanities and worn cliches of travel folders. Its coniferous forests, mountains and freshwater ponds are set off dramatically by the surrounding waters of Frenchman's Bay and the North Atlantic. Most of the Island remains undeveloped, and approximately one-third is permanently protected by Acadia National Park.

The climate is tempered by an oceanic thermo effect. While the winter is cold and brisk, and the summer warm, neither experience the extremes of inland areas.

The Island is uncrowded and quiet in fall, winter and spring, about 8,000 persons spread over 100 square miles, largely concentrated in four Island towns. During summer months, the residential population doubles, and more than two million visitors flock to Bar Harbor to visit the Park and enjoy its natural beauty.

The year-round economy of the Island is dominated by the Jackson Laboratory, the world's largest center for the study of mammalian genetics, as well as the historic boat building, fishing and lobstering industries.

Although most of the year offers peace and tranquility unavailable in urban areas, students should be aware they will have to develop a different life style from that to which they might be accustomed. While the college and the community will offer some of the activities many desire, they will be unable to duplicate those diversions available in large urban areas.

THE STUDENTS AT THE COLLEGE

Students will be full members of the college community with rights as well as responsibilities. The role of the student, however, is distinct from that of faculty and staff. While it is the responsibility of the latter to provide the environment and resources for an education, it is students who must make full use of these provisions.

The college will not take the position of watchdog, nor will it make decisions that should lie with a student growing toward maturity. Neither will it shirk its responsibility to provide the guidance and the compassion necessary to make this growth possible.

THE FACULTY

Faculty members will have particular academic specialties, and points of view and biases associated with these specialties. Human ecology, however, is by nature an interdisciplinary study. Staff members will be sought who not only are tolerant of, but eager for other points of view.

Faculty members will need both emotional and intellectual commitment to seek ways of expanding specialties into other fields toward the understanding and solution of problems. Experiments with as many points of view as possible will be essential.

Faculty members must be able to view the world in terms of unities rather than com-

partments, and to encourage students to do likewise.

Without neglecting the research and study necessary to keep abreast of and contribute to developments in their fields, faculty members must be especially committed to teaching and working closely with undergraduates.

GOVERNANCE

Expected modes of behavior and rules generally ease the day to day existence of communities. It is anticipated that a committee for community governance will provide the guidelines by which the college will live. Students, faculty, administrators and trustees will share the responsibility. Through it is expected that students will be most responsible for the social life of the college and the faculty and administrators for the academic life, all must work together to insure integration of both. Since the college will be part of a larger community, its laws must be respected as well. A community council of Island residents has been formed, which together with student members, will ensure the rapport necessary to make this policy work.

THE COLLEGE AND THE COMMUNITY AT LARGE

As our students and faculty will come from various parts of the nation and the world, they will be concerned with a broad spectrum of far-flung problems. However, it is extremely important that the college be a live part of the Mount Desert Island community. The Island should be viewed as much more than a delightful place for an academic enclave.

Students and faculty may want to participate in various aspects of the Island's economy and culture, or may become interested in Island politics.

Simultaneously, Island residents will be involved with students and faculty in exploration of problems which are the focus of the curriculum. Such participation will be encouraged.

In addition, residents of the Island will be encouraged to participate in college activities such as lectures, films, exhibits and seminars. As the college gets under way, evening study and perhaps other courses of interest will be open to members of the community.

ADMISSIONS

The first class to be admitted in the fall of 1972 will consist of approximately 100 men and women. By 1977 we expect to have reached full growth with about 600 students.

Who will attend?

We know of no tests, transcripts, letters of recommendation, or combination thereof capable of describing the students we seek. Conversely, we know of no catalogues, brochures, or films which have been entirely successful in presenting and exposing colleges to prospective students. We feel colleges and students have mutual problems discovering one another.

In order to begin with particularly suited students, we plan to invite prospective students for visits during the summer and fall of 1971. They will participate in a simulation of the life and programs of the college, and will have ample opportunity to assess the college and to test their commitments to the curriculum and concepts we feel are so vital. Simultaneously, staff members will assess the compatibility of students with the aims and programs of the college.

Mutuality of choice will be stressed throughout the visits. A student faces four years investment of time and money. He should have the opportunity to learn as much as possible about a college before making a commitment. The college, on the other hand, is entitled to a close look at people who seek admission. We believe we can construct a program that will accomplish this to the mutual benefit of the student and the college.

For further information write: College of The Atlantic, Admissions Office, Box 2, Bar Harbor, Maine 04609.

BOARD OF TRUSTEES

Chairman

Dr. Seldon E. Bernstein, Senior Staff Scientist and Assistant Director, Jackson Laboratory, Bar Harbor, Maine.

Three Year Terms

Mr. Elmer Beal, owner lobster pound, Southwest Harbor, Maine.

Dr. Dana M. Cotton, Director of Placement and Secretary of the Faculty of Education, Harvard University, Cambridge, Mass. Twenty-one years Secretary for New England Association of Colleges and Secondary Schools.

Dr. Rene Dubos, Professor, Rockefeller University, New York, N.Y. Author of So Human an Animal, Pulitzer Prize, 1969.

Dr. William Kraushaar, Professor of Physics, University of Wisconsin, Madison, Wisconsin. Member American Academy of Arts and Sciences.

Dr. Winthrop C. Libby, President, University of Maine, Orono, Maine.

Mr. Robert W. Patterson, Architect and landscape architect; Past President Natural Resources Council of Maine; Director, National Wildlife Federation, Mount Desert, Maine.

Dr. Elizabeth S. Russell, Senior Staff Scientist, Jackson Laboratory, Bar Harbor, Maine.

Dr. Theodore R. Sizer, Dean, Faculty of Education, Harvard University, Cambridge, Massachusetts.

Mr. James Russell Wiggins, Publisher, Ellsworth American; Former Managing Editor, Washington Post; Former U.S. Ambassador to United Nations; Brooklyn, Maine.

Mr. Roger Tubby, Dean, School of Professional Studies, Foreign Service Institute; Formerly U.S. Ambassador to International Organizations, Geneva; Washington, D.C.

FOUNDING TRUSTEES

One year terms

Mr. David Benson, businessman, Southwest Harbor, Maine.

Mr. Leslie C. Brewer, businessman, past Chairman and member of board, Mount Desert Island Regional High School, Bar Harbor, Maine.

Mr. Bernard K. Cough, businessman, Bar Harbor, Maine.

Mr. John M. Good, Superintendent, Acadia National Park, Bar Harbor, Maine.

The Rev. James M. Gower, St. Ignatius Catholic Church, Northeast Harbor, Maine.

Mr. Edward Heyman, Author and Producer of musical scores and productions, Bar Harbor, Maine.

Mr. Richard Lewis, U.S. Customs Service, Hulls Cove, Maine.

Mr. James MacLeod, Representative, Maine State Legislature; Bar Harbor, Maine.

The Rev. Arthur C. McGiffert, Jr., President Emeritus, Chicago Theological Seminary, Mount Desert, Maine.

Mr. Carlo A. Ninfi, Treasurer, Town of Mount Desert; President of Board, Mount Desert Island Hospital; Somesville, Maine.

Mr. Robert T. Smith, Regional Director, O. E. O., Bar Harbor, Maine.

Dr. Winston Stewart, Medical Doctor, Bar Harbor, Maine.

HONORARY TRUSTEE

Dr. Clarence C. Little, Director, Emeritus, Jackson Laboratory; President Emeritus, University of Michigan; President Emeritus, University of Maine. Trenton, Maine.

STAFF SKETCHES

Edward G. Kaelber became the first President of College of the Atlantic in January of 1970. After graduation from Harvard College, and World War II service in the European Theater, he attended the Harvard Graduate School of Business Administration. Nine years of operating a wholesale lumber business ended in 1960, when he was apppointed an Assistant Dean in the Harvard Graduate School of Education. As Associate Dean of the Faculty of Education from 1964 to 1969, Kaelber directed various activities, the most recent being the development of a large secondary school in Western Nigeria.

Melville P. Cote joined the college in June of 1970. His particular area of responsibility is in student affairs, beginning with recruitment and admissions. After graduation from Wesleyan University in Psychology, he returned to earn a Master of Arts in Teaching English, then taught at the Punahou School in Honolulu for thee years. He enrolled in the Harvard Graduate School of Education where for five years he studied in a doctoral program in Guidance and Counseling, served as Assistant to the Dean for Admissions, and worked in Africa for two years as the Guidance Advisor for the Harvard Nigerian Project.

TRIBUTE TO SENATOR YOUNG

Mr. CURTIS. Mr. President, a short while ago one of our beloved colleagues was honored by the National Milk Producers Federation. I refer to North Dakota's senior Senator, The Honorable MILTON YOUNG. This group which represents American dairy farmers presented to Senator YOUNG the Distinguished Citizen of Agriculture award.

Mr. President, this organization could not have selected a more deserving person to receive this award than Senator YOUNG. He is knowledgeable in the field of agriculture legislation. He is dedicated to the cause of American agriculture and he is a constant champion of those things which, in his opinion, will improve the economic condition of the American farmers and will improve rural life.

Mr. Kenneth Scheibel has written an article which appeared in the Arizona Republic, published in Phoenix, Ariz., on June 20, 1971, concerning Senator YOUNG and this award. I ask unanimous consent that Mr. Scheibel's article be printed at this point in the RECORD.

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

SENATOR YOUNG—NICE GUY WHO FINISHED FIRST

(By Kenneth Scheibel)

WASHINGTON.—Once in a while nice guys finish first.

One man who is tops in the affection and esteem of his colleagues and friends is Sen. Milton Young, R-N.D.

Young is known for his work for farmers in his own state and all over America.

The other night, friends assembled at a dinner to pay high tribute and honor to the shy senator. The honor is a new one and Young was tapped as its first recipient. President Nixon noted the occasion in a letter.

The senator received a Distinguished Citizen of Agriculture award from the National Milk Producers Federation, which represents American dairy farmers.

Letters and telegrams of tribute came in from both Democrats and Republicans, many high in their parties' ranks.

What prompts such affection and esteem for a man in public service? Why such praise for a rather bashful, reticent figure?

It is obviously Young's work to improve the quality of farm life in America. During his many years in Congress he has never worried about who got credit for what—as long as the job was done. He didn't particularly care if the new idea or plan was Democratic or Republican—as long as he felt it was a good one.

"One reason I was able to get some things

done," Young said, "is that I had a lot of good help.

"Whatever failures I had were my own," he added.

Sen. Young's philosophy is as unrelenting as the winds that sweep North Dakota: Never give up.

"I farmed," he said. "I went broke. And that is one reason I am here. I want to keep farm depression from ever happening again."

The only sin, according to his lights, is to give up or quit. He is no quitter. Now in his fifth term in the Senate, he is a high-ranking member of two top committees—Agriculture and Appropriations.

The highlight of his agricultural work in the Senate is the Public Law 480 program, enacted during the Eisenhower administration, and the many farm price support programs approved and revised by Congress in recent decades.

He concedes the latter are not perfect but so far no one has devised a better system.

"Some people think I am half Democrat," he said with a grin. Maybe he is.

But whatever the label, just about everyone who honored Sen. Young the other night agrees he is 100 per cent for farmers.

He is a man who gets things done in his own quiet way—no matter who gets the credit.

KENT STATE

Mr. McGOVERN. Mr. President, I invite the attention of the Senate to two letters, one from Arthur Krause, the father of a student killed by the National Guard at Kent State University last May, which was published in the Washington Post, and a letter from Lt. Gen. Robert Taber to my office, detailing the new procedures which are recommended for the National Guard in civil disturbances.

Both letters are timely reminders of the tragedy at Kent State last year. They further serve to remind us of the inadequacy of our national response to the killing of four unarmed students. Last May the Guard ignored existing rules for handling civil disorders in the series of blunders which led to the killings. The improvement of these rules alone is not enough to avert future tragedies. Only when we establish the accountability of the Guard officers and men for these murders can we demonstrate our unwillingness to tolerate irresponsible actions from our law-keeping forces.

The State grand jury that conducted an inquiry into these killings produced nothing but a whitewash of the agents of government involved in the events that led to the killings. The burden must then fall upon a Federal grand jury to investigate the killings, despite the almost 15 months that have elapsed since the tragedy. As Mr. Krause points out, a Federal grand jury can be summoned almost immediately when the administration desires it, as in the case of the Pentagon papers. But why there has been no action so long after those four students were shot down while exercising their right to peaceful assembly is a question that very few can answer satisfactorily.

It is true that the National Guard has a generally good record in its effort to quell civil disturbances. But we only encourage official lawlessness when we fail to insist upon a full and honest investigation into the Kent State killings. I would ask the question with which Mr. Krause closed his letter:

How would you explain to people that you elected not to enforce the law?

Mr. President, I ask unanimous consent that the letters from Mr. Krause and Lieutenant General Taber be printed in the RECORD.

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

[From the Washington Post, July 10, 1971]

THE KENT STATE KILLINGS: "HOW WOULD YOU EXPLAIN TO PEOPLE . . .?"

In your argument with the U.S. Department of Justice many vital questions have been raised. Our judicial system has moved swiftly to resolve the impasse and the outcome will have far reaching consequences for our future as a democracy. In my argument with the U.S. Department of Justice many questions have been raised and, to some Americans, they are equally as vital to the nation's future because they involve life and death and the right of a citizen to due process of law. However, in my case the Department of Justice is preventing the judicial system from resolving the questions raised in the killing of my daughter and three other students at Kent State University.

I shall not burden you with all the obvious reasons why a federal grand jury should investigate the circumstances surrounding the shooting of May 4th last year. Rather I will let the following quotations speak for themselves in conveying to you the urgent need for justice to be allowed to review this tragedy.

"As a lawyer, I am conversant, and I suppose most people who follow the courts are conversant, with the fact that where there is no premeditation but simply an over-response in the heat of anger that results in a killing, it's murder. It's not premeditated, but it's a murder, and certainly can't be condoned."—Vice President Agnew, May 7, 1970.

"We have some reason to believe that the claim by the National Guard that their lives were endangered by the students was fabricated subsequent to the event . . . Aside entirely from any question of specific intent on the part of the Guardsmen or a predisposition to use their weapons, we do not know what started the shooting."—Justice Department Summary of the FBI investigation, July, 1970.

"In light of the new documentation of the FBI's findings of 'fabrication' and other facts that shatter the state grand jury's primitive, prejudiced version of events, clear questions arise. Will the Justice Department initiate federal proceedings? Or will the results of the FBI's labors be buried in J. Edgar Hoover's vaults? And if so will the media let the suppression stand?"—James Wechsler, New York Post, October 28, 1970.

"I was in the office of the Deputy Guard Commander, Brigadier General Robert Canterbury, when I overheard him say on the telephone, referring to the chaplain, Major John Simons, 'We've got to shut him up. This could be fatal.' "—Mr. Schakne, CSB–TV News, Nov. 3, 1970.

"Because of the involvement of the National Guard, which is an arm of the federal defense establishment, and because of the possibility that an infringement of federal civil rights laws may be involved, presentation of evidence to a federal grand jury becomes necessary."—Akron Beacon Journal, editorial, Nov. 5, 1970.

"The Justice Department has an unpaid debt to the victims of the shootings and their families to initiate its own proceedings, making full use of the FBI findings that J. Edgar Hoover has tried to bury. The central thrust of those findings was that nothing happened at Kent State that justified the killings."—New York Post editorial, Jan. 29, 1971.

"I think a federal grand jury investigation is both necessary and proper."—Former Pennsylvania Governor William W. Scranton, June 22, 1971.

"Law enforcement officers should use only the minimum force necessary in dealing with disorders when they arise. A human life—the life of a student, soldier or police officer—is a precious thing, and the taking of a life can be justified only as a necessary and last resort."—President Nixon, December 10, 1970.

"The public has a right to know whether the force exercised in its name has been rightly exercised. The families of those who died have a right to know why they were killed . . . None of the investigations has afforded the injured parties—and society—an accounting from those responsible for these (Kent and Jackson) exercises of official violence. They may be able to justify their actions, but they have not yet been obliged to do so in a forum where their explanation is subject to crossexamination and the rules of evidence."—National Council of Churches and other religious groups, May 3, 1971.

"The results of the Ohio State grand jury have been seriously questioned by the FBI and the Scranton Commission report, serving to create more doubt. Only a federal grand jury can provide the kind of information necessary to satisfy the many doubts that surround the tragic event which occurred at Kent State."—Congressmen Moorhead and Vanik and others, May 13, 1971.

"Washington can move fast enough when it chooses. A federal grand jury is already at work on the 'leak' of the Pentagon papers. It will be difficult for most Americans to understand why the violent deaths of four students have evoked no comparable priority."—New York Post editorial, June 25, 1971.

"An Ohio grand jury absolved the Kent State Guard of any guilt in the deaths of four students, even though they undubitably killed them."—The London Times, Jan. 31, 1971.

"Justice delayed is not only justice denied, it is justice circumvented, justice mocked, and the system of justice undermined."—President Nixon, March 11, 1971.

"The total silence and inactivity of the administration in the face of a Presidential Commission's clear conclusion that grievous acts which resulted in the loss of human life were apparently committed by identifiable individuals makes its evident contempt for our more general recommendations pale into comparative insignificance. It is inconceivable that the Department of Justice would refuse to convene a federal grand jury in Ohio on the basis of the Commission's conclusions supplemented by evidence developed by the FBI and the obvious miscarriages of justice occuring on the State level.—James F. Ahern, June 22, 1971.

"They (the four killed at Kent State) and their brothers at Jackson State and Orangeburg, were killed by the conscious deliberate acts of other men."—James F. Ahern, May 4, 1971.

"There were two guardsmen who committed second degree murder. The FBI knows about these two guardsmen, but it wasn't brought before the (state) grand jury."—Joseph Rhodes Jr., Nov. 30, 1970.

Gentlemen, I am one of those Americans who find it extremely difficult to understand why the deliberate killing of my child and the three who died with her evokes no "comparable priority." And in despair I ask you how it is that so many hints that the shooting was a "conscious deliberate act" can be so cynically and callously ignored?

I will conclude by saying that this letter was prompted by the following item in this week's issue of Time Magazine concerning your legal conflict with the Justice Department:

"The White House insisted, with much justification, that it must take action when it feels that a law has been violated. 'How

would you explain to people that you elected not to enforce the law?' asked one presidential aide."

ARTHUR S. KRAUSE.

PITTSBURGH.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., June 16, 1971.

Hon. GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: This is in response to your letter of May 13, 1971, inquiring about the actions which have been taken by the Department of Defense since the Kent State incident to improve the civil disturbance control capabilities of the National Guard.

During the past year the Department of the Army has taken a number of significant steps to improve the National Guard's training and equipment in the civil disturbance area, some of which were related to the report of the President's Commission on Campus Unrest. Before summarizing the principal improvements which we have reported to the Office of the President in these areas, however, let me address what appears to be your major concern:

"That the National Guards of the states now have policies and procedures which will prevent such tragedies as that one which took place May 4, 1970, and . . . that never again can loaded weapons like the M–1 and M–16 be issued to Guardsmen who are confronting student demonstrators."

We fully share your desire that the policies and procedures of the National Guard be such as to minimize the possibility that deadly force will ever be used unnecessarily against demonstrators. To this end we have not only completely revised the Federal rules for the use of force in civil disturbance situations, but have also made every effort to secure their unqualified acceptance by all the states for use by their Guard personnel while serving under state control.

Your formulation of the problem in terms of the Kent State incident and the subsequent report of the Scranton Commission, however, necessitates two observations. First the Ohio National Guard practice of routinely loading weapons upon being committed to civil disturbance control operations was contrary to both the prior and revised Federal guidelines, and has since been expressly repudiated by the state's new Adjutant General. Secondly, the Scranton Commission did not recommend as sweeping a restriction as is proposed in your letter—a flat prohibition against making available any loaded weapons to Guardsmen confronting student demonstrators. The Commission's much more realistic position on the matter is clearly reflected in the following excepts from its report, one of which you quoted in your letter:

"Shoulder weapons (except for tear gas launchers) are *very rarely* needed on the college campus; they should not be used except as emergency equipment in the face of sniper fire or armed resistance."

* * * * *

"The *general* issuance of loaded weapons to law enforcement officers engaged in controlling disorders is never justified except in the case of armed resistance that trained sniper teams are unable to handle.

* * * * *

"The Kent State tragedy must mark the last time that, *as a matter of course*, loaded rifles are issued to Guardsmen confronting student demonstrators." (Emphasis added).

The proper approach, therefore, in both our opinion and that of the President's Commission, is not to deny Guardsmen the means of defending themselves should this become necessary but to urge all state National Guard organizations to adopt and strictly adhere to standards of restraint in the use of deadly force which have been developed and promulgated by the Department of the Army. As revised in November, 1970, Army Field Manual 19X15, *Civil Disturbances and Disasters*, contains the following specific guidelines concerning the loading and firing of weapons:

(2) The use of deadly force is authorized only where all three of the following circumstances are present:

(a) Lesser means have been exhausted or are unavailable;

(b) The risk of death or serious bodily harm to innocent persons is not significantly increased by its use; and

(c) The purpose of its use is one or more of the following:

(i) Self-defense to avoid death or serious bodily harm (see (3) below);

(ii) Prevention of a crime which involves a substantial risk of death or serious bodily harm (for example, setting fire to an inhabited dwelling or sniping) including the defense of other persons;

(iii) Prevention of the destruction of public utilities or similar property vital to public health or safety; or

(iv) Detention or prevention of the escape of persons against whom the use of deadly force is authorized in subparagraphs (i), (ii), and (iii) immediately above.

(3) Every soldier has the right under the law to use reasonably necessary force to defend himself against violent and dangerous personal attack. The limitations described in this paragraph are not intended to infringe this right, but to prevent the indiscriminate firing of weapons and the indiscriminate use of other types of deadly force.

(4) * * *

(5) Task Force commanders are authorized to have live ammunition issued to personnel under their command. Individual soldiers will be instructed, however, that they may not load their weapons except when authorized by an officer, or provided they are not under the direct control and supervision of an officer, when the circumstances would justify their use of deadly force pursuant to subparagraph (2) above. Retention of control by an officer over the loading of weapons until such time as the need for such action is clearly established is of critical importance in preventing the unjustified use of deadly force. Whenever possible command and control arrangements should be specifically designed to facilitate such careful control of deadly weapons.

(6) The presence of loaded weapons in tense situations may invite the application of deadly force in response to provocations which, while subject to censure, are not sufficient to justify its use; and it increases the hazard that the improper discharge of a weapon by one or more individuals will lead others to a reflex response on the mistaken assumption that an order to fire has been given. Officers should be clearly instructed, therefore, that they have a personal obligation to withhold permission for loading until circumstances indicate a high probability that deadly force will be imminently necessary and justified pursuant to the criteria set forth in subparagraph (2) above. Strong command supervision must be exercised to assure that the loading of weapons is not authorized in a routine, premature, or blanket manner.

(7) Task force commanders should at all times exercise positive control over the use of weapons. The individual soldier will be instructed that he may not fire his weapon except when authorized by an officer, or, provided he is not under the direct control and supervision of an officer, when the circumstances would justify his use of deadly force pursuant to subparagraph (2) above. He must not only be thoroughly acquainted with the prerequisites for the use of deadly force, therefore, but he must also realize that whenever his unit is operating under the immediate command and control of an officer, that commander will determine whether the firing of live ammunition is necessary.

Our efforts to secure universal acceptance of these rules by the states have been considerable, and the response has been most encouraging. The Under Secretary of the Army, Mr. Thaddeus Beal, has on several occasions during the past few months addressed assemblages of state Adjutants General, and urged the adoption of the Federal guidelines in the strongest possible terms. The Chief of the National Guard Bureau has done the same, and also convened a special panel of National Guard experts to examine in detail the civil disturbance plans of every state. The findings of this study group were then reviewed by a special committee of Adjutants General, which submitted specific recommendations for the revision of each state's plan, and unanimously recommended the standardized adoption of the Federal rules for the use of force. These recommendations were conveyed to the states in personal letters from the Chief of the National Guard Bureau to each Adjutant General. Virtually every state has subsequently responded favorably with a written commitment to undertake the necessary revision of its civil disturbance plan, and the Guard Bureau is currently pursuing a vigorous program of follow-up activities to insure that the Federal rules are in fact accepted in both letter and spirit by every state.

In addition to urging the universal adoption of the Federal guidelines for the use of force, the Scranton Commission recommended that National Guardsmen receive more training in controlling civil disturbances, and both special protective equipment and "nonlethal weaponry" in order that the use of deadly force could be limited to "the absolute last resort." The past year has seen a number of important developments in these areas, the most significant of which are summarized below.

Training: Civil disturbance control training for National Guardsmen has been increased. In addition to the pre-existing requirement that all units assigned a civil disturbance mission receive 33 hours of civil disturbance training initially and 16 hours of refresher training annually, all Guard units are undergoing a special, one-time course of 8 hours during Fiscal Year 1971. Currently, furthermore, all Army trainees are receiving 3 hours of civil disturbance training during the Basic Combat Training phase. Beginning in Fiscal Year 1972, this active duty training will be expanded to a 20-hour training program which all Guardsmen will receive at the completion of their Advanced Individual Training phase, just prior to returning to their Guard units for duty. As an adjunct to the training of individual Guardsmen, the Department of the Army has also developed and distributed 1.3 million copies of a wallet-size card setting out revised Special Orders for all military personnel engaged in civil distrubance control operations. These Special Orders are intended as a constant reminder to the individual soldier of his important continuing responsibilities and the limitations on the use of force during such operations. A copy of this graphic training aid is enclosed for your information.

Leadership: We believe leadership is the single most important element in conducting successful civil disturbance control operations, and we are reinforcing the training of those leaders who will have the greatest impact at the point where confrontations actually occur. To this end, we are providing 16 hours of leadership training for the junior leaders of the Guard during FY 71, to include captains, lieutenants, and enlisted personnel

in grades E–4 through E–9. Beginning next year, this program will be continued on an 8-hour annual refresher basis.

Protective Equipment: A vigorous program to provide sufficient protective gear for individual Guardsmen has been conducted with regard to the items mentioned in the Scranton Commission Report: "helmets, face masks, flack vests, etc." The current situation is as follows: the standard Department of Army steel helmet will remain the defensive head gear of the Guardsmen. A program has been initiated to equip every Guardsman likely to be committed in a civil disturbance control operation with a protective face shield, protective body armor (flack vest), and a riot baton. Contracts for the face shields and riot batons have been let and deliveries have been underway for several months, with 138,000 of each item scheduled to be in the hands of Guard units by June 30, 1971. The protective body armor is being supplied by the Defense Supply Agency, with distribution of 111,500 vests scheduled for completion by the end of this fiscal year. The difference between the number of face shields and flack vests is due to the fact that Guard units already had approximately 27,300 vests on hand at the initiation of the program.

Non-Lethal Weapons: In the area of research and development of non-lethal weapons, an active program is being conducted by the Office, Chief of Research and Development of the Army. Under this program, the Army is continuing development of more effective means of dispersing riot control agents. These include a rubber, softball-sized, "skittering" hand grenade and a soft-nosed 40mm projectile designed to minimize the possibility of causing injury to anyone struck by these items. An active project is underway to evaluate a "less lethal" projectile for the 40mm grenade launcher that will provide the capability of selectively engaging an individual at a range of 4 to 30 meters in a manner in which he is temporarily stopped with no resulting permanent harm.

The Scranton Commission emphasized that steps should be taken to minimize the danger of violent reaction to campus demonstrators by the police and National Guard. The use of excessive force, not only on a campus but against any segment of the population, is equally undesirable. Rather, we believe the current rule must obtain that only the minimum force necessary to control the disorder is to be used—whether on campus or elsewhere. The increased training, the improvements in equipment, and the acceptance by the states of the Federal Rules for Application of Force all combine to minimize such dangers in any future civil disturbance. Through preparedness and confidence, instilled by training and unit discipline, we intend to reduce to a minimum any hazard that excessive force will be used in the protection of the rights of students and other citizens to freedom from molestation, threat and violence.

In closing, it is considered both proper and in the interest of presenting a more complete picture with regard to employment of Guardsmen in civil disturbance disorders, to point out that from January 1, 1968, until May 4, 1970, (Kent State incident) approximately 154,866 Guardsmen were employed in some 182 civil disturbance operations without causing serious personal injury. Since that time, there have been 76 additional such operations involving approximately 44,733 Guardsmen, all without serious personal injury.

Sincerely,

ROBERT C. TABER,
Lieutenant General, U.S. Army,
Principal Deputy.

SPECIAL ORDERS FOR ALL MILITARY PERSONNEL ENGAGED IN CIVIL DISTURBANCE OPERATIONS

1. Carry out your assigned duties in a military manner and present a neat military appearance at all times. Be sure that everything you do reflects credit upon your country, the military service, your unit, and yourself.

2. Have regard for the human rights of all persons. Be as courteous toward civilians as possible under the circumstances. Do not mistreat anyone or withhold medical attention from anyone needing it. Do not damage property unnecessarily.

3. Use only the minimum amount of force required to accomplish your mission and, if necessary, to defend yourself. When under the control of an officer, you will load or fire your weapon only on his orders. When not under the control of an officer, you will load or fire your weapon only when required to protect your own life or the lives of others, to protect specified property designated as vital to public health or safety, or to prevent the escape of persons endangering life or vital facilities; you are not authorized to use firearms to prevent offenses which are not likely to cause death or serious bodily harm, nor endanger public health or safety.

4. When firing is necessary, shoot to wound, not to kill.

5. When possible, let civilian police arrest lawbreakers. But when assistance is necessary or in the absence of civil police, you have the duty and the authority to take lawbreakers into custody. Take such persons to the police or designated military authorities as soon as possible. Cooperate fully with the police by safeguarding evidence and completing records as instructed.

6. Allow properly identified news reporters freedom of movement, so long as they do not interfere with the mission of your unit.

7. Do not talk about this operation or pass on information or rumors about it to unauthorized persons; refer all civilians who ask for information about what you are doing to your commanding officer.

8. Become familiar with these special orders, and carry this card on your person at all times when engaged in civil disturbance operations.

THE ABA COMMISSION ON CORRECTIVE FACILITIES AND SERVICES

Mr. WILLIAMS. Mr. President, one of the leading political leaders in our country, the former Governor of New Jersey, Richard J. Hughes has been spearheading a national campaign to reform correctional facilities and services throughout the Nation in his capacity as chairman of the American Bar Association's Commission on Correctional Facilities and Services.

The Governor has made an enormous investment in time, energy, and leadership in helping to develop this most important reform program.

I ask unanimous consent to have printed in the RECORD a guest editorial by Daniel L. Skoler from the June issue of the American County, the official monthly publication of the National Association of Counties describing the goals and program of the commission. Mr. Skoler is the commission's staff director. I wish also to submit for the RECORD, a complete membership listing for this notable commission.

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

A PROFESSION MAKES A COMMITMENT: THE ABA COMMISSION ON CORRECTIONAL FACILITIES AND SERVICES

(By Daniel L. Skoler)

An exciting program is underway at the American Bar Association (ABA). It is a public service effort—it is interdisciplinary—it is action oriented—and it extends beyond the strict parameters of what has traditionally been the lawyer's concern. It has been funded and staffed—and it falls "dead center" in line with the growing public revelation that the most critical leverage point today for crime control and reduction (short of a more effective set of basic socializing institutions) may lie in our machinery and capacity for effective correction of offenders. "IT" is the ABA Commission on Correctional Facilities and Services.

The background of this effort is worth noting. It offers another case history on how an "establishment" discipline with a sense of responsibility can join the young, the "have nots," and the directly aggrieved, in addressing the social issues of the day. The story goes back to a two-fold challenge—offered to the lawyers in annual convention two summers ago—by an activist and eloquent chief justice.

First—"The day when lawyers and judges could confine themselves sedately to deeds, wills, trusts, and matters of commerce is gone. They must increasingly devote their special skills and talents to the large problems of community and national concern."

Second—"I challenge the social utility of any system of criminal justice which allocates, as we now do, a disproportionate time amount to our resources to the techniques of trials, appeals, and post-conviction remedies while it gravely neglects the correctional processes which follow a verdict of guilty. . . . There must be some way to make our correctional system into something other than a revolving door process which has made 'recidivist' a household word in America."

The message was picked up by Bernard Segal, then ABA president, who himself had been thinking and talking along the same lines. He was quick to provide the necessary ingredients—formal authorization for the program and designation of an interdisciplinary commission to guide it.

Named the ABA Commission on Correctional Facilities and Service, an authorizing resolution of the ABA Board of Governors (Feb. 1970) invested it with an action thrust spanning all facets of corrections in which the Commission might be a helping force for reform. Segal then put together a group of 18 Commission members that has attracted applause both within and without the legal profession. Chaired by former New Jersey Governor Richard Hughes, the Commission counts less lawyers than non-lawyers among its ranks.

The roster includes two former directors of the federal Bureau of Prisons; the Chairman of the U.S. Parole Board; four present or former directors of state correctional departments; four eminent judges (state, federal, and family court); and distinguished lay and professional leaders such as a former Secretary of Defense, the head of the AFL–CIO, the nation's preeminent psychiatrist in correctional reform, a financier who doubles as president of the nation's leading citizen crime control association, the head of the national professional association of prosecutors, and two acknowledged academic leaders in criminal justice research and analysis.

Nearly a year was spent in the search for staff, funding, and the exploration of program avenues and issues that the Commission might address. The effort culminated in a Ford Foundation grant secured earlier this year, the establishment of a 3-man development staff shortly thereafter, and at a

meeting with Chief Justice Burger in April, 1971 at the Supreme Court, authorization of the Commission's first four action efforts.

The initial efforts are illustrative of the kinds of concerns, activities, and approaches that the Commission will undertake. They all address important correctional objectives:

a.) effective use of volunteer manpower in correctional programs (a national volunteer parole aide program in which up to 1,000 young lawyers will supervise one parole each under professional guidance—the explosion in court/probation volunteer work of the past ten years has not as yet significantly touched parole systems with their more difficult, released-offender populations);

b.) increased employment opportunity for offenders (a project to stimulate reexamination and removal of unreasonable statutory and regulatory restrictions on employment and trade licensing of ex-offenders—these exist as "underbrush" of the past in many states);

c.) improved prisoner rights and conditions in penal institutions (a project to secure enactment or system adoption of improved standards and regulations for treatment of prisoners and operation of correctional institutions—this through means of visitation, surveys, citizen action, negotiation, assertion of recognized correctional standards, and cooperative work with correctional administrators).

d.) higher education for rank and file correctional personnel (a project to stimulate junior college degree attainment for correctional/line officers—although the skills and training of this group are essential to effective correctional treatment, their participation in federal higher education assistance has been markedly and surprisingly below even the police services).

These are not the only nor necessarily the highest priority efforts that the Commission will have occasion to consider. One criterion for selection was the susceptibility of the programs to early definition and activation. Other priority areas, considered equally desirable for Commission attention, indicated the need for further study before programming could be undertaken. Thus, the Commission has directed program development work in the areas of legal services to offenders, community treatment and diversion programs, juvenile corrections, vocational and technical training of offenders, correctional law reform, and improvement of correctional system organization and efficiency.

Two facets of the Commission thrust need to be emphasized. The first is its necessary reliance on the resources of the bar at national, state, and local levels and on the cooperation of business, labor, education and informed citizen groups. The second is its respect for and commitment to the dedicated professionals in corrections who for years have striven for the resources and improvement which the nation is just beginning to support and who must continue to "man the lines" and make the system perform after the reformers and friends of corrections have made their mark.

The initial project efforts indicate the Commission's essentially coordinative and program development role. For example, the ABA Young Lawyers Section will be the primary implementation resource for the volunteer parole aide program. The Commission will be joining forces with the ABA Criminal Law Section in the offender employment restrictions project. Throughout, it will seek the effort and manpower of state, county, and local bar associations, including the four state bars that have already designated committees to focus exclusively on correctional improvement (Michigan, New Jersey, North Carolina, and Maryland). In similar vein, the Chamber of Commerce (with its extraordinary, across-the-board "grass roots" action programs in criminal justice improvement), the National Civil Service League, and the AFL–CIO will be cooperating in the employment restrictions project.

The Association of American Junior Colleges will be the lead agency in the "higher education for line personnel" project. Regarding general public support, NACo was the first of the national public interest organizations to review and express endorsement for the initial portfolio of efforts.

The ABA is sensitive to and acutely aware of the preeminent position the correctional profession itself must occupy in the business of correctional reform. From the inception of Commission staff activities, detailed consultation on all programs was initiated with the American Correctional Association (ACA), the professional association of the nation's correctional administrators and workers. Not only was endorsement for the Commission efforts forthcoming, but ACA's most helpful advice, guidance, and cooperation has continued to enrich Commission endeavors. The openness of the correctional response confirmed for us corrections' readiness for leadership and change. The ACA commitment has been paralleled by supportive endorsements from other major corrections organizations—the National Council on Crime and Delinquency, U.S. Parole Board, Federal Bureau of Prisons, Law Enforcement Assistance Administration, and National Association of State Training Schools and Juvenile Agencies.

The early Commission liaison with ACA also created an awareness of that organization's goals and programs for developing increased professional leadership—a system of accreditation for correctional systems and agencies, revision and updating of the profession's comprehensive code of correctional standards, and reorganization and broadening of its current base to provide a home for all elements and facets of the correctional spectrum.

Whether the ABA commission will, in the end, prove to be a positive and helpful force in correctional improvement remains to be seen. This will be determined by the combination of commitment, skills and resources that can be marshalled and maintained as the program continues. Whatever the case, the commitment has been made—let us hope this particular endeavor stands the acid test of real service.

MEMBERSHIP OF THE AMERICAN BAR ASSOCIATION COMMISSION ON CORRECTIONAL FACILITIES AND SERVICES

Richard J. Hughes, Newark, N.J., (Chairman), Practicing Attorney; Governor of New Jersey, 1961–69; New Jersey Superior Court Judge, 1952–59; Assistant U.S. Attorney for New Jersey District, 1939–45.

Myrl E. Alexander, Washington, D.C., Director of U.S. Bureau of Prisons, 1964–70; Chief of Prisons for Military Government of Germany, 1945–46; Vice Chairman of U.S. Delegation to United Nations Congress on Prevention of Crime and Treatment of Offenders, 1965; Past President, American Correctional Association, 1956.

James V. Bennett, Washington, D.C., Director of U.S. Bureau of Prisons, 1937–64; Chairman of ABA Section of Criminal Law, 1965–66; Former President, American Correctional Association, 1940.

Peter B. Bensinger, Chicago, Ill., Director, Illinois Department of Corrections; Former Chairman of the Illinois Youth Commission; Former Business Executive.

George Beto, Huntsville, Texas, Director of Texas Department of Corrections; Former President, American Correctional Association, 1970.

A. Leon Higgenbotham, Jr., Philadelphia, Pa., Judge of the U.S. District Court, Eastern District of Pennsylvania; Vice Chairman of the National Commission on the Causes and Prevention of Violence.

Florence M. Kelley, New York, N.Y.; Chief Judge, Family Court, New York City; Former Assistant U.S. Attorney; Former Head of the Criminal Courts Branches of the Legal Aid Society of New York City.

Robert J. Kutak, Omaha, Nebraska, (Vice Chairman), Practicing Lawyer; Authority on Prisoner Rehabilitation and on State Correction and Parole Legislation; Co-Draftsman of the Criminal Justice Act of 1964; Member, White House Task Force on Prisoner Rehabilitation.

Carl M. Loeb, Jr., New York, N.Y., President, National Council on Crime and Delinquency since 1964; Chairman, New York City Board of Corrections, 1957–61; Limited Partner, Loeb-Rhoades Co.; Director, American Metal Climax Corp. and Kawecki-Berylco Industries, Inc.

Richard A. McGee, Sacramento, California, Former Director of the California Department of Corrections; President, Institute for the Study of Crime and Delinquency; Member of White House Task Force Prisoner Rehabilitation; Former President, American Correctional Association, 1943.

Robert S. McNamara, Washington, D.C., President of the World Bank; Secretary of Defense, 1961–69; President, Ford Motor Co., 1960–61.

George Meany, Washington, D.C., President, AFL–CIO; Member of Federal Prison Board.

Dr. Karl Menninger, Chicago, Ill. and Topeka, Kansas; Internationally known psychiatrist and authority on corrections; A Founder of Menninger Clinic; Consultant to Federal and State prison systems; Consultant to the American Bar Foundation Committee on the Rights of the Mentally Ill.

Norval Morris, Chicago, Ill., Professor of Law, University of Chicago, and Director of Center for Studies of Criminal Justice since 1964; Director of United Nations Institute for Prevention of Crime and Treatment of Offenders in Tokeyo, 1962–64.

Lawrence W. Pierce, New York, N.Y., Judge, United States District Court, Southern District of New York; Visiting Professor of Criminal Justice, State University of New York, 1970–June 1971; Chairman, New York State Narcotic Addiction Control Commission, 1966–1970; Director of New York State Council for Youth, 1963–66; Deputy Commissioner of Police, New York City, 1961–63.

John M. Price, Sacramento, California, District Attorney of Sacramento since 1959; Chairman, National District Attorneys' Association.

George J. Reed, Washington, D.C., Chairman, United States Board of Parole; Former Director, Nevada State Department of Parole and Probation, 1965–67; Former Director, Lane County (Oregon) Juvenile Department, 1967–68.

Irving R. Segal, Philadelphia, Pa., Practicing Attorney; Partner, Schnader, Harrison, Segal & Lewis; Vice-President, National Kidney Disease Foundation; Board of Managers, Women's Hospital of Philadelphia; Fellow, American Bar Foundation.

Noah S. Sweat, Jr., Corinth, Miss., Circuit Court Judge of Mississippi; Adjunct Professor of Law, University of Miss.; Former State District Attorney; Faculty Adviser, National College of State Trial Judges.

Marvin E. Wolfgang, Philadelphia, Pa., Professor of Sociology, University of Pennsylvania; Consultant to President's Commission on Law Enforcement and the Administration of Justice, 1965–67.

Lawrence A. Carpenter, Washington, D.C., (terminated membership March 1971), Director, Corrections Program Division, Law Enforcement Assistance Administration, U.S. Department of Justice, 1969–May 1971; Warden, Federal Correctional Institution, Seagoville, Texas, 1966–68; Federal Correctional Institution, Texarkana, Texas, 1965–66; Executive Assistant to Director, U.S. Bureau of Prisons, 1957–1965.

Professional Staff: Daniel L. Skoler, Arnold J. Hopkins, Melvin T. Axilbund, Russell Webb III, 1705 DeSales Street, Washington, D.C. 20036.

TRIBUTE TO THE HENDERSON-DAVIS PLAYERS OF THE SOUTH CAROLINA STATE COLLEGE

Mr. THURMOND. Mr. President, in August of this year, the Henderson-Davis Players, the drama guild of South Carolina State College, will perform in the annual American Festival in northern England, with performances throughout Great Britain, Scotland, Ireland, and Wales.

An invitation is extended to a limited number of highly talented performing groups, and all South Carolinians can be proud that the Henderson-Davis Players were selected to be a part of that distinguished group.

Mr. President, this invitation was not an easy accomplishment, for many hours of hard work and limitless patience by all the members of the guild contributed to this successful endeavor. This can be seen in the many awards and presentations this fine staff of individuals has accumulated in recent years, such awards having national and international recognition. These include the National Association of Dramatic and Speech Arts—NADSA—Best Actor Award in 1968, 1969, and 1970; NADSA Best Actress in 1970; NADSA Best Supporting Actress Award in 1969 and 1970; NADSA Best Dramatic Reading in 1969 and 1970; NADSA second place runnerup trophies in 1968 and 1969 for public speaking and first-place runnerup in 1970; and NADSA critic's choice of best play in 1968, 1969, and 1970. Also, in April 1969, and March 1970, the players were selected as one of the 12 top theatrical groups to participate in the Yale University International Drama Festival in New Haven, Conn.

Mr. President, the awards have not stopped there. At the Calhoun Forensic Festival at Clemson University in 1970, the players were awarded the Calhoun Forensic Inaugural Trophy of 1970, the Best Dramatic Reading Trophy, the Novice Award for Dramatic Reading, and a second place certificate for dramatic reading. With all this, Mr. President, the Henderson-Davis Players have not limited themselves to theaters of high esteem, as they have performed during the academic years of 1969–70 and 1970–71 for various culturally deprived areas of the State of South Carolina.

It could be said that the efforts of several directors were involved in the spectacular accomplishments of the guild, but it was through the efforts of one man, Mr. H. D. Flowers II, that much of the success can be attributed. An instructor of speech and drama at South Carolina State College, Mr. Flowers has directed over 30 productions, and his experience as a performer and director covers children's, secondary, college, and community theatre.

He has served with the Henderson-Davis Players since 1967 and previously with such groups as the Southern Players of Southern Illinois University, the Black Repertory Company in California, and the Sycamore Summer Theatre in Indiana. He has received more than three dozen awards in national and international drama competition. South Carolina State College is proud and fortunate to have such marvelous leadership.

Mr. President, I am pleased to commend the dedicated players themselves. Through their tireless, cooperative efforts, they have achieved a tremendous record of which they can be proud. The members of the guild include: Harry Aiken; Sandra Bowie, who won the Best Actress Award in 1968 and 1970; Lawrence James, a recipient of the National Drama Festival Best Supporting Actor Award in 1968; Ramona Barnes; Linda Combs, a recipient of the NADSA Best Supporting Actress Award in 1969; James Smalley; Norman Thompson; Abigail Brown; Clarence Murray; Mandell Salley, first-place winner for extempore speech in 1970; Gregory Curlee, winner of the Most Valuable Player Awards in 1968, 1969, and 1970; Harold McPhail; Michelline Pinson, and Leroy Odom. So, Mr. President, the guild is laden with the talent and dedication which has been attributable to their prosperity in the field of drama.

All of South Carolina can take pride in the past achievements and future endeavors that lie ahead for the Henderson-Davis Players of South Carolina State College. To be represented by such a fine staff of individuals in Great Britain is an honor to be enshrined by the citizens of our State.

FOOD LABEL CODES

Mr. WILLIAMS. Mr. President, any supermarket shopper who has ever tried to read the code numbers by which food packagers indicate the date on which perishable foods must be removed from the shelf knows that these codes are nearly indecipherable to the average person. In response to this situation, I have introduced S. 2079, which would require all packagers to use a standard, and easily understood, "pull date" code on the label of all perishable and semi-perishable foods.

Recently an article appeared in the Record of Bergen County, N.J., which clearly illustrates the need for this type of legislation. The article, by Edward J. Gorin, explains the four basic coding systems used by the food industry to indicate the shelf life of food products; they are the color code, the month-day code, the calendar day code, and the alphabet code. It also explains how different packagers use variations of the basic codes so that the result is a baffling array of numbers, colors, and letters, thus underscoring the need for my bill. In hopes that my colleagues will take the time to read this informative article, I ask unanimous consent that it be printed at this point in the RECORD.

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

FOUR KINDS OF CODES

There are four basic codes. Learn them, and with a little common sense you will be able to put fresher products in your refrigerator.

AMI—The old code of the American Meat Institute is a four-digit number, an example being 2274. Read the middle digits as the date, the 27th of the month. Then add the first and last digits for the month: 2 plus 4 equals 6, the sixth month is June.

Month-day—Another four digit number, and the new AMI code which is slowly winning supporters among manufacturers. June 27 would be a simple 0627, to be read as 06/27.

Calendar day—A three-digit number representing the number of days that have passed in a year. For this you must carry a calendar on which you have assigned a number to every day, 001 to Jan. 1, 365 to Dec. 31, 178 to June 27.

Alphabet—The letters of the alphabet, ABCDEFG, are assigned a meaning, depending on the product. They could mean a day of the week, week of the month, month of the year, or year of the decade, or they could be combined. FBG, for example, could mean June 27, F being the month of the year (sixth letter), BG being 27 (second letter, seventh letter).

Today is Sunday, June 27, 1971. Wherever possible, and unless indicated, the codes below represent today's date.—E.J.G.

PRODUCT, CODE, AND EXPLANATION

Arnold Bread; Pink twist color; Color code, M-pink, T-white, W-blue, Th-yellow, F-green, Sat.-gray. Production date, 2-day shelf life.

Arnold Rolls; Dlb; Alphabet code with a code word DLONRA, or Arnold spelled backward, D is Monday, L Tuesday, etc. Production date, 2-day shelf life. Ignore the rest.

Bond; Blue twist color; Color code, M-blue, T-yellow, W-orange, Th-green, F-red, Sat.-white. Production code, 2-day shelf life.

Drake; 654; Read as 6/54. The first digit is the month, on a one through six code, six being either June or December. The second and third digits are to be divided by two for the date (27). Expiration.

Entenmann's; 654; Same as Drakes. Used to be the word "cakes" spelled backwards, but has recently changed.

Grand Union; Brown twist color; Color code, M-brown, T-red, W-white, Th-blue, F-yellow, Sat.-green, S-orange. Expiration.

Grand Union (no twists); One line; In crayon on side of package, 1 line means it may be sold until Sunday. Skip Monday, two lines until Tuesday, etc. Expiration.

Grossinger's Rye; G; Alphabet code meaning Sunday. Production date, 3-day shelf life.

Lazzara; G; Alphabet code meaning Sunday. Production date, 1-day shelf life for bread.

Levy; G; Alphabet code meaning Sunday. Production date, 2-day shelf life.

Nancy Lynn; F–27; Alphabet code meaning June/27. Standard except the letter I is skipped, so H means August but September becomes J. Expiration date.

Pepperidge Farm; 2/7; Looks like a fraction, but isn't. Means product expires on the 27th of the month.

Silvercup; Red twist; Color code, M-red, T-blue, W-green, Th-yellow, F-white, Sat-white. Production date, 2-day shelf life.

Silvercup (no twists); G; Alphabet code meaning Sunday. Production date, 2-day shelf life.

Taystee; G; Alphabet code meaning Sunday. Production date, 2-day shelf life for white bread, 3 days for dark.

Tastykake; 5U463; Variation on the Drake code. Ignore everything except the numbers surrounding the letter. These are combined and divided by two. (5U4 becomes 54, or the 27th of the month). Expiration.

Thomas Bread; G; Alphabet code meaning Sunday. Production code, 2-day shelf life.

Thomas English Muffins; G; Alphabet code meaning Sunday. Production date, 2-day shelf life.

Tip Top; G on the twist; Alphabet code

meaning Sunday. Production date, 2-day shelf life.

Tip Top (no twists); C27; Ignore the letter, read as the 27th of the month. Expiration date.

Milk

Milk is coded simply, usually by date of pasteurization, although Grand Union recently began stamping an expiration date on top of the carton. Generally, there will be a sentence on the side of the carton which gives a day of pasteurization, and probably you will buy it that same day. The sentence reads: "Pasteurized at Plant #00–000 during the 24-hour period ending 6 a.m. Mon."

Butter

Breakstone; 1780452; Calendar day code in the first three digits. Ignore the rest. Production date.

Hotel Bar; 178449; Calendar day code in the first three digits. Ignore the rest. Production date.

Land O'Lakes; 627; Month-day code. Expiration date.

Pathmark; 0627; Month-day code. Production date.

Grand Union; 12340627; Month-day code in the last four digits. Ignore the rest. Production code.

Sour cream

Axelrod; 0276; AMI code. Expiration date.

Breakstone; 0627; Month-day code. Expiration date.

Friendship; 12F72; Alphabet code variation. F indicates the sixth month. Combine the numbers around the letter for the date (2F7 becomes 27). Ignore the rest. Expiration date.

Grand Union; 0627; Month-day code. Expiration date.

King Sour; JN27; Open-dated with an expiration date.

Pathmark; 0627; Month-day code. Expiration date.

Eggs

Grand Union; Exp. June 27; Open expiration date.

Pathmark; 178; Calendar day code. Expiration date.

Cottage cheese

Axelrod; 1275; AMI code. Expiration date.

Breakstone; 0627; Month-day expiration date.

Friendship; 72F71; See Friendship sour cream.

Grand Union; 0627; Month-day expiration date.

Pathmark; 0627; Month-day expiration date.

Sealtest; 0627 19; Month-day expiration date. Ignore the rest.

Cream cheese

Borden; 0627; Month-day expiration date.

Breakstone; 0627; Month-day expiration date.

Grand Union; A0627; Month-day expiration date. Ignore the letter.

Pathmark; 0627; Month-day expiration date.

Philadelphia; 178B1; Standard Kraft foods code. Ignore the letter. It's the calendar day code, with the last digit representing 1971. Production code, 14-day shelf life.

Ricotta and mozzarella

Aiello; 0627; Month-day expiration date.

Axelrod; 3273; AMI, expiration date.

Brunetto; 1127; Variation on the month-day code, except here the year begins with August, making June the 11th month. Read it 11/27. Expiration date.

Maggio; 178; Calendar day code. Production date with 14-day shelf life.

Pollio; 0627; Month-day code, expiration date.

Yogurt

Axelrod; 2274; AMI, expiration date.

Borden; 5F27; Alphabet code and date in last three places. Ignore the first number. Expiration date.

Dannon; 6270; Month-day in the first three digits. Ignore the last digit. The first digit, representing the month, is a 1 through 6 code, with 6 being either June or December. July 1, for example, would be 1010. Expiration date.

Grand Union; 0627; Month-day expiration date.

Lacto; 0627; Month-day expiration date.

Light 'N Lively; 0627; Month-day expiration date.

Processed cheese

Austrian Alps; 578; Variation on calendar day code. Subtract 400 to get the production date (578 minus 400 equals 178, or June 27).

Cooper; 06DAP27; Month-day. Ignore the letters. Production date.

Dorman; 6–B–27C; Combination of alphabet and month-day codes. Combine the numbers (6/27) for month and date; the middle letter represents the year of the decade (second year equals 1971). Ignore the last letter. Expiration date.

Grand Union; 6827; Same as Dorman.

Hoffman; 678; Variation on calendar day code, but subtract 500 for the production date. See Austrian Alps.

Kraft; 178G1; Calendar day code. The last digit means 1971. Ignore the letter. Production date, 210-day shelf life for processed cheese, 154 days for Velveeta.

Swiss Knight; 10627; Month-day code in the last four digits. The first digit gives the year, 1971. Production date.

Wispride; 178195; Calendar day in the first three digits, the year in the fourth digit. Ignore the rest. Production date, 6-month shelf life.

Home-prepared rolls and biscuits

Borden; 6–27; Month-day expiration date.

Pathmark; June 27; Open dated, expiration date.

Pillsbury; June 27; Open dated, expiration date.

Appetizing items

Packaged meats are slowly changing over to the month-day code, so you may find that some already have converted by the time you reach the supermarket.

Armour Franks and Sausages; 4272; AMI, expiration date.

Armour, other packages; 5271; AMI, production date.

Grand Union sliced meats; 6270; AMI, production date, 21-day shelf life.

Hebrew National; 062771; Month-day-year, expiration date.

Hormel; 0276; AMI, production date, 21-day shelf-life.

Hygrade; 1275; AMI, expiration date.

Jones; 2274; AMI, production date, 21-day shelf life.

Liberty Provisions; FbG; Alphabet code. Sixth letter, second letter, seventh letter, or 627.

Mogen David; 2274; AMI, expiration date.

Oscar Mayer; 0627; Month-day, expiration date.

Pathmark; 3273; AMI, production date, 21-day shelf life.

Rath; 4272; AMI, expiration date.

Swift; 5271; AMI, expiration date.

Trunz; 6270; AMI, production date, 21-day shelf life.

Fresh meat

Grand Union; 627; Month-day, expiration date.

Pathmark; SUNDAY; Open dated, expiration date.

CAPTIVE NATIONS WEEK

Mr. ALLOTT. Mr. President, the third week in July is Captive Nations Week. This week all friends of the great and historic peoples of Eastern Europe pause to pledge continuing dedication to the cause of liberty in that unhappy area.

The Soviet Union should understand that there is no diminution of our interest, no weakening of our resolve, no slackening of our dedication regarding the rights of Eastern European peoples and nations. The United States seeks improved relations with all Nations. But we will not purchase such improvements by silencing our protests about the Soviet Union's brutal domination of Eastern Europe.

Mr. President, we must make sure that U.S. policy does nothing to worsen the condition of Eastern Europeans.

Specifically, we must avoid two things: First, we must avoid collaboration with the Soviet Union in any conference that would lend even the slightest shred of legitimacy to Soviet domination; and second, we must unequivocally reject the outrageous "Breshnev doctrine" which asserts that all nations of Eastern Europe have only limited sovereignty—sovereignty limited by the Soviet desire for tyrannical intervention.

Mr. President, it is my earnest hope that all Senators and all friends of liberty everywhere will join all persons of Eastern European origin in asserting that the conscience of free men will not rest easy as long as Soviet tyranny exists.

AMA ROADBLOCKS TO HEALTH REFORM

Mr. KENNEDY. Mr. President, our Senate Subcommittee on Administrative Practice and Procedure is currently conducting a series of hearings on the Implementation of the Recommendations of Presidential and National Commissions.

Last week, as part of this series, the subcommittee, which I chair, conducted hearings on commissions and their recommendations in the field of health care.

Time and again, as I pointed out in my opening statement for the hearings, enlightened recommendations for health reform have been frustrated by the actions of the American Medical Association.

Because of the wide public response to the hearing, I ask unanimous consent that my opening statement may be printed in the RECORD. I also ask unanimous consent that two recent articles appearing in the Detroit Free Press on the subject be printed in the RECORD. The first is a column by Dolores Katz, published on July 10, 1971; the second is an editorial published on July 16, 1971.

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

OPENING STATEMENT OF SENATOR EDWARD M. KENNEDY AT HEARINGS ON PRESIDENTIAL COMMISSIONS IN THE HEALTH FIELD, SUBCOMMITTEE ON ADMINISTRATIVE PRACTICE AND PROCEDURE, JULY 14, 1971

The Senate Subcommittee on Administrative Practice and Procedure today resumes its hearings on the Implementation of the Recommendations of Presidential and National Commissions.

This session will focus on the work of the Commissions in the field of health care, and our witnesses represent three blue-ribbon groups whose work spans the last two decades.

Health care is a direct and deep concern of every one of us. But the health care crisis—a crisis of costs and delivery and resources—remains one of the major unmet challenges in America today.

It is plain that our failures are not from a lack of attention and study and ideas. The health field has probably been the subject of more eminent Commissions and Committees and task forces and advisory groups than any other topic.

In the last sixty years the number of government or broadly based private health care study bodies has probably reached at least 3 or 4 dozen, running from medical education to mental retardation and from health research to nurse training.

The history of these groups, especially those which focused on the wider issues of health care organization and costs, is of much more than academic interest to us in 1971. For most of the problems they identified remain to be conquered. And many of the solutions they proposed remain to be seriously tried. And, most relevant to our concern in these hearings, most of the barriers to their implementation continue to stand in the way of health care progress.

If we go back as far as 1913, we find the "Committee on Social Insurance," a group formed by an association of social reform advocates from fields like labor, economics, political science, and law. It recommended a system of compulsory health insurance run by the states. Surprisingly enough, we also find, among the supporters of the model legislation developed by the Committee, the American Medical Association, and thus, not surprisingly, we find several states beginning to take favorable action.

The period of World War I brought a change in outlook in the AMA and a reversal of position on health insurance. As a result, by 1920, the recommendations of the Committee on Social Insurance were buried, and the state legislation died.

In 1927 another group of public spirited citizens, with financing from eight private foundations, formed the "Committee on the Costs of Medical Care." Although it was technically private it has assistance from state and local government agencies and from the U.S. Public Health Service, and its Chairman Dr. Ray Lyman Wilbur, became President Hoover's secretary of the Interior during the Committee's life, giving it a quasi-official aura. That group was really the grandfather of all the commissions and committees which have followed. It reported on its comprehensive study of U.S. medical care in 28 volumes over a period of 5 years. Its studies included drug costs, ability to pay for medical care, doctor's incomes, the role of group medical practice, investment in hospitals and case studies of medical and nursing services in places like Brattleboro, Vermont, and Fort Benning, Georgia. Its final report in 1932 was such a landmark that it was reprinted just last year by the U.S. Public Health Service.

The Committee's recommendations were: (1) a shift to the group practice of medicine for providing health care services; (2) extension and expansion of public health services; (3) the meeting of medical costs on group payment basis, through insurance or tax funds or both; (4) better coordination of medical services at the state and local level; (5) strengthening of professional education, especially in preventive medicine, public health, and the social aspects of medical practice.

Those recommendations seem eminently reasonable and vital today, and the majority of the 48 member Committee supported them. But the minority report is equally interesting, for it represented the American Medical Association's point of view and perhaps set the negative theme for that Association's approach to medical progress, an approach which unfortunately continues to this day. For example, the minority wanted an end to what it called "government competition in the practice of medicine." As for indigents, it was willing to have government aid expanded since it shared what it conceived of as 'the ultimate object of relieving the medical profession of this burden." Because it saw an economic threat to doctors, it urged that group practice and group financing "be vigorously and persistently opposed." And in another strong plea for status quo, it wanted any new methods to be "fitted into our present institutions and agencies without interfering with the fundamentals of medical practice," the very institutions, agencies and fundamentals, of course, which the majority had found to be in need of major overhaul.

In response to the 1932 Committee Report, the AMA Journal described group practice as "medical soviets" and saw the Committee Report as aligned with "socialism and communism."

To us the report looks extremely modest. It stressed state and local rather than federal action and it relied largely on voluntary choice of delivery and financing systems.

Nevertheless the pressure from organized medicine continued against any changes in the system of delivering or financing health care. Thus when President Roosevelt presented this historic Report of his Committee on Economic Security in 1935, he knew that its proposals for pensions, unemployment insurance, and other social assistance would be threatened if he also presented that Committee's proposal for national health insurance. Instead he delayed presenting the health report, and merely inserted a line in his social security bill authorizing a study of national health insurance. As it turned out, even that tiny opening was too much for organized medicine, and the flood of mail from the AMA and its allies threatened to undermine the whole social security program in Congress.

FDR backed down on that provision, but as soon as the Social Security Act was passed in 1935, he appointed an "Interdepartmental Committee to Coordinate Health and Welfare Activities", and it appointed a "Technical Committee on Medical Care."

That Committee filed its Report on "A National Health Program" early in 1938, and President Roosevelt convened a "National Health Conference" in Washington in July 1938 to consider the Report.

The findings of that Report echoed those of 1932:

"(1) Preventive health services for the Nation as a whole are grossly insufficient."

"(2) Hospital and other institutional facilities are inadequate in many communities, and financial support for hospital care and for professional services in hospitals is both insufficient and precarious, especially for services to people who cannot pay the costs of the care they need."

"(3) One-third of the population, including persons with or without income, is receiving inadequate or no medical service."

"(4) An even large fraction of the population suffers from economic burdens created by illness."

That was nearly a quarter-century ago, but I doubt that we would have to change a word to describe the crisis today, except for new and additional dimensions of the problem.

The 1938 report did not pull punches: "The formulation of a national health program," it said, "implies acceptance of the principle that the maintenance of the health of its citizens is a responsibility of government." And so it recommended not only expansion of federal assistance to public health and maternal and child health services, and federal help for expansion of hospital, clinic, and other institutional facilities, but also the establishment of a federally assisted program of medical care for the needy and "medically needy", and, finally, "federal grants-in-aid to the states toward the costs of a more general medical care program" for all the people, including public medical services and health insurance programs.

President Roosevelt transmitted the Technical Committee's Report to the Congress in January 1939. He endorsed its approach and requested its "careful study by the Congress." A month later, Senator Robert F. Wagner of New York proposed the "National Health Act of 1939" embodying the chief proposals of the Committee.

President Roosevelt himself vividly described what happened next:

"Although in general, farm, labor, and welfare groups heartily endorsed the objectives of the bill and the bill itself, opposition developed among the professional, particularly the American Medical Association. This opposition assumed the familiar tone of agreeing with the 'objectives' of the bill but disagreeing with the 'method' contemplated. The critics expressed fear that the increased federal grants-in-aid would expand federal control too far; and they were particularly worried that the health insurance proposals for the families of wage earners would mean a trend toward what they called 'socialized medicine'." Roosevelt's protestations that he had no intention of interfering with doctor-patient relationships or "socializing" medicine were ignored; the AMA proceeded to declare the Wagner bill a "threat to the national health", and the bill died in Committee.

More comprehensive bills were proposed by Senator Wagner and Senator James Murray of Montana and Representative John Dingell, Sr., of Michigan, in 1943, and by President Truman in 1945 and 1947. Richard Harris, in *A Sacred Trust*, his history of Medicare, details the frantic efforts of the AMA to defeat the 1940's legislation through a nationwide lobbying and "education" campaign and through millions of dollars from doctors invested in the work of a PR firm.

The Truman-endorsed Wagner-Murray-Dingell national health insurance legislation seem totally dead by 1950. But in 1951, to clear the air after the decade of battle and to leave his successor a better picture of the Nation's health needs, President Truman appointed a "Commission on the Health Needs of the Nation." Its members represented a broad spectrum of American constituencies, and Truman chose as its Chairman Dr. Paul Manguson, a Republican openly opposed to national health insurance.

Despite this attempt at even-handedness, the AMA reacted strongly against the study. Even before the Commission had begun its hearings, some leaders of the AMA sought to brand it as a proponent of "socialized medicine." The Association loudly boycotted some of its hearings (a tactic it still uses today, as I learned in my own health care hearings in Los Angeles), and provoked angry newspaper editorials describing the Commission as a "bunch of socialists."

We will hear in detail today about the recommendations of this Commission, but the simple fact is that its recommendations were comparatively modest. It did not recommend immediate adoption of a national health insurance program (causing three members to dissent that it was too weak). It did reiterate the 1932 recommendations for more group practice, call for expanded federal aid to medical education, and recommend a reorganization of federal health and social security agencies. It also proposed a system of federal contributions to state medical prepayment systems and outlined what we know as Medicare.

The Commission's proposals were met with immediate outrage from the AMA. And with the installation in 1953 of the newly elected Administration and Congress—with their close ties and obligations to the AMA—any hope of implementation disappeared. Although the Commission had focused on the need for followthrough on its work, the Administration took no action, and continued to adhere to the AMA position on specific Commission proposals which turned up in Congress in the years that followed.

Most of us have first-hand memories of

the course of the Medicare fight through the 50's and 60's, with the AMA resisting mightily, until it suffered its first major defeat with the passage of Medicare in 1965.

But other Commissions have met the AMA and learned the lesson of its continuing ability to obstruct. We will hear today, for example, of the work of the Heart Disease, Cancer, and Stroke Commission, and how its proposals suffered major weakening at the hands of the AMA during its course through Congress.

For, of course, the AMA alone cannot block legislation. It must work through those in positions of public power.

No amount of historical gymnastics can hide the public record of AMA opposition to virtually every major health reform in the past fifty years.

They opposed health benefits for veterans after World War I.

They opposed Blue Cross and private health insurance.

They opposed government support for medical education which they saw as a back door approach to socialized medicine.

They opposed innovations in medical school curricula.

They opposed efforts to achieve equal opportunity in medical education.

Long after the doctor shortage was clear to every impartial expert, they obstinately maintained that there was no shortage at all and that any views to the contrary were the product of misleading propaganda emanating from Washington.

They opposed group practice.

They opposed Medicare.

They opposed any real role in the organization for young doctors, interns, and residents to the point where these young physicians, so full of ideas for health reform, have been driven to form their own independent organization.

Over the years, many local AMA groups in different parts of the country have opposed all sorts of public health programs and health reforms, even including immunization against polio with the Salk and Sabin vaccines.

And today they oppose any meaningful efforts for effective peer review to improve the quality of medical care.

In short, for generations, government health programs have been allowed to accomplish only what organized medicine would tolerate. Thus the record of Federal health commissions is essentially an unbroken series of enlightened recommendations hamstrung by the AMA. The absence of follow-through has not been by accident, but by design. Always, the AMA approach has been the same—reports and recommendations are welcome, so long as nothing is done to implement them, so long as they do not alter the status quo.

The checkbooks of the organization, and of AMPAC, its political arm, have always been open to back its views and to support friendly or potentially friendly candidates for public office. No one doubts the insidious effect of the millions of campaign dollars that have poured out of the AMA over the years—$700,000 in the off-year 1970 elections alone, with virtually no reporting or disclosure of the recipients.

During other Administrations, the usual image of organized medicine has been one of digging in its heels against change. But today, the influence of the AMA has become more pervasive, to the point where the organization has a virtual stranglehold on the health programs of the present Administration. Time and again over the past 2½ years, we have seen how the AMA sets the policy and dictates the programs of the Executive Branch. Indeed, it is not too much to say that the AMA and the Administration are one and the same, Tweedledum and Tweedledee. They have formed a marriage of convenience against the public interest, made possible by the self-interest of an organization that puts the wealth of doctors ahead of the health of the people, and by the apathy of an Administration that lacks the will to implement the principles it piously proclaims. Almost from the beginning the relationship was clear.

In 1969, at the outset of the Administration, the AMA blocked the nomination of Dr. John Knowles as Assistant Secretary of Health in HEW.

This spring, the AMA scored a twin triumph in the appointment of its close associate Dr. Merlin DuVal as Assistant Secretary for Health in HEW, and the appointment of its own executive heir-apparent, Dr. Richard Wilbur, as Assistant Secretary for Health in the Department of Defense.

President Walter Bornemeier of the AMA warmly welcomed President Nixon's health plan when it was announced last February.

And President Nixon warmly received the praise of the AMA in addressing their annual convention in Atlantic City last month. His appearance was noteworthy since only a handful of Presidents had previously seen fit to appear at AMA conventions, including Calvin Coolidge and William McKinley.

And the day after he spoke, the AMA rushed into print with an advertisement in the New York Times, and later in the Washington Post and Los Angeles Times, accepting the "challenge" of the President's address, which was not so much a challenge as an attack on the principle of national health insurance favored by so many Americans in and out of Congress.

Of course, each time in the past that a plan of national health insurance has been put forward, the AMA has counterattacked by putting forth a counter program. As explained by its own PR man in 1949: "We will offer a positive program, because we realize that you can't beat something with nothing." The "positive" program suggested by the AMA then was similar to the one suggested by the Administration in 1953 and by the Nixon Administration now—reliance on private health insurance plans that provide no hope of meeting the nation's health needs but guarantee the continued enrichment of health insurers. The genesis of such counterproposals was well-described by Senator Murray in 1953. They were, he said, "intended to lead the American people into believing that the Administration was seriously concerned and was really doing something about the impossible costs of medical care, while at the same time it would lull into a sense of security those who had contributed so much time, effort, and money to the Republican campaign . . . because they believed that a vested interest in the established system of paying for medical care would be protected."

But I believe that the American people see the issue clearly now. They know the important cause at stake. They know the position of the AMA and the Administration, and they know that we can do better. They will not be lulled into a false sense of security.

How many thousands of dollars will the AMA have to spend in advertising in its current "Doctors of America" series to undo the free but unfavorable publicity it received last month in Atlantic City? There the Association voted to withdraw its eloquent resolution of 1970 that adequate health care is a basic right of every citizen, and reverted to its regressive posture of former years, that adequate health care is not a right at all, but a privilege, which citizens must seek as best they can.

Of course, if we had any doubt about the Administration's approach to the health care crisis, we could look at the veto of the health appropriation last year, or the veto of the Hill-Burton Act, which Congress overrode, or the attempted pocket-veto of the Family Practitioner bill last Christmas.

The time has certainly come for some plain talk about the health care crisis. We had sensible, reasonable answers proposed by outstanding Commissions and leading authorities in 1915, in 1932, in 1938, in 1952, in 1965, and between, and since, but we have not had action. Most Americans still cannot obtain adequate health care. Most Americans will still find themselves impoverished if major illness strikes. The organization of our health services is still a shambles. Why? Because the AMA and its friends in political life, and its friends in the health insurance industry have stood in the way of every step towards an efficient, effective affordable health care system for the American people. Instead of the scientific and public service professional organization it was founded as, the AMA has turned into propaganda organ for purveying "medical politics," for deceiving the Congress, the people, and the Doctors of America themselves.

The American Medical Association puts the lives and well-being of American citizens below its own special interests in ordering its priorities. It deserves to be ignored, rejected, and forgotten. And the many distinguished reports it has undermined and buried deserve to be unearthed, re-read, and remembered.

Today we hope to begin that process.

[From the Detroit Free Press, July 10, 1971]

AMA Opens Campaign To Improve Image

(By Dolores Katz)

On the eve of a major debate in Congress over what, if any, kind of national health insurance the nation should have, the American Medical Association has launched a $1.5 million campaign to improve its image.

The AMA, which for over 30 years has opposed any and all forms of federal health insurance proposals, is now going to tell the American public that it is not the short-sighted, self-serving organization that many health professionals, government officials, and doctors think it is.

It is deeply concerned with America's health problems, the AMA will say in full-page ads, in Life, Reader's Digest, and Ebony, in television commercials, and in the nation's major newspapers.

A special news release issued by the AMA declares:

"Of the three messages now being released for publication, one, with the headline "How To Kill Yourself," warns of the dangers of being overweight while pointing out that over 70 percent of the AMA's annual budget goes for health and scientific information."

In 1964, a month after the U.S. Surgeon General released an exhaustive study linking cigaret smoking to heart disease, the AMA announced that it had accepted a $10 million grant from six leading cigaret companies to investigate the relationship of smoking to health. Three weeks after its announcement, the AMA came out against the proposed labeling of cigarets as a health hazard.

The AMA's news release says that another message, "speaking more specifically to national health issues, talks about the AMA's student loan program. Since 1962, the AMA, through voluntary contributions by individual physicians, has guaranteed $48 million worth of loans and helped 20,000 medical students, interns, and residents to become practicing physicians."

The AMA has consistently opposed federal aid to medical students. In 1948 when a federal report estimated that the nation would be short 42,000 doctors by 1960, AMA lobbying in Congress killed a medical school subsidy program geared to increasing the supply of doctors. At Congress' second try in 1963 the AMA tried but failed to defeat President Kennedy's proposal for interest-free loans to medical students (the AMA's guaranteed loan program is not interest-free).

"One thing we are trying to accomplish," says Paul Foley, chairman of the public relations firm handling the AMA campaign, "is to remind everyone of a factor that is frequently overlooked—that the American doctor is a man, or woman, who cares deeply about people's health."

More doctors practice in the affluent suburbs which already have enough physicians than in ghettos and urban areas that are desperately in need of doctors. The area of Detroit with the highest infant death rate has one doctor for every 13,000 residents.

Foley continues: "Many people don't know that the AMA is very firmly on record in favor of expanding medical education."

Beginning in the 1930's, the AMA conducted a deliberate campaign to limit and even reduce the number of students in the nation's medical schools on the grounds that there was an "oversupply" of doctors. This policy, termed "professional birth control" by the AMA Journal, was a major contributing factor to this country's present health manpower crisis. Through the 1950's, and into the 1960's, the AMA consistently maintained that there was no doctor shortage.

Foley concludes: "By emphasizing the many things the AMA is for, we hope to create a more receptive climate, a climate in which there will be a better understanding of organized medicine and its ideas for improving our health care system."

In an attempt to stave off more comprehensive programs, the AMA has its own plan for national health insurance before Congress. It would allow the federal government to purchase private insurance for those who can't afford it themselves. The proposal, which has almost no chance of passage, has been termed "an anachronism" by Dr. Jerome Pollack, professor of medical economics at Harvard Medical School.

Even the AMA admits its insurance plan will do nothing to restructure the nation's health care system.

From the AMA's point of view, there is no reason why it should. Organized medicine likes things the way they are now.

[From the Detroit Free Press, July 16, 1971]

AMA: MEDICAL CARE MONOPOLY

The American Medical Association has embarked on a $1.5 million advertising program designed to pretty up its public image. As our medical writer, Dolores Katz, has noted, the AMA's self-congratulatory propaganda is visibly at variance with the facts of its self-serving past.

The doctors' union must be one of the few organizations left in this land which still refuses to believe that medical care is zooming in cost at the same time that it is deteriorating in quality. For more than 30 years, the AMA's foot-dragging has contributed substantially to this sad state of affairs:

Americans paid $60 billion for health care in 1969. Last year they paid $70 billion and this year they will pay $80 billion. We are fast approaching the point, if we have not reached it already, where only a rich man can afford to get seriously sick.

In 10 other countries, women live longer than they do in the U.S. In 17 other countries, men live longer. The AMA can no longer excuse its bull-headed resistance to reform on the grounds that the quality of American medical care is the wonder of the world.

By federal estimate, the nation is short at least 50,000 doctors. The AMA's "professional birth control" program, a deliberate policy begun in the 1930s to limit medical school enrollments, must bear heavy blame for this deficit.

With Congress once again mulling over our medical mess, the AMA has come up with a stopgap suggestion calling on the federal government to pay for private insurance for the poor. One might be startled at the indifference implicit in this vacuous proposal if the AMA had not already demonstrated so many times that its main concern always seems to be assurance that the bank accounts of its members will remain robust.

The Hippocratic Oath, the code of conduct followed by physicians for centuries, includes the sentence, "The regimen I adopt shall be for the benefit of my patients according to my ability and judgment, and not for their hurt or for any wrong." The doyens of the AMA might well ponder that line and reconsider whether their policies are not, literally, allowing much of the nation to fall ill.

THIRD ANNIVERSARY OF SOVIET INVASION OF CZECHOSLOVAKIA

Mr. ALLOTT. Mr. President, 1 month from today, when the Senate will be recessed, the world will observe the third anniversary of an instance of modern barbarism.

In Czechoslovakia August 21 will be observed—often silently and surreptitiously—sometimes with bold display—as a day of Soviet shame. It was on that date in 1968 that the Soviet Union invaded Czechoslovakia.

This act of callous infamy violated the charter and numerous resolutions of the United Nations. The invasion:

First, violated the sovereignty of a member state of the United Nations—article 2, section 1;

Second, was carried out in violation of article 2, section 4, which prohibits the use of military force in the relations between individual members of the United Nations;

Third, violated the principle of self-determination of peoples—article 1, section 2;

Fourth, was in conflict with article 2, section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state;

Fifth, was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with resolution 2131 (xxi) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

Mr. President, I join with all friends of the Czechoslovakian people in pledging that we shall never accept the domination of that brave nation. When the world pauses next month to observe the unhappy events of August 21, 1968, I hope all Senators will pause and renew their dedication to the cause of freedom in all of Eastern Europe.

Mr. President, on August 21, 1970, the Washington Star carried a fine editorial entitled "Czechoslovakia Remembered." On May 28 of this year the Washington Daily News commented on the depressing condition of Soviet domination in Czechoslovakia. So that all Senators can consider these comments, I ask unanimous consent that they be printed in the RECORD.

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

CZECHOSLOVAKIA REMEMBERED

One's capacity for indignation is limited. The emotional scar tissue covering old wounds and ancient wrongs builds up, layer upon layer, numbing the ache. And yet it would be wrong for any free man to let this day pass without recalling that, two years ago today, 14 million Czechs and Slovaks lost their freedom to the Soviet Union, an old hand at the imperialistic game it professes to deplore.

The men and women who ignited that Prague "spring of freedom" have passed from the scene. Alexander Dubcek, who sought to create "socialism with a human face," has been expelled from the party, but still has hope of getting a job as a machinist. Josef Smrkovsky is dying of cancer, as his dream died. Frantisek Kriegel and Josef Pavel are jobless and perhaps destined for show trials. Ota Sik and Eduard Goldstuecker are in exile. And so it goes.

For the little people, too, the purge continues. The once broad-based Communist Party of 1.6 million members is being screened, with anyone not positively enthusiastic about his country's rape being expelled. The leadership no longer wants mass support; the presence of Russian troops obviates the need.

Parliament, the trade unions, local governments, the judiciary and the media have returned to their pre-1967 slavishness, with only the cynics, the opportunists and the incompetents seeking or gaining positions of authority. A whole generation of Czech and Slovak leaders in every field of endeavor has been sacrificed to what the men in the Kremlin term "normalization."

And so the people of Czechoslovakia turn inward, enduring with quiet contempt that which they lack the power to alter. Spending on alcohol increased by 40 percent in 1969 and, in January of this year, Czechoslovakia's birth rate for the first time since World War II fell below the death rate. Hardly the talisman of a people wildly enthusiastic about their Marxist paradise.

In the end it is not impossible that the people will triumph. It took the Czechs and Slovaks nearly three centuries to rid themselves of the Hapsburgs; Russia's hegemony is not immutable.

Today it is enough to pay homage to the memory of those Czechs and Slovak men and women who, to their eternal honor and that of their nation, had the courage and decency to stand up for freedom in the face of a force incapable of understanding the concept. Their names will not be forgotten when the bells of St. Vitus Cathedral once again peal with the joy of a new Prague spring, and there is laughter from the hills of Bohemia to the peaks of the High Tatras.

THANK YOU, BIG BROTHER

Soviet party leader Leonid Brezhnev's gall in appearing at the Czechoslovak Communist Party Congress this week was like a scene out of George Orwell's "1984."

Mr. Brezhnev had the role of Big Brother, who ruled a third of the world in the Orwell novel thru brainwashing, thought control and terror. His subjects practiced doublethink and spoke Newspeak: war is peace, black is white, truth is lie, joy is forced labor, etc.

In true Orwellian style, the congress tumultuously applauded Mr. Brezhnev, author of the 1968 Soviet Army invasion that crushed Czechoslovakia's autonomy and ended its efforts to give socialism "a human face."

The scene illustrated one of the Kremlin's nastiest and most hypocritical traits: It not only does terrible things, such as enslaving people, but insists that they profusely thank it for the favor.

This time the sad task fell to Gustav Husak, a decent Slovak who runs the country for Russia, probably to prevent a bunch of Stalinist's, traitors and police sadists from taking over.

Poor Mr. Husak had to "express our sincere gratitude" to the Soviet Union "and to you personally, Comrade Brezhnev" for invading Czechoslovakia and overthrowing the govern-

ment of Alexander Dubcek, which had overwhelmingly popular support.

It is a pity that Orwell, a disillusioned British Communist, did not live to see the Soviet rape of Czechoslovakia and Mr. Brezhnev's later triumphant appearance.

Orwell might have been inspired to update his dictionary of Newspeak with entries like: invasion is nonintervention, domination is equality, do not wait for an invitation to violate a country—it will be issued after the event.

Unfortunately, Orwell's novel was prophecy. This week Big Brother was alive and well in Prague. And in Czechoslovakia it is already "1984."

THANKS TO CONGRESS FOR GI BILL BENEFITS

Mr. CRANSTON. Mr. President, I once again welcome the opportunity to share with Senators and the public my feelings about the basically excellent educational and training benefits for veterans under the GI bill. There is no doubt in my mind that educational and training opportunities for veterans will help to solve many problems both during the transition period from military to civilian life and after reassimilation into the society.

When I served as chairman of the Veterans' Affairs Subcommittee of the Committee on Labor and Public Welfare in the last Congress, we made some important strides to provide far more comprehensive education and training programs for veterans through the Veterans' Education and Training Amendments Act of 1970—Public Law 91–219. I hope that through this more comprehensive approach, the majority of veterans aspiring to improve their education will have favorable experiences.

Mr. President, all of us in the Senate receive many more complaints than thanks regarding the adequacy and effectiveness of veterans education and training benefits. But we all know that many veterans are very grateful for the opportunity for continued learning which the GI bill has afforded them.

One of my constituents, Thomas Schneck, Jr., recently wrote me asking that I express his thanks to the Congress for providing the GI bill benefits that assisted him in concluding 4 years of night law school at the University of Santa Clara.

Mr. President, in order to relay Mr. Schneck's gratitude to all Senators, I ask unanimous consent that his letter be printed in the RECORD.

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

SAN JOSE, CALIF.,
June 7, 1971.

Senator ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: On Saturday June 12, 1971 the University of Santa Clara will award to me a J.D. degree after four years of night law school. Many people helped me attain this degree including my wife who substituted for me with our five small children when I was in class, my parents and my understanding employers.

At this time when I am thanking my supporters I also wish to express gratitude to the Congress, especially those who have worked for veterans' education benefits. The monthly assistance received from the Veterans' Administration helped our family make ends meet. Please convey my thanks to the Congress.

Sincerely yours,

THOMAS SCHNECK, Jr.

FRIENDS OF THE FBI

Mr. McGOVERN. Mr. President, I have recently received a letter soliciting funds and support for the "Friends of the FBI," a private, tax-exempt organization whose sole purpose is the protection of the FBI and its Director, Mr. Hoover, from public criticism. The appeal refers to the FBI as "our protection against the chaos and violence that threaten us on all sides."

In the past few years, however, it has become clear that a fair amount of chaos and violence exist within the FBI itself: The chaos of organizational discontent and the violence of vituperative response to criticism coming from within or without. The vindictive treatment of agent John Shaw, who criticized the FBI in a private letter, and Mr. Hoover's own public attacks on two former Attorneys General, Robert Kennedy and Ramsey Clark, show the sharp contrast between the license each subordinate had in criticizing his superiors.

This combination of squelching internal discord while lashing out at respected public figures makes it obvious that Mr. Hoover's private fiefdom has gone too long without congressional investigation of its practices. A fruitful area of investigation might be the FBI's public relations efforts, which are now abetted by the Friends of the FBI. Possible connections between the FBI's own extensive publicity operation and the Friends of the FBI should be examined. And the reason why this obviously politically motivated group has been granted tax-exempt status should certainly be discovered.

Mr. President, I ask unanimous consent that the documents I received from the Friends of the FBI be printed in the RECORD.

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

FRIENDS OF THE FBI,
Hollywood, Calif.

DEAR CONCERNED AMERICAN:

As the enclosed news reports reveal, the F.B.I. and J. Edgar Hoover are now being subjected to the degradation of a vicious partisan attack by self-serving politicians, their supporting media and certain radical elements that ultimately seek the destruction of all law and order in the United States.

This vicious smear campaign has grown to such shocking proportions that *Life* magazine cruelly parodied Mr. Hoover as "The Emperor of the F.B.I." on the cover of its April 9, 1971 issue.

The proposed "studies" of the F.B.I. are matters of even greater concern. One is under auspices of the "Committee for Public Justice", directed by Burke Marshall and Ramsey Clark, and the other is by the Woodrow Wilson School of Princeton University. Such sponsorship clearly indicates the bias that would prevail and foreshadows the distorted, damaging "findings" that would result.

We, the Friends of the F.B.I., are determined to counter this campaign against the F.B.I. and Mr. Hoover, which threatens to undermine the whole structure of law and order in the United States. This is *your* opportunity to declare yourself firmly on the side of honor and law and order in these two important ways:

First, give us your moral and vocal support by adding your good name to our "Declaration of Support" for the F.B.I. and its honorable Director who has served it with such distinction.

Second, please help the Friends of the F.B.I. carry out its plan of sponsoring a non-partisan commission of leading jurists, scholars and journalists to study the F.B.I. and its contributions to America . . . to rebut the two highly questionable "studies" already proposed by avowed opponents of the F.B.I.

We are depending on your generous help *now* to raise the substantial funds needed to wage an effective education campaign on behalf of the "Friends of the F.B.I." We must reach hundreds of thousands of loyal Americans with our "Declaration of Support" and carry out the commission study report . . . to counter the powerfully-backed campaign against the F.B.I. and J. Edgar Hoover.

Your gift of $100, $50, $25, $10 or whatever you can possibly afford is tax-deductible, so I ask you to please be generous.

As you may know, I have the privilege of portraying an F.B.I. agent in the television series "The F.B.I.", and my respect for Mr. Hoover, the F.B.I. and its dedicated agents has grown steadily as I have learned more and more about the illustrious history of the Bureau. I am very proud now to serve as Honorary Chairman for the Friends of the F.B.I.

I am confident you will join me in lending your support for this urgent educational campaign to protect the honor of a great American patriot . . . and to insure the continued effectiveness of the F.B.I.—our protection against the chaos and violence that threaten us on all sides.

Yours for the preservation of law and order in America,

EFREM ZIMBALIST, Jr.,
Honorary Chairman.

VOICE YOUR SUPPORT NOW

For our leaders in their defense of J. Edgar Hoover and the F.B.I.

President Nixon delivered tonight a strong defense of J. Edgar Hoover, the beleaguered director of the Federal Bureau of Investigation.

The President described the criticism leveled at Mr. Hoover as "unfair and malicious," asserted that the director had been taking a "bum rap on a lot of things," and urged his audience of editors and publishers "to be fair."—President Nixon, New York Times, 4/17/71.

"The radicals would like nothing better than to tear down the F.B.I. The removal of J. Edgar Hoover would be a victory for them. . . .

"The F.B.I. can be relied upon to carry on inside the United States extensive investigations of subversion, espionage and any conspiracy against the Government. For the F.B.I. is the principal safeguard of the internal security of our country."—Editor David Lawrence, U.S. News and World Report 4/19/71.

"As a former F.B.I. agent and 10-year veteran of the bureau, I know from first hand experience how zealous the F.B.I. and its Director are in protecting the rights of citizens. . . .

"Even the severest critics of the F.B.I. know that it is a highly professional law enforcement agency which has been a model for police agencies all over the world."—Congressman Larry Hogan, Republican, Maryland, 5/5/71.

SEND YOUR SUPPORT TODAY

To help the Friends of the F.B.I. wage an effective educational campaign to counter the villainous attacks quoted below:

"House Majority Leader Hale Boggs' transparent failure to back up his specific charge that the F.B.I. had tapped his home telephone should not be allowed to obscure the significance of his contribution to an understanding of the grave threat which the bureau represents to American liberty."—Editorial, Washington Post 4/28/71.

". . . The F.B.I. has adopted the tactics of the Soviet Union and Hitler's Gestapo."—House Majority Leader Hale Boggs, Washington Post, 4/6/71.

"After decades of near immunity from public criticism, the Federal Bureau of Investigation and its director, J. Edgar Hoover, within the last five months have become a punching bag for an ever broadening segment of the nation."—Ken W. Clawson, Washington Post, 4/5/71.

DECLARATION OF SUPPORT

I hereby declare my support for the F.B.I. and J. Edgar Hoover, and authorize the inclusion of my name on a petition to this effect to be circulated to the President, the Congress, and the press by the Friends of the F.B.I.

Signature _____
Print name _____
Address _____
City _____
State _____Zip _____

Friends of the F.B.I., Suite 800, 919 18th Street, N.W., Washington, D.C. 20006.

Gentlemen: I am enclosing my maximum contribution to help the Friends of the F.B.I. carry out its urgent and vitally important educational campaign.

—— Mr.
—— Mrs.
—— Miss
—— Other (please specify)

Name _____
Address _____
City _____
State _____Zip _____

Please check the amount of your tax-deductible gift:

—— $1000 —— $500 —— $250 —— $100
—— $50 —— $25 — $10 or $————

Please make your check payable to: Friends of the F.B.I.

OREGON'S PROJECT "RISE"

Mr. HATFIELD. Mr. President, the successful activities of Reach Independence and Security Through Employment—RISE—have been called to my attention. This is a unique program in which the Oregon State University Cooperative Extension Service and the Oregon Divisions of Public Welfare and Employment have joined forces to conduct a series of highly successful preemployment training programs for 216 women and 17 men in 12 Oregon counties. Thinking that agencies in other States as well as on the Federal level might wish to undertake similar projects of their own, and believing that this will be of interest to Senators, I ask unanimous consent that a statement on the RISE project prepared by Mrs. Bernice Strawn of Oregon State University, as well as correspondence and newsclippings my office has received concerning this commendable project, be printed in the RECORD.

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

Instead of competing with each other, three Oregon agencies are working together to help people and set an example which many of our governmental agencies could well follow.

I am referring to RISE, which stands for Reach Independence and Security through Employment. It is a program in which the Oregon State University Cooperative Extension Service, and the Oregon Divisions of Public Welfare and Employment have joined forces to conduct a series of highly successful, innovative pre-employment training programs for 216 women and 17 men welfare recipients in 12 Oregon counties.

The program is designed to provide opportunities for those now receiving public assistance to move off the welfare rolls and into society as independent, productive and self-respecting citizens.

Each training program lasts only six weeks. The successes of RISE have been measured in many ways, in both economic and human terms.

On a strictly economic basis, the taxpayers are now saving money while former recipients of public assistance are now earning money and also paying taxes.

Perhaps this can best be illustrated by seeing what has happened to 19 women who completed the RISE program in just one county. A year later, five were still off welfare and were employed full time collectively earning at the rate of $19,500 a year. Previously, these same five were receiving $7,207 annually in welfare grants.

One 50-year-old woman with one child still at home and receiving an Aid to Dependent Children grant of $130 a month is now employed and earning $450 a month.

Another woman, 48, with two children at home, had been receiving welfare for almost 23 years. Her grant was $172 a month. After receiving the RISE training, she is working full time and earning $350 a month.

About one-fourth of the trainees advanced to courses in basic education and training to gain their General Equivalency Diplomas because they realized continuing education is necessary in order to secure the work of their choice. Three have enrolled in community college.

These are only some of the results in just one county. County officials in other counties with RISE programs have publicly praised the program, as have RISE traineees themselves. In eight counties during 1970–71 welfare grants were reduced at the rate of $54,-424 annually.

On the human side of the ledger, there is no price tag for the substantial changes in attitude that occurred, the self-confidence restored, the feelings of self-worth attained and the improved atmosphere in the homes of the trainees.

Listen to what some of the trainees themselves say:

"We can't really tell you exactly what RISE has done for us. You have to know how we feel in our hearts. I have found I was capable of doing things I wasn't even aware of.

"I have never been able to apply for a job. I would get to the employer's door and chicken out. It was the first time I had courage to ask someone for a job.

"We do have lots of pride, but we didn't have much of a way to prove it until the last six weeks. RISE has opened our first door.

"I was used to staying home all the time and more or less found myself giving up until I found out about RISE.

"Without RISE, I could never get back on my feet. I'm going to take a class at community college this summer (in addition to work). I love my work and had a pay increase."

All this has been accomplished by the three agencies—Cooperative Extension Service, Welfare and Employment—working together to operate a special kind of program that supplements existing training programs. For example, in counties where the Work Incentive Program (WIN) is available, 23 women advanced to WIN training after completing the RISE program and three were referred to vocational rehabilitation for further training. Before, they were not motivated for employment, not acceptable in appearance and lack self-confidence.

RISE works with the individual, helping him to adjust to a group situation while building up the whole person. The training, conducted by specially assigned Extension agents, includes grooming, nutrition, home management, family finance, child guidance, how to apply for a job, and responsibilities of the employee. Aides chosen from the welfare rolls were employed to assist in recruiting trainees identified by welfare Division staff.

Actual class work is kept to a minimum. The emphasis is on working together as a group. Cost of the training, which is funded by the Department of Public Welfare, is approximately $320 per person.

One of the great things about RISE has been the cooperation of local businesses, hospitals, nursing homes and other establishments in providing two weeks' work experience for the trainees. Local units of government have helped in many cases by providing a headquarters building free of charge.

Throughout the life of RISE, great care has been exercised to assure that the training does not duplicate nor overlap any other training programs currently offered through the Employment and Welfare Divisions. Such programs were lacking in several of the counties where RISE was given.

The RISE programs have filled a gap which existed in the many training opportunities available to able-bodied citizens on welfare. It has clearly demonstrated that many welfare recipients will take steps to improve their lives once they regain the self-respect and self-confidence so necessary to individual and family growth and development.

Additional RISE programs are being planned for next year. Emphasis will continue to be motivating welfare recipients to better themselves and to strengthen the working relationships between the Cooperative Extension Service and the Divisions of Welfare and Employment

Agencies in other states, and indeed on the federal level, may wish to undertake similar projects of their own and do what they can to help in the solution of the pressing national welfare crises.

A STEP TOWARD INDEPENDENCE—OREGON'S PROJECT "RISE"

(By Bernice Strawn)

Potato chips and ice cream in the grocery basket may not be cause for exhileration to the average American family. But to a mother of two who has just received her first paycheck after several years on welfare, this is splurging to feed their souls as well as their bodies.

Through the help of the Oregon Extension Service, many mothers who were receiving Aid to Dependent Children have gone off welfare rolls and onto payrolls of hospitals, motels, nursing homes, and other firms.

A project called RISE (Reach Independence through Self-Employment) is a joint effort of Extension and the State Public Welfare Commission. The overall goal of the training program is to help welfare women take the first step toward independence.

For some, this step consists of a full-time job. The biggest step some of them can take is part-time work or on-the-job training. Others realize they must have high school

equivalency in order to prepare for the work of their choice. The Welfare caseworkers say the women would not have been motivated to go to school or work without the RISE training.

At the outset, it was expected that most of the trainees would do housework and be self-employed. As the program developed, however, other possibilities became evident. The women like the name RISE—it seems to give them a "lift."

This is the way the project works:

The State Public Welfare Commission contracts with the Cooperative Extension Service to train up to 20 welfare clients with Non-Disabled Vocational Rehabilitation funds.

The county welfare office, responsible for recruiting trainees, selects women who are not qualified for other types of training and generally are not motivated toward employment. One welfare supervisor described them as "stay-at-homes."

The Extension Service employs a home economist to work full-time for the duration of the project. Two aides and a half-time secretary are hired from the welfare rolls. Aides receive 2 weeks' training prior to the beginning of the regular training.

Trainees spend 6 weeks, 5 hours a day for 5 days a week, in training.

To keep the training informal and different from school, a vacant home is used as laboratory and headquarters. In addition to housekeeping methods, the women are taught grooming, family relationships, food buying, nutrition, use of plentiful foods, clothing selection, time and money management, good work habits, and how to secure and effectively perform a job.

Actual classwork is kept at a minimum, and the emphasis is on action. Trainees thoroughly clean the training center, which they refer to as "our house." Then they clean each other's homes before being assigned to a homemaker sponsor who is an Extension unit member.

They acquire additional skills at their sponsors' homes. Sponsors have been instructed to work along with them and compliment work well done. They are teachers on a one-to-one basis and send an evaluation of the trainees' work to the agent.

In the meantime each trainee has a free hair styling through the cooperation of a beauty school.

A lesson on clothing selection includes a trip to a local store to select foundation garments. The small clothing allowance, provided in the training budget, also permits buying suitable work clothing at thrift shops.

Then they are ready for work experience at cooperating nursing homes, hospitals, motels, day care centers, and similar establishments. Each trainee works from 10 to 12 days to get experience in two or more types of work and to build up her self-confidence. Often these prospective employers hire the trainees as soon as they have completed the RISE project.

Aides help in transportation of the trainees, supervise their work experience, and assist the agent in various ways. They also make more visits to check on absences. Many would-be dropouts are kept in the training through the work of the aides.

To say that trainees are reluctant to attend at first is an understatement. Therefore, the class sessions stress attitudes. Discussions arise from various sayings such as "They conquer who believe they can." "We cannot choose what comes to us; we can choose how we meet it." "Years wrinkle the skin, but to give up enthusiasm wrinkles the soul." These and others are posted on the walls of the training center.

Group experience is of utmost value to trainees. Many friendships are made. They learn that they have similar problems and often help each other. One woman who had reared 11 children made two dresses for a fellow trainee. Other talents are discovered. Some are adept at setting hair and help others who lack the knack.

The climax of the training program is graduation day. Certificates from Oregon State University are presented to each "graduate." Their families, cooperating Extension unit members, welfare caseworkers, county commissioners, and Extension workers attend.

One or more of the trainees tells the audience what this experience has meant to her. Here is part of what one woman said:

"We can't really tell you exactly what the RISE program has done for us. You have to know how we feel in our hearts. In the past 6 weeks we have found we are capable of doing things we weren't even aware of.

"We were used to staying home all the time, and like myself, I had no education or experience. We more or less found ourselves giving up until we found out about RISE. It is really rewarding to help others and learn and not expect to get paid for it.

"We do have lots of pride, but we really didn't have much of a way to prove it until the last 6 weeks. RISE has opened our first door."

This 28-year-old mother of two is now working part-time while she goes to school to get her high school diploma. On her own initiative she wrote to the State Welfare Administrator and the Governor of Oregon to tell them what RISE meant to her.

Her letters were effective in helping expand the RISE program. One county has trained three groups, and three other counties have each completed training for one group to date.

All but a few have taken a step forward. A welfare representative and the employment office cooperate in placing the women. One lady who took a full-time job in the housekeeping department at a hospital was a little discouraged after the first week. Her children wouldn't let her quit. They were proud to have a working mother. She is still on the job and eligible for a raise.

This is typical of most of the trainees. RISE has given the entire family a boost in self-esteem and a positive attitude toward themselves and the future.

Housekeeping and other starting jobs are not high paying, of course, but these women have one foot on the first rung of the ladder and are reaching for the next.

WASCO COUNTY,
COUNTY COURT,
Dalles, Oreg., May 19, 1970.

Mrs. BERNICE STRAWN,
Home Management Specialist,
Oregon State University,
Corvallis, Oreg.

DEAR MRS. STRAWN: It is with a great deal of admiration that I congratulate the ladies who took part in the R.I.S.E. program, and the Extension Services of Hood River and Wasco Counties. In these times when the accent is on the failures of our society, it is with extreme pleasure that we greet a success. There is no doubt that the participants will benefit permanently from this training.

The format of this action program further reinforces the conclusion of this observer that the Oregon State University Extension Service is the logical source of professional help to guide the programs of training help to the underprivileged. It has been long noted that the service has been a reliable source of technical information, and as a local officeholder I shall welcome the furtherance of its work in community development and aid to the underprivileged.

Sincerely yours,

WALTER CARTE,
Chairman, Mid-Columbia Economic Development District.

OFFICE OF THE GOVERNOR,
Salem, Oreg., March 23, 1971.

Mrs. STRAWN,
Extension Service,
Oregon State University,
Corvallis, Oreg.

DEAR MRS. STRAWN: I am very impressed with your RISE program, as a copy of the letter I am sending respondents will testify. So far I have received over 40 letters and hundreds of clippings with notes and addresses on them—so you can see what a response Mrs. Mullins' article occasioned.

Programs like the RISE project will help us lick the welfare problem and you are to be commended for your fine work and ingenuity.

Sincerely,

TOM MCCALL, *Governor.*

[From the Dalles (Oreg.) Chronicle, May 25, 1970]

TWO-COUNTY RISE GROUP CONGRATULATED

In these times when failures seem to be the predominant news, it is indeed a pleasure to congratulate the ladies who participated in the Reach Independence through Self Employment (RISE) program in Hood River & Wasco counties the past winter under the direction of the Extension Services of the two counties. In this cooperative effort the employers, the Extension personnel, Oregon State University Homemaking Division, homemakers of the area, the Welfare Department, and especially the participants all made the effort to make a success of the training program.

Undoubtedly the participants will be employed in the fields in which they have their first chance to achieve the skills necessary to do so.

As our society attempts to aid the disadvantaged, it seems to this observer that the use of professionals in the Extension Service is the obvious solution. By contrast the use of amateurs to direct training programs have been conspicuously ineffective.

Again we congratulate all of those in the RISE effort; it holds some real hope.

Walt Carte
Wasco County Commissioner
The Dalles

[From the Sunday Oregonian, Feb. 21, 1971]

HERE'S HOPE—WELFARE WOMAN HELPED THROUGH RISE PROGRAM

(By Hope Mullins)

Dear Hope: I have been on welfare most of the time for the past 23 years . . . ever since 1948. I married twice and had five children. Both husbands ran off and never sent me any money. But I am working now and supporting my family . . . and I want to tell people about the wonderful program that helped me get off welfare. It is called "RISE."

Our RISE group had one instructor and 20 women who were on welfare. We met each day for six weeks in an old, rented home. The instructor got us all to cooking inexpensive meals and set us to work cleaning the entire house, using better ways of housekeeping. In only a few days, women who had stayed at home for years and had retreated from the world, were laughing and talking together as they worked.

This program also helps women with medical problems that could keep them from working. For years I'd had rotten teeth but welfare never had any money to get them fixed. The RISE project paid to have all my teeth pulled and gave me dentures.

I'd been having terrible pains in my knees and could hardly walk. The dentist said my teeth had been poisoning my whole system. Now the aching is gone and I feel like a new person. Also, I had needed glasses for a long time but welfare had no funds for this either. I hesitated meeting new people because I couldn't see them very well. Thanks to RISE I have eyeglasses.

This program prepared us to go interviewing for a job. Some of the women had only one faded dress that was too shabby to wear to an interview. RISE gave us each enough money to buy one new outfit. Next, we all went to a beauty parlor and had our hair styled. All through the course, our instructor gave us "pep talks." By the last two weeks, our appearance had improved and our confidence had really been built up. We were ready to get on-the-job experience.

We were given a choice of "trial jobs" to report to for the last 10 days of the course—at a laundry, bakery, grocery store, nursing home and other places. Some of the women were really afraid because they had never held a job before. They were surprised to find they could do good work and they lost their fear of asking for a job. Our class finished almost two years ago and everyone is off welfare.

I work full time as a clerk in a hardware store. I can see to read the price tags and don't mind standing on my feet all day. The days of sleeping three to a bed are past. I can buy meat and fruit for my family, and my children don't have to wear rummage sale clothes and second hand shoes. I even bought a new bike for my son and I pay for the kid's school lunches so they no longer feel the shame of free lunches. Now they have pride and feel just as good as all the other kids at school.

I am forever grateful for the help RISE gave me.

Ruddie.

Dear Readers: The RISE program takes a group of about 20 women and prepares them to get jobs. Each program costs taxpayers about $5,000. However, the yearly savings in welfare funds not paid out as Aid for Families with Dependent Children adds up to many thousands of dollars each year. Most important, it helps women and their families find a better life.

Yet, in Oregon where the program began, it is in danger of being cut from the budget. So far RISE has been used in only 11 counties . . . it is needed all across the country. If you would like to see your local welfare department use this approach to cutting welfare costs, clip this column out and send it to your governor. Ask him to look into the RISE program under the direction of Bernice Strawn, of the Cooperative Extension Service at Oregon State University.

Hope.

What are your opinions on welfare? Why not speak out. Write to Hope Mullins, P.O. Box 849, Corvallis, Ore. 97330.

[From the Sunday Oregonian, Feb. 14, 1971]

HERE'S HOPE!—RISE HELPS TAXPAYERS WITH WELFARE PROBLEMS

(By Hope Mullins)

Dear Hope: Most taxpayers get mighty mad when they think of the huge welfare bills they are paying. Well—I know a way they can help get people off welfare. If you will print my letter, Hope, taxpayers can send a copy of it to their state governor and ask him to look into the "Oregon State University Cooperative Extension program called RISE."

The RISE program is remarkably successful in helping women get jobs, become taxpayers, and get off welfare. I know, because I'm one of the women whom RISE helped. The program takes only six weeks and doesn't cost taxpayers much money. Yet in spite of its proven success in 11 Oregon count'es, this program is in danger of being cut from the state budget.

RISE is run by Extension and welfare. Here is how it works.

RISE groups meet five days a week in old, partially furnished houses. They are taught by a home economist. Our group had 18 women and all but two had dependent children. When we arrived that first day, we must have been a sight. We were ashamed, defensive and beat down by life. And, we sure as heck didn't expect the RISE program to help us.

The first lessons were on budgeting, nutrition and grooming. The main purpose of these sessions was to bring us together. We cooked tasty, low cost recipes and cleaned up the kitchen as a group. We mopped and waxed the floors together. We scrubbed the house from top to bottom by using team work. We began teasing each other, and laughing at each other's "boo boos" and we shared our problems. (It did us good to hear what others had been through.)

When you've been on welfare for years, you build a "wall" around yourself and your family so outside hurts can't get in. Bit-by-bit, the working together tore down the walls of isolation we'd built around ourselves.

We went to a beauty parlor and got our hair fixed up. We each received a small clothing allowance and bought ourselves a new dress to wear to job interviews. We were given dentures, glasses and whatever medical help we needed. (The change in people's looks was fantastic!)

When the fourth week arrived, our instructor gave us a choice of jobs to report to for the last two weeks of the program. (She'd asked a bakery, meat market, laundry, nursing home, motel and other businesses if they'd let her class help for 10 days, at no pay, for on-the-job experience.)

Some of the women had never had a job and were really scared. But they all reported to work and soon got used to handling new situations and meeting strangers. We received many compliments from our "bosses." And we did such good work, that every one of us was offered a permanent job! By the end of the course, we had confidence in ourselves and we'd all changed unbelievably.

After completing the class, I was offered a full-time job with the welfare department. (I am in charge of arranging day care for children, so that their mothers can get job training that will help them get off welfare.) Whenever welfare recipients complain to me, "Stubby, I know I'll never get a good job."—I tell them, "Look at me. I walked in your shoes . . . and made it. So can you!."

Our RISE class ended a year-and-a-half ago. All 18 of the women in our group are off welfare. As I said at the beginning of my letter, RISE courses are remarkably successful. They save taxpayers a great deal of money, and give people independence and self-respect. You can't beat a combination like that!

"Stubby."

ROSEBURG, OREG., *March 5, 1971.*

GOV. TOM MCCALL,
Governor of Oregon,
Salem, Oreg.

DEAR SIR: Enclosed is an article on the RISE project which is under the direction of Bernice Strawn at Oregon State University.

My husband and I would like to urge you to look into and support this type of program. This is the kind of thing that is needed. Just handing money to people is no answer.

Many people are on welfare because they have no idea how to handle money wisely, how to cope with the decisions of life, or just plain no idea how to live—period. They (most of them) will learn if they are given a chance but somebody has to teach them. They have no concept of a successful family life or how to have one. Do you know that many of these people who are dependent upon society for their livelihood have never had any close contact with anyone who was living successfully as a contributing member of society.

We are more than happy to support this type of program with our tax money. We feel strongly that money spent this way is an investment that pays terrific dividends.

We only wish that all our tax money, state and federal, could be as well invested.

Sincerely yours,

Mr. and Mrs. STEVE WATKINS.

FEB. 25, 1971.

The Hon. TOM MCCALL,
Governor of Oregon,
State Capitol,
Salem, Oreg.

DEAR GOVERNOR: I have become acquainted with the RISE Program through the enclosed article. As a middle class working tax payer, I feel this program is a tremendous way to combat our Welfare Department's problems of funding. I feel it would be a terrible mistake to discontinue this program in our state and in fact, feel it should be expanded.

It is unfortunate that more working-class people do not know of this program and I feel that as our Governor, you are in a position to make this program better known to all people in our state. If this program is as effective as the article shows it to be, it could very well be advantageous in greatly decreasing our welfare rolls.

Sincerely,

(Mrs.) DEBRA J. LEACH.

FEB. 22, 1971.

DEAR GOV. MCCALL: We hope that you will read the enclosed article from the Oregonian and then direct your efforts toward keeping the RISE program in the budget. This program actually saves money in the long run by enabling women to get off welfare. And by getting off of welfare they gain back their self respect.

As attested to by the letter from "Ruddie", this program has been very successful. When 20 women can be prepared in just six weeks to go out and get steady employment and thus stay off welfare, this is a very worthwhile undertaking. We hope that RISE will not only be continued, but expanded.

Sincerely,

Mr. and Mrs. ROBERT P. LINKEY.

CORVALLIS, OREG., *March 1, 1971.*

GOV. TOM MCCALL,
Statehouse,
Salem, Oreg.

DEAR GOV. MCCALL: I have been very interested to learn about the RISE programs which are designed to help Welfare recipients learn useful skills so that they can take jobs. I hope that this RISE program will be continued. I definitely believe that real caring for others' welfare includes worrying about their self respect and this the RISE program develops. It also will introduce "the work ethic" into a Welfare family, lessening the chances that Aid to Dependent Children will grow up to also become Welfare recipients as they understand that adults do work and that work is important to self-esteem in our society.

Please do all you can to help this important program and others like it to continue.

Sincerely,

(Mrs.) MARJORIE PASCH.

THE WASHINGTON POST EDITORIAL ENTITLED "AID FOR HIGHER EDUCATION"

Mr. PROUTY. Mr. President, on July 8 in my remarks to the Senate, I described the higher education bill, then pending in the Labor and Public Welfare Committee, as a "landmark measure." One week later the bill S. 659 was unanimously ordered reported to the Senate by the Committee on Labor and Public Welfare.

The order to report this historic bill went virtually unnoticed by the media

until today when the Washington Post in its lead editorial recognized the import and potential impact of this measure.

The Post's highly favorable editorial is encouraging to me and I commend it to Senators who will soon be considering this historic measure.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

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

[From the Washington Post, July 21, 1971]

AID FOR HIGHER EDUCATION

With little fanfare the Senate Committee on Labor and Public Welfare last week reported out a higher education bill which—if it were to receive adequate funding—would lay a firm new foundation for federal support for higher education. Sponsored by Senator Pell, it would (1) establish a student grant program which would appreciably lower the barriers to higher education facing young people from low and lower-middle income families, and (2) give substantial financial aid to the colleges and universities that bear the cost of educating students from these income groups.

The proposed student grant program would depart from present legislation by introducing the principle of "entitlement" to student aid: i.e., anyone falling under the bill's definition of "needy" and "student" would be entitled to a federal grant. Any student in good standing at an accredited college, university or post-secondary vocational school would be eligible for a grant equal to $1,400 a year minus a "family contribution" depending on family income, assets, number of children and so forth. A student whose family's resources were too meager to permit them to make any contribution would receive the full $1,400 from the government; a student whose family could contribute $800 would receive $600, and so forth.

It should be noted that the bill does not guarantee everyone the right to go to college. Decisions about who should be admitted and what constitutes "good standing" are left to institutions of higher education themselves, but once admitted to student status everyone would have a right to aid if he could show a need. The principle of entitlement to student aid strikes us as both sound and just, although it will be expensive to implement.

Post-secondary education has become, rightly or wrongly, a virtual necessity for a dignified, well-paying job—a passport into the mainstream of American life. But the passports are issued unequally among the rich and the poor. In almost any group of high school graduates of roughly equal "ability" (as measured by high school grades or test scores) one finds a much higher proportion receiving higher education among upper than lower income groups. The real inequality is even greater, of course, because low-income students have less chance of finishing high school and less chance of scoring well on conventional tests even if their true ability is high.

In recent years federal student aid programs have grown rapidly, and many low-income students have gone to college who would not have made it without the government money. But current programs are still far from adequate. The Education Opportunity Grant program has been meagerly funded by the Congress—approved requests far exceed available funds. Moreover, the program seems virtually designed to maximize the uncertainty facing the student. Funds are allotted to states in accordance with a formula that bears little relation to needs and some states are able to fill a far higher proportion of requests than others. Within states, funds are doled out by college student aid officers with different views of "need" (recent attempts by the Office of Education to target funds on the lowest income students have not yet had much effect—largely because hardly any new funds have been available). A student may be turned down for aid at one college, although a neighboring college would have been able to give him money—if he had only known. Colleges as well as sudents are unhappy with the uncertainty. Some have made efforts to encourage low-income students to apply, only to find they did not have any funds to offer them. Many college recruiters believe low-income students would work much harder in high school if they could be assured of funds for college.

The Nixon administration has also embraced the principle of student aid but the administration's student aid proposal, more complex and less generous than the Pell Bill, has not been enthusiastically received, or even well understood, on Capitol Hill. We believe the grant provisions of the Pell Bill are superior, partly because they are easier to comprehend and seem less likely to burden low income students with heavy debt.

Another important feature of the Pell Bill is a substantial program of aid to higher education institutions that enroll recipients of the proposed grants. A college, university or vocational school would receive a "cost of instruction allowance" for each federally aided student it enrolled. A very small college would receive $500 for each federally aided student, while larger ones would receive lower amounts ranging down to $100 per federally aided student.

The "cost of instruction" provision recognizes that no student pays his own way and that the federal government has an obligation, if it is adding to enrollment by passing out student aid, to help colleges meet the costs imposed by the extra students. The program would constitute a major form of federal aid to higher education institutions, not unlike the Green Bill now under consideration in the House. But unlike the Green Bill, which gives institutions federal money for every student enrolled, the Pell Bill would channel the aid toward institutions bearing the heaviest burden of educating low income students. This type of aid has been called a "bribe" to open educational gates to the poor. We prefer to think of it as an incentive to act in the national interest.

The particular cost of instruction formula in the Pell Bill could be improved. The present version is excessively favorable to small colleges. Unfortunately, the average small college, like the family farm, is probably an uneconomic anachronism more worthy of fond nostalgia than rescue with federal funds. Moreover, the Pell formula, which gives colleges a flat sum for each aided student (rather than a percentage of the aid granted) may encourage colleges to take in several marginally needy students in preference to one extremely needy one.

Basically, however, the Pell Bill is a good one. It is our hope that it will pass the Senate and that its passage will jar the House out of its current deadlock and enable passage of a major new higher education act in this session.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ORDER TO HOLD BILL AND JOINT RESOLUTION AT THE DESK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that H.R. 4762, a bill to extend the authority of the Administrator of Veterans' Affairs to establish and carry out a program of exchange of medical information, and House Joint Resolution 3, to establish a Joint Committee on the Environment, when received from the House, be held at the desk.

This has been cleared all around.

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

FEDERAL ELECTIONS CAMPAIGN ACT OF 1971

The ACTING PRESIDENT pro tempore. Under the previous order, the Chair lays before the Senate S. 382, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A bill (S. 382) to promote fair practices in the conduct of election campaigns for Federal political offices, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Commerce and from the Committee on Rules and Administration with amendments.

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

The ACTING PRESIDENT pro tempore. 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 (Mr. STEVENSON). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senate, I should like to state that, last evening, a series of negotiations were carried on in the office of the distinguished Republican leader, to see whether an agreement could be arrived at by means of which a time limitation could be agreed upon to assure the final disposition of the pending business. If such an agreement could be reached then it was—and still is—the intention of the leadership to lay the pending business aside and call up the bill reported by the Committee on Banking, Housing, and Urban Affairs, S. 2308, a bill to authorize emergency loan guarantees to major business enterprises.

On the basis of the negotiations carried on at that time—in which I did not participate except indirectly, but the distinguished deputy majority leader acting for me did—an agreement was arrived at which, of course, is subject to affirmation by the Senate as a whole.

If the agreement is entered into, I think it would allow us to carry on our business in an orderly and expeditious way, with the rights of all Senators being protected fully.

I should like at this time to ask the distinguished deputy majority leader to present to the Senate the unanimous-consent request which was worked out last evening and which is subject to this body's approval.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that during the further consideration of S. 382,

the so-called Federal elections campaign bill, the bill be considered as having been amended in the form as reported by the Committee on Rules and Administration, and that the bill as thus amended be treated as original text for the purpose of further amendments; that it be ordered, and that it be in order, immediately, for the distinguished Senator from Rhode Island (Mr. PASTORE) to offer a substitute for the entire bill; provided further, that it shall be in order at any time during the consideration of S. 382 for the majority leader or his designee to have laid before the Senate for its immediate consideration any of the following:

S. 2308, the emergency loan guarantee bill.

The HEW appropriation bill.

The Department of Transportation appropriation bill.

The public works appropriation bill.

The Appalachian regional development bill.

The Sugar Act.

Or other measures as agreed upon by the majority leader and the minority leader, and proceed with the consideration of any one of them until final disposition thereof, or at the discretion of the majority leader; provided further, that the debate on S. 382 be limited to 16 hours, the time to be equally divided between the majority and minority leaders or their designees, and that debate on any amendment be limited to 30 minutes, the time to be equally divided between the mover of such amendment and the majority leader or his designee, with the exception as to time for debate of the following amendments:

An amendment by the distinguished Senator from Colorado (Mr. DOMINICK), on which there would be 3 hours, equally divided.

Two amendments by the distinguished Senator from Vermont (Mr. PROUTY), on each of which there would be 3 hours, equally divided.

One amendment by the distinguished Senator from Arizona (Mr. FANNIN), on which there would be 2 hours, equally divided.

One amendment by the distinguished Senator from Alaska (Mr. STEVENS), on which there would be 2 hours, equally divided.

Provided further, that no amendment not germane shall be received, and that no motion to table the amendment in the nature of a substitute by the distinguished Senator from Rhode Island (Mr. PASTORE), shall be in order; provided finally, that the majority and minority leaders or their designees may allot time under their control, for debate of the bill, to any Senator on any amendment, motion, or appeal, with the exception of a motion to lay on the table.

Mr. SPONG. Mr. President, reserving the right to object, I wonder if the distinguished deputy majority leader would answer a question for me. If this is agreed to, it would require the unanimous consent of the Senate for any nongermane amendment to be subsequently offered; is that correct?

Mr. BYRD of West Virginia. That is correct.

Mr. SPONG. The distinguished Senator from New Jersey (Mr. CASE) and I have considered the introduction of an amendment which may be ruled nongermane. It concerns public disclosure for judges, Members of Congress, and others.

We would prefer that this be considered after a hearing by the proper committee. The chairman of the subcommittee, the distinguished Senator from Nevada (Mr. CANNON), has been busy with hearings on this bill. We would prefer that hearings on the measure which the distinguished Senator from New Jersey (Mr. CASE) and I have introduced, be held before bringing it to the Senate.

Nevertheless, we believe that our proposal relates to the legislation now before us, regardless of any ruling, and we are hopeful that early hearings can be held on our measure.

Mr. CANNON. Mr. President, I would be happy to assure the distinguished Senator from Virginia that we would schedule hearings on his proposal.

His proposal is similar to one which the Senate acted on before, several years ago. I offered that as an amendment, to require full disclosure on the part of Senators, the judiciary, the executive, and legislative branches. It passed the Senate. I think that we should hold hearings on the bill and I would not like to see it tied to this bill when we have the opportunity to make some headway in the field of election reform.

So, I would be willing to assure the Senator that I will schedule hearings sometime after the recess, at an early date in the fall, and give him hearings on the proposal.

Mr. SPONG. Mr. President, I thank the Senator from Nevada. I share his wish that we move forward with this legislation. On that basis I have no objection to the agreement. I again thank the Senator from Nevada.

Mr. SCOTT. Mr. President, would the distinguished assistant majority leader yield?

Mr. BYRD of West Virginia. Mr. President, I yield to the distinguished minority leader.

Mr. SCOTT. Mr. President, I would reserve the right to object and, of course, I will not object. I rise for the purpose of saying that I am in favor of the unanimous-consent request. It was worked out very carefully and with great consideration for the concerns of many Senators. It has been possible to have it accepted by the good will of a number of Senators having different concerns as to various bills.

I would like to indicate now that it is my intention to designate as manager of the bill on this side of the aisle the distinguished Senator from Vermont (Mr. PROUTY), the ranking minority member of the Committee on Rules and Administration, with the understanding that he would work out allocations of time with the distinguished ranking minority member of the Committee on Commerce, the Senator from New Hampshire (Mr. COTTON).

I understand from the Senator from Vermont that that can and will be done. For that reason I do so designate the Senator from Vermont, as I have indicated.

Mr. WEICKER. Mr. President, reserving the right to object, I would like to address an inquiry to the Senator from West Virginia. It is my understanding that the limitation on time and also the procedure as contained in the unanimous consent request apply only to S. 382.

Mr. BYRD of West Virginia. The Senator is precisely correct. At the direction of the distinguished majority leader, it was made to do so.

Mr. WEICKER. Mr. President, such limitations do not in any way apply to the exceptions, at least to the bills or to the matters which were contained in the request?

Mr. BYRD of West Virginia. Mr. President. would the Senator clarify his question?

Mr. WEICKER. I refer specifically to the matters which the Senator referred to, both the loan bill, S. 2308, and the various appropriations bills.

Mr. BYRD of West Virginia. Mr. President, may I say that the limitation on time that has been proposed at the direction of the majority leader deals only with S. 382, the Federal Elections Campaign bill.

Mr. WEICKER. I thank the Senator from West Virginia.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

The unanimous-consent agreement is as follows:

Ordered, That, effective on Wednesday, July 21, 1971, during the further consideration of S. 382, to promote fair practices in the conduct of election campaigns for Federal political offices, and for other purposes, the bill be considered as having been amended in the form as reported by the Committee on Rules and Administration, and that the bill as thus amended be treated as original text for the purpose of further amendment, and that it be in order immediately for the Senator from Rhode Island (Mr. Pastore) to offer a substitute for the entire bill.

Provided further, That it shall be in order at any time during the consideration of S. 382 for the Majority Leader or his designee to have laid before the Senate for its immediate consideration any of the following bills: (1) S. 2308, Cal. 264; (2) the Appalachian Regional Development Bill; (3) H.R. 9667, Transportation and Related Agencies Appropriation Bill; (4) Labor HEW Appropriations, and (5) the Public Works Appropriation Bill, or other bills agreed upon by the Majority and Minority Leaders, and proceed with the consideration of any one of them until they are disposed of, or at the discretion of the Majority Leader.

Provided further, That debate on S. 382 be limited to 16 hours to be equally divided by the Majority and Minority Leaders or their designees, and debate on any amendment to the bill be limited to 30 minutes to be equally divided and controlled by the mover of the amendment and the Majority Leader or his designee with the exception as to time for debate on the following amendment: three hours on an amendment to be offered by the Senator from Colorado (Mr. Dominick); three hours on each of two amendments to be designated by the Senator from Vermont (Mr. Prouty); two

hours on an amendment to be offered by the Senator from Arizona (Mr. Fannin); and two hours on an amendment to be offered by the Senator from Alaska (Mr. Stevens).

Provided further, That no amendment not germane shall be received, and that no motion to table the substitute amendment to be offered by the Senator from Rhode Island (Mr. Pastore) shall be in order. *Provided further,* That time for debate of the bill may be yielded by the Leaders or their designees on any pending amendment, motion (except a motion to table), or appeal. (July 21, 1971)

The PRESIDING OFFICER. In accordance with the unanimous consent agreement, the bill is considered as having been amended in the form as reported by the Committee on Rules and Administration, and as thus amended the bill will be treated as original text for the purpose of further amendment.

The text of the bill as amended and being treated as original text for purpose of further amendment is as follows:

S. 382

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 Election Campaign Act of 1971".

TITLE I—AMENDMENTS TO COMMUNICATIONS ACT OF 1934; LIMITATIONS ON CAMPAIGN EXPENDITURES FOR NONBROADCAST COMMUNICATIONS MEDIA

EXCEPTION TO EQUAL TIME REQUIREMENTS AND CHARGE LIMITATIONS

SEC. 101. (a) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended by inserting after "public office" in the first sentence thereof a comma and the following: "other than Federal elective office (as defined in subsection (c) of this section): *Provided,* That such Federal candidates are given the maximum flexibility in the choice of program format,".

(b) Section 315(b) of such Act is amended to read as follows:

"(b) The charges made for the use of any broadcasting station by any person who is a legally qualified candidate for any public office in connection with his campaign for nomination for election, or election, to such office shall not exceed—

"(1) during the forty-five days preceding the date of a primary election and during the sixty days preceding the date of a general or special election in which such person is a candidate, the lowest unit charge of the station for the same amount of time during the same period; and

"(2) at any other time, the charges made for comparable use of such station by other users thereof."

(c) Section 312(a) of such Act is amended by striking "or" at the end of clause (5), striking the period at the end of clause (6) and inserting in lieu thereof a semicolon and "or", and adding at the end of such section 312(a) the following new clause:

"(7) for willful or repeated failure to allow reasonable access to or to permit purchase of reasonable amounts of time for the use of a broadcasting station by a legally qualified candidate on behalf of his candidacy.".

EXPENDITURES LIMITATIONS FOR CANDIDATES FOR MAJOR ELECTIVE OFFICES

SEC. 102. Section 315 of the Communications Act of 1934 is further amended by redesignating subsection (c) as subsection (e) and by inserting immediately before such subsection the following new subsections.

"(c)(1) For purposes of this subsection (d), the term—

"(A) 'Federal elective office' means the office of President, Vice President, United States Senator or Representative, or Delegate or Resident Commissioner to the Congress;

"(B) 'use of broadcasting stations by or on behalf of any candidate' includes not only broadcasts advocating such candidate's election, but also broadcasts urging the defeat of his opponent or derogating his opponent's stand on campaign issues;

"(C) 'legally qualified candidate' means any person who (1) meets the qualifications prescribed by the applicable laws to hold the Federal elective office for which he is a candidate and (2) is eligible under applicable State law to be voted for by the electorate directly or by means of delegates or electors; and

"(D) 'broadcasting station' includes a community antenna television system, and the terms 'licensee' and 'station licensee' when used with respect to a community antenna television system, mean the operator of such system.

"(2) (A) No legally qualified candidate in any primary, runoff, general, or special election for a Federal elective office may spend for the use of broadcasting stations on behalf of his candidacy in such election a total amount in excess of—

(i) 5 cents multiplied by the estimate of resident population of voting age for such office, as determined by the Bureau of Census in June of the year preceding the year in which the election is to be held; or

(ii) $30,000, if greater than the amount determined under clause (i).

A legally qualified candidate for nomination for election to the office of President may not spend a total amount for all primary elections held for such office in which he is a candidate in excess of the limitation provided by the first sentence of this paragraph.

"(B) In addition to the amount which he may spend under paragraph (2)(A) of this subsection for the use of broadcast communications media in connection with his campaign, a candidate for Federal office may spend for such use any unspent portion of the amount he is authorized to spend for the use of nonbroadcast communications media under section 103 of the Federal Election Campaign Act of 1971.

"(3) Amounts spent for the use of broadcasting stations on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) shall, for the purposes of this subsection, be deemed to have been spent by such candidate. Amounts spent for the use of broadcasting stations by or on behalf of any legally qualified candidate for the office of Vice President of the United States shall, for the purposes of this subsection, be deemed to have been spent by the candidate for the office of President of the United States with whom he is running.

"(4) No station licensee may make any charge for the use of such station by or on behalf of any candidate for Federal elective office (or for nomination to such office) unless such candidate, or a person specifically authorized by such candidate in writing to do so, certifies to such licensee in writing that the payment of such charge will not violate paragraph (2).

"(5) Broadcasting stations and candidates shall file with the Commission such reports at such times and containing such information as the Commission shall prescribe for the purpose of this subsection and, in the case of broadcasting stations, subsection (d).

"(d) If the Commission determines that—

"(1) a State by law—

"(A) has provided that a primary or other election for any office of such State or of a political subdivision thereof is subject to this subsection, and

"(B) has specified a limitation upon total expenditures for the use of broadcasting stations an behalf of the candidacy of each legally qualified candidate in such election, and

"(2) the amount of such limitation does not exceed the amount which would be determined for such election under subsection (c) had such election been an election for a Federal elective office, or nomination thereto, then no station licensee may make any charge for the use of such station by or on behalf of any legally qualified candidate in such election unless such candidate, or a person specifically authorized by such candidate in writing to do so, certifies to such licensee in writing that the payment of such charge will not violate such limitation."

LIMITATIONS OF CAMPAIGN EXPENDITURES FOR NONBROADCAST COMMUNICATIONS MEDIA

SEC. 103. (a) For purposes of this section, the term—

(1) "Federal elective office" means the office of President, Vice President, United States Senator or Representative, or Delegate or Resident Commission to the Congress;

(2) "nonbroadcast communications medium" means newspapers, magazines and other periodical publications, and billboard facilities;

(3) "legally qualified candidate" means any person who (A) meets the qualifications prescribed by the applicable laws to hold the Federal elective office for which he is a candidates and (B) is eligible under applicable State law to be voted for by the electorate directly or by means of delegates or electors; and

(4) "use of any nonbroadcast communications media by or on behalf of any candidate" includes not only amounts spent for advocating a candidate's election, but also amounts spent for urging the defeat of his opponent or derogating his opponent's stand on campaign issues.

(b) During the forty-five days preceding the date of any primary election, and during the sixty days preceding the date of any general or special election, the charges made for the use of any nonbroadcast communications medium by an individual who is a legally qualified candidate for Federal elective office shall not exceed the lowest unit rate charged others by the person furnishing such medium for the same amount of space.

(c)(1) No legally qualified candidate in any primary, runoff, general, or special election for a Federal elective office may spend for the use of nonbroadcast communications media on behalf of his candidacy in such election a total amount in excess of—

(A) 5 cents multiplied by the estimate of resident population of voting age for such office, as determinated by the Bureau of Census in June of the year preceding the year in which the election is to be held; or

(B) $30,000, if greater than the amount determined under subparagraph (A).

A legally qualified candidate for nomination for election to the office of President may not spend a total amount for all primary elections held for such office in which he is a candidate in excess of the limitation provided by the first sentence of this paragraph.

(2) In addition to the amount which he may spend under this subsection for the use of nonbroadcast communications media in connection with his campaign, a candidate for Federal office may spend for such use any unspent portion of the amount he is authorized to spend for the use of broadcast communications media under section 315(c) of the Communications Act of 1934 (47 U.S.C. 315(c)).

(d) Amounts spent for the use of nonbroadcast communications media on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) shall, for the purposes of this section, be deemed to have been spent by such candidate. Amounts spent for the use of nonbroadcast communications media by or on behalf

of any legally qualified candidate for the office of Vice President of the United States shall, for the purposes of this section, be deemed to have been spent by the candidate for the office of President of the United States with whom he is running.

(e) No person may make any charge for the use of any nonbroadcast communications medium by or on behalf of any candidate for Federal elective office (or for nomination to such office) unless such candidate, or an individual specifically authorized by such candidate in writing to do so, certifies to such person that the payment of such charge will not violate subsection (c). Any person who furnishes the use of any nonbroadcast communications medium to or for the benefit of any such candidate without charge therefor shall be deemed to have made a contribution to such candidate in an amount equal to the amount normally charged by such person for such use. Any person who furnishes the use of any nonbroadcast communications medium to or for the benefit of any such candidate at a rate which is less than the rate normally charged by such person for such use shall be deemed to have made a contribution to such candidate in an amount equal to the excess of the rate normally charged over the rate charged such candidate.

(f) Violation of the provisions of this section is punishable by a fine not to exceed $5,000, imprisonment for not to exceed five years, or both.

COST-OF-LIVING INCREASE IN LIMITATION FORMULA

SEC. 104. (a) For purposes of this section, the term—

(1) "price index" means the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

(2) "base period" means the calendar year 1970.

(b) Commencing immediately after the end of 1971, and after the end of each calendar year thereafter, as there becomes available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall determine the difference between the price index for the immediately preceding calendar year and the price index for the base period. The amount computed under section 315(c)(2)(a)(i) of th Communications Act of 1934 (as added by section 102 of this Act) and under section 103(c)(1)(A) of this Act shall be increased by such per centum difference (excluding any fraction of a per centum) and rounded to the next highest cent. Each amount so increased shall be the amount in effect for the twelve months following the end of such calendar year.

EFFECTIVE DATE

SEC. 105. This title shall take effect on the date of enactment of this Act, except that—

(1) the amendment made by section 101 (b) shall take effect 30 days after such date; and

(2) Section 102 shall take effect on such date as the Federal Communications Commission shall prescribe, but not later than 120 days after the date of enactment of this Act.

TITLE II—CRIMINAL CODE AMENDMENTS

SEC. 201. Section 591 of title 18, United States Code, is amended to read as follows:

"§ 591. Definition

"When used in sections 597, 599, 600, 602, 610, 611, and 614 of this title—

"(a) 'election' means (1) a general, special, primary, or runoff election, (2) a convention or caucus of a political party held to nominate a candidate, (6) a primary election held for the section of delegates to a national nominating convention of a political party, (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President, and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

"(b) 'candidate' means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, to Federal office, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

"(c) 'Federal office' means the office of President or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

"(d) 'political committee' means any individual, committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

"(e) 'contribution' means—

"(1) a gift, subscription, loan, advance, or deposit of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations), made for the purpose of influencing the nomination for election, or election, of any person to Federal office, for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

"(2) a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;

"(3) a transfer of funds between political committees; and

"(4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee, without charge for any such purpose;

"(f) 'expenditure' means—

"(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations), made for the purpose of influencing the nomination for election, or election, of any person to Federal office, for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

"(2) a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure; and

"(3) a transfer of funds between political committees;

"(g) 'person' and 'whoever' mean an individual, partnership, committee, association, corporation, or any other organization or group of persons; and

"(h) 'State' means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States."

SEC. 202. Section 600 of title 18, United States Code, is amended to read as follows:

"§ 600. Promise of employment or other benefit for political activity

"Whoever, directly or indirectly, promises any employment, position, compensation, contract, appointment, or other benefit, provided for or made possible in while or in part by any Act of Congress, or any special consideration in obtaining any such benefit, to any person as consideration, favor, or reward for any political activity or for the support of or opposition to any candidate or any political party in connection with any general or special election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, shall be fined not more than $1,000 or imprisoned not more than one year, or both."

SEC. 203. Section 608 of title 18, United States Code, is repealed.

SEC. 204. Section 609 of title 18, United States Code, is repealed.

SEC. 205. Section 611 of title 18, United States Code, is amended to read as follows:

"§ 611. Contributions by Government contractors

"Whoever—

"(a) entering into any contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, as any time between the commencement of negotiations for and the later of (1) the completion of performance under, or (2) the termination of negotiations for, such contract or furnishing of material, supplies, equipment land or buildings, directly or indirectly makes any contribution of money or other thing of value, or promises expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; or

"(b) knowingly solicits any such contribution from any such person for any such purpose during any such period;

shall be fined not more than $5,000 or imprisoned not more than five years, or both."

Sec. 206. Chapter 29 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 614. Extension of credit to candidates for Federal office by certain industries

"(a) No business, the rates and charges for which are regulated by the Civil Aeronautics Board, the Federal Communications Commission, or the Interstate Commerce Commission, shall extend credit, for services rendered or goods furnished to any candidate or to any other person on behalf of such candidates unless the debt so created is secured in full by property, bond, or other security. This section shall not apply to a use of such service or goods by a candidate for purposes not related to his campaign for nomination for election, or election, to Federal office, if the candidate so certifies in writing to that business.

"(b) Violation of the provisions of this section is punishable by a fine not to exceed $1,000, or (in the case of an individual who intentionally violates such provision) imprisonment for not to exceed one year, or both."

Sec. 207. The table of sections for chapter 29 of title 18, United States Code, is amended by—

(1) striking out the item relating to section 608 and inserting in lieu thereof the following:

"608. Repealed.";

(2) striking out the item relating to section 609 and inserting in lieu thereof the following:

"609. Repealed.";

(3) striking out the item relating to section 611 and inserting in lieu thereof the following:

"611. Contributions by Government contractors."; and

(4) adding at the end of such table the following: "614. Extension of credit to candidates for Federal office by certain industries."

TITLE III—DISCLOSURE OF FEDERAL CAMPAIGN FUNDS

DEFINITIONS

SEC. 301. When used in this part—

(a) "election" means (1) a general, special, primary, or runoff election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President, and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

(b) "candidate" means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

(c) "Federal office" means the office of President or Vice President of the United States; or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

(d) "political committee' means any committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

(e) "contribution" means—

(1) a gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office or as a presidential or vice-presidential elector, for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

(3) a transfer of funds between political committees; and

(4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or committee without charge for any such purpose;

(f) "expenditure" means—

(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or as a presidential and vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

(2) a contract, promise, or agreement whether or not legally enforceable, to make an expenditure; and

(3) a transfer of funds between political committees;

(g) "Comptroller General" means the Comptroller General of the United States;

(h) "person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons; and

(i) "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 302. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of chairman or treasurer thereof. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution for a political committee shall, on demand of the treasurer, and in any event within five days after the receipt of such contribution, render to the treasurer a detailed account thereof, including the amount, the name and address of the person making such contribution, and the date on which received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee.

(c) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

(1) all contributions made to or for such committee;

(2) the full name and mailing address of every person making any contribution, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee; and

(4) the full name and mailing address of every person to whom any expenditure is made, and the date and amount thereof.

(d) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds $100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for periods of time to be determined by the Comptroller General.

(e) Any political committee which solicits or receives contributions or makes expenditures on behalf of any candidate that is not authorized in writing by such candidate to do so shall include a notice on the face or front page of all literature and advertisements published in connection with such candidate's campaign by such committee or on its behalf stating that the committee is not authorized by such candidate and that such candidate is not responsible for the activities of such committee.

(f) Any political committee shall include on the face or front page of all literature and advertisements soliciting funds the following notice:

"In compliance with Federal law a report has been (or will be) filed with the Comptroller General of the United States showing a detailed account of our receipts and expenditures. A copy of that report is available at a charge from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402."

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 303. (a) Each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding $1,000 shall file with the Comptroller General a statement of organization, within ten days after its organization or, if later, ten days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of $1,000. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Comptroller General at such time as he prescribes.

(b) The statement of organization shall include—

(1) the name and address of the committee;

(2) the names, addresses, and relationships of affiliated or connected organizations;

(3) the area, scope, or jurisdiction of the committee;

(4) the name, address, and position of the custodian of books and accounts;

(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

(7) a statement whether the committee is a continuing one;

(8) the disposition of residual funds which will be made in the event of dissolution;

(9) a listing of all banks, safety deposit boxes, or other repositories used;

(10) a statement of the reports required to be filed by the committee with State or local officers, and, if so, the names, addresses, and positions of such persons; and

(11) such other information as shall be required by the Comptroller General.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Comptroller General within a ten-day period following the change.

(d) Any committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding $1,000 shall so notify the Comptroller General.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 304. (a) Each treasurer of a political committee supporting a candidate or candidates for election to Federal office and each candidate for election to such office, shall file with the Comptroller General reports of receipts and expenditures on forms to be prescribed or approved by him. Such reports shall be filed on the tenth day of March, June, and September, in each year, and on the fifteenth and fifth days next preceding

the date on which an election is held, and also by the thirty-first day of January. Such reports shall be complete as of such date as the Comptroller General may prescribe, which shall not be less than five days before the date of filing.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of $100, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together, with the amounts and dates of all such transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or value in excess of $100, together with the full names and mailing addresses of the lender and endorsers, if any, and the date and amount of such loans;

(6) the total amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising event; (B) mass collections made at such events; and (C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt in excess of $100 not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address of each person to whom an expenditure or expenditures have been made by such committee or candidate within the calendar year in an aggregate amount or value in excess of $100, and the amount, date, and purpose of each such expenditure;

(10) the full name and mailing address of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of $100 has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure;

(11) the total sum of expenditures made by such committee or candidate during the calendar year;

(12) the amount and nature of debts and obligations owed by or to the committee, in such form as the Comptroller General may prescribe; and

(13) such other information as shall be required by the Comptroller General.

(c) The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward. If no contributions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 305. (a) Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of $100 within a calendar year shall file with the Comptroller General a statement containing the information required by section 304. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

(b)(1) Any business, the rates and charges for which are regulated by the Civil Aeronautics Board, the Federal Communications Commission, or the Interstate Commerce Commission, which furnishes goods or services to or for the use of a candidate in connection with his campaign for nomination for election, or election, to Federal office, or to a political committee for use in connection with such a campaign, shall file with the Comptroller General a statement disclosing—

(A) the name of the purchaser and the name of the candidate for the benefit of whose campaign the goods or services were purchased;

(B) a specific description of the goods or services furnished and the quantity or measure thereof, if appropriate;

(C) any amount of the price of such goods or services not paid in advance of their being furnished to the purchaser;

(D) any unpaid balance of the price of such goods or services as of the reporting date;

(E) a description of the type and value of any bond, collateral, or other security securing such unpaid balance; and

(F) such other information as the Comptroller General shall require by published regulation.

(2) Reports required under paragraph (1) of this subsection shall be filed on the dates on which reports by political committees are filed, and shall be cumulative. A copy of each report required of a business under paragraph (1) shall be filed with the department or agency by which such business is so regulated.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 306. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period of time to be designated by the Comptroller General in a published regulation.

(c) The Comptroller General may, by published regulation of general applicability, relieve any category of political committees of the obligation to comply with section 304 if such committee (1) primarily supports persons seeking State or local office, and does not substantially support candidates, and (2) does not operate in more than one State or on a statewide basis.

(d) The Comptroller General shall, by published regulations of general applicability prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

REPORTS ON CONVENTION FINANCING

SEC. 307. Each committee or other organization which—

(1) represents a State, or a political subdivision thereof, or any group of persons, in dealing with officials of a national political party with respect to matters involving a convention held in such State or political subdivision to nominate a candidate for the office of President or Vice President, or

(2) represents a national political party in making arrangements for the convention of such party held to nominate a candidate for the office of President or Vice President, shall within sixty days following the end of the convention (but not later than twenty days prior to the date on which presidential and vice-presidential electors are chosen), file with Comptroller General a full and complete financial statement, in such form and detail as he may prescribe, of the sources from which it derived its funds, and the purposes for which such funds were expended.

DUTIES OF THE COMPTROLLER GENERAL

SEC. 308. (a) It shall be the duty of the Comptroller General—

(1) to develop prescribed forms for the making of the reports and statements required to be filed with him under this title;

(2) to prepare and publish a manual setting forth recommended uniform methods of bookkeeping and reporting for use by persons required to make such reports and statements;

(3) to develop a filing, coding, and cross-indexing system consonant with the purposes of this title;

(4) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person;

(5) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;

(6) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate;

(7) to prepare and publish an annual report including compilations of (A) total reported contributions and expenditures for all candidates, political committees, and other persons during the year; (B) total amounts expended according to such categories as he shall determine and broken down into candidate, party, and nonparty expenditures on the National, State, and local levels; (C) total amounts expended for influencing nominations and elections stated separately; (D) total amounts contributed according to such categories of amounts as he shall determine and broken down into contributions on the National, State, and local levels for candidates and political committees; and (E) aggregate amounts contributed by any contributor shown to have contributed in excess of $100;

(8) to prepare and publish from time to time special reports comparing the various totals and categories of contributions and expenditures made with respect to preceding elections;

(9) to prepare and publish such other reports as he may deem appropriate;

(10) to assure wide dissemination of statistics, summaries, and reports prepared under this title;

(11) to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provisions of this title

(12) to report apparent violations of law to the appropriate law enforcement authorities; and

(13) to prescribe suitable rules and regulations to carry out the provisions of this title.

(b)(1) Any person who believes a violation of this title has occurred may file a complaint with the Comptroller General. If the

Comptroller General determines there is substantial reason to believe such a violation has occurred, he shall expeditiously make an investigation, which shall also include an investigation of reports and statements filed by the complainant if he is a candidate, of the matter complained of. Whenever in the judgment of the Comptroller General, after affording due notice and an opportunity for a hearing, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this title or any regulation or order issued thereunder, the Attorney General on behalf of the United States shall institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.

(2) In any action brought under paragraph (1) of this subsection, subpenas for witnesses who are required to attend a United States district court may run into any other district.

(3) Any party aggrieved by an order granted under paragraph (1) of this subsection may, at any time within sixty days after the date of entry thereof, file a petition with the United States Court of Appeals for the circuit in which such person is found, resides, or transacts business, for judicial review of such order.

(4) The judgment of the court of appeals affirming or setting aside, in whole or in part, any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

(5) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection).

STATEMENTS FILED WITH CLERK OF UNITED STATES COURT

SEC. 309. (a) A copy of each statement required to be filed with the Comptroller General by this title shall be filed with the clerk of the United States district court for the judicial district in which is located the principal office of the political committee or, in the case of a statement filed by a candidate or other person, in which is located such person's residence. The Comptroller General may require the filing of reports and statements required by this title with the clerks of other United States district courts where he determines the public interest will be served thereby.

(b) It shall be the duty of the clerk of a United States district court under subsection (a)—

(1) to receive and maintain in an orderly manner all reports and statements required by this title to be filed with such clerks;

(2) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipts;

(3) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person; and

(4) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate.

PROHIBITION OF CONTRIBUTIONS IN NAME OF ANOTHER

SEC. 310. No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

PENALTY FOR VIOLATIONS

SEC. 311. Any person who violates any of the provisions of this title shall be fined not more than $1,000 or imprisoned not more than one year, or both.

STATE LAWS NOT AFFECTED

SEC. 312. (a) Nothing in this title shall be deemed to invalidate or make inapplicable any provision of any State law, except where compliance with such provision of law would result in a violation of a provision of this title.

(b) The Comptroller General shall encourage, and cooperate with, the election officials in the several States to develop procedures which will eliminate the necessity of multiple filings by permitting the filing of copies of Federal reports to satisfy the State requirements.

PARTIAL INVALIDITY

SEC. 313. If any provision of this title, or the application thereof, to any person or circumstance is held invalid, the validity of the remainder of the title and the application of such provision to other persons and circumstances shall not be affected thereby.

REPEALING CLAUSE

SEC. 314. (a) The Federal Corrupt Practices Act, 1925 (2 U.S.C. §§ 241–256) is repealed.

(b) In case of any conviction under this title, where the punishment inflicted does not include imprisonment, such conviction shall be deemed a misdemeanor conviction only.

TITLE IV—TAX INCENTIVES FOR CONTRIBUTIONS TO CANDIDATES FOR FEDERAL OFFICE

INCOME TAX CREDIT

SEC. 401. (a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 40 as 41, and by inserting after section 39 the following new section:

"SEC. 40. CONTRIBUTIONS TO CANDIDATES FOR ELECTIVE FEDERAL OFFICE

"(a) GENERAL RULE.—There shall be allowed to an individual, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to one-half of the political contributions (as defined in subsection (c)) payment of which is made by such individual within the taxable year.

"(b) LIMITATIONS.—

"(1) AMOUNT.—The credit allowed by subsection (a) shall not exceed $20 for any taxable year.

"(2) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the amount of the tax imposed by this chapter for the taxable year reduced by the sum of the credits allowable under section 33 (relating to foreign tax credit), section 37 (relating to retirement income), and section 38 (relating to investment in certain depreciable property).

"(3) VERIFICATION.—The credit allowed by subsection (a) shall be allowed with respect to any political contribution, only if such political contribution is verified in such manner as the Secretary or his delegate shall prescribe by regulations.

"(c) DEFINITION OF POLITICAL CONTRIBUTION.—For purposes of this section, the term 'political contribution' means a contribution or gift to—

"(1) an individual whose name is presented for election as President of the United States, Vice President of the United States, an elector for President or Vice President of the United States, a Member of the Senate, or a Member of (or Delegate to) the House of Representatives in a general or special election, in a primary election, or in a convention of a political party, for use by such individual to further his candidacy for any such office; or

"(2) a committee acting in behalf of an individual or individuals described in paragraph (1), for use by such committee to further the candidacy of such individual or individuals.

"(d) ELECTION TO TAKE DEDUCTION IN LIEU OF CREDIT.—This section shall not apply in the case of any taxpayer who, for the taxable year, elects to take the deduction provided by section 218 (relating to deduction for contributions to candidates for elective Federal office). Such election shall be made in such manner and at such time as the Secretary or his delegate shall prescribe by regulations.

"(e) CROSS REFERENCE.—

"For disallowance of credit to estates and trusts, see section 642(a)(3)."

(b) The table of sections for such subpart is amended by striking out

"Sec. 40. Overpayments of tax."

and inserting in lieu thereof

"Sec. 40. Contributions to candidates for elective Federal office.

"Sec. 41. Overpayments of tax."

(c) Section 642(a) of the Internal Revenue Code of 1954 (relating to credits against tax for estates and trusts) is amended by adding at the end thereof a new paragraph as follows:

"(3) POLITICAL CONTRIBUTIONS.—An estate or trust shall not be allowed the credit against tax for political contributions to candidates for elective Federal office provided by section 40."

DEDUCTION IN LIEU OF CREDIT

SEC. 402. (a) Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by renumbering section 218 as 219, and by inserting after section 217 the following new section:

"SEC. 218. CONTRIBUTIONS TO CANDIDATES FOR ELECTIVE FEDERAL OFFICE.

"(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction any political contribution (as defined in subsection (c)) payment of which is made by such individual within the taxable year.

"(b) LIMITATIONS.—

"(1) AMOUNT.—The deduction under subsection (a) shall not exceed $100 for any taxable year.

"(2) VERIFICATION.—The deduction under subsection (a) shall be allowed, with respect to any political contribution, only if such political contribution is verified in such manner as the Secretary or his delegate shall prescribe by regulations.

"(c) DEFINITION OF POLITICAL CONTRIBUTION.—For purposes of this section, the term 'political contribution' means a contribution or gift to—

"(1) an individual whose name is presented for election as President of the United States, Vice President of the United States, an elector for President or Vice President of the United States, a Member of the Senate, or a Member of (or Delegate to) the House of Representatives in a general or special election, in a primary election, or in a convention of a political party, for use by such individual to further his candidacy for any such office; or

"(2) a committee acting in behalf of an individual or individuals described in paragraph (1), for use by such committee to fur-

ther the candidacy of such individual or individuals.

"(d) ELECTION TO TAKE CREDIT IN LIEU OF DEDUCTION.—This section shall not apply in the case of any taxpayer who, for the taxable year, elects to take the credit against tax provided by section 40 (relating to credit against tax for contributions to candidates for elective Federal office). Such election shall be made in such manner and at such time as the Secretary or his delegate shall prescribe by regulations.

"(e) CROSS REFERENCE.—

"For disallowance of deduction to estates and trusts, see section 642(i)."

(b) The table of sections for such part is amended by striking out

"Sec. 218. Cross references."

and inserting in lieu thereof

"Sec. 218. Contributions to candidates for elective Federal office.

"Sec. 219. Cross references."

(c) Section 642 of the Internal Revenue Code of 1954 (relating to special rules for credits and deductions for estates and trusts) is amended by redesignating subsection (i) as subsection (j), and by inserting after subsection (h) a new subsection as follows:

"(i) POLITICAL CONTRIBUTIONS.—An estate or trust shall not be allowed the deduction for contributions to candidates for elective Federal office provided by section 218."

EFFECTIVE DATE

SEC. 403. The amendments made by sections 401 and 402 shall apply to taxable years ending after December 31, 1970, but only with respect to contributions or gifts payment of which is made after such date.

Mr. MANSFIELD. Mr. President, I yield the time on the bill which has been assigned to me to the Senator from Rhode Island, the manager of the pending bill.

AMENDMENT NO. 308

Mr. PASTORE. Mr. President, in furtherance of the unanimous-consent agreement, I send to the desk on behalf of myself and also the Senator from Georgia (Mr. TALMADGE), the Senator from Montana (Mr. MANSFIELD), and the Senator from Nevada (Mr. CANNON), an amendment in the nature of a substitute.

The PRESIDING OFFICER. The amendment will be stated.

The amendment in the nature of a substitute reads as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the "Federal Election Campaign Act of 1971"."

TITLE I—AMENDMENTS TO COMMUNICATIONS ACT OF 1934; LIMITATIONS ON CAMPAIGN EXPENDITURES FOR NONBROADCAST COMMUNICATIONS MEDIA

EXCEPTION TO EQUAL TIME REQUIREMENTS AND CHARGE LIMITATIONS

SEC. 101. (a) Section 315(a) of the Communications Act of 1934 (47 U.S.C. 315(a)) is amended by inserting after "public office" in the first sentence thereof a comma and the following: "other than the office of President or Vice President of the United States,".

(b) Section 315(b) of such Act is amended to read as follows:

"(b) The charges made for the use of any broadcasting station by any person who is a legally qualified candidate for any public office in connection with his campaign for nomination for election, or election, to such office shall not exceed—

"(1) during the forty-five days preceding the date of a primary election and during the sixty days preceding the date of a general or special election in which such person is a candidate, the lowest unit charge of the station for the same amount of time during the same period; and

"(2) at any other time, the charges made for comparable use of such station by other users thereof."

(c) Section 312(a) of such Act is amended by striking "or" at the end of clause (5), striking the period at the end of clause (6) and inserting in lieu thereof a semicolon and "or", and adding at the end of such section 312(a) the following new clause

"(7) for willful or repeated failure to allow reasonable access to or to permit purchase of reasonable amounts of time for the use of a broadcasting station by a legally qualified candidate on behalf of his candidacy.".

EXPENDITURE LIMITATIONS FOR CANDIDATES FOR MAJOR ELECTIVE OFFICES

SEC. 102. Section 315 of the Communications Act of 1934 is further amended by redesignating subsection (c) as subsection (e) and by inserting immediately before such subsection the following new subsections:

"(c)(1) For purposes of this subsection and subsection (d), the term—

"(A) 'Federal elective office' means the office of President, Vice President, United States Senator or Representative, or Delegate or Resident Commissioner to the Congress;

"(B) 'use of broadcasting stations by or on behalf of any candidate' includes not only broadcasts advocating such candidate's election, but also broadcasts urging the defeat of his opponent or derogating his opponent's stand on campaign issues;

"(C) 'legally qualified candidate' means any person who (1) meets the qualifications prescribed by the applicable laws to hold the Federal elective office for which he is a candidate and (2) is eligible under applicable State law to be voted for by the electorate directly or by means of delegates or electors; and

"(D) 'broadcasting station' includes a community antenna television system, and the terms 'licensee' and 'station licensee' when used with respect to a community antenna television system, mean the operator of such system.

"(2) No legally qualified candidate in any primary, runoff, general, or special election for a Federal elective office may spend for the use of broadcasting stations on behalf of his candidacy in such election a total amount in excess of—

"(A) 5 cents multiplied by the estimate of resident population of voting age for such office, as determined by the Bureau of Census in June of the year preceding the year in which the election is to be held; or

"(B) $30,000, if greater than the amount determined under subparagraph (A).

A legally qualified candidate for nomination for election to the office of President may not spend a total amount for all primary elections held for such office in which he is a candidate in excess of the limitation provided by the first sentence of this paragraph.

"(3) Amounts spent for the use of broadcasting stations on behalf of any legally qualified candidate for Federal elective office (or for nomination to such office) shall, for the purposes of this subsection, be deemed to have been spent by such candidate. Amounts spent for the use of broadcasting stations by or on behalf of any legally qualified candidate for the office of Vice President of the United States shall, for the purposes of this subsection, be deemed to have been spent by the candidate for the office of President of the United States with whom he is running.

"(4) No station licensee may make any charge for the use of such station by or on behalf of any candidate for Federal elective office (or for nomination to such office) unless such candidate, or a person specifically authorized by such candidate in writing to do so, certifies to such licensee in writing that the payment of such charge will not violate paragraph (2).

"(5) Broadcasting stations and candidates shall file with the Commission such reports at such times and containing such information as the Commission shall prescribe for the purpose of this subsection and, in the case of broadcasting stations, subsection (d).

"(d) If the Commission determines that—

"(1) a State by law—

"(A) has provided that a primary or other election for any office of such State or of a political subdivision thereof is subject to this subsection, and

"(B) has specified a limitation upon total expenditures for the use of broadcasting stations on behalf of the candidacy of each legally qualified candidate in such election, and

"(2) the amount of such limitation does not exceed the amount which would be determined for such election under subsection (c) had such election been an election for a Federal elective office, or nomination thereto, then no station licensee may make any charge for the use of such station by or on behalf of any legally qualified candidate in such election unless such candidate, or a person specifically authorized by such candidate in writing to do so, certifies to such licensee in writing that the payment of such charge will not violate such limitation."

LIMITATIONS ON CAMPAIGN EXPENDITURES FOR NONBROADCAST COMMUNICATIONS MEDIA

SEC. 103. (a) For purposes of this section, the term—

(1) "Federal elective office" means the office of President, Vice President, United States Senator or Representative, or Delegate or Resident Commissioner to the Congress;

(2) "nonbroadcast communications medium" means newspapers, magazines and other periodical publications, and billboard facilities;

(3) "legally qualified candidate" means any person who (A) meets the qualifications prescribed by the applicable laws to hold the Federal elective office for which he is a candidate and (B) is eligible under applicable State law to be voted for by the electorate directly or by means of delegates or electors; and

(4) "use of any nonbroadcast communications media by or on behalf of any candidate" includes not only amounts spent for advocating a candidate's election, but also amounts spent for urging the defeat of his opponent or derogating his opponent's stand on campaign issues.

(b) During the forty-five days preceding the date of any primary election, and during the sixty days preceding the date of any general or special election, the charges made for the use of any nonbroadcast communications medium by an individual who is a legally qualified candidate for Federal elective office shall not exceed the lowest unit rate charged others by the person furnishing such medium for the same amount of space.

(c) No legally qualified candidate in any primary, runoff, general, or special election for a Federal elective office may spend for the use of nonbroadcast communications media on behalf of his candidacy in such election a total amount in excess of—

(1) 5 cents multiplied by the estimate of resident population of voting age for such office, as determined by the Bureau of Census in June of the year preceding the year in which the election is to be held; or

(2) $30,000, if greater than the amount determined under clause (1).

A legally qualified candidate for nomination for election to the office of President may not spend a total amount for all primary elections held for such office in which he is a candidate in excess of the limitation provided by the first sentence of this paragraph.

(d) Amounts spent for the use of non-

broadcast communications media on behalf of any legally qualified candidate for major Federal elective office (or for nomination to such office) shall, for the purposes of this section, be deemed to have been spent by such candidate. Amounts spent for the use of nonbroadcast communications media by or on behalf of any legally qualified candidate for the office of Vice President of the United States shall, for the purposes of this section, be deemed to have been spent by the candidate for the office of President of the United States with whom he is running.

(c) No person may make any charge for the use of any nonbroadcast communications medium by or on behalf of any candidate for Federal elective office (or for nomination to such office) unless such candidate, or an individual specifically authorized by such candidate in writing to do so, certifies to such person that the payment of such charge will not violate subsection (c). Any person who furnishes the use of any nonbroadcast communications medium to or for the benefit of any such candidate without charge therefor shall be deemed to have made a contribution to such candidate in an amount equal to the amount normally charged for such person for such use. Any person who furnishes the use of any nonbroadcast communications medium to or for the benefit of any such candidate at a rate which is less than the rate normally charged by such person for such use shall be deemed to have made a contribution to such candidate in an amount equal to the excess of the rate normally charged over the rate charged such candidate.

(f) Violation of the provisions of this section is punishable by a fine not to exceed $5,000, imprisonment for not to exceed five years, or both.

COST-OF-LIVING INCREASE IN LIMITATION FORMULA

SEC. 104. (a) For purposes of this section, the term—

(1) "price index" means the annual average over a calendar year of the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics; and

(2) "base period" means the calendar year 1970.

(b) Commencing immediately after the end of 1971, and after the end of each calendar year thereafter, as there becomes available necessary data from the Bureau of Labor Statistics of the Department of Labor, the Secretary of Labor shall determine the difference between the price index for the immediately preceding calendar year and the price index for the base period. The amount computed under section 315(c)(2)(A) of the Communications Act of 1934 (as added by section 102 of this Act) and under section 103 (c)(1) of this Act shall be increased by such per centum difference (excluding any fraction of a per centum) and rounded to the next highest cent. Each amount so increased shall be the amount in effect for the twelve months following the end of such calendar year.

EFFECTIVE DATE

SEC. 105. This title shall take effect on the date of enactment of this Act, except that—

(1) the amendment made by section 101 (b) shall take effect 30 days after such date; and

(2) section 102 shall take effect on such date as the Federal Communications Commission shall prescribe, but not later than 120 days after the date of enactment of this Act.

TITLE II—CRIMINAL CODE AMENDMENTS

SEC. 201. Section 591 of title 18, United States Code, is amended to read as follows:

"§ 591. Definitions.

"When used in sections 597, 599, 600, 602, 610, 611, and 614 of this title—

"(a) 'election' means (1) a general, special, primary, or runoff election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President, and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

"(b) 'candidate' means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, to Federal office, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

"(c) 'Federal office' means the office of President or Vice President of the United States, or Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

"(d) 'political committee' means any individual, committee, association, or organizaton which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

"(e) 'contribution' means—

"(1) a gift, subscription, loan, advance, or deposit of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations), made for the purpose of influencing the nomination for election, or election, of any person to Federal office, for the purpose of influencing the results of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

"(2) a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for such purposes;

"(3) a transfer of funds between political committees; and

"(4) the payment, by any person other than a candidate or political committee, of compensation for the personal services of another person which are rendered to such candidate or political committee without charge for any such purpose;

"(f) 'expenditure' means—

"(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value (except a loan of money by a national or State bank made in accordance with the applicable banking laws and regulations), made for the purpose of influencing the nomination for election, or election, of any person to Federal office, for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

"(2) a contract, promise, or agreement, express or implied, whether or not legally enforceable, to make any expenditure; and

"(3) a transfer of funds between political committees;

"(g) 'person' and 'whoever' mean an individual, partnership, committee, association, corporation, or any other organization or group of persons; and

"(h) 'State' means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States."

SEC. 202. Section 600 of title 18, United States Code, is amended to read as follows:

"§ 600. Promise of employment or other benefit for political activity

"Whoever, directly or indirectly, promises any employment, position, compensation, contract, appointment, or other benefit, provided for or made possible in whole or in part by any Act of Congress, or any special consideration in obtaining any such benefit, to any person as consideration, favor, or reward for any political activity or for the support of or opposition to any candidates or any political party in connection with any general or special election to any political office, or in connection with any primary election or political convention or caucus held to select candidates for any political office, shall be fined not more than $1,000 or imprisoned not more than one year, or both."

SEC. 203. Section 608 of title 18, United States Code, is repealed.

SEC. 204. Section 609 of title 18, United States Code, is repealed.

SEC. 205. Section 611 of title 18, United States Code, is amended to read as follows:

"§ 611. Contributions by Government contractors

"Whoever—

"(a) entering into any contract with the United States or any department or agency thereof either for the rendition of personal services or furnishing any material, supplies, or equipment to the United States or any department or agency thereof or for selling any land or building to the United States or any department or agency thereof, if payment for the performance of such contract or payment for such material, supplies, equipment, land, or building is to be made in whole or in part from funds appropriated by the Congress, at any time between the commencement of negotiations for and the later of (1) the completion of performance under, or (2) the termination of negotiations for, such contract or furnishing of material, supplies, equipment, land or buildings, directly or indirectly makes any contribution of money or other thing of value, or promises expressly or impliedly to make any such contribution, to any political party, committee, or candidate for public office or to any person for any political purpose or use; or

"(b) knowingly solicits any such contribution from any such person for any such purpose during any such period;

shall be fined not more than $5,000 or imprisoned not more than five years, or both."

SEC. 206. The table of sections for chapter 29 of title 18, United States Code, is amended by—

(1) striking out the item relating to section 608 and inserting in lieu thereof the following:

"608. Repealed.";

(2) sriking out the item relating to section 609 and inserting in lieu thereof the following:

"609. Repealed."; and

(3) striking out the item relating to section 611 and inserting in lieu thereof the following:

"611. Contributions by Government contractors."

CAMPAIGN FUNDS

DEFINITIONS

SEC. 301. When used in this title—

(a) "election" means (1) a general, special,

primary, or runoff election, (2) a convention or caucus of a political party held to nominate a candidate, (3) a primary election held for the selection of delegates to a national nominating convention of a political party, (4) a primary election held for the expression of a preference for the nomination of persons for election to the office of President, and (5) the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

(b) "candidate" means an individual who seeks nomination for election, or election, to Federal office, whether or not such individual is elected, and, for purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election, if he has (1) taken the action necessary under the law of a State to qualify himself for nomination for election, or election, to Federal office, or (2) received contributions or made expenditures, or has given his consent for any other person to receive contributions or make expenditures, with a view to bringing about his nomination for election, or election, to such office;

(c) "Federal office" means the office of President or Vice President of the United States; or of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress of the United States;

(d) "political committee" means any committee, association, or organization which accepts contributions or makes expenditures during a calendar year in an aggregate amount exceeding $1,000;

(e) "contribution" means—

(1) a gift, subscription, loan, advance, or deposit of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office or as a presidential or vice-presidential elector, for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

(2) a contract, promise, or agreement, whether or not legally enforceable, to make a contribution for any such purpose;

(3) a transfer of funds between political committees; and

(4) the payment, by any person other than a candidate or political committee, or compensation for the personal services of another person which are rendered to such candidate or committee without charge for any such purpose;

(f) "expenditure" means—

(1) a purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made for the purpose of influencing the nomination for election, or election, of any person to Federal office, or as a presidential and vice-presidential elector, or for the purpose of influencing the result of a primary held for the selection of delegates to a national nominating convention of a political party or for the expression of a preference for the nomination of persons for election to the office of President, or for the purpose of influencing the election of delegates to a constitutional convention for proposing amendments to the Constitution of the United States;

(2) a contract, promise, or agreement whether or not legally enforceable, to make an expenditure; and

(3) a transfer of funds between political committees;

(g) "Comptroller General" means the Comptroller General of the United States;

(h) "person" means an individual, partnership, committee, association, corporation, labor organization, and any other organization or group of persons; and

(i) "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.

ORGANIZATION OF POLITICAL COMMITTEES

SEC. 302. (a) Every political committee shall have a chairman and a treasurer. No contribution and no expenditure shall be accepted or made by or on behalf of a political committee at a time when there is a vacancy in the office of chairman or treasurer thereof. No expenditure shall be made for or on behalf of a political committee without the authorization of its chairman or treasurer, or their designated agents.

(b) Every person who receives a contribution for a political committee shall, on demand of the treasurer, and in any event within five days after the receipt of such contribution, render to the treasurer a detailed account thereof, including the amount, the name and address of the person making such contribution, and the date on which received. All funds of a political committee shall be segregated from, and may not be commingled with, any personal funds of officers, members, or associates of such committee.

(c) It shall be the duty of the treasurer of a political committee to keep a detailed and exact account of—

(1) all contributions made to or for such committee;

(2) the full name and mailing address of every person making any contribution, and the date and amount thereof;

(3) all expenditures made by or on behalf of such committee; and

(4) the full name and mailing address of every person to whom any expenditure is made, and the date and amount thereof.

(d) It shall be the duty of the treasurer to obtain and keep a receipted bill, stating the particulars, for every expenditure made by or on behalf of a political committee in excess of $100 in amount, and for any such expenditure in a lesser amount, if the aggregate amount of such expenditures to the same person during a calendar year exceeds $100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for periods of time to be determined by the Comptroller General.

(e) Any political committee which solicits or receives contributions or makes expenditures on behalf of any candidate that is not authorized in writing by such candidate to do so shall include a notice on the face or front page of all literature and advertisements published in connection with such candidate's campaign by such committee or on its behalf stating that the committee is not authorized by such candidate and that such candidate is not responsible for the activities of such committee.

REGISTRATION OF POLITICAL COMMITTEES; STATEMENTS

SEC. 303. (a) Each political committee which anticipates receiving contributions or making expenditures during the calendar year in an aggregate amount exceeding $1,000 shall file with the Comptroller General a statement of organization, within ten days after its organization or, if later, ten days after the date on which it has information which causes the committee to anticipate it will receive contributions or make expenditures in excess of $1,000. Each such committee in existence at the date of enactment of this Act shall file a statement of organization with the Comptroller General at such time as he prescribes.

(b) The statement of organization shall include—

(1) the name and address of the committee;

(2) the names, addresses, and relationships of affiliated or connected organizations;

(3) the area, scope, or jurisdiction of the committee;

(4) the name, address, and position of the custodian of books and accounts;

(5) the name, address, and position of other principal officers, including officers and members of the finance committee, if any;

(6) the name, address, office sought, and party affiliation of (A) each candidate whom the committee is supporting, and (B) any other individual, if any, whom the committee is supporting for nomination for election, or election, to any public office whatever; or, if the committee is supporting the entire ticket of any party, the name of the party;

(7) a statement whether the committee is a continuing one;

(8) the disposition of residual funds which will be made in the event of dissolution;

(9) a listing of all banks, safety deposit boxes, or other repositories used;

(10) a statement of the reports required to be filed by the committee with State or local officers, and, if so, the names, addresses, and positions of such persons; and

(11) such other information as shall be required by the Comptroller General.

(c) Any change in information previously submitted in a statement of organization shall be reported to the Comptroller General within a ten-day period following the change.

(d) Any committee which, after having filed one or more statements of organization, disbands or determines it will no longer receive contributions or make expenditures during the calendar year in an aggregate amount exceeding $1,000 shall so notify the Comptroller General.

REPORTS BY POLITICAL COMMITTEES AND CANDIDATES

SEC. 304. (a) Each treasurer of a political committee supporting a candidate or candidates for election to Federal office and each candidate for election to such office, shall file with the Comptroller General reports of receipts and expenditures on forms to be prescribed or approved by him. Such reports shall be filed on the tenth day of March, June, and September, in each year, and on the fifteenth and fifth days next preceding the date on which an election is held, and also by the thirty-first day of January. Such reports shall be complete as of such date as the Comptroller General may prescribe, which shall not be less than five days before the date of filing.

(b) Each report under this section shall disclose—

(1) the amount of cash on hand at the beginning of the reporting period;

(2) the full name and mailing address of each person who has made one or more contributions to or for such committee or candidate (including the purchase of tickets for events such as dinners, luncheons, rallies, and similar fundraising events) within the calendar year in an aggregate amount or value in excess of $100, together with the amount and date of such contributions;

(3) the total sum of individual contributions made to or for such committee or candidate during the reporting period and not reported under paragraph (2);

(4) the name and address of each political committee or candidate from which the reporting committee or the candidate received, or to which that committee or candidate made, any transfer of funds, together with the amounts and dates of all such transfers;

(5) each loan to or from any person within the calendar year in an aggregate amount or value in excess of $100, together with the full names and mailing addresses of the lender and endorsers, if any, and the date and amount of such loans;

(6) the total amount of proceeds from (A) the sale of tickets to each dinner, luncheon, rally, and other fundraising event; (B) mass collections made at such events; and (C) sales of items such as political campaign pins, buttons, badges, flags, emblems, hats, banners, literature, and similar materials;

(7) each contribution, rebate, refund, or other receipt in excess of $100 not otherwise listed under paragraphs (2) through (6);

(8) the total sum of all receipts by or for such committee or candidate during the reporting period;

(9) the full name and mailing address of each person to whom an expenditure or expenditures have been made by such committee or candidate within the calendar year in an aggregate amount or value in excess of $100, and the amount, date, and purpose of each such expenditure;

(10) the full name and mailing address of each person to whom an expenditure for personal services, salaries, and reimbursed expenses in excess of $100 has been made, and which is not otherwise reported, including the amount, date, and purpose of such expenditure;

(11) the total sum of expenditures made by such committee or candidate during the calendar year;

(12) the amount and nature of debts and obligations owed by or to the committee, in such form as the Comptroller General may prescribe; and

(13) such other information as shall be required by the Comptroller General.

(c) The reports required to be filed by subsection (a) shall be cumulative during the calendar year to which they relate, but where there has been no change in an item reported in a previous report during such year, only the amount need be carried forward. If no contibutions or expenditures have been accepted or expended during a calendar year, the treasurer of the political committee or candidate shall file a statement to that effect.

REPORTS BY OTHERS THAN POLITICAL COMMITTEES

SEC. 305. Every person (other than a political committee or candidate) who makes contributions or expenditures, other than by contribution to a political committee or candidate, in an aggregate amount in excess of $100 within a calendar year shall file with the Comptroller General a statement containing the information required by section 304. Statements required by this section shall be filed on the dates on which reports by political committees are filed, but need not be cumulative.

FORMAL REQUIREMENTS RESPECTING REPORTS AND STATEMENTS

SEC. 306. (a) A report or statement required by this title to be filed by a treasurer of a political committee, a candidate, or by any other person, shall be verified by the oath or affirmation of the person filing such report or statement, taken before any officer authorized to administer oaths.

(b) A copy of a report or statement shall be preserved by the person filing it for a period of time to be designated by the Comptroller General in a published regulation.

(c) The Comptroller General may, by published regulation of general applicability, relieve any category of political committees of the obligation to comply with section 304 if such committee (1) primarily supports persons seeking State or local office, and does not substantially support candidates, and (2) does not operate in more than one State or on a statewide basis.

(d) The Comptroller General shall, by published regulations of general applicability, prescribe the manner in which contributions and expenditures in the nature of debts and other contracts, agreements, and promises to make contributions or expenditures shall be reported. Such regulations shall provide that they be reported in separate schedules. In determining aggregate amounts of contributions and expenditures, amounts reported as provided in such regulations shall not be considered until actual payment is made.

REPORTS ON CONVENTION FINANCING

SEC. 307. Each committee or other organization which—

(1) represents a State, or a political subdivision thereof, or any group of persons, in dealing with officials of a national political party with respect to matters involving a convention held in such State or political subdivision to nominate a candidate for the office of President or Vice President, or

(2) represents a national political party in making arrangements for the convention of such party held to nominate a candidate for the office of President or Vice President,

shall, within sixty days following the end of the convention (but not later than twenty days prior to the date on which presidential and vice-presidential electors are chosen), file with the Comptroller General a full and complete financial statement, in such form and detail as he may prescribe, of the sources from which it derived its funds, and the purposes for which such funds were expended.

DUTIES OF THE COMPTROLLER GENERAL

SEC. 308. (a) It shall be the duty of the Comptroller General—

(1) to develop prescribed forms for the making of the reports and statements required to be filed with him under this title;

(2) to prepare and publish a manual setting forth recommended uniform methods of bookkeeping and reporting for use by persons required to make such reports and statements;

(3) to develop a filing, coding, and cross-indexing system consonant with the purposes of this title;

(4) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person;

(5) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;

(6) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate;

(7) to prepare and publish an annual report including compilations of (A) total reported contributions and expenditures for all candidates, political committees, and other persons during the year; (B) total amounts expended according to such categories as he shall determine and broken down into candidate, party, and nonparty expenditures on the National, State, and local levels; (C) total amounts expended for influencing nominations and elections stated separately; (D) total amounts contributed according to such categories of amounts as he shall determine and broken down into contributions on the National, State, and local levels for candidates and political committees; and (E) aggregate amounts contributed by any contributor shown to have contributed in excess of $100;

(8) to prepare and publish from time to time special reports comparing the various totals and categories of contributions and expenditures made with respect to preceding elections;

(9) to prepare and publish such other reports as he may deem appropriate;

(10) to assure wide dissemination of statistics, summaries, and reports prepared under this title;

(11) to make from time to time audits and field investigations with respect to reports and statements filed under the provisions of this title, and with respect to alleged failures to file any report or statement required under the provision of this title;

(12) to report apparent violations of law to the appropriate law enforcement authorities; and

(13) to prescribe suitable rules and regulations to carry out the provisions of this title.

(b) (1) Any person who believes a violation of this title has occurred may file a complaint with the Comptroller General. If the Comptroller General determines there is substantial reason to believe such a violation has occurred, he shall expeditiously make an investigation, which shall also include an investigation of reports and statements filed by the complainant if he is a candidate, of the matter complained of. Whenever in the judgment of the Comptroller General, after affording due notice and an opportunity for a hearing, any person has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of any provision of this title or any regulation or order issued thereunder, the Attorney General on behalf of the United States shall institute a civil action for relief, including a permanent or temporary injunction, restraining order, or any other appropriate order in the district court of the United States for the district in which the person is found, resides, or transacts business. Upon a proper showing that such person has engaged or is about to engage in such acts or practices, a permanent or temporary injunction, restraining order, or other order shall be granted without bond by such court.

(2) In any action brought under paragraph (1) of this subsection, subpenas for witnesses who are required to attend a United States district court may run into any other district.

(3) Any party aggrieved by an order granted under paragraph (1) of this subsection may, at any time within sixty days after the date of entry thereof, file a petition with the United States Court of Appeals for the circuit in which such person is found, resides, or transacts business, for judicial review of such order.

(4) The judgment of the court of appeals affirming or setting aside, in whole or in part any such order of the district court shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28 of the United States Code.

(5) Any action brought under this subsection shall be advanced on the docket of the court in which filed, and put ahead of all other actions (other than other actions brought under this subsection).

STATEMENTS FILED WITH CLERK OF UNITED STATES COURT

SEC. 309. (a) A copy of each statement required to be filed with the Comptroller General by this title shall be filed with the clerk of the United States district court for the judicial district in which is located the principal office of the political committee or, in the case of a statement filed by a candidate or other person, in which is located such person's residence. The Comptroller General may require the filing of reports and statements required by this title with the clerks of other United States district courts where he determines the public interest will be served thereby.

(b) It shall be the duty of the clerk of a United States district court under subsection (a)—

(1) to receive and maintain in an orderly manner all reports and statements required by this title to be filed with such clerks;

(2) to preserve such reports and statements for a period of ten years from date of receipt, except that reports and statements relating solely to candidates for the House of Representatives shall be preserved for only five years from the date of receipt;

(3) to make the reports and statements filed with him available for public inspection and copying during regular office hours, commencing as soon as practicable but not later than the end of the second day following the day during which it was received, and to permit copying of any such report or statement by hand or by duplicating machine, as requested by any person, at the expense of such person; and

(4) to compile and maintain a current list of all statements or parts of statements pertaining to each candidate.

PROHIBITION OF CONTRIBUTIONS IN NAME OF ANOTHER

SEC. 310. No person shall make a contribution in the name of another person, and no person shall knowingly accept a contribution made by one person in the name of another person.

PENALTY FOR VIOLATIONS

SEC. 311. Any person who violates any of the provisions of this title shall be fined not more than $1,000 or imprisoned not more than one year, or both.

STATE LAWS NOT AFFECTED

SEC. 312. (a) Nothing in this title shall be deemed to invalidate or make inapplicable any provision of any State law, except where compliance with such provision of law would result in a violation of a provision of this title.

(b) The Comptroller General shall encourage, and cooperate with, the election officials in the several States to develop procedures which will eliminate the necessity of multiple filings by permitting the filing of copies of Federal reports to satisfy the State requirements.

PARTIAL INVALIDITY

SEC. 313. If any provision of this title, or the application thereof, to any person or circumstance is held invalid, the validity of the remainder of the title and the application of such provision to other persons and circumstances shall not be affected thereby.

REPEALING CLAUSE

SEC. 314. (a) the Federal Corrupt Practices Act, 1925 (2 U.S.C. §§ 241–256) is repealed.

(b) In case of any conviction under this title, where the punishment inflicted does not include imprisonment, such conviction shall be deemed a misdemeanor conviction only.

EMERGENCY LOAN GUARANTEE ACT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senate turn to the consideration of Calendar No. 264, S. 2308.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

The Senate proceeded to consider the bill.

QUORUM CALL

Mr. SPARKMAN. 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. SPARKMAN. 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. SPARKMAN. Mr. President, I ask unanimous consent that we may have additional staff members on the floor from the Committee on Banking, Housing and Urban Affairs during the consideration of this measure.

Mr. BYRD of West Virginia. Mr. President, reserving the right to object, what was the request?

Mr. SPARKMAN. I asked unanimous consent that we may have additional staff members from the committee on the floor during the consideration of the measure.

Mr. BYRD of West Virginia. Would the Senator limit the number of staff members?

Mr. SPARKMAN. I will limit it to eight.

Mr. BYRD of West Virginia. I have no objection.

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

Mr. TAFT. Mr. President, I ask unanimous consent that I may have two staff members on the floor during the debate on S. 2308.

The PRESIDING OFFICER. Is there objection?

Mr. BYRD of West Virginia. Mr. President, reserving the right to object—and I do not intend to object—would the Senator make it clear that those staff members will not remain on the floor during rollcall votes?

Mr. TAFT. I certainly will do that.

Mr. BYRD of West Virginia. No objection.

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

Mr. WEICKER. Mr. President, I ask unanimous consent that I may be permitted to have two staff members on the floor during the debate on this measure, provided they will not be on the floor during any rollcall votes.

Mr. BYRD of West Virginia. No objection.

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

Mr. SPARKMAN. Mr. President, a parliamentary inquiry, and I would like to direct the inquiry to the distinguished Senator from West Virginia, as I present it to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. As I understand it, we have a standing rule, informal though it may be, that staff members generally do not remain on the floor during rollcall votes. Is that correct?

Mr. BYRD of West Virginia. Mr. President, if I may respond, the unanimous-consent agreement that was entered into at the beginning of the session with respect to staff personnel not remaining on the floor of the Senate during a rollcall vote was made to apply only to clerks of Senators but not to clerks of committees.

Mr. SPARKMAN. I am grateful to the deputy leader for that clarification.

Mr. CRANSTON. Mr. President, I ask unanimous consent also that I may have two staff members on the floor during the consideration of this measure, with the understanding that they will not remain in the Chamber during rollcall votes.

Mr. BYRD of West Virginia. Mr. President, reserving the right to object—and I shall not object—I would like to state that I will have to object if such requests continue to be made, except on the part of Senators who have leading assignments in connection with the bill before the Senate; I do not object to the requests thus far made—with the stipulation that those staff people who are given the privilege of the floor stay seated and be quiet; else, Mr. President, I shall have to ask the Chair to call them to order.

Mr. SPARKMAN. Mr. President, again I invite the attention of the Senator from West Virginia to this: I fully agree with his statement, and may I say that those who have made requests do have a vital interest in the legislation.

Mr. BYRD of West Virginia. Yes. I understand that.

Mr. SPARKMAN. I also suggest that, insofar as it may be practicable, while a Member of the Senate may have two staff members here, not more than one of them should sit on the floor with him, and the other should probably stay in the rear of the Chamber. I should think that would be satisfactory.

Mr. BYRD of West Virginia. If the Senator will yield further, Mr. President, I would hope that those Senators who have asked for additional staff members to have the privilege of the floor would supply the names of those staff members to the Sergeant at Arms, so that the order may be precisely and appropriately implemented.

Mr. SPARKMAN. That is with respect to the individual Senators rather than the committee?

Mr. BYRD of West Virginia. No.

Mr. SPARKMAN. I thank the Senator.

Mr. BYRD of West Virginia. Mr. President, if I may ask the Senator to yield one additional time——

Mr. SPARKMAN. Yes, indeed.

Mr. BYRD of West Virginia. Mr. President, I hope that it is the understanding of the Sergeant at Arms—and if it is not clear, I ask unanimous consent—that staff members of committees which have no jurisdiction over the measure being considered at a particular time are not included in that regulation which allows up to four staff members of any one committee to remain on the floor at any one time without unanimous consent being granted.

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

Mr. SPARKMAN. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a section-by-section summary of S. 2308, the bill under consideration, and I invite the attention of Senators to this summary when they have an opportunity to read it.

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

SECTION BY SECTION SUMMARY OF S. 2308

SHORT TITLE

Section 1.—The short title of the legislation is "Emergency Loan Guarantee Act".

ESTABLISHMENT OF BOARD

Section 2.—Creates an Emergency Loan Guarantee Board (hereafter referred to as the "Board") composed of the Secretary of the Treasury as Chairman, the Chairman of the Board of Governors of the Federal Reserve System and during the pendency of an application for a loan guarantee the President of the Federal Reserve Bank in whose district the prospective borrower is located as determined by the Secretary of Treasury. Decisions of the Board shall be by majority vote of all the members except as to procedural matters, which may be made by the two permanent members of the Board.

AUTHORITY

Section 3.—Provides that the Board on such terms and conditions it deems appropriate may guarantee loans which meet the specified requirements.

LIMITATIONS AND CONDITIONS

Section 4.—(a)(1) Sets forth the economic criteria and provides that a guarantee of a loan may be made only if the Board finds (A) the loan is needed to enable the borrower to continue to furnish goods or services and failure to meet this need would adversely and seriously affect the economy of or employment in the nation or any region thereof, (B) credit is not otherwise available to the borrower under reasonable terms or conditions, and (C) the prospective earning power of the borrower together with the value of the security pledged, furnish reasonable assurance that it will be able to repay the loan within the time fixed and afford reasonable protection to the United States.

(a)(2) Requires lender to certify that it would not make the loan without such guarantee.

(b) Requires that loans be payable in not more than five years but may be renewed for not more than an additional three years.

(c) Provides that guaranteed loans shall bear interest at rates determined by the Board to be reasonable.

SECURITY FOR LOAN GUARANTEES

Section 5.—Directs the Board that in negotiating a loan guarantee every effort should be made to arrange that the loan to be guaranteed be secured by sufficient property of the enterprise to collateralize fully the amount of the loan guarantee.

REQUIREMENTS APPLICABLE TO LOAN GUARANTEES

Section 6.—(a) Provides that no dividends may be declared by enterprise on common stock during any period in which there is principal or interest unpaid on guaranteed loan. Also, enterprise may make no payment on other indebtedness to lender whose loan has been guaranteed while there is any principal or interest unpaid on guaranteed loan. Also, provides that Board may waive this requirement on determination that such waiver would be consistent with reasonable protection of interest of the U.S.

(b) Provides if the Board determines need for guarantee is result of failure of management to exercise reasonable business prudence, Board shall require before guaranteeing any loans such management changes as Board deems necessary.

(c) Requires that the Board receive audited financial statement before guarantee is made.

(d) Provides no payments shall be made or become due unless lender has exhausted any remedies which it may have under guarantee agreement.

(e)(1) Directs Board to satisfy itself that underlying loan agreement contains standard covenants and that they are provisions that the underlying agreements cannot be amended or any provisions waived without prior consent of Board.

(2) Provides that guarantee authority shall be in force on each occasion when borrower seeks advance under loan agreement only if lender gives Board ten days notice in writing of its intent to provide borrower with funds and lender certifies that as of date of notice borrower is not in default and if default has taken place, circumstances concerning it, provided Board may waive such default where such waiver is not inconsistent with reasonable protection of United States. Borrower must also provide Board with plan setting forth expenditures for which the advance will be used and report to Board extent to which such advances were expended according to plan.

(f) Requires any guarantee agreement to contain requirement as between Board and lender that Board have priority with respect to and to extent of lender's interest in any collateral securing loan and any earlier outstanding loans. Term collateral in Section 6 (f) includes all assets pledged under loan agreements and, if appropriate in Board's opinion, all sums of borrower on deposit with lenders and subject to offset under Bankruptcy Act.

INSPECTION OF DOCUMENTS; AUTHORITY TO DISAPPROVE CERTAIN TRANSACTIONS

Section 7.—Provides for Board inspection of corporate books and records and related materials bearing on loan guarantee.

MAXIMUM OBLIGATION

Section 8.—Provides maximum obligation of Board under all outstanding loans guaranteed shall not exceed at any time $2 billion. Board is limited in guaranteeing loans to any one borrower to $250 million.

EMERGENCY LOAN GUARANTEE FUND

Section 9.—(a) Establishes in Treasury an emergency loan guarantee fund to be administered by Board.

(b) Requires Board to prescribe and collect guarantee fee in connection with each guaranteed loan.

(c) Provides that payments required to be made as consequence of any guarantee by Board shall be made from loan guarantee fund. In event such funds are insufficient, Board is authorized to issue to Secretary of Treasury notes or other obligations and Secretary of Treasury is authorized to purchase any notes and other obligations.

FEDERAL RESERVE BANKS AS FISCAL AGENTS

Section 10.—Provides any Federal Reserve Bank which is requested to do so shall act as fiscal agent for Board or reimbursable basis.

PROTECTION OF GOVERNMENT'S INTEREST

Section 11.—(a) Provides that Attorney General shall take such action as may be appropriate to enforce any right accruing to United States as result of issuance of any guarantee under Act.

(b) Provides Board shall be entitled to recover from borrower amount of any payments made under any guarantee agreement and that Board upon making any such payment shall be subrogated to all rights of recipient.

CONGRESSIONAL REVIEW

Section 12.—(a) Directs Board shall not guarantee or make commitment to guarantee any loan after October 1, 1971, unless, at least 20 days prior to making such guarantee Congress is notified of Board's intention to make such guarantee together with detailed justification. A period of 20 calendar days of continuous session of Congress following receipt of notification must elapse without passage by either Senate or House of Representatives a resolution stating that Senate and House of Representatives, as case may be, does not approve of proposed guarantee.

REPORTS

Section 13.—Requires Board to submit annually full report of its operations. In addition to its annual report, Board shall submit special report not later than June 30, 1973, which shall include full report of its operations together with recommendations as to need to continue guarantee program beyond termination date specified in Section 14.

TERMINATION

Section 14.—Terminates Board's authority to enter into any guarantee on December 13, 1973. Such termination does not affect carrying out of any contract, guarantee, commitment or other obligation prior to that date.

Mr. SPARKMAN. Mr. President, the bill that we commence considering today; that is, S. 2308, is a bill which was developed by the Committee on Banking, Housing and Urban Affairs after some 16 days of hearings and 3 days of executive session.

The committee bill would grant authority to the Federal Government to provide emergency loan guarantees to major business enterprises where capital markets are otherwise inadequate to meet their credit needs and when failure of such enterprises would result in serious and adverse damage to the economy or employment of the Nation or a region of the Nation.

I am sure that every Member of this body knows that the administration, in May of this year, asked the Congress for general legislation similar to that proposed by the committee bill. On May 18, I introduced for myself and several of my colleagues S. 1891 which embodied the administration's request. While S. 1891 was written in general terms, it was a well-known fact that the purpose of the legislation was to guarantee a loan in the amount of $250 million for the Lockheed Aircraft Corp., which, because of various reasons, found itself in dire financial circumstances and indeed faced bankruptcy. The administration believed that the only way to save this corporation and some 60,000 jobs in the aerospace and related industries, was through a Government-guaranteed loan.

I might point out here, that the type of legislation proposed by the administration in S. 1891 had been suggested nearly a year and a half earlier by the Chairman of the Federal Reserve Board, who had stated, in effect, that emergency standby authority was needed by the Government to help major business enterprises when capital markets were insufficient and when the collapse of such major enterprises could materially affect the economy of the Nation or region thereof. Very shortly after the administration made its proposal which was contained in S. 1891, the Chairman of the Federal Reserve Board reduced his proposals to writing and requested that they be introduced into the Congress. Senator TOWER and I introduced those proposals on June 7 as S. 2016, and that bill became a subject of consideration by the committee along with the administration's bill S. 1891. In addition, there were several other bills which had been introduced by other Members of this body that were also considered during the 16 days of hearings held by the Banking Committee.

After very careful consideration of this matter at committee level, it was determined that we should take the bill proposed by the Chairman of the Federal Reserve Board and provide general emergency authority on a standby basis to permit the Federal Government to guarantee loans for major business enterprises.

S. 2308, which represents the committee's efforts, was reported by a 2-to-1 vote to the Senate. I think it is a very good bill. Like any measure that comes before this body, it contains some provisions with which I am not particularly pleased. However, it is a measure which was developed by the majority of the committee and a measure which I support.

Let me briefly explain the provisions of the committee bill.

First, the bill provides, on an emergency and temporary basis, a $2 billion authorization for carrying out a loan guarantee program. Under the bill no one enterprise could obtain a guaranteed loan in excess of $250 million. In addition, the bill terminates the authority to enter into guaranteed loans on December 31, 1973. The bill further provides that these guarantees could be made for a period of 5 years with a renewal period of 3 years. Naturally, any guarantee in effect on December 31, 1973, would continue for the term contained in the guarantee document and for any portion of the renewal term.

May I say that the shorter time that we decided on, the little over 2-year limitation in the measure, was recommended by Dr. Burns of the Federal Reserve Board and by various other witnesses who appeared before us. I agree that it would be a good thing for Congress to review the situation at that time, and the committee had no difficulty in agreeing upon that shorter limitation.

Second, the bill establishes an "Emergency Loan Guarantee Board" to administer the guarantee authority created by this legislation. The Board would consist of three members, two of whom are permanent members and one of whom is a so-called floater member whose identity in the case of a given application would depend upon the geographic location of the applicant enterprise. The two permanent members of the Board are the Secretary of the Treasury, who would be designated as Chairman, and the Chairman of the Federal Reserve Board. The third member is the president of the Federal Reserve bank in whose district the prospective borrower is located. Decisions of the Board regarding the granting or denial of a guaranteed loan would be made by a majority vote; decisions of the Board regarding administrative matters would be made by the two permanent members of the Board. The bill does not contemplate the establishment of a new administrative agency to administer the guarantee program. To the contrary, the Board would operate with minimum staff, and that staff would be supplied from the agencies of the Board members.

The bill, of course, provides the Board with discretionary authority to make such terms and conditions as it deems appropriate to make commitments to guarantee or guarantees to lenders against loss of principal or interest on loans under the legislation.

Further, the bill provides that a guarantee may be made only if the Board finds that, first, the loan is needed to enable the borrower to continue to furnish goods or services and failure to meet this need would adversely and seriously affect the economy of or employment in the Nation or any region thereof; second, credit is not otherwise available to the borrower under reasonable terms or conditions; and, third, the prospective earning power of the borrower together with the character and value of the security pledged, furnish reasonable assurance that the borrower will be able to repay the loan within the time fixed under the guarantee and afford reasonable protection to the United States. Furthermore, the bill requires that any lender being guaranteed under the provisions of this act must certify that it would not make a guaranteed loan to a major enterprise without the guarantee.

The bill further provides that loans guaranteed under the act shall bear interest at rates not to exceed a rate determined by the Board to be reasonable, taking into account the range of interest rate prevailing in the private market for similar loans and the risk assumed. The Board would also prescribe a guarantee fee that would be paid by the enterprise as a cost of the guarantee. It is certainly the committee's intent that this guarantee fee will be adequate to support the Government's administrative cost in handling the guarantee, and will reflect the risks assumed by the Government in making the guarantee.

Mr. President, I have thus far been discussing the requirements of the bill as they relate to the general authority, limits and conditions, and eligibility requirements for the guarantee program. I said a moment ago that the bill established discretionary authority within the Board for making the terms and conditions under which a guarantee would be made. The committee bill, however, goes much further than general requirements. It, in fact, prescribes many of the requirements that must be either contained in the guarantee document or imposed upon the borrower enterprise receiving the loan or the lender receiving the guarantee. For example, the bill requires that no dividends may be declared by the enterprise on common stock during any period in which there is principal or interest unpaid on the guaranteed loan. Also, the enterprise may make no payment on other indebtednesses to lenders whose loan has been guaranteed while there is any principal or interest unpaid on the guaranteed loan. The bill does, however, grant the Board authority to weigh these two requirements on a determination that such a waiver would be consistent with reasonable protection of the interest of the United States.

In addition, the bill provides that if the Board determines the need for a guarantee is the result of a failure of management to exercise reasonable business prudence, then the Board shall require, before granting any loan, such management changes as the Board deems necessary.

The bill requires the Board to require audited financial statements before any guarantee can be made. It provides that no payment on the guarantee shall be made or become due unless the lender has exhausted any remedies it may have under the guarantee agreement. It directs the Board to satisfy itself that the underlying loan agreement contains standard covenants and that there are provisions that the underlying agreements cannot be amended or any provision waived without prior consent of the Board. It also provides that no advancement under the loan can be made without 10 days' notice in writing to the Board that the borrower is not in default, and it further provides that before any advancement can be made, a plan for the use of the advance is submitted to the Board. It also requires that the lender advise the Board as to the extent to which such advances were not expended according to the plan. Furthermore, the bill requires any guarantee agreement to contain requirements by the Board of the lender that the Board shall be prior with respect and to the extent of the lender's interest in any collateral securing the loan and any earlier outstanding loans. The term collateral includes all assets pledged under the loan agreement and, if appropriate in the Board's judgment, all sums of the borrower on deposit with lenders and subject to offset under the Bankruptcy Act.

The bill provides that the Board shall not guarantee or make any commitments to guarantee any loan after October 1, 1971, unless at least 20 days prior to making such a guarantee, Congress is notified of the Board's intention to make such a guarantee together with a detailed justification therefor. A period of 20 calendar days of continuous session of Congress following receipt of notification must elapse without passage of either Senate or House of Representatives, stating that the Senate or House, as the case may be, does not approve the proposed guarantee.

Mr. President, I realize this is a rather general statement of the bill, but I believe it sets out about as clearly as it can be done the principal provisions of the bill.

Mr. President, it is possible for large, well-established, and credit-worthy enterprises to experience difficulty in obtaining needed credit. Failure to provide credit to such enterprises could have serious and adverse effects on the Nation's economy or on the economy of a region of the Nation. The failure of the enterprises could be extremely costly in terms of jobs destroyed, confidence impaired, income lost, and goods not produced.

There is a need to avoid serious disruptions of this character and the committee firmly believes that legislation with standby authority and general standards and procedures to deal with these problems is absolutely necessary. The committee bill will permit these problems to be reviewed and decided in a systematic method under specified conditions and with congressional oversight.

The existence of this authority should

not in any real sense erode the disciplines of the free enterprise system. Indeed, the authority established by the committee bill should assist in the maintenance of the Nation's productive capability and protect against a highly specialized risk. Guarantees can be granted under the specified conditions in the bill at small risk to the Federal Government with substantial benefits to the public.

Mr. President, I would be less than candid if I did not say that the Lockheed Aircraft Corp. would be eligible to receive a guaranteed loan under the committee bill, if the board decides that it meets the conditions that have been laid down. In fact, administration officials testified to our committee that that corporation would undoubtedly be the first applicant, and that the corporation's request would be given the most careful consideration. It would, however, under the provisions of the bill, be left up, as I have stated, to the determination of the three-man board which I have described to pass upon the Lockheed application.

By way of illustrating the type of situation which might be considered under the bill, it is helpful to refer to the Committee's record of hearings on the Lockheed Aircraft Corporation, where it is estimated that with additional private funds of $250 million under government guarantee—with adequate collateralization of the government's exposure under the guarantee—approximately 60,000 jobs (counting the indirect impact), could be saved, a $1.3 billion investment in the company's L–1011 air bus program could be turned into usable equipment, vital competition could be maintained in the airframe industry, a productive major enterprise and defense contractor could continue as a going concern, and a major disturbance to the national economy could be avoided.

Lockheed Aircraft Corporation is one of the three remaining United States producers of large commercial aircraft. As the result of major changes in federal spending programs, the aerospace industry of which Lockheed is an important member is in a depressed economic condition. The direct employment and re-employment prospects of nearly 35,000 employees at Lockheed and its major L–1011 air bus suppliers' plants would be seriously affected by a termination of the program.

Additionally, due to the advanced state of the L–1011 program, an estimated inventory investment of $350 million is held by suppliers; the probable worthlessness of this inventory in the event of program termination would strain the financial resources of many suppliers; in fact, testimony was received by the committee that some suppliers would face financial ruin and be forced into bankruptcy. Moreover, among the creditors of Lockheed are three large U.S. airlines which have made advance payments of $240 million toward the purchase of L–1011 aircraft. The questionable value of these unsecured claims against Lockheed would obviously hamper efforts of these airlines to make alternative arrangements and this could endanger their competitive position among domestic air carriers. The loss of these advancements could also seriously jeopardize the financial standing of these companies.

The committee received evidence that when the bankruptcy of Lockheed and the termination of the L–1011 program are viewed as an abnormal business disturbance, they are estimated to impose a social cost on the private economy of $260 to $380 million depending on the duration of the adjustment period. This cost is equal to the GNP lost through the unemployment of aerospace workers and capital during the extra period which is necessary to effect their reemployment. This extra period is required because: First, Lockheed is one of but three airframe producers; second, the aerospace industry is already depressed; and third, large losses which would be suffered by airlines and by suppliers would severely impair their ability to adjust.

Included in this aggregate economic loss, in addition to lost disposable income of workers and the gross product of capital, is a federal income tax loss estimated to be $65 to $95 million, depending on the duration of the excess adjustment period. Additionally, loss recognition by creditors, shareholders and suppliers of Lockheed will result in short run federal revenue losses. Although these may be expected to be recovered in the long run, they will aggregate from $275 to $340 million, depending on the realization rate of creditors and their tax status, in the few years immediately following the bankruptcy of Lockheed. Finally, additional unemployment compensation paid out to displaced workers will amount to $50 to $75 million, depending on duration of the excess adjustment period.

It will be argued by some that this bill is for the sole purpose of helping Lockheed. The majority of the committee believes otherwise. The Chairman of the Federal Reserve Board, Dr. Arthur Burns, and his predecessor, Mr. William McChesney Martin, as well as others, have advocated for some time the Federal Government should have emergency standby authority of the nature provided in this legislation to help major business enterprises that, when they are in dire financial straits, could have adverse and serious effect upon the economy of the Nation or any region thereof.

Mr. President, I may insert here the fact that back in the very beginning of this year I introduced a bill, S. 580, that provided a somewhat similar program. I must say that it went further, but, nevertheless, it included practically all the features that we have in this bill, and other bills have been introduced. Senator JAVITS introduced a bill; Senator HUMPHREY introduced a somewhat similar bill. There were probably a couple of others that I just do not recall at this time. All these bills were before us during the course of the hearings and the consideration of legislation to present to the Senate.

I believe that the program we have proposed here is a good one, and that it needed to be developed in order to help the Nation's private enterprises in world competitive markets, especially since other countries have programs for helping their private business when they are competing in world markets.

The bill sets up an orderly and systematic means of providing guaranteed loans to private enterprises that require such loans and meet eligibility requirements provided in the bill for such a loan. The bill contains all the proper checks and balances to protect the Government's and the public's interests.

The committee believes that this temporary emergency program could be most valuable in providing experience and information to determine the extent, if any, to which the Federal Government should assist private enterprises in the future.

I believe that the bill should be passed, and I hope that the Senate will act expeditiously on it.

I yield the floor.

Mr. TOWER. Mr. President, I wish to commend my distinguished colleague, the Senator from Alabama, for his very thorough statement setting forth the substance of the bill and the reasons for the emergency loan guarantee authority which the committee has recommended to the Senate for favorable action in S. 2308.

I might note—perhaps the Senator from Alabama is not even aware of this yet—that the House Banking Committee has just reported precisely the same bill by a vote of 23 to 11, so a similar bill is now pending before the House of Representatives.

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

Mr. TOWER. I yield.

Mr. SPARKMAN. I did not know it. I am delighted with the news, and I think it augurs well for prompt enactment of the measure and sending it down to the White House.

Mr. TOWER. I would hope so. I would hope that Senators would address themselves to this measure as succinctly as possible, so that we may expedite it as quickly as possible.

I fully agree with the Senator's explanation of the committee's intent in structuring the bill as it has, and further, I would commend the Senator for his very capable leadership in guiding the committee through a most complex matter and generating a very sound piece of legislation.

This legislation may be among the most important economic legislation considered by this body in recent history. It is legislation designed to save jobs in a period of relatively high unemployment, to maintain confidence in our credit markets, and to assure a degree of competition in concentrated industries. In sum, it is legislation designed to benefit the American citizen and the public interest. We speak often in this Chamber of the need to save and to create jobs, to promote economic stability, and to protect the interests of the consumer, and yet we rarely have a bill before us which indeed does all of these things, and with virtually no cost involved to the taxpayer.

We go to great expense to set up tremendous Government bureaucracies to minister to the public interests in employment, economic stability, and compe-

tition: the Labor Department, the Commerce Department, the Antitrust Division of the Justice Department, the Federal Trade Commission, the Small Business Administration, the Securities and Exchange Commission—these are all examples of the agencies which the Government has established to help protect the public interest in these economic matters; the list of the actual assistance programs the Government administers would require reprinting the entire Roth study. But in this bill, by the expedient use of the stabilizing application of governmental guarantee authority, we will be utilizing the private system itself to protect jobs, to maintain economic stability, and to protect the consumer, without the need to invoke the costly aid of comprehensive governmental programs and assistance. Indeed, if we do not authorize this emergency loan guarantee authority, we may well be faced with such an unemployment problem in the aerospace industry alone that expensive cash-outlay governmental programs may have to be established or expanded to help rectify the situation.

We hear objections from many quarters that this type of assistance is a new and dangerous breed of governmental interference in the affairs of commerce and the structure of our economy. I think that this is a naive view in the extreme. Our system is and always has been a mixed free enterprise system, one that involves the judicious use of governmental authority over interstate commerce to impose certain public-interest decisions on the basic structure of a free enterprise economy. So it is, that the Federal and State Governments regulate monopolies in the public interest; license certain occupations in the public interest; set food, drug, and product standards in the public interest; subsidize research and development costs in the public interest; subsidize housing production and ownership in the public interest; and so on for countless examples. Most pertinent are the RFC and the SBA type loan and loan guarantee programs which have helped to prevent the failures of viable enterprises due to temporary setbacks or credit shortage problems.

Certainly, I do not agree with all aspects of governmental intervention in and regulation of the marketplace, and I argue against those that seem unwise on a case-by-case basis. Every such intervention decision by Congress involves a trade-off decision as to the benefits to be provided to the public and to the parties concerned, as against the costs to the public, the parties concerned, and the integrity of the economic and governmental system under which the decision is being made. I would stop well short of saying that the benefits of nationalization of the railroads, for example, if in fact there are any, would be worth the costs of the accompanying governmental ineptness as a business operator and the destruction of the integrity of the economic system that would be involved in such a step. Yet in the case before us, I do feel that, all things considered, the utilization of a limited amount of governmental power, on a temporary basis, to stabilize the financial status of essentially viable major enterprises in order to protect the vast public interest in the survival of such enterprises, is justified. It is a trade-off decision, as are all others we make in Congress. We are certainly not embarking on any new precedent of philosophy in advocating this type of Government assistance; at most, we are dealing with a question of quantity difference with prior Government experience in the guarantee field. The higher guarantee limits involved in S. 2308 are the result of a realistic assessment of the credit needs of today's large enterprises; the question of whether it breaks with American tradition and philosophy to provide such stabilizing assistance is certainly to be answered in negative.

It is argued by some that any free enterprise system that must rely on governmental guarantees of this nature for large enterprises is imperfect and that such guarantee authority should therefore not be granted. I would remind those who so argue that the same character of objections were made by many to the approval of the Constitution: since it was obviously not perfect, it should not therefore be approved. I think that the answer James Madison made to these objections was timeless, and applies as well to the decision of Congress on the loan guarantee authority as to the question of approval of the Constitution. He said:

> It is a matter both of wonder and regret, that those who raise so many objections against the new Constitution should never call to mind the defects of that which is to be exchanged for it. It is not necessary that the former should be perfect: it is sufficient that the latter is more imperfect.

We face a serious and adverse economic and employment impact should we let major firms such as Lockheed collapse due to the inadequacy of the capital markets to meet their emergency credit needs. The committee has concluded that this impact is, in Madison's words, a more "imperfect" state of affairs than would be the use of a temporary stabilizing force from the Government to correct credit-market imperfections. Probably no action of Government can correctly be described as "perfect"; but certainly some governmental actions are less imperfect than some other governmental actions or inactions. This bill is one of those "less imperfect" cases. In fact, it is one of the less objectionable Government economic actions I have seen because it involves virtually no subsidization and instead relies on stabilization to accomplish its public interest purposes.

In sum, our committee has carefully considered all aspects of this bill, including the makeup and independence of the administering board, the dollar amount of the guarantee authority, the means available to protect the Government's security interest, the need for congressional review, and the economic criteria for qualifying enterprises and circumstances. The bill as recommended by the committee is, I firmly believe, a philosophically consistent, mechanically sound measure which will serve the best interests of the people of this country. I urge my colleagues to consider it carefully during the floor debate, and I believe that the conclusion of the great majority of the Members of this Chamber will coincide with that of the majority of the committee, that this legislation is a vitally important emergency economic measure and should be enacted with all due speed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the Speaker had appointed Mr. PREYER of North Carolina and Mr. CARTER to be additional managers of the conference, on the part of the House, at the conference asked by the Senate on the disagreeing votes of the two Houses to the bill (H.R. 8629) to amend title VII of the Public Health Service Act to provide increased manpower for the health professions, and for other purposes.

The message also announced that the Speaker had appointed Mr. PREYER of North Carolina and Mr. CARTER to be additional managers of the conference, on the part of the House, at the conference asked by the Senate on the disagreeing votes of the two Houses to the bill (H.R. 8630) to amend title VIII of the Public Health Service Act to provide for training increased numbers of nurses.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9417) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1972, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mrs. HANSEN of Washington, Mr. FLYNT, Mr. OBEY, Mr. YATES, Mr. GALIFIANAKIS, Mr. MAHON, Mr. MCDADE, Mr. WYATT, Mr. DEL CLAWSON, and Mr. Bow were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 1824. An act for the relief of Clinton M. Hoose;

H.R. 1899. An act for the relief of Mrs. Maria G. Orsini (nee Mari);

H.R. 1962. An act for the relief of Dah Mi Kim;

H.R. 1995. An act for the relief of Miss Margaret Gale;

H.R. 2087. An act for the relief of Park Ok Soo and Noh Mi Ok;

H.R. 2107. An act for the relief of Jose Bettencourt de Simas;

H.R. 2706. An act for the relief of Miguelito Ybut Benedicto;

H.R. 2803. An act for the relief of In Kyong Yi;

H.R. 2816. An act for the relief of Rose Minutillo;

H.R. 2846. An act for the relief of Roy E. Carroll;

H.R. 3041. An act for the relief of Mary James Kates, owner of the Gladewater Daily Mirror;

H.R. 9020. An act to amend the Egg Products Inspection Act to provide that certain plants which process egg products shall be exempt from such Act for a certain period of time; and

H.J. Res. 3. A joint resolution to establish a Joint Committee on the Environment.

ENROLLED BILLS SIGNED

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

S. 108. An act for the relief of Kyung Jo Min and Kyung Sook Min;

S. 145. An act for the relief of Esther Catherine Milner;

S. 161. An act for the relief of the West Fargo Pioneer and Dale C. Nesemeier;

S. 566. An act for the relief of Maria Grazia Iaccarino; and

S. 672. An act for the relief of Nicholaos Demitrios Apostolakis.

The enrolled bills were subsequently signed by the President pro tempore.

HOUSE BILLS REFERRED

The following bills were severally read twice by their title and referred as indicated.

H.R. 1824. An act for the relief of Clinton M. Hoose;

H.R. 1899. An act for the relief of Mrs. Maria G. Orsini (nee Mari);

H.R.1962. An act for the relief of Dah Mi Kim;

H.R. 1995. An act for the relief of Miss Margaret Gale;

H.R. 2087. An act for the relief of Park Ok Soo and Noh Mi Ok;

H.R. 2107. An act for the relief of Jose Bettencourt de Simas;

H.R. 2706. An act for the relief of Miguelito Ybut Benedicto;

H.R. 2803. An act for the relief of In Kyong Yi;

H.R. 2816. An act for the relief of Rose Minutillo;

H.R. 2846. An act for the relief of Roy E. Carroll; and

H.R. 3041. An act for the relief of Mary James Kates, owner of the Gladewater Daily Mirror; to the Committee on the Judiciary.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

Mr. PROXMIRE. Mr. President, I move that the pending bill be referred back to the Committee on Banking and Housing and Urban Affairs with instructions to hold further hearings on the bill and report back by Thursday, July 29, 1971.

Mr. President, I will speak to that point a little further on, but first I invite the attention of Senators to the fact that there are no hearings on any of the Senators' desks. The bill is really being given the red carpet treatment. Here we have it moved ahead of other bills with the pending business laid aside—moving it ahead before hearings are made available to Senators.

If this is not unprecedented, it is unusual. The only reason we have hearings is to instruct and inform the Senate. Hearings are not just for the few Senators who sit on a particular committee. This is such a complicated bill that it goes right to the heart of the free enterprise system. In the view of many us, we should at least have the record available, but there is no record here and no indication of when we will get a record.

The first obligation, it would seem to me, of a congressional committee, after it makes the record and holds its hearings, is to make the hearings available and the record available to the Senate, so that the Senate will have a basis on which to act, and so that all Senators will know what they are doing.

I regret very much that the record is not available. Needless to say, it would be incumbent on any responsible Member of the Senate to see to it that we do not come to a vote on any amendments, or on the bill itself, certainly, until we have hearings available to all Senators and have a chance for Senators to explore the matter, and then have a couple of days to consider the implications of the hearings.

This is a record of 16 days of hearings and they should not go for naught. We should not have empty desks with no hearings available. The hearings comprised 1,200 pages. I have taken a course in rapid reading, Mr. President, and I can read pretty rapidly now, but I must say that reading 1,200 pages of the hearings would take some time.

I do not expect that Senators will read every page of the hearings we had on this guarantee bill, but I would hope that they would try to read some of it because this bill constitutes such a vital issue and we are taking such a profound step, in the view of many people, that it could have serious effect on the economic system of this country.

Mr. President, the Emergency Loan Guarantee Act could more aptly be called a bill for the relief of the Lockheed Aircraft Corp. However, it is understandable why the Lockheed enthusiasts would prefer to cloak their dubious purposes behind the facade of general legislation.

A Lockheed bailout can be made to seem less odious and more respectable if it is disguised within a general program on cooperate welfare. But, of course, one does not really improve a bad product by clever packaging.

The original loan guarantee bill submitted by the administration, S. 1891, was intended to begin with to apply only to Lockheed. The total guarantee loan authority of up to $250 million would have been used exclusively for the Lockheed Corp. However, after 2½ weeks of hearings, it was evident that the Lockheed Corp. was in deep trouble. The administration abruptly changed its direction and supported a general emergency loan guarantee bill, though it had been previously indicated that there was not enough time to enact a general statute. For example, the Secretary of the Treasury, Mr. Connally, in commenting on several general guarantee bills, before the committee at that time said:

> Frankly, I question whether the time available permits adequate consideration of the older bills.

Mr. Connally went on to urge the committee to focus its attention on S. 1891, the bill that is exclusively for the benefit of the Lockheed Corp. These views were echoed even more forcefully by the senior Senator from Texas (Mr. TOWER), a cosponsor of S. 1891. During the Senate committee hearings, the Senator from Texas (Mr. TOWER) said:

> It seems to me that this committee will have to concentrate on the Lockheed question and solve it first before getting into the larger permanent program concept, since it could take a great deal more testimony and planning to permanently set up a program, than we have time to do before we go out of session in August.

Now, we see that in order to get this Lockheed matter approved, it was recognized that it would be necessary to clothe it in a generic bill and that in order to get that bill passed it was necessary to give it the red-carpet treatment, give it a shove, and lay everything else aside, lay the bill before the Senate before the hearings were even printed, and push the bill through by virtue of sheer power.

Virtually the entire record of the Lockheed hearings was focused on Lockheed only. As a matter of fact, the statements by both the Senator from Alabama (Mr. SPARKMAN), the chairman of the committee, and the distinguished senior Senator from Texas (Mr. TOWER), were very, very much devoted to Lockheed. Very little consideration was given to anything other than the $250 million for Lockheed. This is a $2 billion bill. It would make $2 billion available to any of the big corporations which may be in danger of going bankrupt.

Mr. AIKEN. Mr. President, would the Senator know of any other corporation, other than Lockheed, that is presently being considered for a guaranteed loan under the proposed legislation?

Mr. PROXMIRE. No. As a matter of fact, I asked that specific question of Under Secretary of the Treasury Walker when he came in to testify on the generic bill. He said that he did not know. He said that there may well be other companies. And we all know of other companies that may be in difficulties. And others may come in and apply, but they do not have any in mind.

Mr. AIKEN. Mr. President, could the Pennsylvania Railroad, for instance, be eligible under the pending bill?

Mr. PROXMIRE. Yes, indeed. The Pennsylvania Railroad Co. could be eligible under the bill. Any one of the railroads could be eligible. There is a limitation of $250 million contained in the bill.

Mr. AIKEN. I am trying to find out what this legislation means. I notice that there is a maximum guarantee of $250 million in the bill. What is the minimum?

Mr. PROXMIRE. There is no minimum. However, the criterion in the bill provides that the Board must make a judgment that without the benefit of the bill, the bankruptcy of the company could cause serious economic stress in the Nation or in a region of the Nation. I do not have the exact wording before me.

Mr. AIKEN. Or in any other country, perhaps?

Mr. PROXMIRE. No.

Mr. AIKEN. Just in the United States.

Mr. PROXMIRE. The Senator is correct.

Mr. AIKEN. And it would have to cover a broad area and a lot of people; is that correct?

Mr. PROXMIRE. I think that is certainly the expectation. It would not be available, for example, to small business.

Mr. SPARKMAN. Mr. President, would the Senator yield at that point?

Mr. AIKEN. Mr. President, I am trying to get some information on this matter so that I will know how to vote on it.

Mr. PROXMIRE. Mr. President, I gladly yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I want to say in response to that comment that it could apply to any outfit whose failure would seriously and adversely affect the economy of the region. That could be a small business. I am not saying that there would be numerous such cases. However, there could be some.

Mr. PROXMIRE. Mr. President, may I address myself to that point. I do not think anyone would really seriously argue that the failure of a small business could have a seriously adverse effect on a region, unless that term is defined in such ridiculous terms that it could apply to 4½ million small concerns in the country.

Mr. AIKEN. Mr. President, the Senator thinks that small business could be ruled out.

Mr. PROXMIRE. That is my own opinion, unquestionably, and it is also the opinion of Arthur Burns, the Chairman of the Federal Reserve Board.

Mr. AIKEN. Is there any limit on the interest rate and service charges and so forth on loans which might be guaranteed by the Government, or would that be determined by two of the three members of the Board?

Mr. PROXMIRE. All of those things could be determined by two of the three Board members. There is a guarantee fee requirement. It could be very small, or it could be substantial. It is left up to the full discretion of the Board.

Mr. AIKEN. Is there anything in the bill which relates to any contract which the Federal Government might make with a corporation under the loan guarantee?

Mr. PROXMIRE. No, as a matter of fact I wish that there were. I offered an amendment in the committee which was rejected. That amendment would provide that a corporation would not be eligible except on a negotiable, competitive contract as long as the agreement was in existence. That was offered because there is a temptation in order to prevent an administration from being embarrassed to provide "sweetheart" contracts to keep a company alive. There is no such provision.

Mr. AIKEN. Mr. President, the Senator from Wisconsin answered my question almost before I asked it. I was going to ask if Lockheed would be the sole beneficiary, if the bill becomes law, and if the Government could make a contract for either research or other work with Lockheed on a negotiable basis.

Mr. PROXMIRE. Yes. There is no such restriction. The Government could make any kind of contract with the Lockheed Corp. while a guarantee to them is outstanding.

Mr. AIKEN. Does the Senator from Wisconsin not believe that under those circumstances Lockheed's income might be increased through Government contracts sufficiently for them to pay off their loans?

Mr. PROXMIRE. I think that might happen. However, I have great faith in the Defense Department, and I am sure that the Senator from Vermont does also. There is, however, that temptation.

Mr. AIKEN. People have been known to succumb to that temptation before.

Mr. PROXMIRE. There has already been a payment of $47 million paid to the Lockheed Corp. in the last 4 weeks. That payment was made although there was no evidence that the payment was legally valid.

Mr. AIKEN. Does the Senator believe that this bill, if enacted into law, would apply to a company with 1,000 or 2,000 employees that does a business of perhaps $50 million or $75 million?

Mr. PROXMIRE. I think from a perusal of the record, the opinion of the Secretary of the Treasury, who would be the chairman of the emergency board, indicates that this certainly was not in their minds. When the bill came to us from the administration it provided that it would be only if it had a serious effect on the economy of the Nation. Then the committee modified it to include region. There is no possibility that a firm employing 1,000 people would be covered.

Mr. AIKEN. Does the Senator know in how many Federal Reserve districts in the United States the Lockheed Corp. has plants or subsidiaries?

Mr. PROXMIRE. It has subsidiaries in very many of them. It has subsidiaries or plants in many of the districts. I do not know in how many.

Mr. AIKEN. Mr. President, from a quick perusal of the bill the Secretary of the Treasury and the Federal Reserve where the application was made could overrule the Chairman of the Federal Reserve Board.

Mr. PROXMIRE. The Senator is correct.

Mr. AIKEN. Incidentally, I have considerable confidence in Chairman Burns.

Mr. PROXMIRE. I do, too.

Mr. AIKEN. But he could be outvoted at any time, so I wondered if Lockheed has any business whatever in the 12 Federal Reserve districts.

Mr. PROXMIRE. I am sure it has some business. It may be small in some instances, but it has business in a large number of districts.

Mr. AIKEN. The matter then could be brought up in a district where the company—either Lockheed or any other company with big business—could be assured of having two members of the Board favorable or reasonably assured.

Mr. PROXMIRE. The third member of the Board would be the president of the Federal Reserve district in the district where the headquarters is located. In this case it would be California.

Mr. AIKEN. That is somewhat reassuring because we know of other laws in connection with which action is taken where results are hoped to be favorable.

I am glad that is not the case in connection with this bill.

Mr. PROXMIRE. The Senator is correct.

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

Mr. PROXMIRE. I am happy to yield to the distinguished chairman of the Committee on Appropriations.

Mr. ELLENDER. Since this discussion affects the authority of the Board and the limitation, I think it might be helpful, if it is agreeable with the Senator from Wisconsin, to have printed in the RECORD at this point section 3 and section 4. Section 3, as I understand it, gives them almost blanket authority to guaranteed loans—of course, up to the limitation provided in the bill. Then, as the Senator from Wisconsin stated, the Board is empowered to furnish the money if the Board finds that the loan is needed to enable the borrower to continue to furnish goods or services and failure to meet this need would adversely and seriously affect the economy of or employment in the Nation. That would be the country, as I interpret it, and not the region.

Mr. PROXMIRE. On page 3, line 2, the committee did add after the word "Nation" the words "or any region thereof."

Mr. ELLENDER. Yes.

Mr. PROXMIRE. As the Senator pointed out, what this does is to provide open sesame discretion. They can do whatever they want to do. Congress is giving a $2 billion guarantee with discretion for them to do whatever they want to do.

Mr. ELLENDER. In other words, the borrower must show he cannot borrow money anywhere else.

Mr. PROXMIRE. The Senator is referring to (b) which states:

> Credit is not otherwise available to the borrower under reasonable terms or conditions.

That gives the Board great discretion. They could say a 9-percent interest rate is not reasonable. Recently I understand American Airlines paid 11 percent for funds.

Mr. ELLENDER. I was going to point out that the matter of whether interest is reasonable is for the Board to determine.

Mr. PROXMIRE. The Senator is correct.

Mr. ELLENDER. The interest may be greater than the Government pays for its own interest. Is that correct?

Mr. PROXMIRE. The Senator is correct.

Mr. ELLENDER. Mr. President, if the Senator from Wisconsin is willing, I think that sections 3 and 4 of the bill should be printed in the RECORD at this point so there will be no if's, and's, or but's about the language. It is very plain.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that sections 3 and 4 of the bill, pages 2 and 3, may be printed in the RECORD at this point.

There being no objection, the sections 3 and 4 were ordered to be printed in the RECORD, as follows:

AUTHORITY

SEC. 3. The Board, on such terms and conditions as it deems appropriate, may guarantee, or make commitments to guarantee, lenders against loss of principal or interest on loans that meet the requirements of this Act.

LIMITATIONS AND CONDITIONS

SEC. 4. (a) A guarantee of a loan may be made under this Act only if—

(1) the Board finds that (A) the loan is needed to enable the borrower to continue to furnish goods or services and failure to

meet this need would adversely and seriously affect the economy of or employment in the Nation or any region thereof, (B) credit is not otherwise available to the borrower under reasonable terms or conditions, and (C) the prospective earning power of the borrower, together with the character and value of the security pledged, furnish reasonable assurance that it will be able to repay the loan within the time fixed, and afford reasonable protection to the United States; and

(2) the lender certifies that it would not make the loan without such guarantee.

(b) Loans guaranteed under this Act shall be payable in not more than five years, but may be renewable for not more than an additional three years.

(c) Loans guaranteed under this Act shall bear interest (exclusive of guarantee fees and service charges, if any) at rates not to exceed a rate determined by the Board to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risk assumed.

INADEQUATE HEARINGS ON GENERAL BILL

Mr. PROXMIRE. Mr. President, as I was saying, virtually the entire record during the first 2½ weeks of hearings was focused on the Lockheed case. Moreover, when the committee scheduled 3 additional days of hearings ostensibly on general loan guarantee legislation, most of the testimony still revolved around the proposed Lockheed loan guarantee. There has been no adequate hearing record to support the need for a general loan guarantee bill. Nor is there any evidence of "a great deal more testimony and planning" originally advocated by Senator TOWER.

Lockheed proponents were able to rescue their proposed bailout by embracing a general emergency loan guarantee statute recommended by Arthur Burns, the Chairman of the Federal Reserve Board. The Federal Reserve bill was designed to deal with the corporate liquidity crisis of last year which arose in the aftermath of the Penn-Central bankruptcy.

However, Dr. Burns told the committee:

I think that the Congress ought to vote on the administration bill.

That is the Lockheed bill, S. 1891, which the committee did not report and which is not before us. I continue to quote what Dr. Burns told the committee:

I think it is an urgent matter to do so. To consider our bill will take a little more time, and that time may not be available.

CONGRESSIONAL AUTHORITY SURRENDERED

Despite the recommendations of the Federal Reserve Chairman, the committee has not given adequate consideration to the need for a general emergency loan guarantee statute. The committee did not hear from a broadly representative panel of businessmen or economists on the long-range implications of making the Federal Government the ultimate guarantor of corporate solvency. The bill reported by the committee delegates $2 billion in guarantee authority to an Emergency Loan Guarantee Board with virtually no congressional guidance or documented record of congressional intent.

I think the distinguished Senator from Vermont and the distinguished Senator from Louisiana brought that out very ably. Anyone looking at this record and looking at that section of the bill will see how vague, broad, and unlimited is the delegation of authority given by Congress under this measure to the Executive.

At a time when the Congress is trying to reassert its constitutional powers, the committee bill does just the opposite—it surrenders substantial power to the Treasury and Federal Reserve Board.

When Under Secretary Walker appeared before the committee, he said the administration would support a general emergency loan guarantee bill provided it was made clear that in so doing, the Congress was approving a $250 million loan guarantee for Lockheed.

I think we should consider that fact. The Under Secretary of the Treasury and the Secretary of the Treasury who will be chairman of this board served notice that if Congress adopts this bill that means as far as the Treasury is concerned Lockheed will get the guarantee.

His remarks give credence to the argument that a general bill is simply a tactical ploy to achieve a specific purpose, that is, to rescue the Lockheed Aircraft Corp.

LOCKHEED AID NOT CERTAIN

But while the administration is clearly committed to saving Lockheed, the attitude of the Federal Reserve Board is more ambiguous. Chairman Burns steadfastly refused to commit himself on the need for a Lockheed loan guarantee. In response to a question from Senator TOWER about whether Lockheed would qualify for aid under the Federal Reserve Board bill, Chairman Burns said:

I am not able to testify whether Lockheed would or would not meet the standards of the administration bill or the standards of the Federal Reserve bill.

Chairman Burns' views on Lockheed would have been largely irrelevant if the committee had approved the latest version of the Federal Reserve Board bill as revised by the Treasury and Federal Reserve staff (S. 2202). Under this bill, loan guarantees would have been approved by a three-man Emergency Loan Guarantee Board consisting of the Secretary of the Treasury, the Secretary of Commerce and the Chairman of the Federal Reserve Board. The Emergency Loan Guarantee Board would have acted by majority vote, thus giving the administration two out of three votes on the Board.

The administration's position is crystal clear. It wants Lockheed to get the guarantee. The administration has made up its mind on that.

Since the administration was publicly committed to Lockheed, the result would be obvious if the committee had approved the three-man board advocated by the administration—the Lockheed loan-guarantee plan would surely have been approved.

REJECTION OF ADMINISTRATION BOARD

However, the committee made an important and substantial change in the structure of the Emergency Loan Guarantee Board. It dropped the Secretary of Commerce and added the president of the Federal Reserve bank in the district in which the loan applicant is located. This gives majority control to the Federal Reserve System rather than the administration.

The purpose of the change was to remove as much as possible the decisions of the Loan Guarantee Board from politics. Federal Reserve officials are independent of the executive branch, and are presumably subject to less political pressure than Cabinet officers.

It is significant to note that, on two separate occasions, a total of nine members of the committee voted in favor of increasing the Federal Reserve System's control. Only the five members of the committee who cosponsored the original Lockheed bill, S. 1891, consistently voted against giving the Federal Reserve System a majority voice on the Emergency Loan Guarantee Board.

These votes could be interpreted as a congressional rejection of the proposed Lockheed loan guarantee. At the very least, they do not represent the specific congressional affirmation of the Lockheed loan guarantee urged by the Under Secretary of the Treasury. Moreover, at no time did the committee vote on the specific merits of the Lockheed loan guarantee.

CONGRESSIONAL INTENT UNCLEAR

With congressional intent unclear, it is not all certain that the Lockheed loan guarantee plan will be approved by the Emergency Loan Guarantee Board established by the committee bill. One certainly hopes the two Federal Reserve members of the Emergency Loan Guarantee Board will give the proposed Lockheed guarantee an independent and objective appraisal. Nonetheless, these two officials will undoubtedly be pressured to go along with congressional "intent" despite the lack of a clear committee vote in favor of the Lockheed loan guarantee.

GENERAL BILL SHOULD BE REJECTED

Under these circumstances, the safest course of action is for the Congress to reject the committee bill. There might be some merit for an emergency loan guarantee statute along the lines recommended by Chairman Burns. But such a bill needs to be more carefully drafted following a comprehensive hearing record—not on a record of a loan to all corporations, and that is what this record is on, as Senators will see whenever the record of the hearing is available—and, of course, as we all know, the hearings are not available at this time—but a record on this kind of legislation, and whether there should be a type of RFC Corporation, and the necessity for a deep probe into the possible need of an RFC-type corporation. The committee had no expert before the committee telling us about the Reconstruction Finance Corporation experience. We certainly ought to find a lesson from that experience.

Incidentally, I am going to try to remedy that situation by reading into the RECORD substantial material from our experience with the Reconstruction Finance Corporation, because that is relevant and we have no record of it, and it is one way to get that experience before the Senate.

According to Treasury, the only use of

the guarantee authority foreseeable in the near future is Lockheed, and since the Lockheed case has no merit, the committee bill can be rejected without prejudicing the case for general legislation.

Such a rejection would still give the committee an adequate opportunity to examine in depth the merits of an emergency loan guarantee statute along the lines recommended by Chairman Burns and others.

I might say that the motion I made that the bill be referred to the committee with instructions to report back 1 week from now, next Wednesday, would, if adopted, give the Senate ample time to act on this measure before the August recess, and would be one last effort to give the committee an opportunity to hear the whole history of this kind of legislation and whether or not the economy requires this sort of far-reaching legislation.

There has also been some thought given to reactivating the RFC, which existed from 1931 through 1957. However, the committee can do a much better job of reviewing the need for general legislation of this type if it were free from the high pressure politics associated with the Lockheed loan guarantee proposal.

Mr. President, I mean high pressure politics. In the 14 years I have been in the Senate I have never been subject to the kind of pressure I have been on this measure. We have had letters to the editors of newspapers in Wisconsin from the State of Washington, the State of California, urging boycotting of Wisconsin products because we are fighting the Lockheed loan guarantee.

I have had threats of physical violence. And one, a gentleman from Georgia who worked at Lockheed and publicly complained about mismanagement of Lockheed, has been receiving phone calls threatening intimidation. He has been put in a position where we have had to appeal to the Federal Government to protect him. Incidentally, we have asked him to come here and testify before the Joint Committee. Just recently marshals were assigned to guard this man because of threats of violence against him.

So the threats and intimidation with respect to opposition to this bill are very substantial and widespread, and affect not only this Senator, but others who have had the temerity to speak up for these principles, and it has approved my State. I have had a number of calls from businessmen. Industrial and dairy products from Wisconsin are being boycotted in California and other areas.

I think this is unwholesome, particularly with respect to a bill which is a generic bill, and not a Lockheed bill.

Furthermore, we should be very much aware of the fact that we are being lobbied—by the AFL–CIO—because they are concerned not with the generic situation but with the Lockheed bailout.

As one article in a Sunday newspaper said, this is a situation where the lobbying is all on one side. I do not know of any group, although many are opposed to this loan, which has participated in any kind of lobbying against the Lockheed bill.

I might also point out that we have had a number of threats, a number of vitriolic letters, from Lockheed employees.

I also have a letter from a Lockheed employee saying that they were pressured into signing correspondence supporting this legislation, although they oppose it, and I intend to read that letter into the record.

With congressional intent unclear, as I have said, it is not at all certain that the Lockheed loan guarantee plan will be approved by the Emergency Loan Guarantee Board established by the committee bill.

Under the circumstances, the safest course of action is for the Congress to reject the bill. There might be some merit for an emergency loan guarantee statute along the lines recommended by Chairman Burns. But such a bill needs to be more carefully drafted following a comprehensive hearing record.

There has also been some thought given to reactivating the RFC, which existed from 1931 through 1957. However, the committee can do a much better job of reviewing the need for general legislation of this type if it were free from the high-pressure politics associated with the Lockheed loan guarantee proposal. Tailoring a general statute to the needs and circumstances of a specific company is a poor way to proceed in the kind of high pressure atmosphere in which we are proceeding and with the kind of terrific pressure being exercised.

One of the attendants in the Senate told me this morning that when he came over the 14th Street Bridge to the Capitol, there was a caravan of cars coming along which had the American flag on one side and "Save Lockheed" on the other.

Of course, they have every right to come up and make their views known on this legislation, but one of the cars had a sign "Boycott Wisconsin Products."

Of course, I do not like that. But again, the reason I raise the point is that, although it is a good thing for people who feel strongly on legislation to let their representatives know—that is a part of democracy—I think we ought to recognize we are operating, not in an atmosphere in which we can objectively and thoughtfully consider whether or not we ought to pass this bill, but in an atmosphere of very powerful pressure.

Turning to the specific Lockheed case, the plan to guarantee $250 million in bank loans to the company should be rejected. It is argued that Lockheed needs an additional line of credit of $250 million to complete the production of the L–1011 Tri-Star, Lockheed's first entry into the commercial jetliner business since a number of years ago when they had the ill-fated Electra.

Lockheed's bankers say they will not put up the $250 million without a Federal guarantee, because they say the company is too risky. I specifically asked the chairman of the board of the Bank of America and the Bankers Trust Co. whether they would provide this money without the Federal guarantee, and they categorically stated that they would not. At the same time, Secretary Connally has assured the committee that there would be little risk to the Government if the Lockheed loan were guaranteed. There is an obvious inconsistency in the administration's case. If the loan is as good as the administration spokesmen say it is, then there is no need for a guarantee. The bankers should be willing to lend Lockheed the money without a guarantee.

The bankers, after all, Mr. President, have a very serious stake here. They have $400 million tied up now. The company is asking for an additional $250 million to be guaranteed. Certainly one would think, if this was just a need of getting over the hump with another $250 million, they could come up with it, because the evidence is very clear that if this company goes into bankruptcy, the Treasury Department has indicated that the banks will get back about $100 million out of the collateral, and that they will wait years and years before they will get much more back.

Under these circumstances, with that strong incentive, if there were a sound loan here, why would not the banks go ahead and provide the $250 million? Obviously because they think it is risky, because they think the Federal Government must become involved.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield to the distinguished Senator from North Carolina.

Mr. ERVIN. Was anything brought out during the hearings on this bill in respect to the salaries of the top executive officials of the Lockheed company?

Mr. PROXMIRE. No, there was not. To the best of my knowledge, that was not discussed. The question was discussed in some detail as to whether or not we should mandate the dismissal of the present management. That was discussed in some detail, and the reason that it was not pursued was because the banks made it clear and the airlines made it clear that if this management were dismissed, they would walk away from the situation, that they wanted Mr. Haughton to stay in office.

But the top management salaries were not discussed.

Mr. ERVIN. Am I correct in my understanding that the money which Lockheed needs and the repayment of which is to be guaranteed by the taxpayers is for contracts that are for private enterprise, that is, regular commercial planes, rather than for planes for the Defense Establishment?

Mr. PROXMIRE. That is exactly correct. The money here pertains to the L–1011 Tri-Star, which is a wide-bodied jet in competition with the DC–10, a completely commercial product, not a defense product; and, as a matter of fact, Under Secretary of Defense David Packard testified that he had protected the Defense Department so that, in the event of bankruptcy, the contracts on defense programs would continue. There may be some delay and some additional cost, but there was no question that the contracts would be continued, and there would be no compromising of our defense.

Mr. ERVIN. In other words, the contracts for which this loan guarantee is sought are contracts that have no rela-

tion to any interests of the Government, but on the contrary are contracts which, if consummated, have relation to the affairs of those who are engaged, supposedly, in free enterprise for private gain?

Mr. PROXMIRE. The Senator is correct. That is one of the reasons why I am so very concerned about it. If this were a matter of providing a guarantee to insure uninterrupted production of defense requirements, that would be a different thing. That was why we had the V-Loan program and the Defense Production Act, although that was limited in application.

This is for free enterprise. When you get into a position where you guarantee a firm against loss in a strictly private enterprise area, involving promotion of a commercial product in competition with others, it means you are establishing a precedent where the Federal Government would be under pressure and very well might do this again, which would mean that enterprises such as Lockheed would no longer be under the discipline of the free enterprise system, and would lack the motivation it would otherwise have to do a good job to survive.

Mr. TOWER. Mr. President, will the Senator yield for a comment at that point?

Mr. PROXMIRE. I yield.

Mr. TOWER. In response to a question by the Senator from North Carolina, the Senator made a lot of the fact that this is assistance to a commercial enterprise; just as the $20 million tax writeoff to American Motors, located in Wisconsin, was assistance to a private commercial enterprise, is that correct?

Mr. ERVIN. I should like to ask the Senator from Wisconsin if the depreciation allowance laws to which the distinguished Senator from Texas alludes are not applicable to every person engaged in business, whether he be big or little, whereas this bill is denominated a bill only to aid big organizations.

Mr. PROXMIRE. That is correct. As a matter of fact, I intend, a little later, to go into some detail on that American Motors matter, now that it has been raised by the Senator from Texas.

That one may have been wrong, but that does not make this one right, because we did pass the American Motors proposal. But the American Motors situation was different. It provided for a 5-year carryback on loans, instead of a 4-year carryback, for a firm which was a small element in a particular industry, about 15 percent of the industry.

It is true that it did benefit a corporation in my State, but I think that was quite different from this, which is exclusively for Lockheed, and not for anyone else, really. Although they have made it generic, the application to other firms is not very clear, and certainly the overwhelming preponderance of testimony indicates that this is going to be for Lockheed, period.

Mr. ERVIN. Can it not be said, in very plain English, that if Congress enacts this bill, it will show that it is concerned with trying to save the big businesses so they can enjoy economic heaven, but as far as Congress is concerned the little businesses can go to economic hell?

Mr. PROXMIRE. The Senator from North Carolina puts it very well. And, of course, the consequences of this for the concentration of American industry are very serious. It means that a big corporation, the bankruptcy of which it can be shown would have serious impact on unemployment, and so forth, will be saved, even if its management is poor and has done a poor job, but the small company cannot be saved.

Last year we had 11,000 companies that went into bankruptcy. They lost $1.9 billion. Because they were overwhelmingly small companies, no one proposed that they be bailed out. Now, because we have a big corporation, Congress, as the Senator from North Carolina put it so well, is being asked to take care of them because they are big.

Mr. President, as I have said, there is an obvious inconsistency in the administration's case. If the loan is as good as administration spokesmen say it is, there is no need for a guarantee. The bankers should be willing to loan Lockheed the money without a guarantee. On the other hand, if the company is so shaky that the banks will not advance their own money, the Federal Government has no business approving the guarantee. This basic inconsistency was never satisfactorily resolved during the committee's hearings.

IS A GUARANTEE REALLY NEEDED?

It is possible that Lockheed's bankers have access to adverse financial information about the company not provided to Congress or the administration. On the other hand, it is also possible that the banks would advance Lockheed the $250 million on their own if Congress rejected the loan guarantee plan despite their protestations to the contrary. One does not have to challenge the veracity of the bankers to accept this view. Bankers naturally prefer to minimize their risk. As long as they believe there is a reasonable chance that the Federal Government would guarantee additional loans to Lockheed, they can sincerely feel they would not make the loans without a guarantee. But once they are confronted with the harsh reality of no Federal guarantee, it is entirely possible they would take a different view.

The 24-bank consortium supplying credit to Lockheed has a strong incentive to keep Lockheed solvent. They have already loaned the company $400 million. If Lockheed goes bankrupt, the banks would lose much of this investment. One authoritative banking source is quoted as saying:

> I can't stretch my imagination to think that we could recover $400 million. I can see it ending up somewhere in the range of $100 million to $200 million.

The general counsel of the Treasury said the recovery would be closer to $100 million in the event of bankruptcy. Thus, the banks stand to lose more than the amount of the guarantee if they refuse to make the loan. Furthermore, existing bank loans to Lockheed's suppliers and airline customers—those loans are made in very large amounts by the 24-bank consortium that has put up this $400 million—could be jeopardized if Lockheed went bankrupt, thus giving the banks an added incentive to make the loan.

Bankers might be reluctant to risk another $250 million to protect their $400 million investment if they felt they were throwing good money after bad. Unlike the Government, banks have learned to cut their losses. But, according to Lockheed projections, the company would generate enough cash flow to repay the additional amount borrowed after selling only 100 planes. Lockheed claims they have firm orders for 103 planes and options for an additional 75. If these figures are correct, there seems to be little risk involved in loaning the company an additional $250 million. Even if the company sold only 103 planes the banks would be no worse off than they are today. Alternatively, if sales went beyond the 103 figure, the banks would be better off because they could begin collecting on their existing loans of $400 million. Thus, it would seem, on the basis of all we know, that the banks have a lot to win and very little to lose by making additional funds available to Lockheed.

Moreover, if the banks are worried about losing the additional $250 million, they could easily acquire additional security in excess of the $250 million. I think many people feel that Lockheed is just right up to here, that everything they have is mortgaged and pledged, that they are in such desperate straits that getting another $250 million is impossible. That is not the case at all. For example, the banks could require Lockheed to pledge the stock of the Lockheed Missiles and Space Division, the company's profitable subsidiary. That is free and clear. On the basis of its projected earnings, this subsidiary is easily worth $300 million. They could sell it, for that matter. If they did not want to sell it, they could hold it and pledge all that is unencumbered. That has not been pledged at all. That is available. As I have said, that is liquid, because it is a very profitable operation that has excellent contracts, has had a fine record in the past, and has a good future.

There is further evidence that the banks do not really need a guarantee to make the loan. The banks have already agreed to subordinate to the Federal Government their security interest on outstanding loans in return for the guarantee. Thus, any additional security afforded by the guarantee is more than offset by a decrease in the security held on outstanding loans. This point was affirmed by Prof. Vern Countryman of the Harvard Law School and one of the Nation's leading authorities on bankruptcy.

Incidentally, when the hearings are available—it is unfortunate that they are not available now, although we have already started on the bill; I presume they will be available in a day or two—I do hope that Senators, if they read nothing else in the hearings, will read the testimony by Professor Countryman of Harvard Law School. He is an expert on bankruptcy, and he points out how wholly unnecessary this is. As a matter of fact, Congress passed chapter 10 bank-

ruptcy for exactly this purpose, so that a firm could go through bankruptcy, cleanse its management, and have the stockholders and creditors accept the risk they took when they made the investment, but could keep the enterprise going, could keep the jobs going, could keep the products going, and so forth.

Professor Countryman testified that:

I cannot see that [the Federal Guarantee] gives the banks one iota of protection over what they would have had if they loaned the $250 million and took a security interest in the remaining unencumbered assets of Lockheed.

Finally, the president of Lockheed may have inadvertently let the cat out of the bag when he was questioned by reporters at the Paris Air Show last June. The Lockheed executive said that if Congress turned down the loan guarantee, the company would still try to obtain financing without a Federal guarantee and that it was really the British Government who insisted upon a Federal loan guarantee.

There are many reasons why the British Government would want a Federal loan guarantee. They do not have a good deal of faith, apparently, in the likelihood that Lockheed could keep going. Once the Federal Government has committed itself to Lockheed by a guarantee, then any administration is in a position in which, in order to protect that political commitment and the visibility to everybody, they have to keep Lockheed going, and they will find a way to do it. Of course, they have ways of doing this, as Senator AIKEN indicated in his questioning, by making defense contracts available, which would, in my judgment, be bad from a defense standpoint and from the standpoint of the taxpayer.

For all of these reasons, the need for a Federal loan guarantee for Lockheed is open to serious question. Moreover—I think this is probably the most important point—a dangerous precedent would be created if the Lockheed guarantee is approved. If Lockheed's bankers can successfully blackmail Congress into approving a guarantee for Lockheed by threatening to force the company into bankruptcy, other lenders will be tempted to do the same whenever they encounter a risky loan. Indeed, a prudent banker would be subject to considerable criticism from his stockholders if he did not try to minimize the bank's risk by making use of available Federal guarantees. Thus, the Lockheed precedent can stimulate a rash of bank applications for guarantee assistance with similar threats that bankruptcy will be precipitated unless the guarantee is approved.

This raises another question because the effect of this would be to bail out the banks. And does this not raise the question as to whether it would adversely affect banking practices in the future? If a bank feels that whenever it gets into an unsound situation, especially if their borrower is big, which would affect employment seriously, they can always come to the Federal Government and get a guarantee.

What would this do to sound banking judgments? It has been so important in keeping an effective discipline in the economy and requiring bankers to be careful about loans they make, and when they do, they should watchdog them, and insist on efficiency, keeping costs to a minimum and that their customer operate with maximum efficiency. This discipline disappears when we permit the Government to come in with a guarantee to bail out a big company whenever it gets into trouble or can show that employment would be adversely affected.

The criteria which is the only limiting criteria available—let me read it:

(1) the Board finds that (A) the loan is needed to enable the borrower to continue to furnish goods or services and failure to meet this need would adversely and seriously affect the economy of or employment in the Nation or any region thereof,

Mr. President, I submit that if this is true of Lockheed, where we know it will not affect Lockheed, then it is true of 100 corporations—maybe 500 big corporations—in this country. It will mean they are all in that position and that bankers contemplating loans to these companies can qualify or modify their usual caution and restraint because they will know that they will be in a position to go to the Federal Government to get a guarantee, a bailout, or to get protection, in the event a big corporation gets into trouble, because every one of the 100 of the biggest corporations in this country, if they went bankrupt, might be in a situation where unemployment could have a serious effect on their region of the country.

That is another aspect of the very able questioning by the distinguished Senator from Vermont, on the question of criteria, and also by the distinguished Senator from Louisiana.

It was pointed out originally, when the bill came down, that serious unemployment would affect the whole Nation. That has been broadened now to "region," but there is no definition of what "region" is. There is nothing in the report. There is no legislative history made. There is no effort to indicate whether region would cover a certain Federal Reserve District, or more than one State, or whether it has to be a big State. That is all left wide open.

There are other weaknesses in the bill, in that we can turn over to the executive branch and the Federal Reserve that discretion which Congress, under the Constitution, has the responsibility to maintain.

By having criteria like that, "unemployment in any region," I suppose could be applied to, say, Sun Prairie, Wis. That is a region, after all.

How big does a region have to be? Does it have to be 100 square miles, 1 square mile, 200 acres, or 1 acre? There is no definition of it here at all. It is left entirely to the discretion, as I say, of the Board, outside of Congress. Congress kisses it off, gives way, and surrenders to the executive branch, primarily, $2 billion which they can use to prop up any big business they want to.

Mr. TOWER. Mr. President, will the Senator from Wisconsin yield at that point?

Mr. PROXMIRE. I yield.

Mr. TOWER. The Senator said it gives it to the executive branch and the Federal Reserve Board.

Mr. PROXMIRE. Earlier, if I said "executive branch," now I am happy to modify it to include the Federal Reserve.

Mr. TOWER. There is only one member of the executive branch and two members of the Federal Reserve System. The Federal Reserve System is a creature of Congress; is it not?

Mr. PROXMIRE. Certainly we were able to pass that limit, over the strong objections of the Senator from Texas. But we have that protection in it. But look at what it is. The Chairman of the Board will be the Secretary of the Treasury. Another member of the Board will be the Chairman of the Board of the Federal Reserve Board. The third member will be the president of the Federal Reserve region in which the headquarters of the company applying for the loan will be located. In this case, it will be a California man who has been elected by the bankers in that area. In view of the attitude of the bankers on this loan—they are all for it—the Bank of America, of course, is the biggest bank in the country—by far the biggest and most dominant bank that is for this "gung ho."

Does anyone think, under these circumstances, that we will have a Board that is not likely to be susceptible to the companies applying for a loan in this and other cases? Of course they will be.

Despite the many reasons for assuming the banks would loan Lockheed the money needed to complete the Tri-Star without a guarantee, suppose these assumptions prove false and the banks actually precipitate a Lockheed bankruptcy? What then? What public benefits would be realized if a Lockheed bankruptcy can be prevented through a Federal loan guarantee?

EMPLOYMENT FIGURES INFLATED

Throughout the hearings, the need to save jobs was given the greatest emphasis. It was argued that 60,000 jobs would be saved if a Lockheed bankruptcy could be prevented.

I really question that one. We can show that has little validity.

Before examining this argument, a few comments are in order about the alleged savings of 60,000 jobs. First, the 60,000 estimate was obtained by doubling the 30,000 direct jobs which would be involved on the L–1011 program at Lockheed and its subcontractors. That goes to the 30,000 direct jobs which I think can be challenged. I intend to do that in a minute.

The administration assumed that 30,000 indirect jobs would be lost throughout the entire economy if Lockheed went bankrupt. The use of such a multiplier is highly doubtful when analyzing a single company. It assumes the Federal Government would do nothing more to stimulate aggregate demand—an assumption one hopes is mistaken.

Incidentally, the economists who testified before the committee—the overwhelming majority of economists, and I questioned many of them and wrote letters to many of them—the overwhelming

majority disagree with this notion. They argue that it would be the worst possible way to try to get at the unemployment situation.

Second, the estimated 30,000 direct jobs on the L–1011 includes 14,000 workers already laid off since last January. As of June 1, Lockheed shows only 16,000 employees working on the L–1011—10,000 at Lockheed and 6,000 at its suppliers. The administration was not able to estimate how many of the 14,000 laid-off workers have already found employment elsewhere.

Third, even the 16,000 current employment figure is exaggerated because it apparently includes employees who also work on other projects besides the L–1011. Lockheed's own figures show only 263,301 direct labor hours charged off on the L–1011 program during the last week of May. Dividing by a standard 40-hour week, gives the equivalent of 6,583 full-time jobs—substantially less than the 10,000 Lockheed claims. When the Lockheed subcontractor figures are similarly deflated, the total job loss comes to about 11,000.

That is total on the loss. Even a single job lost is a serious matter. Nonetheless, they grossly exaggerate the claim of a 60,000 job loss. This must be kept in its proper perspective. It is about five or six times the actual figure. Such a marginal error is substantial even for Lockheed, and they have made some awfully big ones.

Mr. President, another element here, of course, is that Lockheed is in direct competition with the Douglas DC–10. We heard testimony by the FAA and the CAB, and they agreed, that in the event Lockheed stopped production of the L–1011, the lion's share of the business would go to the DC–10. That is an American-built plane. As a matter of fact, they have American-built engines. There is no question that it would provide more jobs per plane than the L–1011 does. It is true that the wings, in part, are fabricated in Canada for the DC–10. It is also true that the wings are fabricated in Tennessee for the Lockheed plane, the L–1011 plane, but allowing for that, because there are so many more man-hours involved, substantially more are cut off, the overall effect on employment, by shifting the work from Lockheed to Douglas, would be beneficial.

Incidentally, the labor unions are divided. The UAW came in and testified against the loan guarantee because they have the Douglas plant organized. The machinists came in and testified for it because they have the Lockheed plant organized. But when we look at it overall, there is no question at all in my mind—and I shall be delighted to place the documentation in the RECORD later—that more jobs will be available if the work goes to Lockheed than if it goes to Douglas.

Mr. TOWER. There is another interesting point we might elaborate on. The wings for the Douglas aircraft are made in Canada——

Mr. PROXMIRE. In part. Not entirely, but in part.

Mr. TOWER. The engines for the Tri-Star are made in the United Kingdom. I think it an interesting footnote that the United States has a monstrously unfavorable balance of trade with Canada and a favorable balance of trade with the United Kingdom.

Mr. PROXMIRE. Mr. President, if the Senator from Texas wants to broaden the debate to get into the balance of payments, I would be glad to do so. We could talk for several days on that issue. The balance-of-payments issue is one that has concerned the Joint Economic Committee for some time.

I think the most useful comment on that was made by the Chancellor of the Exchequer from Britain a few years ago when he was in this country. He was asked at that time why Britain had no balance-of-payments problems in the 19th century. He said that the answer was simple, that it was because they had no balance-of-payments statistics. In fact, we have invented this problem and whenever we have no valid argument we say that we are right because of the balance of payments.

If we are serious about that argument, I suggest that there are a number of things that we could do about it. We could recognize the colossal drain on our balance of payments by having so many servicemen and their dependents overseas in Europe and in Vietnam. We could take many other actions that would be far more profound than concerning ourselves with the difference in balance of payments between Britain on the one hand and Canada on the other.

The loss of even a single job is a serious matter. Nonetheless, the grossly exaggerated claim of a 60,000 job loss must be kept in proper perspective. It is about five or six times the actual figure. Such a margin of error is substantial, even for Lockheed. I thought the substantial efforts made for Lockheed made it very vivid.

ALTERNATIVES AVAILABLE

Aside from the number of jobs involved, it is by no means certain that a bank denial of additional credit would precipitate bankruptcy. Alternative means of raising funds are available. Even under the bill, the criteria require that the company has to do what it can to raise the money.

As subsection (b) on page 3 states:

> Credit is not otherwise available to the borrower under reasonable terms or conditions.

It is available to Lockheed if they really want to get it. Let me point out that the company could issue convertible debentures at a price sufficiently low to attract investors. That was a suggestion, incidentally, that was made to me by one of the most competent accountants in the country. He pointed out that, although Lockheed stock was not selling for a high figure—that it was selling for perhaps $9 or $10 a share—the company could issue convertible debentures that would be convertible into stock at, say, $5 a share. That would dilute substantially the equity of the stockholders in Lockheed. The stockholders would have to pay a price for that. But why should they not? Another possibility that could be explored is this: The L–1011 Tri-Star project could be spun off and merged with a financially stronger company; Boeing, for instance. That possibility has not been explored. There is no record on that. There is some indication that that is a possibility.

North American Rockwell Corp. has indicated that they might have an interest in a merger with Lockheed. Mr. Rockwell indicated that he was not interested in the L–1011. Mr. Rockwell was emphatic about that. He said that there was a market for the product of one firm with regard to this project, and not for two. They already had the DC plane and it would be most unwise for two firms to get into the project. That judgment by Mr. Rockwell was confirmed by the Department of Transportation as recently as last March, when they indicated at that time that it would be a mistake for another firm to get into the act with Douglas. With two firms both would be unstable and both would be in trouble and in difficulty. That would be the consequences of providing this guarantee to the corporation.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. Mr. President, I am glad to yield to the Senator from Arkansas for a question.

Mr. FULBRIGHT. Mr. President, first of all I want to commend the Senator from Wisconsin for the very effective way in which he has presented the case in this instance, as he has always done in all other instances. What he has done in his role as chairman of the Joint Economic Committee has, I think, rendered a great service to the country. I want to associate myself with his sentiments concerning the significance of the Lockheed matter.

Mr. President, if I might say a word or two about one aspect of this particular matter, back in the late 1940's or early 1950's, I was a member of the Banking and Currency Committee and of the Subcommittee on the RFC. Some people used the analogy that we had an RFC before, so why do we not create another RFC for this purpose. I remind my colleagues that the RFC was created at a time when the economy of the entire country and of the entire world was in serious difficulties. The RFC was not created for a few mismanaged companies. It was created for any company. It did as much for any small company as it did for the general economy.

Mr. PROXMIRE. Mr. President, it is my understanding—and I have seen the statement, although I do not have it at this moment—that former President Herbert Hoover said it was created expressly for small companies.

If I could take a moment, I should like to quote what Mr. Hoover said. He said:

> I have signed the Reconstruction Finance Corporation Act.
>
> It brings into being a powerful organization with adequate resources, able to strengthen weaknesses that may develop in our credit, banking and railway structure, in order to permit business and industry to carry on normal activities free from the fear of unexpected shocks and retarding influences.

Its purpose is to stop deflation in agriculture and industry and thus to increase employment by the restoration of men to their normal jobs. It is not created for the aid of big industries or big banks. Such institutions are amply able to take care of themselves. It is created for the support of the smaller banks and financial institutions, and through rendering their resources liquid to give renewed support to business, industry, and agriculture.

That was for purposes that were exactly opposite of this.

Mr. FULBRIGHT. The Senator is quite right. The corporation did end up in assisting some large companies, to the tune of $100 million or $200 million. The Senator is quite right. That was its purpose. The conditions now are quite different. I say that because people are saying that all we are doing is recreating an RFC that was abolished over my objection, because the corporation had rendered great service.

The Senator has said that it was for emergency use for small companies primarily, as well as large companies. However, in the present circumstances all we are doing is preparing to bail out a very large mismanaged company. This means that it would be directly contrary to our professed principle in the private enterprise system. We remove one of the most significant elements of that private enterprise system, and that is the incentive for good management. I do not believe in saddling the taxpayers, even on a contingency basis, with the cost of such mismanagement.

There is nothing wrong with this company going through the traditional reorganization under bankruptcy and letting the people who are prepared take the profit if there was one, and take the loss if there is one. I have no doubt it can be reorganized and that the essential work will go on.

Mr. PROXMIRE. The purpose of chapter 10 bankruptcy is exactly that: To permit the work to go on. The testimony from Dr. Countryman of Harvard is that that would be exactly what we would have.

Mr. FULBRIGHT. I voted against Penn Central on the same grounds. It should have been reorganized. I understand it is still floundering and is in a very precarious situation. That situation should have been met head-on and the company kept going.

I think it is a violation of our basic principles and I would think very embarrassing to anyone who really believes in the concept of free enterprise, to come in and bail out a company like this company.

What will other companies in this field think? What will be the situation at McDonnell-Douglas, a competitor, when they see this happen to one of their principal competitors? Undoubtedly they will be in in time because they can get cheaper credit and make more money relying on a guarantee from the Government. I see no answer to it. If we do this, they could conscientiously suggest it be given to other companies in similar straits. I especially dislike the idea of using this just for big companies. What about little companies that go broke? I understand about 250 small companies go broke each week.

Mr. PROXMIRE. Eleven thousand went broke last year.

Mr. FULBRIGHT. Nobody is bothering about them. I mean the little fellow, who is the backbone of private enterprise, who goes broke. But in the case of big companies like Lockheed, I suppose they have as many lobbyists as there are Senators and probably every one of them is assigned to Congress now. Every big sugar corporation, and every other company that has its hand out has so many lobbyists they have heretofore overpowered Congress by various means that developed over the years.

I think it would be a great setback to the concept of private enterprise to bail out this company under these circumstances.

All of these bankers who come down here want it because it makes their present loans that much better, and they are for it, of course, but they are in it for their own private stockholders and their own loans. They have no responsibility to the public as Members of the Senate have. It is not their function to support policies Government-wide. I do not blame bankers for wanting to put a floor under their own loans. If I were a banker instead of a Senator and had big loans involved in Lockheed I would be representing the stockholders. This should be placed in the RECORD. It does not mean that bankers are bad men. All they are doing is what the manager of an institution like that is supposed to do: protect his stockholders and loans. But I do not see how a Senator devoted to the private enterprise system can support going down this road. It seems inconsistent to me.

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

Mr. PROXMIRE. I will yield to the Senator from Texas in just a moment, but first I wish to say that I wholeheartedly agree with the Senator from Arkansas. But let me point out that the effect of this on McDonnell-Douglas is most serious. McDonnell-Douglas is in the position of having its competitor propped up by the Government. Look at the position of General Electric. It is in the position of having its competitor, Rolls-Royce, propped up by the British Government and by the American Government too, so its capacity to compete in selling engines for the DC–10 is very much handicapped.

There is one other point I wish to make before I yield to the Senator from Texas. The Senator from Arkansas spoke of the subsidy involved. I think this is a peculiar and a different kind of subsidy. Usually when a subsidy payment is made there is some quid pro quo. Something is received in return. The Government might get some kind of conduct on the part of the farmer who receives it or on the part of the shipbuilding firm. In this case we get nothing.

This is a welfare payment, just as a welfare payment is made to a family because we feel sorry for them and we assist them and we give them enough to keep body and soul together. This is welfare to Lockheed. We give it to them—they give nothing back, that is it.

Mr. President, I yield to the Senator from Texas.

The PRESIDING OFFICER (Mr. HUGHES). The Senator from Texas is recognized.

Mr. TOWER. There occurs throughout the statement that this is simply designed to help one big corporation, a lot of corporate fat cats. It should be understood that there are many small third- and fourth-tier subcontractors who will go out of business if this loan guarantee does not go through. They are first employing perhaps not more than 100 people. Many of these third- and fourth-tier subcontractors are going to go out of business. So this would indirectly help small business. Only 50 percent might go to Lockheed.

Mr. PROXMIRE. There are 1,500 subcontractors. We had some of those subcontractors testify. The chairman was very sympathetic to their point of view. I asked each of them what would happen to them if Lockheed went into bankruptcy. Not a single one would go out of business. Furthermore, by giving this to Lockheed we hurt McDonnell-Douglas. What we give to Lockheed we take away from McDonnell-Douglas.

Mr. FULBRIGHT. If you give them this guarantee, would there be any significant change in the management of Lockheed?

Mr. PROXMIRE. None. The Senator from California (Mr. CRANSTON) was interested in that. The airlines indicated and the banks indicated if Mr. Haughton, chairman of the board, were replaced they would walk away from it and would not go ahead with the L–1011 anyway.

Mr. FULBRIGHT. Of course, it seems to me that what would happen would be that the Tri-Star might not be continued, but there is no reason why under a reorganization the essential business of Lockheed should not continue further.

Mr. PROXMIRE. No, we have clear testimony from Deputy Secretary of Defense Packard that the Department of Defense is protected. He conceded the cost would be somewhat higher because of this, and there may be delays, but there is no question we will be able to get all the defense weapons and equipment that are on order from Lockheed.

As the Senator has indicated, that is about 85 to 90 percent of their total business.

Mr. FULBRIGHT. If I understand the Senator correctly, we are dealing just with this private sector of the transport plane, which is directly comparable to the Douglas plane.

Mr. PROXMIRE. The hearings are very plain on that. We are dealing only with the L–1011.

Mr. FULBRIGHT. I will not interrupt the Senator longer but it seems to me the precedent we set here under the present circumstances of the economy is involved. According to Government authorities, as reported this morning, the economy is beginning to pick up. To set a precedent now by bailing out one of the biggest and worst managed companies in the country would be a seri-

ous setback to the idea of private enterprise.

Mr. PROXMIRE. I think the Senator has hit the principal issue that is involved here and the reason why I am taking some time to discuss it and why I understand the distinguished Senator from Connecticut (Mr. WEICKER) and the distinguished Senator from Ohio (Mr. TAFT) are going to discuss this issue. It really goes to the heart of the free enterprise system.

The Senator from Connecticut (Mr. WEICKER) really made what I think was a brilliant presentation to the committee. The Senator hit that point hard. Of course, he can speak much better than I can on what he said, but he said that we think of our free enterprise system in terms of success, and we should, but if we do not recognize the alternative of success, failure, then success does not mean anything. We have to have that kind of stick, or we do not get the kind of efficiency in the free enterprise system that we should. What we do when we underwrite companies is that when they begin to go down the road, they will say, "Do not worry. We will be taken care of."

Mr. FULBRIGHT. What will this do to the pressure of salaries, wages, and so forth? In other words, all these restraints bring about efficiency that a company needs. This particular company has been notorious for not having respect for these usual restraints, because of its large dependence on Government contracts, and because of the usual way in which those contracts have been issued, especially the cost-plus contracts, which many of them have been. They do not care what wages they pay. I do not say this because I am against high wages, but that is certainly against the usual rules of private enterprise.

Mr. PROXMIRE. The record is replete with the increases in cost. Admiral Rickover said that the difference in cost between a contract obtained in ordinary private enterprise and a negotiated contract was 30 to 40 percent. So there is this huge difference because there is not the usual discipline to hold down costs at every opportunity, as is done with a commercial contract, a competitive contract, where a company has to hold costs down.

Mr. FULBRIGHT. We are already noncompetitive in international trade, as reflected by the balance-of-trade figures.

Mr. PROXMIRE. We are getting that way.

Mr. FULBRIGHT. We have had an imbalance in trade for 2 successive months, for the first time in 17 years.

Mr. PROXMIRE. That would certainly tend to worsen the aspects of mismanagement.

Mr. FULBRIGHT. I think the Senator has rendered a great service to the Senate and to the country.

Mr. PROXMIRE. I thank the Senator.

Mr. President, I was discussing various alternative ways in which Lockheed could raise additional funds. I pointed out that the company could issue convertible debentures. That means is available to them. It seems to me that if the board is serious about exploring this area, it should turn Lockheed down on the ground that Lockheed does not need it because Lockheed can issue convertible debentures. It could sell $250 million worth of them. Of course, that would dilute the common stock value. The stock is selling at $8, $9, $10, or $11. The company could even issue convertible debentures at $5 a share, which would make them attractive buys.

In addition, the stockholders could put up more money. What is wrong with that? The company could issue more stock and try to sell it at $5 or $6 a share. The company could raise money that way.

As an alternative, the L–1011 could be spun off and sold to a company like Boeing or other potential companies interested in equity participation.

There has been no evidence, not one word in the record, that Lockheed applied to interest an insurance company or anyone else in providing funds. They have not done that because Lockheed assumes that the Government will come in and give a guarantee.

Some of these methods would involve dilution of Lockheed common stock that the Lockheed common stockholders have in a free enterprise system. However, in a free enterprise system, the stockholders are supposed to lose when their company is in difficulty. They are supposed to gain when a company succeeds.

The thrust of the position taken by the distinguished Senator from Arkansas is that we are taking off that limitation in the free enterprise system—that we are going to permit them to gain, but we are not going to permit them to lose.

TRI-STAR COULD CONTINUE UNDER BANKRUPTCY

Even assuming a Lockheed bankruptcy, it also is not certain that the L–1011 Tri-Star would be canceled. A large company does not disappear in bankruptcy. Trustees appointed by the court can reorganize the financial affairs of the company and make appropriate changes in management. Projects which are commercially viable continue even under bankruptcy.

In that connection, Under Secretary Packard has assured the committee that all of Lockheed's defense contracts would continue under bankruptcy and that there would be no threat to the national defense.

I think that that fact should be made clear to every Member of the Senate, because I am sure that, because this is our No. 1 contractor, some Senators feel that this company should be bailed out because we have the duty to protect our defense program. If that were the argument it would be a strong argument which would get the overwhelming support of the Senate, but as I said, Under Secretary Packard has said that this would involve no danger to our defense; it is simply a matter of protecting the commercial project of the L–1011, the Tri-Star project.

Since 85 percent of Lockheed employment is associated with defense work, a Lockheed bankruptcy would have no effect on the vast majority of Lockheed employees.

If Lockheed declared bankruptcy, the court appointed trustees would carefully examine the commercial feasibility of the L–1011 project. If the project were feasible it could be continued by the trustees. Financing could be obtained by issuing trustee certificates which would have a prior claim on company assets. Of course, if the trustees found the L–1011 program commercially unviable, they would be under no obligation to continue it. Under these circumstances, Lockheed would not qualify for a loan guarantee anyway since there has to be a "reasonable assurance" of repayment.

Lockheed proponents say that the L–1011 is commercially feasible now, but airlines would not wish to deal with a bankrupt company and would thus cancel their orders for the L–1011 if the company failed. Such an argument fails to explain why the airlines have agreed to purchase the engine for the L–1011 from Rolls-Royce, a company in receivership.

It is in bankruptcy now; yet it is able to sell its engines.

The airlines have deposited $250 million on the L–1011 program. They have a strong incentive for sticking with the program regardless of whether Lockheed is bankrupt or solvent.

A little later I want to discuss the situation the airlines are in at the present time. Many persons are arguing that we have to do this to save the airlines. Chairman Sparkman made the point that the airlines have a big investment and need this. I wonder if that is so. What the airlines have done is make about a 10-percent downpayment. If we go ahead with this proposal, are they going to pay the other 90 percent? Anyone who has made even a cursory examination of the finances of the airlines knows they are in no shape to put up the other 90 percent or anything like it. Virtually all the airlines are in trouble. We know that last year TWA was in trouble, but now many others are joining it.

I would like to read from an article which appeared in the Washington Evening Star last Monday night which dramatizes this situation:

Trans World Airlines, Inc.—

And TWA is down for one of the biggest purchases of the L–1011—

may have to let some of its $23 million Boeing 747 jets sit on the ground unused this winter for want of passengers and cargo to fill them.

United Air Lines, Inc. has reduced its initial order and options for the $15.5 million DC10 jet—

That is the same kind of wide-bodied jet we are now trying to push into production—

by 28 because the business outlook is so much more bleak than it was when the order was placed.

What are we doing? We are trying, by this bill, to keep the Lockheed Corp. producing the wide-bodied jet aircraft, or, rather, to push it into it—it has not been in that business yet—when the airlines are canceling orders they have made on the DC–10.

It seems to me that any reading of this kind of news should convince Senators that there is every prospect that once the heat is off and the guarantee

goes through, some of these other airlines, since there is practically no difference between the DC–10 and the L–1011, are going to begin canceling options and orders on the L–1011. Then the guarantee comes into jeopardy, once those cancellations begin.

The article goes on:

Hughes Air West Inc. would like to suspend service at 10 of the 19 cities on its route that are averaging less than 10 boardings a day. The cities were not identified.

These are a part of the woes presented by the three airlines within the past few days in unusual separate appearances before the Civil Aeronautics Board. The CAB released transcripts of the presentations.

"TOO BIG FOR TODAY"

TWA President F. C. Wiser told the board the airline's relative performance last year was affected adversely by the introduction of the huge 380-seat Boeing 747.

"Although this is a fine airplane, it is simply too big for today's markets," he said.

"We lost more money with this plane in 1970 than if we had operated 707s." The 747 can carry twice as much passenger and cargo payload as the 707 jet.

Wiser said TWA withdrew its 747s from the Washington-London service, and Pan American World Airways Inc. took its 747 off the Chicago-London route, because the British complained about big-plane competition and because neither airline knew what to do with 747s in those markets.

TWA LOSS RECALLED

"The fact is we got the airplanes and we have to operate them," Wiser said.

"We also looked at grounding them, and we may see that this winter."

Charles C. Tillinghast Jr., TWA chairman,—

He was one of the witness before our committee—

said TWA seemed somewhat alone last year in the severity of its financial problems when it recorded the record high loss for any airline of $63 million.

This year, Tillinghast said, TWA is not alone in its financial difficulties but has been joined by many airlines, and particularly by its major competitors.

Tillinghast said the problem is industry-wide, stemming from inflated costs and lack of traffic.

A 727 jet costs 19 percent more now than one delivered three years ago, he said, and added:

SEVERE CUTS CITED

"If we had operated our 1970 system at our 1966 wage rates and material prices, our costs would have been $70 million lower and we'd have made an operating profit of more than $6 million."

Wiser said TWA, in trying to economize, has cut employment 4,500 below a year ago, slashed advertising by $6 million, eliminated some departments and reorganized others, closed its Boston pilot and hostess base, canceled schedules, eliminated morning movies and newspapers and slipper socks on flights, and combined former separate winter and summer uniforms for stewardesses into a single year-around outfit.

United president Edward E. Carlson said the nation's largest domestic airline has deferred delivery of four 747s from 1971 to 1973 and two DC10s from 1972 to 1973 has canceled orders for eight DC10s—

Eight DC–10's canceled; and 23, as I pointed out, have been canceled earlier—and passed up options for 20 French-built Caravelle jets.

How insane can we get? Under these circumstances, at a time when the last thing we need is the production of more capacity for our airlines, we are guaranteeing that a new firm, Lockheed, which has not been in the field, is going to come in and produce more.

As I pointed out, last March the Transportation Department made a study and found that this market can support only one American firm, it cannot support two. So we are guaranteeing a situation that will be weak and unstable. It will be bad for the employees, because they will be negotiating with companies that are weak and not making money, and that is always difficult. It is going to be bad for the stockholders of both concerns, because it is a market which simply cannot support new firms, even under normal circumstances, according to the Department of Transportation view, and under present circumstances it is a disaster.

There is every reason to suspect that in view of the outlook for the airlines, in view of the history, and in view of the documented cases of canceled orders, the Lockheed Co., if we provide the guarantee, will be in real trouble, and in my view that guarantee will be in serious—but serious—jeopardy.

Mr. WEICKER. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. PROXMIRE. I am happy to yield to the distinguished Senator from Connecticut.

Mr. WEICKER. I wonder if the distinguished Senator from Wisconsin can explain to me, since he sat on the committee and attended the hearings, on page 7 of the report, the statement that is made, right at the outset:

The Committee bill would grant authority to the Federal Government to provide emergency loan guarantees to major business enterprises where the capital markets are otherwise inadequate to meet their credit needs and when failure of such enterprises would result in serious and adverse damage to the economy or employment of the Nation or a region of the Nation.

It is my understanding, and I wonder if the Senator from Wisconsin could elaborate on that, that the capital markets are not inadequate in the United States today, it is the Lockheed Corp. that is inadequate.

I believe, in other words, that for any sound business enterprise there is certainly adequate capital available.

Mr. PROXMIRE. The Senator has made an excellent point. There is no question but that the capital markets are completely adequate. Ask any banker, and he will tell you that he has got plenty of money. In the last 6 months, the Federal Reserve Board has been supplying new money at a 10 percent a year annual rate, and while interest rates have risen some, and there is a little shortage here and there, by and large the capital markets are fully adequate, there is no question.

Mr. WEICKER. Under the criteria set forth by the committee in this bill, I am not so sure but that Lockheed cannot even qualify if in fact these criteria were used.

Mr. PROXMIRE. The Senator raises, I think, a very interesting point. I think we could question on several scores whether Lockheed would qualify.

The difficulty is that Treasury has told the committee that they are going to guarantee this loan; their mind is closed; that is it. One of the other members of the Emergency Guarantee Board will be the President of the Federal Reserve District in California. I do not know who he is. But knowing that the Bank of America is a dominant factor out there, and knowing the disposition of the bankers on this matter—ABA has supported it—knowing that it comes from California, where, of course, the economy is very dependent on the aerospace industry, I think it is possible that this might not be given the kind of consideration and weight that the criteria should receive.

I think the Senator raises a very good point.

Mr. WEICKER. I cannot help but recall the television footage lately which showed the appearance of these 24 bankers before, I believe, the House committee. The question was asked as to who would participate in a loan to Lockheed without the Government guarantee, and there was a dead silence, without the twitch of a finger.

Then when the question was asked, "Who will participate in the loan as long as the Government guarantees it," 24 hands shot up in the air.

I just wonder what the missing ingredient is here, because there seems to be a reticence to participate in the loan without the Government.

In essence, is not what we are saying that the American taxpayer is the one expected to bear the added risk? Never mind us in the Senate; we do not represent anything but the people of this country. So they have been asked to assume a risk which the 24 largest banks in the United States will not assume; is that not correct?

Mr. PROXMIRE. I think that is a conclusion we just cannot avoid. There was an argument by witnesses, especially the Secretary of the Treasury and others, that there is very little risk here, that there is not much risk involved. But, as the Senator from Connecticut so dramatically has shown, 24 hands go up when the Government says it will guarantee, and not a hand goes up when we say we will not guarantee.

Bankers are supposed to take risks of some kind, but not unsound risks, and this apparently they regard as unsound.

So I think the answer is that the taxpayer is supposed to step in and take that risk. And what does he get for it? What is the quid pro quo? What do they do in return for the taxpayer? Nothing. That is why I say this is a welfare program—not even a subsidy program—for Lockheed and for the banks.

Mr. WEICKER. The Senator from Wisconsin remarked about the situation of TWA with the cutbacks in equipment orders. Clearly, TWA understands, as does, I think, the American banking fraternity, that the airline industry is surfeited with equipment right now.

Mr. PROXMIRE. They certainly are. As a matter of fact, imagine having a 747, a tremendously expensive plane, more than $20 million, the queen of the fleet for these firms, and they only make money out of these when they fly them

a great deal, 14 and 16 hours a day. That is the only way they can do it.

As I pointed out, they are now deciding not to fly them at all this winter. They have the planes and are not going to use them. Under those circumstances, how can we expect this competitive plane, the L–1011, which is somewhat different from the 747, but not a great deal—how can we expect them to continue to sell those planes and sell more of them?

Of course, the evidence we have that has been put into the RECORD by a Member of the House shows that the estimates by the Defense Department is that they will have to sell 390 of these planes to break even.

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

Mr. PROXMIRE. I yield.

Mr. BENNETT. The Senator just said that the 747 and the L–1011 are competitive planes. Is it not true that the L–1011 is expected to be used for short hauls at comparatively small airports, while the 747 is used almost entirely over water?

Mr. PROXMIRE. I asked the FAA when they testified before the committee, whether it was possible to modify the 747 so that you could carry more passengers and use less fuel and use it for short hauls. I asked whether it would be competitive and the answer was "yes." Unfortunately, the hearings are not available now. It seems to me that they are the authorities in the field.

Under the circumstances, I would say that there is a competitive angle involved here, although they are not directly competitive at the present time.

Mr. BENNETT. Was that the entire answer? Was not the rest of the answer that they could be modified but not effectively or economically, and, therefore, they will not be modified?

Mr. PROXMIRE. May I say to the Senator from Utah that when you have the option of either having that plane sitting on the ground, not used at all, or modifying it so that you can use it on short-haul flights, it makes it an entirely different kind of situation. A very, very large part of the cost of these planes, of course, is the amortization. When you make a $20 million capital investment, it means, of course, that your interest costs and your amortization costs are very large. They might even be bigger—I am not sure of this—than your operating costs. Under those circumstances, they have it; they bought it.

Mr. BENNETT. Does the Senator know how it could be modified? Does the Senator know how much it would cost to modify it, how much it would cost to modify the airports so that this giant plane, with its tremendous power, could be used on hops of 200 or 300 miles, and how much it would cost for the necessary support facilities in the airport?

The 747 is something far apart from any other airplane that is flying, and the Senator would like us to believe that with a few dollars it could be modified to take the place of a plane which has been designed specifically not to fly distances over water but to fly from one comparatively small airport to another.

Mr. PROXMIRE. I will yield to the Senator from Connecticut in a moment, but I say to the Senator from Utah that I would agree wholeheartedly that it is not designed for the same use but over the marginal areas where these two planes could be competitive.

I yield to the Senator from Connecticut.

Mr. WEICKER. I should like to respond to the question. It is part of the problem that is built into the L–1011.

When this project started, it was a two-engine configuration, and it was on a design range of 1,850 miles, roughly from Chicago to the West Coast.

Mr. PROXMIRE. The Senator is talking about the old L–1011.

Mr. WEICKER. The original L–1011 was to be used from one small airport to another small airport. Then the emphasis changed to the three-engine aircraft, the one with which we are dealing today, with transcontinental range capability; and by late 1967, the airplane's gross weight had gone up 320,000 pounds. Because of the addition of the third engine, the thrust requirement had dropped to approximately 33,000 to 35,000 pounds.

So what we are talking about is this air bus that was supposed to go from New York to Chicago and Chicago to the West Coast, transcontinental in nature, and this is one of the very reasons why we have the problems with it that exist today.

Quite frankly, the change took place from an airbus with a limited range to a transcontinental plane which is in direct competition with the 747.

Mr. PROXMIRE. Before I yield to the Senator from Utah for response, I should like to say that I am delighted that the Senator from Connecticut is in the Chamber. I did not know that. That is a most useful addition to the colloquy, and I think it is a good answer to the Senator from Utah.

Mr. BENNETT. The unfortunate thing is that it is not accurate. In making the modification, they did not take away from the L–1011 the power to serve small airports. They increased its range, but they still left it capable of serving small airports.

The 747, with any modification that would be economically justified under any circumstances, cannot be modified to serve small airports, and I think the Senator from Connecticut would agree.

Mr. PROXMIRE. May I say to the Senator from Utah that neither this Senator nor the Senator from Connecticut has argued that these are completely and precisely competitive the way the L–1011 and the DC–10 are. We are saying that when you make the airbus a transcontinental plane, to go from New York to Los Angeles, there is an important element of competition involved; and to some extent—not entirely, of course—you can use the 747 instead of the airbus; and there would be less reason, therefore, to buy either the DC–10 or the L–1011.

Mr. BENNETT. It can be used on the 747 routes, but the 747 cannot be used on the L–1011 routes, and it seems to me that that is basic.

Mr. PROXMIRE. You still have a competitive plane, nevertheless, regardless of whether it is competitive on one route. On the transcontinental route, it is competitive.

I yield to the Senator from Colorado.

Mr. ALLOTT. I would disagree as to the latter statement. It is not competitive in size.

But I should like to get to the point, if I may, if the Senator will permit it, that the Senator from Connecticut (Mr. WEICKER) has made. I should like to know his authority for the fact that this plane came out originally as a two-engine plane.

Mr. WEICKER. In response to the Senator from Colorado, I say that this is a matter of the history of the development of the L–1011. The initial design study of the L–1011 was begun in 1966.

I might add that a portion of this comes from the Lockheed Horizon, which is the magazine of the Lockheed Co.

Mr. ALLOTT. That is the initial design?

Mr. WEICKER. The initial design studies of the L–1011 began in 1966 around a two-engine configuration having a maximum takeoff gross weight of approximately 265,000 pounds, the principal design criteria being operational suitability from New York, La Guardia Airport, to Chicago Midway, and now we are in the position where today we have a three-engine configuration plane.

Mr. ALLOTT. Would the Senator contend that any airline has taken the position that Lockheed took on a two-engine plane having a potential capacity to operate from New York to Chicago, or even from Chicago to Denver, which is twice as far?

Mr. WEICKER. I am sorry; I did not understand the Senator's question.

Mr. ALLOTT. I will put it the other way. I will make a positive statement. I do not think any airline ever took a position on a two-engine plane. The airlines that have taken a position on this question have taken a position on a three-engine plane. Is not that correct?

Mr. WEICKER. I am glad to respond to the Senator from Colorado's question. There is no question that I would not expect any engine manufacturer or any airplane manufacturer not to go upward in the capability of the engine or of the aircraft. This is traditional in the industry. But it is also at the root of the problem which we confront today.

Mr. ALLOTT. The Senator does not answer my question. He talks about the conversion of the airplane from the original concept of the plane. I asked him very bluntly if any airline in this country or in any other country has taken the position that Lockheed took on a two-engine plane.

Mr. WEICKER. The Senator is referring to airplanes; I am referring to Lockheed.

Mr. ALLOTT. I am referring to Lockheed. The answer is that they did not.

Mr. WEICKER. The airlines did not.

Mr. ALLOTT. That is correct. So what good does it do to talk about a two-engine plane?

Mr. WEICKER. Because, in response to the Senator from Colorado, the point I have just developed during the course of the debate is that extensive changes did take place, and took place after the

fact, when the project was out for bids. That is responsible for the cost increase and the difficulties we have now.

Mr. ALLOTT. I would disagree very much. I have followed this closely myself over the years and I disagree that this is the basis for the increase in cost. The basis for the increase in cost arose with the RB–211.

Mr. WEICKER. If I can, on the basis of change——

Mr. ALLOTT. The question of change is immaterial to this discussion——

Mr. WEICKER. It is not immaterial to the distinguished Senator from Colorado—I can only make the further point that it is not immaterial when the company is coming before Congress asking for a $250 million guarantee because something went wrong.

Mr. ALLOTT. It is immaterial that a company started with a two-engine plane in design and before that design was complete, to put it in development, there was a three-engine plane. What has that to do with this discussion?

Mr. WEICKER. It has a great deal to do with the additional cost of the airplane and the engine.

To follow through on that, originally the design of the engine was a three-spool configuration which would make use of a composite material in the fan blades. That proved to be a failure, so they went back to using the traditional titanium material. The only point I want to make to the Senator from Colorado——

Mr. ALLOTT. I am sorry, but I think the Senator is a little confused in his first——

Mr. WEICKER. Those are the facts directly from the Lockheed Corp.

Mr. ALLOTT. I think the Senator has confused the statement of position from the Lockheed Corp. The composite design of the blades was that the engine was to be designed specifically for the existing L–1011, the three-jet version. It was in the development and research of those planes and other things in that engine that Rolls-Royce ran into its difficulties on, specifically.

Mr. WEICKER. I concur with the Senator from Colorado.

Mr. ALLOTT. But that had nothing to do with a two-engine airplane, because the engine they were developing—we are talking about the RB–211—was being designed specifically for the trijet.

Mr. WEICKER. No. Let me say to the Senator from Colorado that I am trying to make the point that we went from the two-engine to the three-engine jet, that we went from the composite material in the fan blades to titanium, and the whole evolution of the changes brought about the additional expense which now the American taxpayer is being asked to foot.

Mr. ALLOTT. I think that the Senator from Connecticut is entirely in error.

Mr. BENNETT. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. BENNETT. Was there any hardware ever built for the two-engine plane?

Mr. ALLOTT. Not that I know of.

Mr. BENNETT. Was any money actually spent for engines for the two-engine plane at Rolls-Royce?

Mr. ALLOTT. Not that I know of, and I have followed this over the years. I have been personally acquainted with this matter for 5 years. The RB–211 was designed specifically for the Tri-Jet; and of course part of this is that no airline ever took a position with Lockheed for a twin-engine jet. They took a position on a Tri-Jet. One is now underway and being built. They took the position with regard to the RB–211 which at that time was supposed to have composite fan blades, which did not work out—

The PRESIDING OFFICER (Mr. HUGHES). The Senator from Wisconsin has the floor.

Mr. BENNETT. Mr. President, if I may have just 1 minute for one further comment.

Mr. PROXMIRE. Mr. President, I am very happy to yield time to the Senator from Connecticut, the Senator from Utah and the Senator from Colorado (Mr. ALLOTT) to continue this colloquy, provided that I do not lose my right to the floor.

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

Mr. BENNETT. Mr. President, when any airline takes a position that may be confusing to the Senator from Connecticut, is it not a fact that the airlines refused to buy any two-engine jets and, as a result of those conditions, the change was fundamentally made? Is it not also fair to say that when a product dies on the drawing board because its only potential customer refuses to buy, that there is a dangerous change when the manufacturer begins a modified, new version in order to satisfy his market?

Mr. ALLOTT. I would suggest to the Senator that that is true. I do not have all the situations available to me, but I think that if we look at the 747, we would find some very drastic changes were made in that plane even after the airlines had taken a position.

I should like to define what I mean by "taking a position." I mean by that, going to Lockheed and laying down some hard cash for the delivery of so many airplanes. That is what I mean by taking a position.

Mr. WEICKER. Mr. President, will the Senator from Wisconsin yield for one additional comment

Mr. PROXMIRE. I yield.

Mr. WEICKER. I get back to the original point made, which was to portray this particular aircraft as being something that was only in the market of short city hops, if you will, Mr. President. That is what we started out with. There is no question about that. Now it is a fully transcontinental airplane. It is, to a great degree, in competition with the 747. That is not the way the project started.

Mr. ALLOTT. The Senator means that is not the way the project started at Lockheed.

Mr. WEICKER. That is correct.

Mr. ALLOTT. Does the Senator know of any airline—I will say it again—that took a position on a two-engine plane, or took a position on an airplane like the Tri-Star, with the substantial capability that this is to have? If he does, I do not know of it.

Mr. WEICKER. No; the airlines took their position at such a time as they were guaranteed substantial financing at low interest. That is something we will develop during debate, also, but not to the point of a two-engine aircraft; the Senator is correct.

Mr. ALLOTT. Not the two engine. That is the important fact. The airlines took a position on the Tri-Star with the extremely advanced concept of the Rolls-Royce engine. That plane has a transcontinental capability and that is the plane that the airlines put their money down to buy.

Mr. WEICKER. Will the Senator from Colorado agree that, to a degree—and this is where the whole colloquy started—that the L–1011 is in direct competition with the 747?

Mr. ALLOTT. To the extent that it would be used in transcontinental service, yes, but I do not see that that is significant to the conversation here, because if it produces more economical transportation across the continent, or in two or three hundred mile jumps, then the airlines are justified in using it.

Mr. President, I want to thank the Senator from Wisconsin very much for yielding to me.

Mr. PROXMIRE. Mr. President, may I say that the colloquy we had brings out very well that what the proponents and the opponents are concerned with most, and that is the need. We have argued whether the 747 is a competitor. The Senators from Utah and Colorado are right in saying it is not a direct competitor. It cannot do everything. More important than that is that this article in the newspaper goes on to point out that there is a rapidly disappearing market for the air bus itself. I am not talking now about the 747—but the DC–10. The airlines have deferred some of the orders—they are canceling—but some of the other orders, from 1971 to 1973.

This again indicates they just do not have the need for this plane. This is dramatized by the fact that we are not being asked to guarantee loans so that we do not go into a market for which there is no demand. The Department of Transportation has found that this is correct and they will support the DC–10. Yet we are going ahead and insisting on guaranteeing a plane on which, on the basis of all the evidence we have, there is no demand for it.

So, there has been a very sharp cutback in the orders on the DC–10's. Obviously there has not been a cutback for the orders on the L–1011. It would be a kind of action by the airlines that would affect the votes on this bill and they know that. They have not done that. They did cut back on the DC–10's, and that would indicate what would happen to the L–1011 once the bill becomes law.

Mr. ALLOTT. Mr. President, this is quite a projection that the Senator has made. There have been no cutbacks on the L–1011's.

Mr. PROXMIRE. The Senator is correct.

Mr. ALLOTT. And is it not a fact that all of the airlines that have orders for the L–1011's are strongly in support of the pending legislation?

Mr. PROXMIRE. The Senator is cor-

rect. What else could they be but in support? They are in support of the bill for a number of reasons. They support it because the banks do and these airlines are but deep into the banks. They support it because they have a couple of hundred million dollars invested. $200 million would persuade almost anyone. However, that does not mean that it is necessary in the public interest.

Mr. ALLOTT. It does not mean that it is against the public interest because the airlines are for it, either.

Mr. PROXMIRE. No. I would hardly accept the positions taken by TWA, and Eastern Airlines, as those taken by unbiased and objective witnesses. They testified, and they testified very ably. However, they themselves, I think, would admit that they have an interest. A huge financial one.

Mr. ALLOTT. No one would say they do not have a stake involved. However, because they have a stake involved and they are interested in the continued viability of their own airlines and of the airlines system of the United States, it does not mean that they are dishonorable or that they are trying to take anything away from the United States.

Mr. PROXMIRE. The Senator is correct. They are fine airlines and the banks are also run by very fine people. I do not question that. However, I am saying that we have a right to look at the market. What kind of a market is there for this product which we would, in effect, underwrite by guaranteeing a loan to make it possible for them to go ahead? We find that the market is very thin and very undependable. On the basis of recent history there is every expectation that the demand for the plane will be extraordinarily light.

If anything is clear about the airlines situation today it is that they have too much capacity and they do not need any more DC–10's or any of the other type planes.

Mr. ALLOTT. That is the situation today. The Senator from Wisconsin does not know what the situation will be next year. If we are running at the capacity next year that we were 2 years ago, there would be a demand for all of them. Certainly we would not need them in our present situation. However, this situation requires a 2- or 3-year leadtime.

Mr. PROXMIRE. Mr. President, in response to that I go to the Department of Transportation study which made a very careful study. This study was made by an agency of this administration. They found that the market would not support it.

Mr. President, the loss of jobs argument thus rests upon three highly debatable assumptions: First, the banks will not loan additional money to Lockheed without a Federal guarantee; second, Lockheed has no other way of obtaining funding for the L–1011; and third, in the event of bankruptcy, the court appointed trustees would cancel the L–1011 project.

Mr. President, I think that we can question every single one of these assumptions. If we do, then the money that the Lockheed guarantee would supply would not be provided. I think there is every expectation that the banks would loan the money to Lockheed. If they were confronted with the fact that they have this money outstanding and that if they were to let the company go into bankruptcy with the $400 million they have invested, they would be likely to change their minds. There is every evidence that Lockheed has other sources of funds.

JOB LOSS DOUBTFUL

Even if these three questionable assumptions are conceded, the jobs argument has little validity. First, most, if not all of the unemployment resulting from canceling the L–1011 would be ultimately offset by increased employment at McDonnell-Douglas, maker of the rival DC–10. No one has questioned that argument, at least very seriously. There was a time when the argument was made, but the FAA and the CAA put that argument to rest by saying that the lion's share of the business would go to American companies. The engines would be made in this country. So, there would be more business in that event.

If there is a real market demand for wide-bodied jets, this demand will be met. Moreover, U.S. employment could actually increase if the L–1011 were canceled since the DC–10 uses the American built GE engine rather than the British built Rolls-Royce engine. GE estimates over 10,000 additional U.S. jobs would be created if its engines were employed instead of the British engines.

Very little attention has been given to this 10,000 additional U.S. jobs argument. However, it is highly pertinent and an appropriate figure, in fact, if we are interested in jobs. If we do not provide the guarantee, there would be more American jobs than if we were to provide it. There is no way in the long run in which we can provide more jobs by going ahead with the bill. In a very real sense, the proposed Lockheed rescue plan is realy a bail-out of Rolls-Royce and the British Government.

McDonnell-Douglas reportedly has an internal study showing a net increase in U.S. employment resulting from an L–1011 cancellation. Unfortunately, the company has refused to make this study available to the committee unless it is subpenaed.

Unfortunately, that study was not subpenaed. There is no question that the study exists. It has been made. At the worst, if we vote against the bill, there would be more jobs available, and not less.

Second, if the banks do not supply the $250 million to Lockheed——

Mr. TOWER. Mr. President, will the Senator yield at that point?

Mr. PROXMIRE. I yield.

Mr. TOWER. Mr. President, the Senator is a good lawyer. Would the Senator go into court with that kind of an argument, that he knows the study exists, although he does not know what it says, but he does know that there would be more jobs?

Mr. PROXMIRE. Mr. President, the president of Douglas said that it exists and he would make it available if subpenaed.

The Senator asked me whether I would go into court with that kind of an argument. While I have been called many things and been insulted many times in my life, I must say that I am not a lawyer.

Mr. TOWER. I must say that I am not either.

Mr. PROXMIRE. That is one characterization of me that has not been made.

Mr. TOWER. I must apologize to the Senator. I am not a lawyer either.

We cannot make judgments based on studies that someone told us about but that we have not seen.

Mr. PROXMIRE. I think the McDonald people are honest. I do not know whether they have the studies. They say that they have a study and that they would not produce it unless the committee would subpena it. The company would be delighted to produce it if it was subpenaed. But they are in a position where they feel, because of business ethics, that they should not make it available otherwise.

Mr. TOWER. I think the Secretary of the Treasury is honest. He is a Democrat. He said that it would cost us jobs rather than improve the situation. I would prefer to accept his judgment.

Mr. PROXMIRE. The Secretary of the Treasury is a very able man. However, he has admitted he has no study that shows to the contrary. He has none.

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

Mr. PROXMIRE. I yield to the Senator from California.

Mr. CRANSTON. Mr. President, I wanted to make certain that it is clear that the bill is not a bill to help big business, as was the bill originally introduced, the earlier administration bill.

As the Senator knows, I offered an amendment in committee, which, I think was adopted unanimously, that inserted the words "or any region thereof." Those words were inserted to come after the language that originally stated that a guarantee of a loan may be made if the board finds that:

> The loan is needed to furnish goods or services and a "failure to meet this need would adversely and seriously affect the economy of or employment in the Nation."

And the words added were:

> or any region thereof.

It was made plain in the discussion of that amendment that it meant a group of States, a State, or even a portion of a State where a firm in difficulty, if it collapsed, would adversely affect the economy in that region.

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

Mr. CRANSTON. I yield.

Mr. PROXMIRE. That was by voice vote; it certainly was not unanimous. I am sure I was opposed to it for a number of reasons. It is one of the worst aspects of the bill because it gives complete and open opportunity for the board to make any loans they want. Now, there is no limitation. The region is not defined. It could be a part of some city such as Sun Prairie which might have 6,000 or 7,000 people. That might be a part of a region and it might be said that this has a serious effect on the economy or employment there. That is ridiculous because there would be handed over to the execu-

tive branch and the Federal Reserve the option to make these loans whenever they want. There is no real criteria.

Mr. CRANSTON. The amendment was cosponsored by the Senator from New Hampshire (Mr. McINTYRE), who felt as I felt and feel that when we have an economy that is in as adverse a stance as we have presently, it is not really fair when much of that stems from governmental policies. The war has a great deal to do with our difficulties and that stems from the war that we are unhappily engaged in in Vietnam.

It is our feeling that to limit aid to small businesses that are in difficulty is not fair and we should have a bill to help big business. There is on the books a bill to help small businesses under the Small Business Administration.

Mr. PROXMIRE. There is nothing in the SBA law to provide for a small business to be bailed out to keep it from going into bankruptcy. Loans are made for many purposes. Disaster loans, for instance, are made if a disaster puts them in a position where they could be helped with a loan. But there is nothing to provide that an SBA business will be bailed out.

Last year there were 11,000 bankruptcies. Would it be the Senator's opinion that this bill should be used to bail out those bankruptcies? Should 1,000 or 5,000 of those firms have been saved from bankruptcy by this legislation?

Mr. CRANSTON. Mr. Kleppe, the head of the Small Business Administration, testified before the committee and he stated they would use the sort of formula suggested to this bill to help small companies under SBA, if due to natural disasters or adverse circumstances the company was on the brink of failure and it would be very harmful to have them fail—they would use the present authority in SBA to assist them.

The Senate would agree that perhaps we have a financial disaster in this country because of the financial policies of this administration. Companies have been placed in great difficulty because of the decisions of the executive branch to fight inflation.

Mr. PROXMIRE. We always have a situation where there are adverse circumstances beyond the control of management.

Once a position is taken that failure or bankruptcy can be caused by things over which man has no control, we would be bailing out all of the companies. Even incompetent management can blame failure on monetary policies and all kinds of other things outside their control. But this language is so vague, and I have great respect for the distinguished Senator from California, it just opens up the bill and states that the board can make loans anywhere they want to make them, and that is one of the weakest aspects of the bill.

Mr. CRANSTON. We differ greatly on that point. I think it is one of the strongest aspects of the bill.

Mr. ERVIN. Mr. President, will the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield to the distinguished Senator from North Carolina.

Mr. ERVIN. I would like to ask the Senator from Wisconsin if he does not agree with the Senator from North Carolina that a very large part of the inflation from which this country is now suffering arises out of the fact that Congress and the President have authorized an expenditure of almost $400 billion more than they have in the Treasury.

Mr. PROXMIRE. The Senator is absolutely correct. There is no doubt about it.

Mr. ERVIN. This bill is likely to add to that expenditure of funds we do not have by going surety for failing corporations. Is that not true?

Mr. PROXMIRE. The Senator is correct.

Mr. ERVIN. Does the Senator from Wisconsin think the taxpayers of the United States who do not share in the profits of private business should be required to take on the risks of private business?

Mr. PROXMIRE. I think the Senator's point is devastating because he points out that the stockholders who get the benefits will be saved from losses, but the taxpayers get no benefits at all. The taxpayer is the fall guy and will suffer.

Mr. ERVIN. One time I read in an old Book, the Bible, "He that goeth surety for a stranger shall smart for it."

My experience has been that he that goeth surety for a friend often smarts for it.

Under this bill, would not the hard-pressed taxpayers, who already have an inordinate part of the fruits of their labor confiscated by the Government in taxes, be compelled to be surety for enterprises in which they have no interest and from which they will have no benefit? If the enterprise enjoys a profit they do not benefit from it, but they are to share in the losses.

Mr. PROXMIRE. The Senator is correct. That is one of the weaknesses of the bill. The taxpayer is brought in to bail out and share in the losses, but he gets nothing for it.

Second, if the banks do not supply the $250 million to Lockheed to continue the L–1011, these funds will presumably be lent to other productive enterprises. Some of the funds might go into additional housing or small business loans or into school or pollution bonds. In addition to achieving a worthwhile public purpose, the alternative use of the $250 million will generate additional jobs at least equal to the jobs lost at Lockheed.

Just the other day I noticed an analysis by the staff of the Committee on Banking, Housing, and Urban Affairs which went into detail with respect to the $250 million to show the number of houses that could be made available and the number of many other things urgently and desperately needed in our country that could be made available instead of having that money made available to one large corporation for a bailout.

Third, if the L–1011 program is unviable, a Federal loan guarantee will not prevent a loss of jobs—it can only postpone the ultimate loss which will be much greater if the program continues. As President Nixon pointed out in his veto of the public service job bill of last year, we do not serve workers by guaranteeing them dead-end jobs.

There is considerable doubt that the L–1011 program is commercially viable in the long run even though Lockheed may be able to repay the $250 million loan guarantee in the short run. For example, a Department of Defense study indicates Lockheed would have to sell around 390 planes to break even whereas the company only has 103 firm orders.

That study was classified for a long time, but a Member of the House put it into the CONGRESSIONAL RECORD, so it is now available. That study was made a year ago, and it has not been brought up to date. Certainly a study today would show a higher break-even point, because costs have gone up. The break-even point would be more than 400.

Moreover, a study by Lockheed's bankers indicates that the company is far too optimistic in its projections of the market demand for an intermediate range widebodied trijet. Lockheed projects a total demand for 775 planes through 1980 whereas Bankers Trust puts the figure between 400 and 500.

That is overall demand, and if it were between 400 and 500, Douglas ought to get half, and perhaps more, because Douglas was in it first and is in a substantially stronger position. If that were the case, Lockheed would lose money hand over fist in this operation.

During the hearings, Secretary Connally indicated he was not too concerned about the long-term viability of Lockheed as long as the guaranteed loan was repaid. If Lockheed cancels the L–1011 program after selling only 100 or 200 planes, the Government's guarantee would be liquidated, and certain creditors would get their money back but the workers would still lose their jobs. Indeed, the resulting unemployment would be greater. Despite the rhetoric about saving jobs, the administration's Lockheed proposal is really aimed at saving Lockheed's creditors.

CHANGE IN GAME PLAN NEEDED

The concern over the 10 or 11 thousand jobs which might be lost if the L–1011 program were canceled seems somewhat belated in view of the 2.4 million jobs lost since the present administration took office. We cannot achieve full employment by propping up ailing companies through an industrial WPA. The road to prosperity lies in the active use of fiscal and monetary policy coupled with a wage-price guidepost system to keep down inflation. There would be no severe unemployment in the aerospace industry or elsewhere if not for the administration's disastrous economic game plan. The concern about a potential Lockheed bankruptcy diverts attention from the real bankruptcy of economic policy within the administration.

The best way of helping Lockheed's workers is to speed up the economy. An expanded program of retraining and relocation assistance to unemployed aerospace workers is also needed. Instead of proceeding along these lines, the Administration has adopted the long discredited

trickle-down theory of attempting to help workers by subsidizing business.

NO THREAT TO DEFENSE

The jobs argument as a reason for saving Lockheed simply does not pass a close analysis. What are some of the other public benefits claimed by Lockheed supporters? Some argue that we need to preserve the unique capability of Lockheed, our largest defense contractor, in order to strengthen our national defense.

That argument was effectively dispelled by the Under Secretary of Defense himself, David Packard.

Mr. Packard made it quite clear that all of Lockheed's defense contracts would continue under bankruptcy. Mr. Packard also indicated there are too many companies in the aerospace industry and that we will probably continue to have this condition for some time to come. Under these circumstances, the national defense is not strengthened by artificially propping up an ailing aerospace firm. Just the opposite is likely to occur. Maintaining excess capacity in the aerospace industry simply adds to the cost of military procurement with the result that we get less defense capability per dollar of expenditure.

As I have said, all of the evidence is that this would be excess capacity. McDonnell Douglas has all the capacity we need for wide-bodied jet aircraft. If we act to keep the L–1011 alive, we would have too much capacity, probably more than twice as much as we need.

COMPETITION NOT REDUCED

It is also argued that we need to keep Lockheed alive in order to maintain competition in the commercial airframe industry.

This is a very attractive argument for many Members of the Senate, because all of us firmly believe in competition, and we know that competition has been the great reason for our economic strength. It is true that there is only one other producer of the wide-bodied jet, and that is McDonnell Douglas Corp., producer of the DC–10.

If Lockheed fails and the L–1011 program is canceled, it is alleged that McDonnell Douglas would have a virtual monopoly in manufacturing medium-range, wide-bodied jets.

The competitive argument was effectively refuted by Donald Turner, former Assistant Attorney General for Antitrust.

I think there are few men in the country who have had such a dedicated commitment to competition and against monopoly and who have served this country better than Donald Turner in that cause, who, for years, was the assistant attorney general in the Department of Justice in charge of antitrust.

It is also significant to note that the present Assistant Attorney General for Antitrust, Richard McLaren, declined the committee's invitation to testify. That declination has only one kind of significance. He is on the administration's team, and if he testified, he might have to do what Mr. Packard did—come in and refuse to read the statement because he did not agree with it. At any rate, Mr. McLaren, who was Assistant Attorney General for Antitrust, refused to appear.

Not one reputable antitrust authority was produced to back up the administration's contentions. Turner argued that a single manufacturer has frequently obtained a temporary monopoly in the commercial airplane industry. The economies of scale may be such that the market will only support a single firm. Moreover, prices are kept low by the fear of new entrants into the market. For example, it is doubtful that McDonnell Douglas could exploit the airlines by charging excessively high prices when Boeing has the capability for producing a shorter range version of the 747 designed to compete directly with the DC–10.

This is what the Senator from Connecticut and the Senator from Utah were discussing earlier.

It should also be stressed that Lockheed is not presently in the commercial airplane business. Its last commercial venture was the ill-fated Electra of the late 1950's on which it lost $60 million. During the decade of the 1960's, only two firms competed in the jet aircraft field—Douglas and Boeing. These same two firms would continue to supply the market during the 1970's.

There just is not any evidence that a two-firm industry has led to excessive pricing or quality deterioration, nor has a case been made that a three-firm industry is needed to maintain competition.

As a matter of fact, I do not think I have offered, but I will be happy to put into the RECORD, what I think is one of the most remarkable records of progress and service this country has, where this two-firm industry was so successful and so efficient that it resulted in constantly improved planes that increased the speed greatly in the aircraft industry, sharply improved the safety factor, and resulted in a steady decrease in fares-cost to the consumer, not only in constant dollars but in current dollars.

In other words, in spite of the fact we had inflation, the cost of travel on the airlines has gone down. It is true there are some exceptions to that, as anybody knows who takes a shuttle up to New York from here; but overall, by and large, the figures are very clear that in the decade of the 1960's this was one of the most efficient operations in all of America; and it had Boeing and Douglas as the two firms that occupied the industry and performed this great service.

TOO MANY AIRCRAFT FIRMS

There is no evidence that a two-firm industry has led to excessive pricing or quality deterioration nor has a case been made that a three firm industry is needed to maintain competition. If anything, the Federal Government's own studies suggest there are too many firms competing for a dwindling amount of business. For example, a joint DOT–NASA study released last March states:

Both the economic situation of the airlines and the existing over-capacity in passenger seats make it questionable whether any of these programs—that is, Boeing 747, the DC–10, or the L–1011—will break even for some time to come, and, as mentioned earlier, there are questions concerning the ability of the airlines to finance the present orders.

As I say, that is a study of this administration, a study of an administration supporting the guarantee; so it is obviously not unfavorable to Lockheed.

This same report goes on to state:

The airbus market, which could probably support one manufacturer in comfort—

The DC–10 occupies it now—

is being shared between Lockheed and McDonnell-Douglas, both of whom have large sums at risk and are far short of a break-even level of sales. To summarize the situation—

Now, get this—

too many manufacturers are extensively committed to aircraft for which the airlines are not really ready, either financially or in terms of capacity. The suppliers and users appear to have overstimulated each other, and the result is disruption and financial strain for both parties. (Joint DOT–NASA Civil Aviation Research and Development Policy Study (DOT TST–10–5; NASA SP–266) March, 1971, pp. 6–7 and 6–8.)

Now, this is exactly what the present bill would aggravate. This is what the present bill would make worse, because we would provide that excess capacity would be maintained, and we would push in effect Lockheed into this area where the administration's own study indicates that it would be overcrowded, and the situation would be worse. We would have two weak manufacturers instead of one strong one.

Keeping the L–1011 program alive through Federal loan guarantees will not promote competition; just the opposite result is likely. The economic strain on the airlines caused by too many plane producers can lead to more applications for airline mergers, thus reducing the number of air carriers serving a given market.

If too many plane makers share a given market, the price per plane will have to increase because no firm can get enough sales to recover its costs. These higher prices will inevitably be passed on to the traveling public by the airlines in the form of higher air fares. Thus the traveling public is not well served by artificially increasing the number of airplane manufacturers through Federal subsidies.

To illustrate this point, Lockheed has projected a market for 775 intermediate range wide-bodied trijets through 1980. If the McDonnell Douglas DC–10 and the Lockheed L–1011 share the market, both firms would barely approach the break-even point of 390 sales indicated by the DOD study. On the other hand, the lead bank in the 24 bank consortium supplying funds to Lockheed; that is, Bankers Trust, made its own forecast of market demand last February.

As I say, Bankers Trust estimated a market for only 400 to 500 basic trijets through the same period. If the bank estimates are correct, neither McDonnell Douglas nor Lockheed will reach break-even. Prices will have to be increased if the two firms are to recover their costs.

Mr. President, I yield the floor.

Mr. CRANSTON. Mr. President, I favor a Government guarantee of a $250 mil-

lion loan to the Lockheed Aircraft Corp. I believe that this action is necessary at this time. Thousands of people will be thrown out of work and numerous subcontractors will be adversely affected if the loan is not guaranteed.

I believe that Government assistance of this sort is justified when the economy is severely depressed and unemployment is high. That, sadly, is the case today. The general economic malaise pervading the Nation is a result of the Nixon administration's ineffective anti-inflationary policies over the past 2½ years. The unemployment rate for the Nation has continually hovered around a 9-year high and the cost of living continues to soar. The economic recovery which we were told was just around the corner about a year ago, has still not arrived. The unemployment rate in the Los Angeles area—Lockheed's home base—is 7.2 percent compared to a national rate of 5.6 percent. Thousands of families already are suffering. The Government cannot stand idly by and permit thousands more to suffer.

Lockheed's current financial problems were caused by more than the general economic downturn; other factors also contributed. Bad judgment on the part of Lockheed's management aggravated the company's problems.

But I seriously doubt whether Lockheed would have needed a Government guarantee to get additional private financing if the economy were a healthy one. The banks and the business community in general are understandably cautious because of the present uncertainty over the Nation's economy.

In times like these, we must act positively to prevent further disruptions of an economy already in trouble.

Today the Senate is considering legislation which would authorize the Government to guarantee loans to business enterprises that are in serious financial trouble and who cannot otherwise get credit. The first order of business before the three-man emergency guarantee board set up by the legislation will be to consider the Lockheed Aircraft Corp.'s request for a $250 million Government guarantee loan.

There is no doubt that the real impetus for the legislation now before us is Lockheed's current financial plight. Last April it became apparent to many of us on the Banking Committee that because of many factors, the Lockheed Aircraft Corp. was in serious financial trouble. Lockheed's problems were apparently brought about primarily because of trouble with the L–1011 project—the new three-engine air bus. To start the project the company had borrowed around $400 million from a consortium of 24 banks. However, because of the Rolls Royce bankruptcy and other problems at Lockheed, it was projected that unless an additional $250 million could be obtained, the L–1011 program would go under and along with it, Lockheed. The banks were unwilling to advance any additional funds unless the advances were guaranteed by the Government.

Although the Government could have used the loan provisions of the Defense Production Act, the administration instead decided to draft, and submit to Congress, a specific bill for the Lockheed situation. That bill, S. 1891, contains authority for the Secretary to guarantee loans to a corporation to prevent its bankruptcy if its bankruptcy would seriously affect the economy of the Nation or a region of the Nation.

As I stated at the time the bill was introduced, I am generally opposed to using the taxpayer's dollars to save private corporations from failure. The free enterprise system is intended to reward efficient producers with financial success. On the other hand, the free enterprise system is designed to penalize inefficiency with financial failure. Otherwise we are moving the Nation toward state capitalism, a system which uses the taxpayers' dollars to keep in business those already in business regardless of their efficiency or inefficiency and to block the entry of new businessmen into the field. Only in extraordinary circumstances should the Government interfere to prevent the bankruptcy of a private corporation.

I want to make it clear that my decision to help Lockheed is based on my desire to help the thousands of innocent Lockheed employees and subcontractors who will suffer personal losses if the corporation is allowed to go under. Although I believe that in Lockheed's case, Government assistance is needed, I do not believe that business for Lockheed's management and stockholders should continue as usual. I believe that it is fair to assume that generally, the management of a corporation on the brink of bankruptcy bears a large part of the responsibility for the plight of the company. In Lockheed's case it became clear to me after talking to numerous people in the aerospace industry and financial community in California that Lockheed had, over the years, been badly managed in many ways. They had an unprecedented string of failures which, in my mind, could only be attributed to bad management. I was somewhat surprised that the administration's specific Lockheed bill, S. 1891, did not contain provisions dealing with management. It is true that Lockheed also achieved some remarkable successes as it sought to become the nation's largest defense contractor—notably the outstanding work Lockheed performed on Polaris and Poseidon.

I introduced an amendment to the Lockheed bill which would have required the company, as a condition to receiving assistance under the proposed act, to replace its board of directors and its five top executive officers. In light of Lockheed's management record, I am of the opinion that management changes are necessary at Lockheed in order to fully protect the taxpayer's dollars and minimize the future failures of the company.

After 2½ weeks of hearings, mostly centered on the administration's Lockheed bill, S. 1891, the committee decided to move toward a more general bill. There were some members of the committee and the Senate as a whole who felt that legislation should not be enacted to help just one company or one industry. Senator SPARKMAN introduced S. 2202, a general measure which would authorize the Government to give loan guarantees to other companies which might find themselves in a situation similar to the one filed by Lockheed.

After 3 days of hearings on the general proposal, it became evident that a majority of the committee favored considering the general bill as opposed to the special Lockheed bill. I offered two amendments to the general bill which were adopted by the committee designed to effectively strengthen the administration bill and thus broaden its base of Senate support. My first amendment broadened my original Lockheed management proposal so it would apply to other companies which would be covered by the general bill. Rather than making it an absolute condition to granting of the guarantee that the stockholders of an applicant corporation would have to bring about a complete change in management, my new proposal will require the three-man emergency guarantee board to determine if management is at fault for the financial plight of the corporation, and, if so, the board would have to order the corporation to make those management changes necessary to put the corporation on a sound managerial base. The text of the amendment is as follows:

> If the Board determines that the inability of an enterprise to obtain credit without a guarantee under this Act is the result of a failure on the part of management to exercise reasonable business prudence in the conduct of the affairs of the enterprise, the Board shall require before guaranteeing any loan to the enterprise that the enterprise make such management changes as the Board deems necessary to give the enterprise a sound managerial base.

I recognize that the specific remedy I proposed for Lockheed would not be applicable to, or fit the structure of, every company.

My second amendment would make a wider range of companies eligible for assistance. The administration's original bill—S. 2202—was a big business bill. Only corporations large enough to affect the national economy would qualify for assistance. My second amendment would allow smaller companies to qualify if their continuance is important to the economy and employment situation in any one region of the Nation.

The Small Business Administration programs would take care of the very small businesses. However, companies too large for SBA but not large enough for assistance under the bill as originally drafted, would have been left out in the cold. My amendment will allow these medium-size companies to also qualify for governmental assistance.

I believe that these two amendments and others adopted in last week's executive session substantially strengthens the general bill. Hopefully, the general economic climate in the country will improve over the next several months and the $2 billion authority contained in the proposed act will not have to be used. However, I believe that with so much at stake, the Government should have the standby authority to help corporations in under the circumstances described above. I fully support the committee's bill and trust that the Senate will act promptly and favorably on this vital legislation.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 21, 1971, he presented to the President of the United States the following enrolled bills:

S. 108. An act for the relief of Kyung Jo Min and Kyunk Sook Min;

S. 145. An act for the relief of Esther Catherine Milner;

S. 161. An act for the relief of the West Fargo Pioneer and Dale C. Nesemeier;

S. 566. An act for the relief of Maria Grazia Iaccarino; and

S. 672. An act for the relief of Nicholaos Demitrios Apoltolakis.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT AND APPALACHIAN REGIONAL DEVELOPMENT ACT EXTENSIONS—UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I have been authorized by the distinguished majority leader to make a unanimous-consent request—after having discussed it with the distinguished assistant Republican leader, the distinguished manager of the bill (Mr. SPARKMAN), the distinguished Senator from Wisconsin (Mr. PROXMIRE), the distintinguished Senator from Connecticut (Mr. WEICKER), the distinguished Senator from New Mexico (Mr. MONTOYA), the distinguished senior Senator from West Virginia (Mr. RANDOLPH), and with other principal parties:

While pursuant to the order granted this morning, the majority leader or his designee could call up this measure at such time as either of them can get the floor, it is because I am specifying a particular time, Mr. President, that I ask unanimous consent that at 3:30 p.m. today the pending business be temporarily laid aside and that the Senate proceed to the consideration of Calendar Order No. 267, S. 2317, a bill to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965; that the debate thereon be limited to not exceed 30 minutes, the time to be equally divided between and controlled by the distinguished senior Senator from West Virginia (Mr. RANDOLPH) and the distinguished senior Senator from Kentucky (Mr. COOPER); that the time on any amendment be limited to 10 minutes to be equally divided between the mover of such amendment and the distinguished manager of the bill (Mr. RANDOLPH); that at the conclusion of all such time a vote occur on the bill; that no amendments not germane shall be received; and that rule XII be waived.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I do not intend to object—the distinguished majority whip referred to consultations with a number of principal parties. I had the opportunity to speak with the ranking Republican member of the Committee on Public Works, the Senator from Kentucky (Mr. COOPER), who is in favor of bringing this measure up today.

I must indicate some concern about only 10 minutes on an amendment, with 5 minutes to a side. As long as there are no amendments, I think that is a satisfactory arrangement. If there were an amendment of any particular controversy, I do not think that would be very wise.

After talking with the Senator from West Virginia and the Senator from Kentucky, does the majority whip know whether any amendments are expected?

Mr. BYRD of West Virginia. Mr. President, the distinguished assistant Republican leader raises a very pertinent question. I have discussed the matter with the distinguished senior Senator from West Virginia (Mr. RANDOLPH), the manager of the bill. He anticipates no difficult amendments. The distinguished junior Senator from New Mexico (Mr. MONTOYA), who has been very active in connection with this bill, inasmuch as he is the subcommittee chairman, anticipates no difficult or controversial amendment.

I should think that if a controversial amendment should be offered, which is not foreseen at this time, the majority and minority leadership could work it out so that some additional time can then be granted thereon.

Mr. GRIFFIN. With that understanding—and I should also like to indicate that a rollcall vote probably would be requested—I withdraw my reservation.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the so-called Appalachian Regional Development Act at any time.

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

Mr. BYRD of West Virginia. I thank the Chair, and I thank all Senators for their cooperation.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

Mr. WEICKER. Mr. President, I appeared at the time of the hearings on this bill in opposition to what at the time was a Lockheed bill, and today we find ourselves presented with what is termed a generic bill, one that has wide application. There is no doubt in my mind that nothing is changed, that this is "a Lockheed bill." As we get into further debate on it, it will be very simple to ascertain just how much of a Lockheed bill it is, for it will be my intention to eliminate the October 1 date mentioned in the bill, which is specifically geared to the Lockheed Corp., or it might be possible to make the legislation effective on January 1 of 1972, and then I think we would also find out just how much of a Lockheed bill this is.

At this time, I should like to repeat some of the comments I made before the committee. Let me say this: There are those who will say that the Senator from Connecticut has within the boundaries of his State a large engine manufacturer—specifically, United Aircraft-Pratt & Whitney Division—and that his purpose in arguing against this bill is in order to get additional business for that corporation within his State. Of course, my answer to that argument is that I clearly express myself to the point that I would not support any legislation which said that this loan would be all right if it were made with American engines, because to me that is a self-serving variation of the Lockheed proposal. But what United Aircraft Corp., General Electric Corp., and every sound business corporation in the United States has to fear is the time when either a political subsidy or economic subsidy is substituted for quality. At that point, quality, for which this Nation has been known in the products it has produced, will slowly but very surely disappear.

The problem with this measure is that it does not adhere to the principles of our free enterprise system, nor is it nationalization, but it is something in between. The result that would be achieved would be something in between, something very mediocre.

In effect, this Nation is being asked to conduct business as Lockheed conducts business; and when the Nation conducts it in that fashion, we end up in the same straits in which that corporation finds itself today.

I do not think any man enjoys the role of standing on this floor in what is essentially a negative mission. However, this bill has implications, which, if allowed to take hold, will drastically alter the standards of competition and excellence upon which this Nation was built. The free enterprise system operates not only upon the achieving of success, but also, always in the background, upon the possibility of failure. Take away the possibility of failure and everything is on one level, and that level usually is one of mediocrity. Certainly, the proposal before the Senate today is not designed to further the qualities of excellence, and the proposal today does not simply underwrite Lockheed. It underwrites, in the broadest sense, national ineptitude.

In 1967, Lockheed decided to reenter the commercial aircraft market for the first time since suffering heavy losses on the Electra prop jet in the early sixties; and, unfortunately, the result was little better than the company's ventures in defense production.

I should like to repeat what I said in the colloquy with the Senator from Colorado and the Senator from Utah with respect to some of the history behind the proposed legislation.

The initial design studies of the L–1011 were begun in 1966 around a two-engine configuration having a maximum takeoff gross weight of approximately 265,000 pounds, with the principal design criteria being operational suitability from New York LaGuardia Airport to Chicago Midway. The engine thrust class was approximately 40,000 pounds, and engines under consideration were the Rolls Royce RB–178, a commercial version of the GE TF–39, and the Pratt & Whitney JT–9D. As these two-engine configuration studies continued, more emphasis began to be placed on a design range of 1,850 nautical miles, approximately Chicago to the West Coast.

In early 1967, the maximum takeoff gross weight increased to 300,000 pounds. As a result, the engine thrust requirements advanced to the 50,000-pound-thrust class, and prospective power plants under consideration at that time were the Rolls Royce RB–207 and the Pratt & Whitney JT–90 engine uprated. Then the emphasis changed to a 3-engine aircraft with transcontinental range capability, and by late 1967, the airplane gross weight had gone up to 320,000 pounds. Because of the addition of the third engine, thrust requirements had dropped to approximately 33,000 to 35,000 pounds. At this point, the engines still under consideration were the Rolls Royce RB–211 and the GE CF–6 and a new Pratt & Whitney engine designated JT18D.

Comment was made as to whether or not the change from a two-engine to a three-engine configuration—and some of the other changes which I will get into in a moment—are fair game for our inquiry here this afternoon. Anything is fair game when the taxpayers are asked to put up $250 million.

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

Mr. WEICKER. I yield.

Mr. TOWER. The taxpayers are not being asked to put up any money.

Mr. WEICKER. The taxpayers are in the position—with deference to the Senator from Texas—of guaranteeing $250 million. There is, therefore, the possibility that the taxpayers will pay $250 million.

Mr. TOWER. Adequately collateralized on a first-in, first-out basis.

Mr. WEICKER. The arrangements that the Senator from Texas talks about, insofar as Lockheed is concerned, are as of today. Yet, as each day changes in the financial picture of the corporation, I think the taxpayers have very little in the way of adequate collateral.

The fact remains that the competition for this airplane is not only the DC–10. It is the 747, a concept I do not think can be sold to the public. That this is in fact a New York to Chicago airplane, is erroneous. I dare say that with the surfeit of aircraft presently held by the airlines, present planes such as the DC–9 and the BAC 111 will be serving that function. This is a transcontinental airbus and as such will be in competition with two other aircraft, the 747 and the DC–10.

Now, Mr. President, let us get back to the history of the engine.

Payload requirements went up from the original 55,000-60,000 pound value to approximately 88,000 pounds. As a result the final 3-engine configuration purchased by TWA and Eastern in early 1968 had a gross weight of 409,000 pounds and the engine thrust requirement was back at 40,000 pounds.

The engine chosen by Lockheed, Eastern and TWA was the Rolls Royce RB–211, and the reasons given for its selection were as follows:

First. Most advanced design.

Second. Lower cost.

Third. Lightest weight, shortest length.

Fourth. Mechanically simpler: Fewer compressor and turbine stages, short rotating assemblies, no variable stators.

Fifth. Greater reliability and safety.

Sixth. Lower maintenance cost: Lower turbine inlet temperature.

Seventh. Modular construction.

Eighth. Best growth potential.

In restrospect, many of the promised advantages of the RB–211 engine have not materialized and the following comments appear to be in order:

First. Most advanced design: This was based upon the fact that the engine was a 3-spool configuration and was going to make use of composite materials in the fan blades. The composite material has been a failure and Rolls Royce has had to return to conventional titanium fan blades. The 3-spool concept still remains to be proven in actual service and it is debatable whether this represents any significant improvement over twin spool engines such as the P. & W.A. JT–9D and the G.E. CF–6.

Second. Lower cost: The production engine prices originally offered by Rolls Royce, and eventually contracted for by Lockheed and the airlines, were very attractive. The original contract price for 3 sets of complete propulsion system parts—engine, thrust reverser and other pod parts—was approximately $2.5 million, considerably lower than prices offered by U.S. manufacturers.

Information released to the press by the British Government and Lockheed in the last few weeks indicate that the price of the engines will have to be increased at least $200,000 per unit over the initial contract price, or approximately $600,000—since three engines are involved—per aircraft.

Some sources have indicated a much higher engine price increase, numbers over $1 million per aircraft having been mentioned, but we will stick with the lower figure.

Such cost increases put the RB–211 powerplants in the same price range as the G.E. CF–6 and P. & W.A. JT–9D powerplants, thus wiping out the lower cost claim. Yet, here we are this afternoon being asked to approve this kind of operation which, in effect, takes the whole bidding process and throws it out the window.

Claims are made as to how much it will cost the taxpayer if, in fact, the project fails. If we subscribe to this type of bidding process, believe you me, Mr. President, the taxpayer will pay, and not only on the L–1011 but on every other project with which the Federal Government becomes connected or involved.

Third. Lightest weight, shortest length: The weight claim was based principally on the use of a composite material for the fan blades. The necessity to revert to standard titanium material resulted in a weight increase of approximately 900 pounds with the result that the RB–211 has no weight advantage over competitive engines. The RB–211 is significantly shorter than the G.E. CF–6 engine but is approximately the same length as the P. & W. A. JT–9D.

Fourth. Mechanically simpler: Although the RB–211 does have fewer compressor and turbine stages than the other engines, its three-spool configuration does not necessarily make it mechanically simpler. On the contrary, the three concentric shafts, all rotating at different speeds, make the bearing configuration on the RB–211 more complicated than either U.S. engine.

Fifth. Greater reliability and safety: At the present time any such claim is premature. The competitive engines are much further along in their development and service experience with the P. & W.A. JT9–D already having logged approximately 1,000,000 engine-hours in commercial service and the G.E. CF–6 engine having had the advantage of over 100,000 engine-hours of military service in the C–5A airplane which is powered by the TF–39, from which the CF–6 design was derived.

Sixth, lower maintenance cost: Once again such a claim is premature and doubtful. The service experience factor mentioned above on the competitive engines gives them a distinct advantage as far as maintenance cost is concerned, particularly in the initial periods of airline service operation. Further, the announced RB–211 engine price increase undoubtedly means that overhaul and maintenance parts prices will also be increased.

Seventh, modular construction: The P. & W.A. JT9–D and the G.E. CF–6 both incorporate modular construction techniques so there is no particular advantage to the RB–211.

Eighth, best growth potential: The current L–1011–1 airplane design has a maximum take-off gross weight of 430,000 pounds and the RB–211–22 take-off thrust has already been increased to 42,000 pounds to provide acceptable airplane performance. Thus already some of the growth potential has been used up. It appears doubtful that the present engine configuration can be increased much beyond these ratings. Significantly greater take-off thrust ratings would be required for any extended range version of the L–1011 airplane such as would be necessary to make it competitive with the G.E. CF6–50 powered DC–10–30 and the P. & W.A. JT9–D powered DC–10–20. Such an airplane would require engines in the 45,000 to 50,000 pound thrust class. Pratt & Whitney Aircraft and General Electric are already proceeding with development programs for growth engines in this 45,000 to 50,000 pound thrust class and have firm production orders and delivery dates for such growth engines. Over a year ago the British Government declined to support development of the RB–207, Rolls-Royce's entry in this thrust class, and the project was abandoned.

Now, Mr. President, let us talk about development for a minute, because this bears on another difficulty this Senator has with the proposed bill or proposed undertaking.

RB–211 DEVELOPMENT

The British Government has stated that approximately $113 million has already been spent on the development of this engine. In late February or early March of 1971 the British Government said it would be willing to put up another $144 million and guarantee production availability of the engine, if Lockheed

would pay any development costs beyond that point up to another $144 million. If the total additional costs exceeded $288 million then the British Government would expect Lockheed to share the costs. The British Government also said that it wanted a guarantee, from the U.S. Government, that should Lockheed collapse the British Government would get its $144 million back. At Secretary Connally's press conference on May 6, 1971 he indicated that the British Government had agreed to provide an additional total of $288 million estimated to be required to complete the development of the engine.

I still do not know, from the information I have received, whether this estimate covers the engine only to its certification status, or whether it includes development funds required to support the engine in airline service operation. But since commercial airline engine experience dictates that development expenditures must be continued at approximately the same rate after engine certification as before in order to meet satisfactory durability and maintenance cost standards, it is doubtful that any support funding is provided for in the $288 million total.

RB–211 ENGINE PRICING

The original RB–211 contract engine price was approximately $562,000, including about $27,000 worth of engine furnished accessories. The engine thrust reverser price was approximately $126,000, bringing the total to approximately $688,000. In addition Rolls also furnished the pod parts—cowlings, fairings, and so forth—with the total original contract price being approximately $830,000. In late February or early March the British Government stated that it would probably cost between $350,000 and $450,000 more per powerplant unit to produce the parts. A few weeks later the British Government estimated that for the total of 540 engines—180 airplane sets—on the original contract, they would have to increase the price at least $250,000 per engine in order to meet costs and even this may be considerably understated.

I mention this as part of the history, Mr. President, of what has been an incredible series of changes. All along, right from the outset, the attitude has been to get something for nothing.

I made the comment in the colloquy with the Senator from Wisconsin that when the bankers were all sitting in a row and they were asked whether they would support such a loan to Lockheed without Government backing, not one finger went up. Yet, when they were asked the same question, but with Government backing, 24 hands went up in the air. This was just another manifestation of getting something for nothing.

The Lockheed Corporation thought they would get something for nothing from the Rolls-Royce Corp. Well, they did not get something for nothing. The American people are being asked to pay for the something.

The airlines thought they were going to get something for nothing because of the fact that the British Government guaranteed up to 90 percent of the backing at interest rates that were 2 percent below those in the United States. They thought they were going to get something for nothing. Right now, without the assistance of the American taxpayer, they have nothing at all.

To get back to a review of the situation, as I stated, the Rolls-Royce engine seemingly had three major points in its favor. There were important technological innovations which did not come to pass. There was the cost of $200,000 less than similar American engines. That did not come to pass. There was the question of financing 90 percent of the cost over a 10-year period at interest rates that were two points below the prevailing American market rate. None of these things came to pass.

The cost is what drove Rolls-Royce into the ground.

The American manufacturers simply could not believe that Rolls was serious about its price quotation. They were so far below American estimates that it was assumed that the British Government would be picking up the tab for much of the development cost. As it turned out, that assumption was well founded. The development costs have skyrocketed. The cost is at least $200,000 over the original cost estimates, placing it within the competitive range of that of the American manufacturers.

Earlier this year, Rolls found that the only way to recoup its huge losses was bankruptcy and the consequent renegotiation of contracts and elimination of late delivery penalties.

There is argument that these overruns and technical deficiencies were the fault of Rolls-Royce alone. Some would say that the airlines and Rolls Royce were simply the victims of gross optimism. But Lockheed is simply not an amateur in the aerospace industry and their unquestioning acceptance of British salesmanship must be regarded largely as wishful thinking or, more likely, the substitute of a calculated gamble for sound business judgment.

It is this calculated gamble that the American people are now asked to back up—not a sound business judgment, but a calculated gamble.

I daresay that some of the 11,000 small businesses that went under last year were the result of honest mistakes concerning the adjustment that we had in our own economy. Yet, they went under. No one came to their assistance. But here we have a calculated gamble thrust before the American public, and the American public is asked to put its hard earned money up in back of that gamble. I find it rather extraordinary that just because the situation is so large, it becomes right.

Let us take a look at whether or not this optimism and this misreading of the economic signs has stopped because of the difficulties that Lockheed has encountered or whether it continues unabated.

A copy of the Lockheed Horizons, the company's house organ, dated January 1970, estimated that the world market for wide-bodied jets was 1,400 by 1980. That was in their own publication. They said it would be 1,400 by 1980.

When testifying before the Committee, Chairman Haughton in effect admitted that the prior figure was given in a state of euphoria when he revised the figure down to 775, or 50 percent of the estimate made less than 18 months before.

Now, we hear from the Senator from Wisconsin, that Bankers Trust estimated the market would be roughly 400 to 500.

I am sure that a change of that size reflects the financial problem facing Lockheed in costs. However, again Lockheed is not expecting to cover up its mistake or reinforce it, but rather the American public is expected to do so. That is the difference. That is the reason it becomes susceptible to criticism on the floor.

I mention these specifics only by way of background of the proposal facing us today. Despite all past failures of Lockheed, we are being told that we must help keep the company alive and that it is not really much after all. We cannot forget that this supposedly is not a Lockheed bill. But it so happens that the maximum amount provided in the bill is $250 million, which just happens to be the amount of money required by the Lockheed Corp. at this time.

It just so happens that everyone has to chance a congressional veto on a guarantee under the bill after October 1, 1971, while Lockheed would be free of this danger.

I object very much to the proposition as it has been laid before the American people. It, in effect, is a blackmail proposition based on jobs and not one based on an honest justification, adhering to the high standards of business performance. It is really after the fact and, after having gambled and after having lost, a matter of asking the American public to put forth its money to cover up incompetence.

There is no question about the fact. I admit it. There is no glossing it over. Lockheed's failure would be an economic loss.

We get back to the point made earlier that the whole basis of the free enterprise system is wrapped up in the concept not only of success as the reward for good judgment and hard work and quality product, but it also includes failure as the consequence for bad judgment and bad products.

This Nation is strong enough to absorb such losses. But what it cannot withstand for its future economic health is the acceptance of Lockheed's way of doing business. It cannot accept Lockheed's way of doing business as the national standard. That is what the American people are being asked to underwrite. That is what the bankers were asked to underwrite, but shied away from, and well they should have.

I would hope that the Senate also would reject that method as the basis for reward. Should the day come when industry feels that it can fail either managerially or productwise because Government will make up the deficit, then the Nation has conceded the failure of every enterprise and has resigned itself to the nationalization of its industries.

Government loan guarantees are by no means unprecedented. But Government

guarantees of loans to stave off bankruptcy, regardless of what cloak it comes under, would clearly encourage other companies to do business like Lockheed.

Denying this guarantee, on the other hand, would provide a clear signal to the entire business community that total honesty and realism, as well as competence, are required to succeed in the American market.

I have already stated how there are those of my colleagues—not in the Senate, but elsewhere in public life—who have suggested backing the loan guarantee with the stipulation that the engine be of American manufacture. I reject any such self-serving variation of the bill. The quality manufacturers of this Nation have nothing to fear as long as excellence is the standard by which choices are made. Throw in the element of subsidy, political or economic, and the emphasis shifts from better products to shrewder politics, and that, Mr. President, is an abhorrent shift to the industrious and it is an unnecessary shift for the taxpayers.

Already by our presence in this Chamber with this piece of legislation the Senate has given credibility to the Lockheed way of doing business. I know that were this a loan guarantee before a private lender or guarantor, there would be demanded a full financial disclosure—which still has not been given to the American public—replacement of management, a majority on the board of directors and an equity position in the company. The people of the United States deserve no less.

I would hope that this body would reject the loan guarantee proposal, thus affirming that success comes as a consequence of excellence, not subsidy.

I would refer again to the opening paragraph of the committee report:

> The Committee bill would grant authority to the Federal Government to provide emergency loan guarantees to major business enterprises where the capital markets are otherwise inadequate to meet their credit needs and when failure of such enterprises would result in serious and adverse damage to the economy or employment of the Nation or a region of the Nation.

Ask the people who are being requested to back this gamble, the people of the United States, if the capital markets are inadequate and they will say they can go in and meet certain criteria and get loans. The Lockheed Corp. cannot. So it is not that the capital markets are inadequate; it is the Lockheed Corp. that is inadequate.

I would expect, even under the terms of this bill should it pass, that they could not possibly meet the criteria mentioned therein; $250 million might not sound like a great deal of money as we bounce the figures through this government of ours in Washington, but in a State that has 10.1-percent unemployment it is a great deal of money. In many towns throughout our country, and in many cities it is the entire budget.

Mr. President, I say to you that the business of the Senate, the business of our Government, is not to backtrack and sweep up the mess of Lockheed but to go to the priorities of the 1970's and 1980's, which hold the hope for this Nation, and to go with those who have proven by their ability and judgment that they can fulfill the needs of the 1970's, the 1980's, and the 1990's.

Mr. President, as we develop the debate on this issue I think it is important not to lose sight of that statement made a few minutes earlier that success in this Nation should always come as a consequence of excellence; it should never come as a consequence of subsidy—subsidy such as we are being requested to provide this afternoon.

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.

ORDER TO CONVENE AT 10 A.M. ON THURSDAY AND FRIDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate convenes on tomorrow and Friday, it convene at 10 o'clock a.m.

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

ORDER FOR RECOGNITION OF SENATOR RIBICOFF TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that immediately following the recognition of the two leaders under the standing order on tomorrow, the distinguished Senator from Connecticut (Mr. RIBICOFF) be recognized for not to exceed 15 minutes.

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

PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT AND APPALACHIAN REGIONAL DEVELOPMENT ACT EXTENSIONS

The PRESIDING OFFICER (Mr. BEALL). The hour of 3:30 having arrived, pursuant to previous order the Chair lays before the Senate S. 2317, which the clerk will state by title.

The legislative clerk read the bill by title, as follows:

Calendar No. 267, S. 2317, a bill to extend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. On this bill there is a time limit of 30 minutes, 15 minutes to be controlled by the Senator from West Virginia (Mr. RANDOLPH) and 15 minutes to be controlled by the Senator from Kentucky (Mr. COOPER). There will be a limit of 10 minutes on each amendment, to be divided between the mover of the amendment and the manager of the bill.

Who yields time?

Mr. MONTOYA. Mr. President, by designation of the chairman I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 3 minutes.

Mr. MONTOYA. Mr. President, the bill now before the Senate——

Mr. BYRD of West Virginia. Mr. President, would the Senator from New Mexico like to get the yeas and nays now?

Mr. MONTOYA. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MONTOYA. Mr. President, the bill now before the Senate is essentially titles II and III of S. 575, which earlier this month was vetoed by the President.

This bill makes no changes in provisions affecting the Appalachian regional development program as contained in S. 575.

The Committee on Public Works recommends additional amendments to the Public Works and Economic Development Act of 1965 beyond those in S. 575. These additional amendments are intended to alleviate the same problems that would have been attacked by the Public Works Acceleration Act.

One of the new provisions increased the Federal share of the cost of public works projects from 80 percent to 100 percent under certain conditions. This full funding would be available only in designated redevelopment areas in which the State or local government applying for a grant has exhausted its taxing and borrowing capacity for such purposes.

The authorization for public works grants, set at $550 million per year in S. 575, would be increased to $800 million for each of the fiscal years 1972 and 1973. At least one-fourth would be available for redevelopment areas designated under the new section 401(a)(6). This includes communities affected by an actual or threatened abrupt rise in unemployment because of actual or threatened curtailment of a major employment source. It also includes rural areas with substantial outmigration and areas with large concentrations of low-income persons or substantial unemployment.

To expedite the use of title I funds in these redevolpment areas, overall economic development programs would not be required. This provision is waived under these circumstances so as to provide immediate work for the unemployed and underemployed.

I specifically call the Senate's attention to the fact that this legislation provides continued authorization for the regional development commissions created under title V of the Public Works and Economic Development Act of 1965. Under legislation passed in 1969, each of these commissions must receive at least 10 percent of the funds appropriated for these activities. I also hope that the administration will reconsider the low level of its budget request for these commissions so that they can function more effectively. I would hope that the first supplemental appropriations request will include an increase for the title V commissions.

Mr. President, the Appalachian program and the economic development

program both are now operating under temporary authority which expires on August 6. I hope the Senate will give permanent authorization to both of these activities by passing this today.

I might say that during the course of last week the Public Works Committee of the Senate, through both the Republican and Democratic membership, has been in touch with the Public Works Committee of the House and we have arrived at a consensus which would be acceptable to the leadership of both committees, and to the membership as well, of what we thought might meet with the approval of the membership of the Senate and the House. I think this bill comes very close to that objective. So I urge the Senate to pass the bill today.

The PRESIDING OFFICER. Who yields time?

Mr. COOPER. Mr. President, I yield myself 2 minutes.

I wish to thank the Senator from New Mexico (Mr. MONTOYA) and the chairman of the committee, the Senator from West Virginia (Mr. RANDOLPH), for their very constructive work on this bill. Also I want to pay tribute to my colleague from Tennessee (Mr. BAKER) who, I think, brought to our discussions on this bill some very fine thinking and constructive suggestions.

The report given is correct. Title I of S. 2317, extending the Public Works and Economic Development Act, is similar to the proposal passed by the Senate earlier this year.

Title II, extending the Appalachian Regional Development Act for 4 years and the Appalachian highway program for five, is identical to title III of the conference bill on S. 575. I think that is satisfactory to all those who represent the Appalachian regional area.

In working on S. 2317, the Committee on Public Works arrived at a total increase in the bill of $500 million which was added to the public facilities grant program, title I of the Public Works and Economic Development Act. The more generous designation criteria and program requirements in the bill will permit the expenditure of part of these funds in an accelerated public works program.

I voted to sustain the President's veto. I have not decided to cosponsor this bill. I will maintain my position—open—until I know what the House will do, but I do think a substantial and constructive improvement has been made in this bill which, I think, ought to satisfy all representatives in this body. We are all interested in working toward an effective measure.

Mr. ERVIN. Mr. President, will the Senator yield me 1 minute?

Mr. COOPER. I yield 1 minute to the Senator from North Carolina.

Mr. ERVIN. As a Senator from a State which has a very deep and abiding interest in the Appalachian program, I want to express to the distinguished chairman of the Committee on Public Works, the Senator from West Virginia (Mr. RANDOLPH), to the distinguished Senator from New Mexico (Mr. MONTOYA), to the distinguished Senator from Kentucky (Mr. COOPER), and to the distinguished Senator from Tennessee (Mr. BAKER) my deep appreciation for the fine work they have done in bringing the bill to this stage at this time. I thank the Senator for yielding.

Mr. COTTON. Mr. President, will the Senator yield me 1 minute?

Mr. COOPER. I yield 1 minute to the Senator from New Hampshire.

Mr. COTTON. Mr. President, I was going to wait until the Senator from West Virginia had the floor, but we on the Subcommittee on Health, Education, and Welfare are striving all day long, every day now, to get that bill out of committee, and I have to return to the committee where I have been confined.

I asked for this minute because I wanted particularly to express my appreciation to the distinguished Senator from West Virginia, the distinguished Senator from New Mexico, the distinguished Senator from Kentucky, and the distinguished Senator from Tennessee for including in this bill the other regional commissions that have been in existence since the original Appalachian bill. We depend greatly on ours in New England. It has worked very well.

When the bill came in vetoed, I offered the amendment, which the Senator from West Virginia and the Senator from New Mexico very kindly accepted, and I appreciate their including it now.

I come with a humble heart particularly to express my appreciation to the Senator from West Virginia, because he showed the breadth of kindness——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COTTON. Half a minute.

Mr. COOPER. Yes.

Mr. COTTON. Because, among others, I was compelled to vote to sustain the veto, and he was trying to get the bill passed over the veto. But in spite of that fact, he and his associates were too big to take it out on our sections of the country; and on behalf of my colleagues from New England—and I am sure the other regions join—I wish to express my deep appreciation and my admiration for the fairness, particularly, of the Senator from West Virginia, whom I had to oppose, in including the other regions in this bill. It is deeply appreciated.

The PRESIDING OFFICER. Who yields time?

Mr. BAKER. Mr. President, will the Senator yield me 2 minutes?

Mr. COOPER. I yield 2 minutes to the Senator from Tennessee, who played a great part in working out this modification, and deserves great credit for his constructive work.

Mr. BAKER. Mr. President, I am pleased that the extension of the Appalachian and economic development programs have come so expeditiously to the floor of the Senate. I think the efficiency with which this bill has been handled bespeaks the keen interest and concern of the Public Works Committee for the continuation of these fine programs.

I am confident that the same intense concern will mark the development of S. 2278, the Economic Emergency Relief Act, which I introduced last week to provide public works assistance on an emergency basis to areas of critical unemployment.

I want to especially commend Chairman JENNINGS RANDOLPH. His leadership in the development of S. 2317 has been excellent in the face of intense pressure.

These extensions of Appalachian Regional Development and the Public Works and Economic Development Acts have come a difficult and harried journey. I am impressed that the leadership of Senators RANDOLPH, COOPER, and MONTOYA have brought that journey to within sight, now, of a most satisfactory conclusion.

I hope that my colleagues will join me today in expressing support for the Appalachian and economic development programs.

At this point, I ask unanimous consent that my name and the name of the distinguished junior Senator from Maryland (Mr. BEALL) be added as cosponsors of this measure.

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

Who yields time?

Mr. MONTOYA. Mr. President, I yield 5 minutes to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, S. 2317 is now before the Senate, having been introduced yesterday by me and reported from the committee unanimously, Democrats and Republicans together, bringing this measure before the Senate this afternoon.

I think we should not dwell today upon what happened to S. 575, except to say that that legislation was vetoed by the President of the United States. In his judgment, that was the proper response to the prior action of both the Senate and the House of Representatives. Even though we had a substantial majority in this body, 57 to 36, voting to override the Presidential veto, that was five votes short of the necessary number.

We understand that the President, after careful consideration of the matter, decided that in vetoing S. 575, he wanted to state his approval of titles II and III, which concern the extension of the Appalacian Regional Development Act, and the Public Works and Economic Development Act. As to Accelerated Public Works, title I, that was an appendage added in the House of Representatives and was not in the original Senate bill.

We have removed title I from the legislation which we bring to the Senate today. As presented in S. 2317, I am joined by several members of the Committee on Public Works, including all of the members who sit on this side of the aisle and several who sit on the other side of the aisle.

There is a need, as expressed by the Senator from North Carolina (Mr. ERVIN) and by other Senators who are not on the committee, but who know of the validity of this type of program, to benefit not just one region, but, as the Senator from New Hampshire (Mr. COTTON) has said, to benefit other regions as well. So we have incorporated, as the Senator from Kentucky (Mr. COOPER) has expressed it, those regions which need these programs, that they may bring to their areas of the country these

valid projects, to strengthen the economy and to employ people, just as we have been doing so successfully in the Appalachian region of this country, which includes 13 States—West Virginia, and parts of 12 others.

So this afternoon, with the elimination of the accelerated public works title, we have removed the Presidential opposition to the measure. It is important to add, as I conclude, that we have increased the authorization for funding under the public works and economic development programs from the figure of $550 million to $800 million. This, we believe, within the provisions of the prior act, makes it——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MONTOYA. I yield the Senator 2 additional minutes.

Mr. RANDOLPH. Makes it not an answer to those who believe in title I, the accelerated public works feature, but it does permit those projects in high unemployment areas of this country to be moved quickly into being, so that projects can be constructed and people can be employed. I think it is appropriate, this afternoon, that the able Senator from Tennessee (Mr. BAKER) has indicated that as we give attention to this subject today, in no wise are we delaying the subject matter—in which he is a leader and in which other Members of the Senate are involved—which concerns those economic disaster areas of the country which need relief during these times, in which there is an unsettled economic picture.

Mr. President, I thank the chairman very much for his leadership of our Economic Development Subcommittee, for his understanding and for his helpfulness. I express my appreciation to all the members of the Public Works Committee, regardless of party, for the effort not only within our committee to move quickly, but also in an effort to come back to the Senate with those features of the measure which were not in controversy at the time of the Presidential veto.

It is my hope that on the rollcall vote this afternoon, the Senate, on both sides of the aisle, will respond to the purposes of this bill, and that it can be attended to speedily in the House and be placed upon the President's desk for his signature, which I feel will be forthcoming.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MONTOYA. I yield 1 additional minute to the Senator.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. BYRD of West Virginia. I thank the distinguished manager of the bill for yielding, and I also thank the distinguished chairman of the subcommittee for the excellent and expeditious work which has been done.

I have just this question: Last spring or earlier this year, when the Senate considered and passed the Appalachian Regional Development Act so called, there was a provision in the bill which allowed for up to 90 percent Federal funding for airport safety improvement projects in Appalachia. I merely wish to ask my colleague whether or not the subcommittee and the committee have included such a provision in this bill

Mr. RANDOLPH. I say to my able colleague from West Virginia, who was most active in bringing this into being, giving attention within our committee to his thinking, that the airport safety program is the same as in the Appalachian Extension bill originally presented, and the percentage which he has mentioned particularly is, of course, kept intact.

Mr. BYRD of West Virginia. These projects would be within Appalachia?

Mr. RANDOLPH. Within Appalachia, to develop the airport facilities, to facilitate not only the development of the area through better transportation but also for the safety of the traveling public.

Mr. BYRD of West Virginia. I thank the Senator. I have commended my able colleague many times for his leadership in developing Appalachian legislation. I enthusiastically endorse his further successful efforts to continue and expand this vital program so important to West Virginia and other States.

The PRESIDING OFFICER. Who yields time?

Mr. GRAVEL. Mr. President, will the Senator yield for the purpose of my offering an amendment?

Mr. MONTOYA. I believe that, under the unanimous consent agreement, if the Senator from Alaska offers an amendment, he is entitled to his own time.

Mr. GRAVEL. Mr. President, I seek recognition in my own right, and I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. GRAVEL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 5, strike lines 16 through 20 and insert in lieu thereof the following:

"SEC. 110. Section 512 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3191) is amended to read as follows:

" 'SEC. 512. There is hereby authorized to be appropriated not to exceed $500,000 for the two-fiscal year period ending June 30, 1973, to continue the Federal Field Committee for Development Planning in Alaska for the purpose of planning economic development programs and projects in Alaska in cooperation with the government of the State of Alaska. Nothing contained in this section shall be construed as precluding the establishment of a regional commission for Alaska.' "

Mr. GRAVEL. Mr. President, the attachés to Senator RANDOLPH and Senator MONTOYA have copies of the amendment, if any Senator desires to read the language. It merely is an amendment to continue the Federal Field Committee for Development Planning in Alaska, which has been in existence in Alaska ever since the disastrous earthquake of 1964. Among other successes the committee has done yeoman service with respect to establishing a knowledge base upon which we are building the Native land claims legislation today which I hope it will be passed by Congress in this session.

This land claims bill is the second most significant piece of legislation in the history of Alaska, the first being the Statehood Act itself.

Unfortunately, today, the President, in an Executive order, abolished the Field Committee. I hope Senators will agree to the retention of this Commission until the State can qualify as a regional commission under title V or until a follow-on Natural Resources and Land-Use Planning Commission, as I have proposed, is established. It certainly would be in the best interests of the taxpayers, since we would not have to go through the startup cost again and instead could build on the existing entity.

I would like to compliment the distinguished committee and subcommittee chairmen, Senators RANDOLPH and MONTOYA for their unfailing interest and support of Alaska in its search for solutions to its difficult economic problems. All the citizens of my State appreciate it.

Mr. President, I would like to submit for the RECORD earlier remarks I made about the Field Committee in debate on S. 575 last month.

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

Mr. GRAVEL. Mr. President, others have spoken in support of that part of the conference report on S. 575 dealing with the Appalachian Regional Development Act. I will confine my remarks to some comments on the Public Works and Economic Development Act and a statement on section 209 of the bill which treats the extension of the Federal field committee for development planning in Alaska.

Let me say first that I entirely concur in the holding action approach that we decided upon in the Public Works Committee. I participated in most of the hearings across the country and believe that we need some reasonable additional time to really prepare definitive follow-on legislation to these several programs in regional economic development.

We have learned a lot from the different mechanisms and approaches to revitalizing our lagging economic areas, and I am not one who says that experiments should go on endlessly with no calling to account. We now have over 5 years of experience behind us on the working out of the Public Works and Economic Development Act of 1965 and a similar length of time with the Alaska field committee. Indeed I think the administration has been slow in coming forward with a full and detailed evaluation of these particular programs. Still it does take time to sort out and assess what our experiences tell us and to translate this into a full-blown follow-on proposal.

What we have been trying to do under the Public Works Act is try to provide on the one hand the technical assistance and analytical input that would allow us to know what to do in rural areas that were lagging economically and suffering severe and persistant outmigration, and on the other hand make available grant and loan moneys to be used for facilities investment where lack of these can be demonstrated as a big part of the problem, despite the inevitable fund limitation for projects, I believe the real deficiency has been on the analytical and planning sides.

The Federal Field Committee for Development Planning in Alaska was happily spared the problem of projects against planning, because it was specifically created as only a planning activity with no programs to operate or grant moneys to administer. Simply put, its task was to do the analytical work on how Federal agencies—and the State agencies, too—should behave in Alaska in an investment and expenditure sense so as to best contribute to the longer-term development of the State.

Put another way, since government is such a large sector on the Alaska scene, how could it help bring Alaska into the Union economically as it had been brought in politically?

Occasionally it is proper to call for a return to fundamentals, and this is the present case when talking loosely about economic development. It is of great importance to avoid thinking and to carefully concentrate effort in those few directions that are most useful to pursue.

Recall that whether the topic is underdeveloped countries or lagging regions in advanced economies, economic development means something fairly specific. Typically, it refers to the expansion of income-producing activity within the area involved. It means growth in output and in income and employment—a stepped-up pace of economic activity and a more equitable distribution of the fruits of that activity.

Next, the distinctions must be kept in mind between economic development and social development, between economic welfare and social welfare, between economic planning and physical planning.

Economic development—as distinguished from general social development—even when rather broadly conceived, focuses on upgrading employment and income. The legislative history of economic development programs makes it clear that the Congress was viewing reduced unemployment and underemployment as a major objective of economic development in lagging regions. Closely related to the employment objectives is the objective of rising incomes.

Another misconception to guard against is that economic development is about the same thing as promoting the general welfare. Welfare is a much broader concept, and can be construed to include practically any governmental activity. Also, because of the widespread poverty in Appalachia and the somewhat loose relationship between poverty and low incomes, we often confuse the objective of economic development with the objective of fighting poverty. Antipoverty benefits can flow from economic development, but dealing with poverty per se is not the same as pursuing the developmental objective. Whereas the economics maps indicate that unemployment and, to a lesser extent, low incomes are regional problems, poverty is a good deal more than a regional problem. It is in some respects an independent problem not entirely amenable to attack through economic development alone. Some unemployed workers—certainly not all—endure poverty; but the roots of poverty go much deeper than job scarcity.

The point of all this is that we do not yet have very well in mind what we are after—what the goals are. It may be that we have been defining the task too narrowly, maybe increasing the social welfare and quality of life is what these programs should be up to in rural America's lagging regions and not just looking to the economic aspect. Moreover we are not all that sure exactly how public investment in public works projects relates to economic growth and development.

Highways for the Ozarks and dams for Idaho may do some good. But it is still pretty hard to demonstrate specifically the relationship between these and regional economic growth. Still more basically there are unresolved and frequently undiscussed questions about the assumptions on which our programs designed to help rural lagging regions are based. In our economic system, do not leading regions imply lagging regions? Is not economic activity quite naturally uneven from place to place as a result of differing factor endowments, as the economist calls them? Is it really the policy of the United States to fly in the face of market forces and redistribute economic activity? And suppose this means taking from one region and giving it to another?

What if you found that on straight economic grounds the greatest yields come from public investment in areas that are in trouble and withering? Answers to these questions would go a long way toward giving a solid rationale for whatever programs the Congress creates. I believe we can get those answers during a 2-year extension of these acts.

I see the Alaska Field Committee as another one of the organizational experiments in our search for useful mechanisms in Federal-State relations in the development field. It has functioned successfully in its duties—especially in the early years—and has been drawn on by the Congress in matters pertaining to Alaska. Field Committee inputs to the Public Works, Interior and Insular Affairs, Commerce, and even the Armed Services Committee come immediately to mind.

In the executive branch the Bureau of the Budget, Commerce, HUD, HEW, and other sister agencies have made extensive use of the Federal Field Committee and the unique interagency/intergovernmental vantage point from which it speaks. State and governments, the private sector, and the academic community have frequently tapped the field committee's expertise and avenues of assistance.

In the face of all this it is hard for me to understand why the administration through the Bureau of the Budget has been so adamant on striking down the field committee—this little operation of about $250,000 annually. If the field committee helped straighten out or provide a fresh way of looking at just one problem annually, it would surely earn its keep. It almost seems that the smaller your budget the more examination you get in the whole process.

This is not to say, of course, that the field committee should go on forever and join that long string of agencies that gather momentum of their own and never really have to undergo a rigorous searching challenge to their existence, however out-of-touch and useless they may have become.

In fact I want the legislative record to be clear in S. 575 that we have in mind substantial changes for the field committee perhaps including a different follow-on entity altogether. I, myself, introduced legislation last March which would establish a Federal-State Natural Resources and Land-Use Planning Commission for Alaska, and it may well be that this might prove the organization into which the field committee is folded. In any event it makes good sense to me that we should not lose the important base that the field committee provides. We all know that it is harder and more expensive to Government because of the startup costs to launch something from scratch than it is to build on a viable activity already in existence.

Mr. President, two of the most pressing issues confronting us today in the field of public administration are the problems of interagency coordination on the one hand and intergovernmental cooperation on the other. And while both are important, the second is more so, because it involves not money and efficiency alone but the success or failure of whole programs.

The field committee provides a mechanism for help in both these problems in Alaska and provides a model for the design of similar arrangements elsewhere. It should not be struck down, but be continued.

At this very moment probably the two biggest policy problems the Federal Government has in Alaska have to do with the oil pipeline permit and the settlement of Alaska Native claims. Interagency and intergovernmental relations are all wrapped up in both these problems to an incredible degree. The whole question of the future of State-Federal relations in Alaska will be affected for years to come by the outcome of these two major issues.

Clearly this is no time to do away with the kind of mechanisms that are working to foster smoother, more orderly, more effective Federal-State partnerships where neither is a junior partner.

I urge a vote in favor of the conference report, and I felt it would be useful to bring to the attention of my colleagues the facts surrounding one of the less well known parts of the pending legislation.

Mr. MONTOYA. Mr. President, I ask unanimous consent that the name of the Senator from Alaska (Mr. STEVENS) be added as a cosponsor of the amendment.

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

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

Mr. GRAVEL. I yield.

Mr. MONTOYA. Mr. President. I have taken up this amendment with the committee, and I think the amendment is in very good order. I believe it belongs in this bill. On behalf of the committee, I should like to express my agreement to the amendment.

Mr. COOPER. I have no objection.

Mr. GRAVEL. In view of that, Mr. President, I move the adoption of the amendment.

Mr. STEVENS. Mr. President, it has been my feeling for a long time that Alaska should have a regional development commission similar to the other regional commissions existing in the south 48 States. I am pleased to support this amendment today and to have cosponsored it because I feel it is the first step toward establishing a Regional Development Commission for Alaska.

It is my understanding that the effect of this amendment would be to restore the authorization for the Alaska Federal Field Committee, which will be converted into the Alaska Regional Development Commission, assuming this bill becomes law.

It appears to me that Alaska should participate in the funds made available for all regional commissions and should not continue to have a special committee, particularly one that was created to deal with the reconstruction period after the devastating earthquake of 1964.

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

The amendment was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. MONTOYA. Mr. President, I want to express words of commendation for the leadership furnished to us by the distinguished Senator from West Virginia, the chairman of the full committee, and the meaningful participation offered to us by the Senator from Kentucky (Mr. COOPER) and the Senator from Tennessee (Mr. BAKER).

This bill represents a good consensus on the part of the leadership on both sides of the aisle, and I hope that the President, when he receives this bill, will realize that this is the result of a

bipartisan effort in the Senate as well as in the House, and that he will sign the bill when it is presented to him.

The committee has once again been provided with staff work of high quality in the preparation and consideration of this important bill. I know I speak for all members of the committee when I express my appreciation for the contributions made by M. Barry Meyer, chief counsel; Bailey Guard, minority staff director; John W. Yago, Phillip Cummings, Judy Parente, Rick Herod, and David Sandoval, professional staff members.

I have also been greatly aided by my legislative assistant, Karl Braithwaite, whose assistance in the development of this bill was invaluable.

The PRESIDING OFFICER. All time of the Senator from New Mexico has expired.

Who yields time?

Mr. RANDOLPH. Mr. President, do I correctly understand that the Senator from Kentucky (Mr. COOPER) has some time remaining?

The PRESIDING OFFICER. The Senator from Kentucky has 7 minutes remaining.

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

Mr. COOPER. I yield.

Mr. RANDOLPH. Mr. President, we have indicated during the debate this afternoon a substantial agreement within our committee, not as to every line but as to the purposes of this measure. Senator BAKER has so indicated by asking that the names of certain Members be added as cosponsors of the measure I introduced yesterday afternoon, S. 2317.

I ask unanimous consent that the names of the Senator from Kansas (Mr. DOLE), the Senator from Maryland (Mr. BEALL), the Senator from Ohio (Mr. SAXBE), and the Senator from Connecticut (Mr. WEICKER) be added as cosponsors of this bill.

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

Mr. COOPER. Mr. President, I will vote for S. 2317, the bill extending the Appalachian Regional Development Act and the Public Works and Economic Development Act.

Earlier this year I joined with Senator RANDOLPH in introducing S. 575, a 4-year extension of the Appalachian Regional Development Act. I have worked with Senator RANDOLPH on this legislation over the years, since we jointly introduced the original Appalachian bill in 1965. His continued support of the program has been most important.

As passed by the Senate, S. 575 included a provision extending the Public Works and Economic Development Act of 1965 for 2 years at presently authorized funding levels.

The House added a new title to the Senate approved bill: Title I—the Accelerated Public Works Act.

The bill was vetoed by the President on June 29.

The President stated very clearly that his objection to the bill and the reason for his veto was the accelerated public works program—title I of the conference bill.

In his veto message to the Congress, the President indicated his support for a continuation of the Appalachian Regional Development Act and the Public Works and Economic Development Act.

I welcome the President's comments as I have supported fully the two programs extended by titles II and III of S. 575 and I believe that they should be continued. During Senate debate last Wednesday on the question of overriding the Presidential veto, I gave my assurances that I would do all I could to secure immediate extension of these two programs.

Members of the Senate Committee on Public Works have worked together since Wednesday to introduce a bill which both the majority and minority could support. I would like to particularly commend the efforts of Senator RANDOLPH, chairman of the Committee on Public Works, Senator MONTOYA and Senator BAKER of Tennessee, ranking minority member of the subcommittee.

The proposed bill now under consideration, S. 2317, is almost identical to titles II and III of the vetoed bill.

The vetoed bill totaled $5.5 billion of which $2 billion was authorized for Accelerated Public Works. The new bill totals $4 billion—$1.5 billion less than the vetoed bill but $500 million over titles II and III of the vetoed bill.

Title I of S. 2317 would extend the Public Works and Economic Development Act for 2 years, as did S. 575, and would authorize a total of $2.445 billion for the 2-year period. This figure is an increase of $500 million over the total authorized for EDA in title II of the conference bill—$1.945 billion. The entire increase represents funds added to the public facilities grant program—title I of the Public Works and Economic Development Act.

Under the conference bill $550 million per year was authorized for public facility grants, an increase of $50 million over the presently authorized funds. This bill will authorize $800 million per year for this program. This represents a total increase of $250 million per year—a total of $500 million—over the amount authorized for this grant program in the vetoed bill.

The major difference between the provisions in the conference bill and S. 2317 is the additional funds and authority provided in the public facilities grant program under EDA.

This bill proposes that at least 25 percent, but no more than 35 percent, of funds appropriated for this grant program under this enlarged authorization for existing title I of PWEDA shall be spent in areas experiencing severe unemployment and economic hardship.

These areas, eligible to receive the earmarked funds, will be designated under the new "special impact" criteria. These criteria were rewritten and expanded in the House version of S. 575, agreed to in conference and included in this bill. Under the revised language, any areas experiencing or threatened with an abrupt rise in unemployment due to the closing of the major employer in the area; areas with a high concentration of low-income people, rural areas with substantial out-migration; and areas of substantial unemployment could be designated under the "special impact" section—section 401(a)(6).

A new proposal in the bill will exempt areas designated under the revised "special impact" section from the overall economic development plan now required for Federal assistance.

Also, the bill will allow for 100 percent Federal funding of projects in these "special impact" areas when the local community has exhausted its taxing and borrowing capabilities.

All other provisions in this bill relating to the Public Works and Economic Development Act are identical to the provisions in the conference bill. These include the 2-year extension of the title V regional commissions, the public facilities and business loan program and the technical assistance program. These programs are authorized at the same levels as in the conference bill.

Title II of S. 2317, extending the Appalachian Regional Development Act for 4 years, is identical to the Appalachian provisions in the conference bill.

The total amount authorized for Appalachia in this bill is $1.541 billion—the same level in the vetoed bill. Amendments to the Appalachian Act include expanded authority under the mine restoration program to provide financial assistance for the abatement of mine drainage pollution and to allow land acquisition cost to be included in the Federal share of any project; expanded authority under the Appalachian housing program; first-dollar authority for the commission and a new program for airport safety improvements. Under this program, $40 million is authorized for a 4-year program and Federal participation may not exceed 90 percent of the project cost except for navigation aid which are eligible for 100 percent assistance.

As I stated before, I support these two programs and I support this bill. I would hope that the Senate will approve S. 2317 and that the House will approve its companion bill, H.R. 9922 without substantive amendments and the addition of new programs.

This bill is urgently needed. The present authorizing legislation for these programs lapsed on June 30 of this year. Programs under the acts are being continued under the continuing appropriations resolution, House Joint Resolution 742. The fiscal year 1972 appropriations bills for the acts are before the Congress, but no new programs can be undertaken without the authority provided in this bill.

Thirteen States are embraced by the Appalachian Regional Development Act, 1,200 areas receive assistance under the Public Works and Economic Development Act and 20 States participate in the title V regional commissions. Program assistance continued by this bill has been important in the development of these areas. The programs must not be allowed to lapse.

There are areas of the country suffering extreme economic dislocations and severe unemployment. I am deeply concerned, as is every Member of this body, that economic assistance and job oppor-

tunities be extended to these areas. We cannot see men and women out of work.

As I stated last Wednesday, my mind is open to any new proposals which may be offered to alleviate these situations.

I opposed the Accelerated Public Works Act because I believed that it would not reach effectively those areas of the country with highest unemployment and that it would not help all segments of the unemployed population—particularly the displaced older worker, the returning veteran, the young, and the semiskilled and unskilled workers. We have limited resources and I believe we can put them to better use and provide jobs.

I have indicated my support for the emergency economic assistance proposal introduced by Senator BAKER on July 14. Senator RANDOLPH, chairman of the Committee on Public Works, has indicated his support for this concept. Next week the full Committee on Public Works will take up Senator BAKER's proposal as well as other similar proposals which have been introduced in the Congress.

We have members on the Public Works Committee representing States suffering the highest unemployment rates in the Nation. Senator WEICKER made a very eloquent and moving speech on the problems facing his own State—Connecticut, which has the third highest rate of unemployment in the country. We are all committed, I believe, to design a better work bill—a bill designed to meet the economic needs of the unemployed where they are the most severe and meet the needs of every class of worker in the country, equitably and quickly.

I believe this can be done and legislation brought before the Senate soon on this new proposal.

Meanwhile I would urge the Senate to pass S. 2317 to assure the continuation of these two essential and established programs. The Appalachian Regional Development Act and the Public Works and Economic Development Act.

The PRESIDING OFFICER. Who yields time?

Mr. COOPER. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Georgia (Mr. GAMBRELL), the Senator from Oklahoma (Mr. HARRIS), the Senator from Michigan (Mr. HART), the Senator from Indiana (Mr. HARTKE), the Senator from Minnesota (Mr. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), the Senator from Georgia (Mr. GAMBRELL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Rhode Island (Mr. PASTORE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Arizona (Mr. GOLDWATER) is detained on official business.

The result was announced—yeas 88, nays 2, as follows:

[No. 159 Leg.]

YEAS—88

Aiken	Ervin	Muskie
Allen	Fannin	Nelson
Allott	Fong	Packwood
Anderson	Fulbright	Pearson
Baker	Gravel	Pell
Beall	Griffin	Percy
Bellmon	Gurney	Prouty
Bennett	Hansen	Proxmire
Bentsen	Hatfield	Randolph
Bible	Hollings	Ribicoff
Boggs	Hruska	Saxbe
Brock	Hughes	Schweiker
Brooke	Inouye	Scott
Burdick	Jackson	Smith
Byrd, Va.	Javits	Sparkman
Byrd, W. Va.	Jordan, N.C.	Spong
Cannon	Jordan, Idaho	Stennis
Case	Kennedy	Stevens
Chiles	Long	Stevenson
Church	Magnuson	Symington
Cook	Mansfield	Taft
Cooper	Mathias	Talmadge
Cotton	McClellan	Thurmond
Cranston	McGee	Tower
Curtis	McGovern	Tunney
Dole	Metcalf	Weicker
Dominick	Miller	Williams
Eagleton	Mondale	Young
Eastland	Montoya	
Ellender	Moss	

NAYS—2

Buckley	Roth

NOT VOTING—10

Bayh	Hart	Mundt
Gambrell	Hartke	Pastore
Goldwater	Humphrey	
Harris	McIntyre	

So the bill (S. 2317) was passed as follows:

S. 2317

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

TITLE I—THE PUBLIC WORKS AND ECONOMIC DEVELOPMENT ACT OF 1965

SEC. 101. This title may be cited as the "Public Works and Economic Development Act Amendments of 1971".

SEC. 102. (a) Paragraph (1) of subsection (a) of section 101 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131) is amended by striking out "and" at the end of subparagraph (B), by striking out the colon at the end of subparagraph (C) and inserting in lieu thereof the following: "; and", and by adding at the end thereof the following:

"(D) In the case of a redevelopment area so designated under section 401(a)(6), the project to be undertaken will provide immediate useful work to unemployed and underemployed persons in that area."

(b) Subsection (c) of section 101 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3131) is amended by inserting immediately following the first sentence thereof, the following: "In the case of any State or political subdivision thereof which the Secretary determines has exhausted its effective taxing and borrowing capacity, the Secretary may reduce the non-Federal share below such per centum or may waive the non-Federal share in the case of such a grant for a project in a redevelopment area designated as such under section 401(a)(6) of this Act."

SEC. 103. Section 105 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3135) is amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "and not to exceed $800,000,000 per fiscal year for the fiscal years ending June 30, 1972, and June 30, 1973. Not less than 25 per centum nor more than 35 per centum of all appropriations made for the fiscal years ending June 30, 1972, and June 30, 1973, under authority of the preceding sentence shall be expended in redevelopment areas designated as such under section 401(a)(6) of this Act."

SEC. 104. Subsection (c) of section 201 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

SEC. 105. Section 302 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3152) is amended by striking out "and June 30, 1971" and inserting in lieu thereof "June 30, 1971, June 30, 1972, and June 30, 1973".

SEC. 106. Section 401 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161) is amended as follows:

(1) Paragraph (2) of subsection (a) is amended by striking out "40 per centum" and inserting in lieu thereof "50 per centum".

(2) Paragraph (6) of subsection (a) is amended to read as follows:

"(6) those communities or neighborhoods (defined without regard to political or other subdivisions or boundaries) which the Secretary determines have one of the following conditions:

"(A) a large concentration of low-income persons;

"(B) rural areas having substantial outmigration;

"(C) substantial unemployment; or

"(D) an actual or threatened abrupt rise of unemployment due to the closing or curtailment of a major source of employment.

No redevelopment area established under this paragraph shall be subject to the requirements of subparagraphs (A) and (C) of paragraph (1) of subsection (a) of section 101 of this Act. No redevelopment area established under this paragraph shall be eligible to meet the requirements of section 403(a)(1)(B) of this Act;

"(7) those areas where per capita employment has declined significantly during the next preceding ten-year period for which appropriate statistics are available."

SEC. 107. The first sentence of section 402 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3162) is amended by striking out "thereof" and all that follows down through and including the period at the end of the sentence and inserting in lieu thereof the following: "of such reviews shall terminate or modify such designation whenever such an area no longer satisfies the designation requirements, of section 401, but in no event shall such a designation of an area be terminated prior to the expiration of the third year after the date such area was so designated."

SEC. 108. Subsection (g) of section 403 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3171) is amended by striking out "June 30, 1971" and inserting in lieu thereof "June 30, 1973".

SEC. 109. Subsection (d) of section 509 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3188a) is amended by striking out the period at the end of the first sentence thereof and inserting in lieu there-

of a comma and the following: "and for the two-fiscal-year period ending June 30, 1973, to be available until expended, not to exceed $305,000 000."

SEC. 110. Section 512 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3191) is amended to read as follows:

"SEC. 512. There is hereby authorized to be appropriated not to exceed $500,000 for the two-fiscal-year period ending June 30, 1973, to continue the Federal Field Committee for Development Planning in Alaska for the purpose of planning economic development programs and projects in Alaska in cooperation with the government of the State of Alaska. Nothing contained in this section shall be construed as precluding the establishment of a regional commission for Alaska."

SEC. 111. Section 2 of the Act of July 6, 1970 (Public Law 91-304), is amended by striking out "1971" and inserting in lieu thereof "1972".

SEC. 112. No person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance under the Public Works and Economic Development Act of 1965.

TITLE II—APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965

SEC. 201. This title may be cited as the "Appalachian Regional Development Act Amendments of 1971".

SEC. 202. The second sentence of subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 105) is amended to read as follows: "To carry out this section there is hereby authorized to be appropriated to the Commission, to be available until expended, not to exceed $2,700,000 for the two-fiscal-year period ending June 30, 1973 (of such amount not to exceed $525,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff), and not to exceed $3,300,000 for the two-fiscal-year period ending June 30, 1975 (of such amount not to exceed $575,000 shall be available for expenses of the Federal Cochairman, his alternate, and his staff).".

SEC. 203. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 106) is amended by striking out "1971" and inserting in lieu thereof "1975".

SEC. 204. Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 201) is amended to read as follows:

"(g) To carry out this section, there is hereby authorized to be appropriated to the President, to be available until expended, $175,000,000 for the fiscal year ending June 30, 1971; $175,000,000 for the fiscal year ending June 30, 1972; $180,000,000 for the fiscal year ending June 30, 1973; $180,000,000 for the fiscal year ending June 30, 1974; $185,000,000 for the fiscal year ending June 30, 1975; $185,000,000 for the fiscal year ending June 30, 1976; $185,000,000 for the fiscal year ending June 30, 1977; and $180,000,000 for the fiscal year ending June 30, 1978."

SEC. 205. There is inserted after section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) a new section as follows:

"APPALACHIAN AIRPORT SAFETY IMPROVEMENTS

"SEC. 208. (a) In order to provide a system of airports in the Appalachian region which can accommodate a greater number of passengers in safety and thereby increase commerce and communication in areas with developmental potential, the Secretary of Transportation (hereafter in this section referred to as the 'Secretary') is authorized to make grants to existing airports for the purpose of enhancing the safety of aviation and airport operations.

"(b) Such airport safety improvement projects may include (A) approach clearance, the removal, lowering, relocation, and marking and lighting of airport hazards, navigation aids, site preparation for navigation aids, and the acquisition of adequate safety equipment (including fire-fighting and rescue equipment), and (B) any acquisition of land or of any interest therein, or of any easement through or other interest in airspace which is necessary for such projects or to remove or mitigate or prevent or limit the establishment of, airport hazards.

"(c) Grants under this section shall be made solely from funds specifically made available to the President for the purpose of carrying out this Act in accordance with the provisions of this Act, and shall not be taken into account in the computation of the allotments among the States made pursuant to any other provisions of law.

"(d) Except as context otherwise indicates, words and phrases used in this section shall have the same meaning as in the Airport and Airway Development Act of 1970 and the Federal Aviation Act of 1958, as amended.

"(e) Federal assistance to any project under this section shall not exceed 90 per centum of the costs of the project, except for assistance for navigation aids which may be 100 per centum.

"(f) The Secretary is authorized to incur obligations to make grants for airport safety improvement projects, in a total amount not to exceed $40,000,000 during the period ending June 30, 1975. There are authorized to be appropriated to the President such sums as may be required for liquidation of the obligations incurred under this section."

SEC. 206. (a) The third sentence of subsection (c) of section 202 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 202) is amended by striking out "health services" and inserting in lieu thereof the following: "health and child development services, including title IV, parts A and B, of the Social Security Act. Notwithstanding any provision of the Social Security Act requiring assistance or services on a statewide basis, if a State provides assistance or services under such a program in any area of the region approved by the Commission, such State shall be considered as meeting such requirement".

(b) Subsection (d) of such section is amended by adding at the end the following: "The Federal contributions to such expenses of planning may be provided entirely from funds authorized under this section or in combination with funds provided under other Federal or Federal grant-in-aid programs. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by this subsection."

SEC. 207. (a) The first sentence of subsection (a) (1) of section 205 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 205) is amended by inserting before the period at the end: "; and to control or abate mine drainage pollution".

(b) Subsection (b) of such section is amended to read as follows:

"(b) Notwithstanding any other provision of law, the Federal share of mining area restoration project costs carried out under subsection (a) of this section and conducted on lands other than federally owned lands shall not exceed 75 per centum of the total cost thereof. For the purposes of this section, such project costs may include the reasonable value (including donations) of planning, engineering, real property acquisition (limited to the reasonable value of the real property in its unreclaimed state and costs incidental to its acquisition, as determined by the Commission), and such other materials and services as may be required for such project."

SEC. 208. (a) The catchline for section 207 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 207) is amended to read: "ASSISTANCE FOR PLANNING AND OTHER PRELIMINARY EXPENSES OF PROPOSED LOW- AND MODERATE-INCOME HOUSING PROJECTS".

(b) Subsections (a), (b), and (c) of such section are amended to read as follows:

"(a) In order to encourage and facilitate the construction or rehabilitation of housing to meet the needs of low- and moderate-income families and individuals, the Secretary of Housing and Urban Development (hereafter in this section referred to as the 'Secretary') is authorized to make grants and loans from the Appalachian Housing Fund established by this section, under such terms and conditions as he may prescribe, to nonprofit, limited dividend, or corporative organizations, or public bodies, for planning and obtaining federally insured mortgage financing for housing construction or rehabilitation projects for low- and moderate-income families and individuals, under section 221, 235, or 236 of the National Housing Act, in any area of the Appalachian region determined by the Commission.

"(b) No loan under subsection (a) of this section shall exceed 80 per centum of the cost of planning and obtaining financing for a project, including, but not limited to, preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site options, application and mortgage commitment fees, legal fees, and construction loan fees and discounts. Such loans shall be made without interest, except than any loan made to an organization established for profit shall bear interest at the prevailing market rate authorized for an insured or guaranteed loan for such project. The Secretary shall require repayment of loans made under this section, under such terms and conditions as he may require, upon completion of the project or sooner, and except in the case of a loan to an organization established for profit, may cancel any part or all of such a loan, if he determines that a permanent loan to finance such project cannot be obtained in an amount adequate for repayment of such loan under this section.

"(c) (1) Except as provided in paragraph (2) of this subsection, no grant under this section shall exceed 80 per centum of those expenses, incident to planning and obtaining financing for a project, which the Secretary considers not to be recoverable from the proceeds of any permanent loan made to finance such project, and no such grant shall be made to an organization established for profit.

"(2) The Secretary is authorized to make grants and commitments for grants, and may advance funds under such terms and conditions as he may require, to nonprofit organizations and public bodies for reasonable site development costs and necessary offsite improvements, such as sewer and water line extensions, whenever such a grant, commitment, or advance is essential to the economic feasibility of any housing construction or rehabilitation project for low- and moderate-income families and individuals which otherwise meets the requirements for asistance under this section, except that no such grant shall exceed 10 per centum of the cost of such project."

(c) Subsection (e) of such section is amended by striking out "The Secretary is further authorized to" and inserting in lieu thereof "The Secretary or the Commission may".

SEC. 209. (a) The catchline for section 211 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 211) is amended by adding at the end "AND VOCATIONAL AND TECHNICAL EDUCATION DEMONSTRATION PROJECTS".

(b) The first sentence of subsection (a) of such section is amended by inserting "and operation" after "equipment".

(c) Subsection (b) of such section is amended to read as follows:

"(b) (1) In order to assist in the expansion and improvement of educational opportunities and services for the people of the region, the Secretary of the Department of Health, Education, and Welfare is authorized to make grants for planning, construction, equipping and operating vocational and technical educational projects which will serve to demonstrate areawide educational planning, services, and programs. Grants under this section shall be made solely out of funds specifically appropriated for the purposes of this Act and shall not be taken into account in any computation of allotments among the States pursuant to any other law.

"(2) No grant for the construction or equipment of any component of a vocational and technical education demonstration project shall exceed 80 per centum of its costs.

"(3) Grants under this section for operation of components of vocational and technical education demonstration projects, whether or not constructed by funds authorized by this Act, may be made for up to 100 per centum of the costs thereof for the two-year period beginning on the first day that such component is in operation as a part of the project. For the next three years of operation, such grants shall not exceed 75 per centum of such costs. No grants for operation of vocational and technical education demonstration projects shall be made after five years following the commencement of the initial grant for operation of the project. Notwithstanding section 104 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3134), an education-related facility constructed under title I of that Act may be a component of a vocational and technical education demonstration project eligible for operating grant assistance under this section.

"(4) No grant for expenses of planning necessary for the development and operation of a vocational and technical education demonstration project shall exceed 75 per centum of such expenses.

"(5) No grant for planning, construction, operation, or equipment of a vocational and technical education demonstration project shall be made unless the facility is publicly owned.

"(6) Any Federal contribution referred to in this section may be provided entirely from funds appropriated to carry out this section, or in combination with funds available under other Federal grant-in-aid programs providing assistance for education-related facilities or services. Notwithstanding any provision of law limiting the Federal share in such programs, funds appropriated to carry out this section may be used to increase such Federal share to the maximum percentage cost thereof authorized by the applicable paragraph of this subsection."

SEC. 210. (a) Section 214(a) of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 214) is amended to read as follows:

"(a) In order to enable the people, States, and local communities of the region, including local development districts, to take maximum advantage of Federal grant-in-aid programs (as hereinafter defined) for which they are eligible but for which, because of their economic situation, they cannot supply the required matching share, or for which there are insufficient funds available under the Federal grant-in-aid Act authorizing such programs to meet pressing needs of the region, the President is authorized to provide funds to the Federal Cochairman to be used for all or any portion of the basic Federal contribution to projects under such Federal grant-in-aid programs authorized by Federal grant-in-aid Acts, and for the purpose of increasing the Federal contribution to projects under such programs, as hereafter defined, above the fixed maximum portion of the cost of such projects otherwise authorized by the applicable law. In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal grant-in-aid program is proposed to be made under this subsection, no such Federal contribution shall be made until the responsible Federal official administering the Federal grant-in-aid Act authorizing such contribution certifies that such program or project meets the applicable requirements of such Federal grant-in-aid Act and could be approved for Federal contribution under such Act if funds were available under such Act for such program or project. Funds may be provided for programs and projects in a State under this subsection only if the Commission determines that the level of Federal and State financial assistance under Acts other than this Act, for the same type of programs or projects in that portion of the State within the region, will not be diminished in order to substitute funds authorized by this subsection. Funds provided pursuant to this Act shall be available without regard to any limitations on areas eligible for assistance or authorizations for appropriation in any other Act. Any findings, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant-in-aid program shall be accepted by the Federal Cochairman with respect to a supplemental grant for any project under such program."

(b) The first sentence of subsection (c) of such section is amended by striking out "December 31, 1970" and inserting in lieu thereof "December 31, 1974".

SEC. 211. Subsection (a) (2) of section 302 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 302) is amended to read as follows:

"(2) to make grants to the Commission for investigation, research, studies, evaluations, and assessments of needs, potentials, or attainments of the people of the region, technical assistance, training programs, demonstrations, and the construction of necessary facilities incident to such activities, which will further the purposes of this Act. Grant funds may be provided entirely from appropriations to carry out this section or in combination with funds available under other Federal or Federal grant-in-aid programs or from any other source. Notwithstanding any provision of law limiting the Federal share in any such other program, funds appropriated to carry out this section may be used to increase such Federal share, as the Commission determines appropriate."

SEC. 212. Section 401 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 401) is amended to read as follows:

"SEC. 401. In addition to the appropriations authorized in section 105 for administrative expenses, in section 201 for the Appalachian Development Highway System and Local Access Roads, and in section 208 for Appalachian Airport Safety Improvements, there is hereby authorized to be appropriated to the President, to be available until expended, to carry out this Act, $268,500,000 for the two-fiscal-year period ending June 30, 1971; $282,000,000 for the two-fiscal-year period ending June 30, 1973; and $294,000,000 for the two-fiscal-year period ending June 30, 1975."

SEC. 213. Section 405 of the Appalachian Regional Development Act of 1965 (40 App. U.S.C. 405) is amended by striking "1971" and inserting in lieu thereof "1975".

SEC. 214. No person in the United States shall on the ground of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance under the Appalachian Regional Development Act of 1965.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MONTOYA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the names of the following Senators may be added as cosponsors of the bill just passed, S. 2317: Senators WEICKER, BYRD of West Virginia, COOK, and SPARKMAN.

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

EMERGENCY LOAN GUARANTEE ACT

The Senate resumed the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

The PRESIDING OFFICER. (Mr. BEALL). The pending question is the motion to recommit S. 2308 with instructions to hold further hearings and to report back by Thursday, July 29, 1971.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized. The Senate will be in order. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I ask unanimous consent that I may yield to the Senator from Utah, without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. PROXMIRE. Mr. President, reserving the right to object, may I ask the Senator from Texas how long he intends to keep the floor.

Mr. TOWER. Not very long at all.

Mr. PROXMIRE. How long is "not very long at all"?

Mr. TOWER. I would say 5 or 10 minutes, and maybe a little longer.

Mr. PROXMIRE. Mr. President, unfortunately, I think I know what the Senator from Texas has in mind. For that reason, with great apologies to my good friend, the Senator from Utah, who I am sure will have ample time to speak, I object.

Mr. TOWER. Mr. President, I apologize to my friend, the Senator from Utah, but I am not the one who raised the objection.

Mr. SPARKMAN. Mr. President, will the Senator yield to me for a question?

Mr. TOWER. I yield to the Senator from Alabama for a question.

Mr. SPARKMAN. I do not believe the Senator bound himself to any specific time limit, did he?

Mr. TOWER. No, I did not.

Mr. SPARKMAN. Will the Senator speak any longer than the Senator from Wisconsin did?

Mr. TOWER. I will not speak nearly as long as the Senator from Wisconsin. I was not aware that there are that many words in the English language.

Mr. SPARKMAN. I certainly hope the Senator from Texas during the time he has the floor will yield to some of the

rest of us who would like to comment on this matter. After all, the only speech so far has been the speech of the Senator from Wisconsin.

Mr. TOWER. I would observe there was considerable colloquy between the Senator from Wisconsin and other Senators.

Mr. BYRD of West Virginia. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

Mr. TOWER. I would also observe the Senator during the course of being yielded to made a very lengthy speech and no objection was raised by either the majority manager of the bill or the minority manager of the bill.

I would hope that having had most of the day on this measure the opponents would allow the proponents just a few minutes.

Mr. SPARKMAN. I fully agree with the Senator. I suggest that I hope we may have some colloquies. I am very eager to get in some questions and also some thoughts of my own regarding some of the statements made here today that are not sustained by the evidence. I believe the Senator from Texas will bear me out.

Mr. TOWER. Yes, I will certainly bear out the Senator from Alabama in that statement. There were a number of statements made here today that I think require considerable clarification.

I know that the distinguished Senator from Wisconsin said many things that were true but perhaps omitted some things that were true as well, which always can clarify the earlier truth.

Mr. SPARKMAN. And, of course, many of the things he suggested were his personal views.

Mr. TOWER. Yes, and I think the clarification that has to be made is that these were the personal views of the Senator from Wisconsin.

Mr. SPARKMAN. Sometimes is it not true that a person's views may be influenced by his personal feelings?

Mr. TOWER. I would say to a large extent. I have found that to be true in my 45 years of life. That is generally the case.

Mr. SPARKMAN. I thank the distinguished Senator from Texas and I shall listen to him with a great deal of interest.

Mr. TOWER. I am grateful to the Senator from Alabama.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. TOWER. Mr. President, I ask unanimous consent that I may yield to the Senator from West Virginia without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from West Virginia is recognized.

DEPARTMENT OF TRANSPORTATION APPROPRIATIONS—UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I am authorized by the distinguished majority leader to propound the following unanimous-consent request—after having discussed it with the distinguished ranking minority member of the Appropriations Subcommittee of the Department of Transportation (Mr. CASE), with the distinguished senior Senator from Colorado (Mr. ALLOTT), with the distinguished assistant Republican leader, and with other principal parties—the request being necessary because I am going to ask to proceed to the consideration of this bill at a particular time—not at a specific time by the clock tomorrow but at a specific point in the day's program. Pursuant to the order entered earlier today, of course, the majority leader, under that order, could proceed to the consideration of the bill tomorrow at any time he gets the floor.

Mr. President, I ask unanimous consent that tomorrow, immediately following the conclusion of the routine morning business, the Senate proceed to the consideration of Calendar Order No. 265, H.R. 9667, an act making appropriations for the Department of Transportation and related agencies; that debate on the bill be limited to 1 hour, the time to be equally divided between the distinguished ranking minority member of the subcommittee, the Senator from New Jersey (Mr. CASE), and the junior Senator from West Virginia, the chairman of the subcommittee (Mr. BYRD); that time on any amendment be limited to 10 minutes, the time to be equally divided between the mover of such amendment and the manager of the bill, Mr. BYRD of West Virginia; that no amendment not germane shall be received; that Senators in control of the time on the bill may yield time therefrom to any Senator on any amendment, motion, or appeal, with the exception of a motion to lay on the table; that a vote on the passage of the bill occur at the conclusion of such time; that rule XII be waived; and that upon the disposition of H.R. 9667, the unfinished business, which is presently the pending business, be laid before the Senate.

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

Mr. BYRD of West Virginia. I yield to the Senator from New York.

Mr. JAVITS. Will the Senator provide for amendments to amendments, similarly?

Mr. BYRD of West Virginia. That is included.

Mr. JAVITS. The Senator said amendments, and amendments to amendments are not included unless so specified.

Mr. BYRD of West Virginia. Yes, they are—as the request was worded—time on any amendment. I thank the able Senator.

Mr. TOWER. Mr. President, reserving the right to object, and I do not intend to object, I would like to ask the Senator from West Virginia how many amendments we may expect, so that those of us who are concerned with this loan guarantee legislation will have some idea how long they will take.

Mr. BYRD of West Virginia. I know of no amendment that will be offered.

I will be glad to yield to the very distinguished ranking minority Member, the Senator from New Jersey (Mr. CASE), to inquire of him and of the very distinguished Senator from Colorado (Mr. ALLOTT), as to whether they know of any amendments which will be offered.

Mr. CASE. We know of no amendment.

Mr. TOWER. I do not object.

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

Mr. BYRD of West Virginia. I thank the Senator for yielding.

Mr. President, will the Senator yield for one additional unanimous consent request?

Mr. TOWER. I yield.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays at any time on the Department of Transportation appropriation bill.

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

Mr. BYRD of West Virginia. Mr. President, I ask for the yeas and nays on the final passage of the Department of Transportation appropriation bill tomorrow.

The yeas and nays were ordered.

Mr. BYRD of West Virginia. I thank the Senator for yielding.

The unanimous consent agreement is as follows:

Ordered, That, effective on Thursday, July 22, 1971, following the morning business the Senate will proceed to the consideration of H.R. 9667, the Transportation Appropriations Act, with debate on any amendment (except committee amendments on which time from the bill may be yielded), be limited to 10 minutes, to be equally divided and controlled by the mover of any such amendment and the Senator from West Virginia (Mr. BYRD).

Ordered further, That, on the question of the final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from West Virginia (Mr. BYRD) and the Senator from New Jersey (Mr. CASE): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal, except a motion to table. *Provided*, That no amendment not germane shall be received.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

Mr. TOWER. Mr. President, there is before the Senate a motion to recommit S. 2308 to the committee. I know of no issue that has been gone into more thoroughly, or few issues that have been going into more thoroughly, in committee than S. 2308. We have had weeks of committee hearings. We have had reams of testimony. We have had considerable discussion in the executive markup.

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

Mr. TOWER. I yield.

Mr. BENNETT. Does the Senator remember how many weeks of testimony we had?

Mr. TOWER. Well, I believe we started taking testimony around the first of June and finally reported the bill to the Senate just this week.

Mr. BENNETT. Does the Senator agree that we had at least 3 weeks of testimony?

Mr. TOWER. We had at least 3 weeks of testimony.

Mr. BENNETT. Does the Senator know how many pages of hearings have been piled up?

Mr. TOWER. I cannot say the precise number, but I indicate with my hands how large.

Mr. BENNETT. Would the Senator agree that it is much more than 1,200 pages, nearly 1,300 pages of testimony?

Mr. TOWER. I would agree that it is at least that; probably in that neighborhood.

Mr. BENNETT. Does the Senator see any reason why we should go back and plow this ground again, after all that time and all that testimony?

Mr. TOWER. I certainly do not see any reason why we should go back and plow this ground again, because I think everything has been said many times, the same arguments have been made many times over, and I hear the same arguments being made repeatedly on the Senate floor. Today I have already heard these arguments repeated time and again. I do not know what enlightenment we could get by recommitting this bill to the committee.

Mr. PROXMIRE. Mr. President, if the Senator wants to know, will he yield to me for a question?

Mr. TOWER. I yield for a question.

Mr. PROXMIRE. Is it not true that in the committee report the Senator from Texas himself observed:

> It seems to me this committee will have to concentrate on the Lockheed question and solve it first before getting into the larger permanent program concept, since it could take a great deal more testimony and planning to permanently set up a program than we have time to do before we go out of session in August.

That was referring to the Lockheed bill, almost all of the hearings were concerned with the Lockheed guarantee not other concerns. We have had virtually no hearings on the generic bill that is before us. We have had hearings on the $250 million guarantee, but little on the $2 billion. We had almost none on the Reconstruction Finance Corporation aspects.

Mr. TOWER. The broader matter that I was referring to was the National Development Bank. We do not have a National Development Bank in this bill. As a matter of fact, this bill does not create any new agency. It expands on the very mechanism we had intended to use for the bill that was configured specifically for Lockheed. We provide a broader bill and a broader authority, because we recognized we have had a Lockheed crisis in the recent past and that is going to occur again, and also because many Senators expressed interest in broadening the bill from the mechanisms which were embodied originally. They were perfected and refined by some amendments. We proceeded to the consideration of the broader bill and had hearings on it. We had substantial hearings on the generic bill. Then, too, as the Lockheed hearing developed, quite a number of people made reference to broadening the authority. As a matter of fact, we had witnesses who testified specifically on a broader bill at the time when we were considering the bill configured primarily for Lockheed. Therefore, I think we have had adequate testimony and adequate discussion.

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

Mr. TOWER. I yield for a question.

Mr. SPARKMAN. Is it not true that in calling the hearings we definitely listed every bill pending before our committee at that time dealing with any phase of this subject, and that I repeatedly referred to the fact that S. 580, which I had introduced way back at the beginning of the year, before we ever heard of the Lockheed situation, was one of the bills being considered, and that it was a broader bill than the one which was referred to the committee, based largely on the recommendation of Dr. Burns, Chairman of the Federal Reserve Board?

Mr. TOWER. The Senator is correct. I recall that at the beginning of every day's testimony the distinguished chairman of the committee mentioned the bills that were under consideration and specified that the testimony would be general. I believe we got substantially general testimony. As a matter of fact, the bill of the Senator from Wisconsin on this matter was also one of those measures that was under consideration at the time and was one of those listed by the chairman.

Mr. SPARKMAN. Mr. President, will the Senator yield briefly?

Mr. TOWER. I yield.

Mr. SPARKMAN. The Senator, a little while ago, attempted to yield to the Senator from Utah without yielding his right to the floor. Of course the Senator understands, does he not, that the motion to recommit is subject to full debate and the Senator from Utah can get the floor in his own right?

Mr. TOWER. I understand that, and certainly, at the appropriate moment, I am hopeful the Senator from Utah, who is one of the most able debaters in this body and who has contributed so much——

Mr. SPARKMAN. And is a veteran member of the committee.

Mr. TOWER. And is a veteran member of the committee. As a matter of fact, were it not that a number of Republicans so willed it, he would still be ranking Republican member of the committee.

Mr. SPARKMAN. Instead of a younger member of the committee.

Mr. TOWER. And I am a younger member of the committee.

Mr. PROXMIRE. Mr. President, if the Senator will yield, is it not true that the Senator from Utah will be able to speak under those circumstances only if the Senator from Texas yields the floor before he makes a tabling motion? Is it not true that the Senator from Texas got the floor so he could make a motion to table the motion of the Senator from Wisconsin? Is it not true that before Senators can weigh the question as to whether or not this is general legislation on which we ought to have hearings, they ought to have an opportunity to read the hearings, copies of which we do not have?

There is a galley proof over there near the Senator from Utah (Mr. BENNETT), but copies are not on the desks of Senators.

It is my contention that the hearings had nothing to do with the generic bill. I submit that before Senators are in a position to know whether to table my motion, they ought to have an opportunity at least to glance through the hearings. I can get them, but I ask the Senator to get 100 copies of them so all Senators can have them.

My point is, how can Senators fairly vote on the motion to table the motion of the Senator from Wisconsin before they can review the hearings and find out whether or not generic hearings were held?

Mr. TOWER. I might point out that even if a motion to recommit were tabled, I believe it would be in order, even at some future time, to make the same motion.

I would like to ask the Chair for a ruling on that.

The PRESIDING OFFICER. That motion could be made at a later time.

Mr. TOWER. That motion could be made at a later time.

Because of the mountain of testimony, it was very difficult for our gallant printer to get the hearings all assembled and bound, but it is my understanding that the Senator from Wisconsin and some of his associates, the Senator from Connecticut and perhaps the Senator from Ohio—associates on this particular matter, let me hasten to say—want to carry on some extended debate on this matter. I am certain the hearings will be bound and every Senator will have adequate time to read them by the time we get this matter to a vote on the substantive issue.

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

Mr. TOWER. I yield.

Mr. SPARKMAN. I regret very much that the regularly bound volumes are not available, but we were advised by the Printing Office that, whereas the printing has been done, they had not completed the binding in time to get the volumes to us today.

Unfortunately, the Senator knows—I know I did not; I presume it is true of the Senator from Texas—that we did not expect the bill to come up today, but I am assured that the printed volumes will be on our desks tomorrow; and if any Senator wants to look at the hearings, we have a few copies at our desks.

Mr. PROXMIRE. Mr. President, will the Senator yield at that point? Is it not true——

Mr. TOWER. Mr. President, I yield to the Senator from Ohio first for a question.

Mr. TAFT. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. TOWER. If that is in order, I yield for that purpose without losing my right to the floor.

The PRESIDING OFFICER. Without objection, the Senator may yield for that purpose.

Mr. TAFT. Mr. President, I would address this inquiry to the Chair: If a motion to table were made and if the motion to table prevailed, would a motion to refer the bill back to the Committee

on Banking, Housing and Urban Affairs then be in order?

The PRESIDING OFFICER. If the motion to be made were different from the pending motion. The pending motion has instructions. A subsequent motion could be made with different instructions.

Mr. TAFT. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TAFT. In other words, if the instructions on a subsequent motion were different from the instructions on the present motion, such a motion would be in order?

The PRESIDING OFFICER. The Senator is correct.

Mr. BENNETT. Mr. President, will the Senator yield to me for a parliamentary inquiry?

Mr. TOWER. I yield to the Senator from Utah, for a parliamentary inquiry without relinquishing my right to the floor.

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

Mr. BENNETT. If such subsequent motion were made, could it also be tabled?

The PRESIDING OFFICER. It could also be tabled.

Mr. TOWER. I yield, as I indicated I would, to the Senator from Wisconsin for a question, without relinquishing my right to the floor.

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

Mr. PROXMIRE. I ask if the Senator will yield so that I may address a question to the Senator from Alabama.

Mr. TOWER. Mr. President, I ask unanimous consent that I may yield to the Senator from Wisconsin for the purpose of asking a question of the Senator from Alabama, without losing my right to the floor.

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

Mr. PROXMIRE. I ask the Senator from Alabama (Mr. SPARKMAN), who is a very fair man, would not the Senator consider, in all fairness to another Senator, that when he makes a motion to refer a matter back to the committee, before the Senate is asked to vote on that motion, we ought to have the hearings before us, so that Senators can judge for themselves whether the hearings were adequate, and not simply have galleys available to a few Senators?

Mr. SPARKMAN. We now have about 20 paper-bound volumes, and for any Senator who wants one, we shall be very glad to pass one around.

Mr. PROXMIRE. Would it not be fair to have the record available to all Senators? Could we not wait 1 day before we act on this motion?

Mr. SPARKMAN. Yes, but the Senator from Wisconsin is asking that this motion be acted on now.

Mr. PROXMIRE. Oh, no, I am perfectly willing to have a vote on it tomorrow or any time. I am not making the notion to table which would cut off debate right now and require a vote now. The Senator from Texas is doing that.

Mr. SPARKMAN. Well, let us proceed. Let us get in a little time on this thing.

I have called attention to the fact that this motion is fully debatable, and I hope that before any motion is made to table, we may have an oportunity to speak on it at some length, because there are some things I want to say, and I believe I can correct a part of the record that has been made today with just one side carrying on the debate.

I made the preliminary statement, and took probably 15 minutes. The Senator from Texas made a brief statement, I do not remember how much time, probably 10 or 15 minutes——

Mr. TOWER. About 10 minutes.

Mr. SPARKMAN. And that is all we have had. All of the rest of the day we have heard one side, and one side whose minds were made up, and they have presented the case according to the way their minds were made up.

I do not mean to say anything critical of any of those who have spoken, but I do say that there are things in this record that ought to be brought out that have not yet been brought out.

I certainly hope that we will avail ourselves of the opportunity of making those things known to this body. I am certainly in favor of the Senator from Texas proceeding. I certainly hope that our distinguished and able friend from Utah will go on and present his argument, and I know I want to say some things.

Mr. TOWER. Mr. President, the Senator from Wisconsin suggested that I was going to make a motion to table. I have not determined, myself, that I should make a motion to table. There could be, however, a motion to table, in which case I believe we would probably ask for the yeas and nays.

Therefore, I think it is only fair that I should mention this to the assembled Senators now, so they can expect that there very well might be—I think no final determination has been made on that at the moment, but there might very well be such a motion.

I yield to the Senator from Utah for a question.

Mr. BENNETT. Mr. President, will the Senator from Texas yield to me for a unanimous-consent request?

Mr. TOWER. If it is in order that I may do that without losing my right to the floor.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. BENNETT. Mr. President, I ask unanimous consent that the Senator from Texas (Mr. TOWER) be permitted to yield to the chairman of the committee for at least 20 minutes, in order that he may make the statements that he indicates he feels should be made, without the Senator from Texas losing his right to the floor.

Mr. BYRD of West Virginia. Mr. President, reserving the right to object, I do not intend to object if the Senator will place a limitation on the time. I understood that he said "at least 20 minutes." That could mean an hour, or 2 or 3 hours.

Mr. BENNETT. I am sorry. Not more than 20 minutes.

Mr. SPARKMAN. Mr. President, may I say this: I do not ask that he yield that time. I can claim the floor in my own right, certainly, with no time limitation.

Mr. BENNETT. The Senator from Utah, for the first time in his experience in the Senate having had that courtesy of unanimous consent rejected, was interested to find out whether the Senator from Wisconsin would reject a similar request on behalf of his committee chairman. I renew the request.

Mr. PROXMIRE. Mr. President, if the Senator will permit——

Mr. TOWER. Mr. President, I ask unanimous consent that I may yield to the Senator from Wisconsin for a colloquy from the Senator from Utah, without losing my right to the floor.

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

Mr. PROXMIRE. As I said, and perhaps did not say with sufficient emphasis, I certainly did not mean anything against the Senator from Utah. He has been a very fair man; he is a good friend.

All I was trying to do was protect our position, so the Senator from Texas would not farm out time for those who would speak in favor of his motion to table, and then cut off debate, which he could do, which would be within his rights, before we had an opportunity to reply while Senators are on the floor. We spoke at some length earlier to an empty Chamber. Now there are a number of Senators present. I was just attempting to protect myself, so that if the Senator from Texas should farm out the time for those who would speak in favor of his motion, and then move to cut off debate on the motion to table, I was just trying to protect against that eventuality.

Mr. BENNETT. Mr. President, it seems to me that the Senator from Wisconsin, with the help of one of his friends, has had about 5 hours of time. I do not know why he is afraid to let the opposition voice be heard, even for a limited period.

Mr. PROXMIRE. That is fine; I have no objection to that. The Senator asks unanimous consent to yield to the Senator from Alabama for 20 minutes. I think that would be all right provided that we had time also, 10 or 15 minutes to reply, and the same would apply to the Senator from Utah. I would have no objection to that, provided the Senator could assure us we would have an opportunity to speak, at least briefly.

Mr. BENNETT. In other words, the Senator has had all the advantage up to now, and from now on he wants the time divided equally.

Mr. PROXMIRE. Oh, no. For the information of the Senator from Utah, may I say the first hour was taken up by the proponents. After that time, when there were very few Senators on the floor, the opponents stepped in and spoke for quite a while.

Now that the Senate is well populated, the Senator from Utah and the Senator from Texas very wisely want to put their arguments in and immediately have a vote on tabling. I am trying to protect us against that eventuality to the extent that I can.

Mr. BENNETT. Of course, the Sena-

tor from Wisconsin realizes that we can hold the floor. Without the opportunity to make a cohesive argument, we can make it piecemeal, and he is forcing us to do that.

Mr. TOWER. Mr. President, I subscribe to what has been said about the length and the continuity of the hearings, and the consideration that has been given to the basis of this bill. I think it would be the sheerest kind of redundancy to recommit it to the committee. There is nothing new that could be said. There is no new light that could be thrown on the matter. I doubt seriously if the votes of any of the members of the full committee would be changed in the process.

Therefore, I think we should move on to the consideration of this matter. Of course, the Senator from Wisconsin knows, as does the Senator from Texas—as do we all—that in the case of one particular potential beneficiary of this measure, which shall remain unnamed, the sands of time are running out, and therefore some decision should be made soon, or it will mean that millions and millions of dollars are going to be lost. It will mean that subcontractors will have to close their doors. It will mean a loss in considerable amount in tax revenues, as attested to by the Secretary of the Treasury.

Most importantly, it will mean the loss of thousands of jobs. There are a lot of people who are sitting on tenterhooks tonight, waiting for the Senate to act, waiting to find out what we are going to do—people employed in the aerospace industry, an industry that now has an unemployment glut. In the aerospace industry today, there are thousands and thousands of unemployed. To say that one aircraft company would automatically absorb all of the people put out of work by our failing to pass this measure and allow one of the big aerospace manufacturers to become its beneficiary, and then contend that another aircraft company would absorb those people, was characterized by the president of the local chapter of the International Association of Machinists in Burbank. I cannot remember the number of that local now. He said that this contention was a cruel hoax, and it is indeed a cruel hoax. People out there are waiting tonight to find out what we are going to do, to know whether or not a month or 2 months from now they are going to have a job.

The average waiting period for an aerospace worker who has been laid off in California—and the distinguished Senator from California can correct me if I am wrong in this—is approximately 6 months. People talk in terms of losing just one or two paychecks, but I believe the statistics show that the average person laid off can expect not to be reemployed for a period of 6 months.

Not only do we have losses in corporate revenues, not only do we have losses in millions of dollars spent in materiel that will have to be junked, not only do we have millions of dollars in loss of tax revenues, not only do we have losses in jobs, but also, look at all the unemployment compensation that will have to be paid to all these people.

So what we do is extremely critical. Approximately 60,000 people conceivably stand to lose their jobs if we fail to act and to act with some expedition.

I should like to read something in tonight's Washington Star. This is an advertisement that was sponsored and paid for by members of the International Association of Machinists and Aerospace Workers, members of the Engineers and Scientists Guild, and thousands of other Lockheed employees. It reads:

> The debate over whether Congress will guarantee a $250 million bank loan to save Lockheed's L-1011 Tri-Star Airliner Program—and thus save Lockheed itself from bankruptcy—has become a public issue. There is nothing wrong with that. But we who are directly and indirectly involved with the program are disturbed by some of the rather strange things being said by its opponents. We find equally disturbing some of the things that are not being said.
>
> Obviously we have a deep personal interest in this. Our jobs and the well-being of our families are at stake. Still we don't feel any need to distort or mislead. We've bought this space simply to point out a few things.
>
> First, the issue is not a Government loan. It's a loan guarantee.

Of course, this is the point that has been made repeatedly, but, unfortunately, the opponents of the measure keep saying that the taxpayers' dollars are going to be shelled out, or at least they are implying as much.

This is a loan guarantee of $250 million that is adequately collateralized, with the Government having a priority on the assets and resources of the company, with the provision made that the Government guaranteed money will be last in and first out. It is just about the safest, soundest deal one can make, and not one penny of the taxpayers' money is really at stake.

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

Mr. TOWER. I yield for a question.

Mr. CRANSTON. Is it not true that considerable testimony was given before our committee to the effect that, as against the $250 million that would be slightly risked if a loan guarantee was made, there would be the certain loss, almost surely, in excess of $500 million in tax revenues, in renegotiated contracts, in workmen's compensation paid out, and in other expenses cost to the Government, if Lockheed went bankrupt?

Mr. TOWER. The Senator is correct, and I believe his figures are ballpark figures. This is precisely what would happen.

One thing many people do not understand is that everything that already has been manufactured for use in the Tri-Star cannot be used—or, at least, most of the things cannot be used—because they are designed specifically for the Tri-Star. They cannot be used for anything else, and approximately a billion dollars of engineering and materiel would be worth no more than the scrap value.

Mr. CRANSTON. Speaking of the time it takes unemployed aerospace workers to get employment when they find themselves unemployed, the 6-month figure apparently is now being expanded in California to 7, 8, and 9 months. Many people have been unemployed more than a year.

Here we are talking about human beings who cannot be used in some other way, let alone the parts of airplanes that cannot be used. Here are human beings, not these unwilling to work, but who have spent years of their lives and thousands of their own dollars educating themselves, preparing themselves to serve their families and to take care of them, to take care of their country's needs; and now they are thrown into the scrap heap, with no opportunity to work. It is the new kind of highly skilled, highly talented unemployed that Senator JACKSON and Senator MAGNUSON spoke about this morning in introducing another bill seeking to deal with this problem in a broader sense.

Mr. TOWER. Will the Senator repeat his last question?

Mr. CRANSTON. The point is that we are talking not only about unused parts of airplanes, which cannot be used in any other way if Lockheed goes bankrupt. We are also talking about human beings who have great talents best suited to this particular use, to work in this particular way in aerospace, and they are going to be thrown into the scrap heap, where there is no opportunity for them to work, if this bill is not passed.

Mr. TOWER. The Senator is correct.

I want to emphasize that my greatest concern is for our loss in human resources and not the loss of material resources. Material resources can sometimes be stated in terms of cold dollars. The Senator is correct.

The fact is that what you do is to break up a great engineering and technological team, and you cannot reconstitute that team again. It is gone. Here are people of great talent, people who are innovative, people who have good scientific minds, who form themselves into a team, with cross disciplines. When you break up a team like that, you break up American capacity, American potential for technological advance, that much more, as the Senator from California well knows.

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

Mr. TOWER. I yield.

Mr. TAFT. I wonder whether the Senator is aware, in talking about employment with regard to this project, that this very day General Electric Co., one of the largest engine manufacturers, whose engine is not being used in connection with the airbus project, has announced the layoff of 7,000 workers in some of their plants, one in Ohio—their engine division is in Cincinnati—one in California, one in New Mexico, two in Massachusetts, one in New Hampshire, and two in Vermont. These 7,000 workers are going to have precisely the same problem as the workers who might be laid off in this connection.

Mr. TOWER. We have layoffs in the electronics industry in my State, but they are not all related to, let us say, the cut in defense expenditures.

Would the Senator tell me whether or not all these are related specifically to that engine?

Mr. TAFT. It is, of course, not entirely clear that they are.

When there is a cutback in any situation, they are not all related to any par-

ticular project; but they are in great part, I am sure, related, to the production of aircraft engines and the prospects for aircraft so far as they have been cut back in their projections, even so far as the DC–1 is concerned, and always likely insofar as the European air bus is concerned, which proposes to use a GE propulsion system.

So the entire effect of a decline in the demand of the aircraft which is involved is a factor which is affecting this cutback.

Mr. TOWER. The Senator from Ohio helps make my argument.

The fact is that many McDonnell-Douglas employees have been laid off, and if the production line at McDonnell-Douglas expands, they will hire those they have laid off, if they, indeed, are available, and it would not really create much of an additional job market for all those who are going to be laid off at Lockheed.

This will affect, directly or indirectly, 34,000 families in 35 States. That is how many people are concerned about what we do here.

I might note that the House committee has acted with great dispatch. It is suggested here today that we return our bill to the Committee on Banking, Housing and Urban Affairs of the Senate, when this morning the Committee on Banking and Currency of the House of Representatives reported the identical bill that we have been working on for so long, and reported it by a margin of 2 to 1—23 to 11. The House is acting with dispatch on this, and I am hopeful that the Senate will act with dispatch on it as well. I think it would be really tragic if we tried to recommit the bill to committee, to go over the ground we have already gone over.

Mr. TAFT. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I yield for a question.

Mr. TAFT. I thank the Senator for yielding. Relative to some remarks the Senator made a few moments ago, with regard to the fact that if this company should go into a trustee in bankruptcy, chapter 10, reorganization, workers would lose their jobs. That is a conclusion that would appear to me to be questionable.

I would ask the distinguished Senator whether it is not true that the trustee in bankruptcy, chapter 10, reorganization, might very well make a decision in view of the inventory. I point out that the inventory of the airframes and the inventory of the engines during the past 3 months of the so-called bankruptcy of Rolls-Royce has continued to be built up, presumably on the feeling that this was a viable project and would work with the trustee in bankruptcy, who could well make the decision that he should continue production of the airbus.

So that it is merely speculation, I would suggest, on the part of the Senator from Texas, that this company would decline to go on further with production of this particular aircraft. We are speculating on the one hand as to jobs presently in existence that might be lost and, on the other hand, we are talking about jobs which are already lost.

Mr. TOWER. The point is, if we force Lockheed out of the Tristar program in order to sacrifice jobs, regardless of the trustee in bankruptcy, chapter 10, reorganization, or not, is it not true that the trustee in bankruptcy may well decide to go ahead with the Tristar project? He certainly would have a duty to examine the economic consequences of our going ahead or not going ahead.

Mr. TAFT. That is a conclusion we cannot arrive at in the Senate.

Mr. TOWER. That is highly unlikely, because the airlines have indicated that if the guarantee is not forthcoming, they will have to begin looking elsewhere. It appears that the trustee in bankruptcy will be more concerned with conserving and cutting down, trying to achieve the most economical possible operation, satisfying the creditors, and trying to keep the thing alive, than on expanding programs.

The reason Lockheed has gone into this is that it has been urged, as every other defense industry has been urged, to branch out and get into more commercially oriented enterprises because, hopefully, one of these days, we will beat our swords into plowshares and our spears into pruning hooks, and the time to do so is now, with all the great technology we possess and our productive capacity, to branch out into the consumer field.

Mr. SPARKMAN. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I am happy to yield to the Senator from Alabama.

Mr. SPARKMAN. I want to bring up this point, that we have heard a lot of talk about the work going over to McDonnell. Does the Senator remember the testimony of the gentleman who has a plant in Nashville, Tenn., which makes the wings?

Mr. TOWER. Yes.

Mr. SPARKMAN. Does the Senator remember the number of employees he had?

Mr. TOWER. The number of employees at the AVCO plant in Nashville, Tenn., is on the order of 7,000.

Mr. SPARKMAN. Was it not brought out that the DC–10—if this whole thing went over to McDonnell-Douglas—the DC–10 was a substitute—was not the testimony that the wings could not be used?

Mr. TOWER. The testimony was that the wings could not be used. As a matter of fact——

Mr. SPARKMAN. Where would they get their wings?

Mr. TOWER. They would be made in Canada.

Mr. TAFT. Mr. President, will the Senator from Texas yield on that point?

Mr. TOWER. Mr. President, I think that this point has been gone over many times. It can be gone over again, because anything we do here does not end the substance of the arguments on the bill. What we are talking about now is the motion to recommit which has been made. I think that Members of the Senate are anxiously waiting to see what we will do on that particular motion.

Mr. President, I would certainly urge that the distinguished chairman of the committee, the Senator from Alabama (Mr. SPARKMAN)—who has labored so hard and I know does not want to proceed further in committee on this question—now offer such a tabling motion, and I am delighted to yield to the Senator for that purpose.

Mr. SPARKMAN. Mr. President, I move that the pending motion to recommit the bill to committee be tabled, and ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER (Mr. BEALL). The question is on agreeing to the motion of the Senator from Alabama to table the motion of the Senator from Wisconsin (Mr. PROXMIRE) to recommit the bill to committee.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia (when his name was called). Mr. President, with the understanding that my vote hereon is no indication of what my sentiments are, I have a pair with the Senator from Montana (Mr. MANSFIELD). If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), the Senator from Minnesota (Mr. HUMPHREY), the Senator from North Carolina (Mr. JORDAN), the Senator from Montana (Mr. MANSFIELD), and the Senator from Rhode Island (Mr. PASTORE), are necessarily absent.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE), and the Senator from Indiana (Mr. BAYH), would each vote "nay."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The result was announced—yeas 56, nays 36, as follows:

[No. 160 Leg.]

YEAS—56

Allen	Dominick	Montoya
Allott	Eastland	Moss
Anderson	Ellender	Packwood
Baker	Fannin	Pearson
Bellmon	Fong	Percy
Bennett	Gambrell	Prouty
Bentsen	Goldwater	Randolph
Bible	Griffin	Roth
Boggs	Gurney	Scott
Brock	Hansen	Sparkman
Buckley	Hollings	Stennis
Cannon	Hruska	Stevens
Case	Inouye	Talmadge
Cook	Jackson	Thurmond
Cooper	Javits	Tower
Cotton	Jordan, Idaho	Tunney
Cranston	Mathias	Williams
Curtis	McIntyre	Young
Dole	Miller	

NAYS—36

Aiken	Hartke	Nelson
Beall	Hatfield	Pell
Brooke	Hughes	Proxmire
Burdick	Kennedy	Ribicoff
Byrd, Va.	Long	Saxbe
Chiles	Magnuson	Schweiker
Church	McClellan	Smith
Eagleton	McGee	Spong
Ervin	McGovern	Stevenson
Fulbright	Metcalf	Symington
Harris	Mondale	Taft
Hart	Muskie	Weicker

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Mr. Byrd of West Virginia, against.

NOT VOTING—7

Bayh	Jordan, N.C.	Pastore
Gravel	Mansfield	
Humphrey	Mundt	

So Mr. SPARKMAN's motion to table was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. SPARKMAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. HOLLINGS). The bill is open to further amendment.

Mr. TOWER. Mr. President, I wish to take this opportunity to ask the distinguished acting majority leader his views on the schedule for the remainder of the evening.

Mr. BYRD of West Virginia. Mr. President, as far as I am able to determine at the present time, if I may respond to the distinguished Senator, there apparently is no other motion to be offered by any Senator today in connection with the pending business. That being the case—and I see no hands upraised which would indicate to the contrary—there will be no further votes today on this measure or on any other measure.

The Senate, when it completes its business today, will convene at 10 a.m. tomorrow.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until 10 a.m. tomorrow, in accordance with the majority leader's request.

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

REFERRAL OF S. 986 TO THE COMMITTEE ON THE JUDICIARY

Mr. MAGNUSON. Mr. President, because the distinguished Senator from Mississippi (Mr. EASTLAND) has requested that the Consumer Product Warranties and Federal Trade Commission Act (S. 986) be referred to the Committee on the Judiciary for consideration of those aspects of S. 986 which may fall within the jurisdiction of that committee, I ask unanimous consent that S. 986 be referred until October 15, 1971, to the Committee on the Judiciary for their consideration of title II, which they believed to be within their jurisdiction; and that on that date the Committee on the Judiciary be considered to have been discharged from its further consideration of S. 986, and the bill returned to the Senate and placed on the Senate Calendar.

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

SEABED ARMS CONTROL TREATY—REMOVAL OF INJUNCTION OF SECRECY

Mr. BYRD of West Virginia. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Seabed Arms Control Treaty, Executive H, 92d Congress, first session, transmitted to the Senate today by the President of the United States, and that the treaty, together with the President's message, be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

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

The message which, with the treaty, was referred to the Committee on Foreign Relations, is as follows:

To the Senate of the United States

I am transmitting herewith, for the advice and consent of the Senate to ratification, the Treaty on the Prohibition of the Emplacement of Nuclear Weapons and Other Weapons of Mass Destruction on the Seabed and the Ocean Floor and in the Subsoil Thereof, opened for signature at Washington, London and Moscow on February 11, 1971.

This Treaty is the product of intensive negotiations during the past two years at the Conference of the Committee on Disarmament at Geneva and at the United Nations. On December 7, 1970, 104 members of the United Nations voted to commend the Treaty and urged that it be opened for signature and ratification at the earliest possible date.

In broadest outline this Treaty prohibits the emplacement of nuclear weapons and other weapons of mass destruction on the seabed beyond the outer limits of a 12-mile coastal "seabed zone" defined in the Treaty. The provisions of the Treaty are described in detail in the accompanying report of the Secretary of State.

The seabed is man's last frontier on earth, and that frontier should be a source of promise. This Treaty represents a practical and timely step toward helping protect this new environment. It is a significant addition to the structure of multilateral arms control agreements such as the Limited Test Ban Treaty, the Antarctic Treaty, the Outer Space Treaty, and the Non-Proliferation Treaty, contributing to international security.

I consider this Treaty to be in the interest of the United States and the entire world community and recommend that the Senate give its advice and consent to ratification.

RICHARD NIXON.

THE WHITE HOUSE, July 21, 1971.

Enclosures:

1. Report of the Secretary of State.
2. Certified copy of the Treaty.

DEPARTMENT OF TRANSPORTATION APPROPRIATION BILL—UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent—with respect to the agreement already entered anent the Department of Transportation appropriation bill on tomorrow, and with particular reference to time on amendments thereto—that the time limitation apply to amendments except committee amendments, on which time from the bill may be yielded.

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

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that on tomorrow, immediately following the remarks by the distinguished Senator from Connecticut (Mr. RIBICOFF)—under the order previously entered—there be a period for the transaction of routine morning business, with statements therein limited to 3 minutes, the period not to exceed 15 minutes.

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. I trust that this will be the final quorum call of the day.

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.

PROGRAM

Mr. BYRD of West Virginia. Mr. President, for the information of the Senate, the program for tomorrow is as follows:

The Senate will convene at 10 o'clock a.m. Immediately following the recognition of the two leaders under the standing order, the distinguished Senator from Connecticut (Mr. RIBICOFF) will be recognized for not to exceed 15 minutes, following which there will be a period for the transaction of routine morning business, with statements therein limited to 3 minutes, the period not to exceed 15 minutes.

At the conclusion thereof the Chair will lay before the Senate the bill making appropriations for the Department of Transportation and related agencies, on which there is a time limitation of 1 hour, with the further stipulation that on any amendment, except committee amendments, the time will be limited to 10 minutes, and at the conclusion of such time there will be a rollcall vote on the Department of Transportation appropriation bill. The yeas and nays have already been ordered on final passage.

On the disposition of the Department of Transportation appropriation bill, the Senate will resume the consideration of the then-unfinished business, which is the bill now pending.

ADJOURNMENT UNTIL 10 A.M.

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 39 minutes p.m.) the Senate adjourned until tomorrow, Thursday, July 22, 1971, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 21, 1971:

NATIONAL MEDIATION BOARD

Peter C. Benedict, of Virginia, to be a member of the National Mediation Board

for the term expiring July 1, 1974, vice Francis A. O'Neill, Jr.

ATOMIC ENERGY COMMISSION

James R. Schlesinger, of Virginia, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1975, vice Glenn T. Seaborg.

William Offutt Doub, of Maryland, to be a member of the Atomic Energy Commission for a term of 5 years expiring June 30, 1976, vice Theos J. Thompson, deceased.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 21, 1971:

IN THE AIR FORCE

Col. Walter B. Staudt [redacted] FG, Texas Air National Guard, from further consideration for appointment as a brigadier general, Reserve of the Air Force. His name was submitted along with 20 other nominees for appointment to Reserve of the Air Force general officer grades on April 19, 1971.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 21, 1971:

IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

The nominations beginning Clinton D. Upham, to be captain, and ending Sydney R. Withers, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on July 19, 1971.

HOUSE OF REPRESENTATIVES—*Wednesday, July 21, 1971*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

The Lord God will help us: Therefore we shall not be confounded.—Isaiah 50:7.

Almighty God, our Father, amid the disturbances of these demanding days, unsure as we are about many things, help us to be sure of Thee. In these times which try our souls and tempt our spirits as we endeavor to make our Nation safe for democracy and secure for freedom, we pray for courage to keep our spiritual foundations strong knowing that without Thee all our labor is in vain.

Bless Thou our President, our Speaker, and our Members of Congress as they face the difficult duties of these disturbing days. May Thy wisdom make them wise, Thy strength keep them strong, and Thy love lead them in the paths of righteousness that our Nation may continue to be a channel through which liberty and justice can flow to all people.

In Thy holy name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 4590. An act relating to the dutiable status of aluminum hydroxide and oxide, calcined bauxite, and bauxite ore; and

H.R. 9388. An act to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2296. An act to amend sections 107 and 709 of title 32, United States Code, relating to appropriations for the National Guard and to National Guard technicians, respectively.

APPOINTMENT OF CONFEREES ON H.R. 9417, DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1972

Mrs. HANSEN of Washington. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9417) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1972, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington? The Chair hears none, and appoints the following conferees: Mrs. HANSEN of Washington, Messrs. FLYNT, OBEY, YATES, GALIFIANAKIS, MAHON, MCDADE, WYATT, DEL CLAWSON, and BOW.

NUCLEAR SUBMARINE TO BE NAMED "WILLIAM H. BATES"

(Mr. O'NEILL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. O'NEILL. Mr. Speaker, I am submitting for the perusal of my colleagues a resolution petitioning the Secretary of the Navy to name a nuclear submarine in memory of the late Congressman from Massachusetts, William H. Bates, passed by the Massachusetts House of Representatives on June 22, 1971.

Congressman Bates served in the House for 19 years and was the ranking Republican member of the House Armed Services Committee. As a member of the Massachusetts delegation, I concur with the sentiments expressed in the resolution and ask that all Members who knew and remember William Bates direct their attention to this resolution.

RESOLUTION MEMORIALIZING THE SECRETARY OF THE NAVY TO NAME A NUCLEAR SUBMARINE IN MEMORY OF CONGRESSMAN WILLIAM H. BATES

Whereas, Congressman William H. Bates of Salem, Massachusetts, Representative in Congress, 81st to 91st, died June 22, 1969; and

Whereas, Congressman Bates was educated at Salem High School, Worcester Academy, Brown University and Harvard Graduate School of Business Administration; and

Whereas, He rose from rank of Apprentice Seaman to rank of Captain in the United States Navy; and

Whereas, At the time of his death, he was a ranking member of the House Armed Services Committee and the second ranking minority member of the Joint Commission on Atomic Energy; and

Whereas, He served his country with honor, distinction and dedication in World War II and while a member of Congress; therefore be it

Resolved, That the Massachusetts House of Representatives respectfully urges the Secretary of the Navy to name a Nuclear Submarine in memory of Congressman William H. Bates; and be it further

Resolved, That a copy of these resolutions be forwarded by the Secretary of the Commonwealth to the President of the United States, the Secretary of the Navy, the presiding officer of each branch of Congress and to each member thereof from the Commonwealth.

PROPOSED AMENDMENT TO H.R. 9844, MILITARY CONSTRUCTION AT BOLLING AIR FORCE BASE

(Mr. FAUNTROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAUNTROY. Mr. Speaker, I wish to announce my intention to offer an amendment to H.R. 9844, the military construction bill, when it is considered by the House. My amendment would delete from the measure the authorization for further military construction at Bolling Air Force Base in the District of Columbia. Bolling Air Force has not had a significant mission for many years now. The land on which the base sits is located in the Anacostia section of Washington, D.C., an area devastated by serious housing and economic problems. The Bolling Air Force Base site is one of the few tracts of undeveloped land left in the District of Columbia, and it offers a unique opportunity for the building of housing and for economic development for the people of the city generally, and for the long-forgotten residents of Anacostia in particular. For several years, the District government, the National Capital Planning Commission, and community groups in the city, with the encouragement of the Federal Government, have been planning for civilian use of the facility. Authorization of further military construction would seriously undermine all of the planning that has been done, striking a serious blow at efforts to provide a decent environment and new civilian job opportunities for the people of the city.