PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BINGHAM:

H.R. 10140. A bill for the relief of Ivan Augustus Palmer; to the Committee on the Judiciary.

By Mr. COLLINS of Illinois:

H.R. 10141. A bill for the relief of Michele Biundo; to the Committee on the Judiciary.

H.R. 10142. A bill for the relief of Emilia Ruffolo; to the Committee on the Judiciary.

By Mr. EDWARDS of Alabama:

H.R. 10143. A bill for the relief of Eileen Catharine Gordon; to the Committee on the Judiciary.

By Mr. HOGAN:

H.R. 10144. A bill for the relief of William E. Parrish; to the Committee on the Judiciary.

By Mr. RANGEL:

H.R. 10145. A bill to provide that a gold medal be presented to the widow of the late Louis Armstrong; to the Committee on Banking and Currency.

SENATE—*Tuesday, July 27, 1971*

(Legislative day of Monday, July 26, 1971)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. DAVID H. GAMBRELL, a Senator from the State of Georgia.

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

Almighty God, we beseech Thee to look with favor upon our Nation and our people. Though undeserved, Thou hast given us a great and good land rich in resources, both natural and human.

Manifest Thy presence in our lives, O Lord, giving us grace to fulfill Thy precepts, binding our diverse elements into a spiritual unity, guiding us in the establishment of full justice for all, and using us in the service of all mankind.

By Thy Spirit, lead the Members of this body to the highest truth and the best resolution of their waiting tasks.

May goodness and mercy follow us all our days, that we may abide with Thee forever. 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 second assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 27, 1971.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. DAVID H. GAMBRELL, a Senator from the State of Georgia, to perform the duties of the Chair during my absence.

ALLEN J. ELLENDER,
President pro tempore.

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Journal of the proceedings of Monday, July 26, 1971, be approved.

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

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 292, 293, 294, and 295.

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

REFERRAL OF A BILL TO THE COURT OF CLAIMS

The resolution (S. Res. 46) to refer the bill (S. 634) entitled "A Bill for the relief of Michael D. Manemann" to the Chief Commissioner of the Court of Claims for a report thereon, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. RES. 46

Resolved, That the bill (S. 634) entitled "A bill for the relief of Michael D. Manemann", now pending in the Senate, together with all the accompanying papers, is hereby referred to the Chief Commissioner of the Court of Claims, and the Chief Commissioner of the Court of Claims shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–299), explaining the purposes of the measure.

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

PURPOSE

The purpose of the proposed resolution is to refer the bill S. 634 entitled "A bill for the relief of Michael D. Manemann," now pending in the Senate, together with all the accompanying papers, to the Chief Commissioner of the Court of Claims. The Chief Commissioner of the Court of Claims shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28, United States Code, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant.

STATEMENT

The facts of the case on the bill S. 634 which, by this resolution, is being referred to the Court of Claims are found in the departmental report on an identical bill (S. 557) of the 91st Congress, and are as follows:

From the records available to the Air Force, it appears that on January 16, 1962, as a result of a routine skin test for tuberculosis which had proven positive, Mr. Manemann was given a chest X-ray at a U.S. Air Force dispensary in Taiwan. The Air Force physician who analyzed the X-ray film reported it as negative, i.e., as showing no sign of tuberculosis. The medical records do not show any further action in Taiwan after this "negative chest" report.

On March 25, 1965, Mr. Manemann underwent a routine medical examination for entrance into the military service. This medical examination included a chest X-ray which proved abnormal, showing an infiltrate and a cavitary lesion in the left lung. As a result, on March 26, 1965, he was admitted to the Fitzsimons General Hospital, Denver, Colo., for treatment. X-rays at Fitzsimmons, taken that date, revealed a nodular infiltrate throughout the left lung with a thin-walled cavity in the left upper lobe. The diagnosis was advanced tuberculosis.

By July 22, 1965, the infiltrate was cleared, through drug therapy, and some reduction of the cavity was also accomplished. However, surgery was eventually required. Mr. Manemann underwent lung operations on November 4, 1965, and again on November 29, 1965, at Fitzsimons General Hospital. The postoperative hospital course was satisfactory and Mr. Manemann was discharged from the hospital on February 17, 1966. He was placed on prescribed medication, to be followed at the Fitzsimons Outpatient Tuberculosis Clinic. He visited the clinic monthly for the following year, during which time no symptoms or signs of the disease reappeared. At the time of the January 1967 visit, it was reported that he was employed in fairly heavy work and tolerating it well. His last visit to the Fitzsimons Clinic was on February 9, 1967, at which time it was understood that Mr. Manemann would have periodic checkups at a local county clinic. It has since been reported that Mr. Manemann has progressed satisfactorily, that there has been no residual disability, and that he is presently employed as a mechanic for an automobile agency. Pulmonary function studies of Mr. Manemann's lungs, conducted at Fitzsimons General Hospital, September 18, 1968, resulted in a finding of "mild obstructive defect with normal vital capacity."

In 1966, Mr. Manemann filed a suit against the United States under the so-called Federal Tort Claims Act. The suit was based upon the same allegation of negligence as contained in S. 557. The case was dismissed on the basis of the foreign country exception in the Federal Tort Claims Act (*Manemann* v. *U.S.*; C.A. Colo. 1967, 381 F2d 704) which, without regard to the question of negligence, provides that the United States may not be sued for torts of its officers or employees allegedly occurring outside the United States.

A remedy was available to Mr. Manemann, however, in that he could have filed a claim under the so-called Military Claims Act (10 U.S.C. 2733) any time within the 2-year statute of limitations prescribed by that act, that time having expired on March 25, 1967. However, the Department of the Air Force has no record of a claim having been filed.

There having been no trial on the merits and no claim filed, there was no occasion for investigation of Mr. Manemann's case until presentation of S. 3188, 90th Congress, in 1968, that bill being the predecessor of S. 557,

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

91st Congress. No statements were taken from the doctor who administered the skin test or the doctor who interpreted the X-ray in Taiwan, and they cannot now be identified. On the limited facts available, however, all from the medical records, the Department of the Air Force cannot deny the probability of error on the part of the doctor who interpreted the X-ray.

Physicians (radiologists) in the Office of the Surgeon General, USAF, have reviewed the original X-ray film of January 16, 1962, for the purpose of reporting on S. 557, and have determined that the film shows slight changes (from normal) in the apex of the left lung. They report further that, if suspicion of disease persisted, especially in the light of the positive skin test, good medical practice would have required additional tests and X-rays before tuberculosis could have been properly ruled out. However, the film could not have been interpreted as indicating advanced tuberculosis (as stated in S. 557), since the film shows only a slight change from normal, which could have consisted of harmless scar tissue or a minor inflammatory process. The film itself could not have indicated an unequivocal diagnosis of tuberculosis—it could have only raised the index of suspicion. Additionally, there is no record of any subsequent complaint, from the time of the 1962 X-ray until discovery of advanced tuberculosis in March 1965, which could have been attributed to tuberculosis. Medical records show that during this period Mr. Manemann sought treatment at Air Force medical facilities on two occasions, one an outpatient visit relating to a back ailment in March 1963, and the other an outpatient visit relating to a minor eye injury in May 1963.

From the foregoing it appears that (1) the positive skin test, administered in 1962, indicated the presence of tuberculosis; (2) the chest X-ray taken at that time was erroneously reported by an Air Force Physician as normal (i.e., negative) when in fact is was not; (3) in view of the X-ray and the positive skin test, further tests should have been administered; and (4) no such tests were administered. Therefore, it is concluded that the Air Force medical personnel failed to sufficiently examine Mr. Manemann so as to conclusively establish—or rule out, as the case may be—the presence of tuberculosis, and that in view of his condition in 1965, it is possible that he was suffering from tuberculosis at the time of his medical examination by the Air Force in 1962.

If the committee considers that the circumstances of this case, including the failure to file a timely claim under the Military Claims Act, warrant favorable consideration of S. 557, the Air Force believes that any award should take into consideration not only the fact that every effort has been made to restore Mr. Manemann to his previous condition of good health, but also the medical opinion that he has suffered no residual disability. In addition, there is no indication of any hospital or medical expenses incurred by Mr. Manemann, nor of any diminution in his future earning capability.

If this case were considered under the damages criteria employed in adjudicating claims under the Military Claims Act, the Air Force has determined that the award to Mr. Manemann would not exceed $7,500. This figure was reached by allowing $2,500 for possible pain and suffering and $5,000 for loss of earnings. In connection with this latter amount, it should be noted that since the only information the Air Force has about Mr. Manemann's employment prior to his hospitalization is that he held jobs as a janitor and stock clerk for indeterminate periods, it has been necessary to calculate his loss of earnings using the wages he earned as an auto mechanic after hospitalization, coupled with an assumption that he was employed continually during the period in question.

The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this report for the consideration of the committee.

The committee agrees with the sponsor that a report from the Chief Commissioner of the Court of Claims is necessary in this case because of the complexity of the factual situation. Therefore, the resolution is recommended favorably.

DENNIS YIANTOS

The bill (S. 65) for the relief of Dennis Yiantos, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 65

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statute of limitation, or bar of laches, or any proceeding heretofore had in the United States District Court for the District of South Carolina, Charleston Division, jurisdiction is hereby conferred upon the United States District Court for the District of South Carolina to review any final decision of the Secretary of Health, Education, and Welfare with respect to the claim of Dennis Yiantos against the United States for disability insurance benefits under title II of the Social Security Act, alleged to be payable as the result of an incapacitating spinal injury incurred on or about December 30, 1957, at a time when the said Dennis Yiantos was apparently eligible for such benefits. The court may, at any time, on good cause shown, order additional evidence to be taken before the Secretary.

SEC. 2. Suit under this Act may be instituted at any time within six months after the date of enactment of this Act. Except as otherwise provided herein, the proceedings in such suit shall be in accordance with the provisions of section 205(g) of the Social Security Act, as amended (42 U.S.C. 405(g)).

SEC. 3. Nothing in this Act shall be construed as an inference of liability on the part of the United States.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–298), explaining the purposes of the measure.

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

PURPOSE

The purpose of the bill is that, notwithstanding any statute of limitation or any prior civil proceedings, jurisdiction shall be conferred upon the U.S. District Court for the District of South Carolina, to hear and render judgment on any claim filed by Mr. Yiantos against the United States for social security disability benefits alleged to be payable as a result of a spinal injury incurred on or about December 30, 1957. The bill also provides that suit upon any such claim may be instituted at any time within 6 months after the date of the enactment of the bill and that such shall be heard de novo under the procedures applicable to the Federal Tort Claims Act (28 U.S.C.A. 1346(b)).

STATEMENT

The facts of the case as contained in the report of the Department of Health, Education, and Welfare on a similar bill (S. 1681) of the 91st Congress, second session, are as follows:

Under present law, an individual may obtain a review by a U.S. district court of any final decision of the Secretary of Health, Education, and Welfare if the review is requested within 60 days of the Secretary's decision or within such additional time as the Secretary may allow. The findings of the Secretary as to any material fact, if supported by substantial evidence, are conclusive and there is no trial de novo as to the facts of the case, except that a court may order provisions, grant a reasonable opportunity to an applicant to initiate action to appeal any final decision of the Secretary. Mr. Yiantos took no steps to pursue his claim for social security disability benefits for about 8 months following the final decision of the Secretary, and an extension of time to file a civil action was not requested until 11 months after the end of the 60-day period. Since good cause had not been established for Mr. Yiantos' failure to pursue the matter the extension was denied. Enactment of S. 1681 would extend to Mr. Yiantos a special advantage that is denied to other persons in similar situations. Moreover, enactment of the bill would tend to subvert existing administrative procedures, in particular, the substantial evidence rule. We believe that such a result would be inequitable and procedurally undesirable and we therefore recommend against the enactment of the bill.

The committee has received information from the sponsor that the claimant was unable to speak or understand English, and for this reason, he did not understand that he had to pursue his legal remedies within the statutory period. In view of this, the committee believes that the bill, S. 65, is meritorious and recommends that it be passed.

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, COLORADO

The bill (S. 1939) for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1939

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with the opinion, findings of fact, and conclusions of the review panel of the commissioners of the United States Court of Claims in Congressional Reference Case Numbered 5–69, Southwest Metropolitan Water and Sanitation District, Colorado, against the United States, filed May 6, 1971, the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriate to the Southwest Metropolitan Water and Sanitation District, Colorado, the sum of $246,239, representing the amount to which that district is equitably entitled for compensation for the adverse consequences resulting from the action of the United States in taking lands within that district for the Chatfield Dam and Reservoir project.

SEC. 2. No part of the amount appropriated in this Act in excess of 20 per centum thereof shall be paid or delivered to or received by any grant or attorney on account of services rendered in connection with this claim, and the same is unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this section is a misdemeanor punishable by a fine not to exceed $1,000.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–300), explaining the purposes of the measure.

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

PURPOSE

The purpose of the proposed legislation is to authorize the Secretary of the Treasury

to pay, out of any money in the Treasury not otherwise appropriated, to the Southwest Metropolitan Water and Sanitation District, Colorado, the sum of $246,239, representing the amount to which that district is equitably entitled for compensation for the adverse consequences resulting from the action of the United States in taking lands within that district for the Chatfield Dam and Reservoir project. The amount set out is that recommended in a congressional reference case by the Chief Commissioner of the Court of Claims.

STATEMENT

The bill, S. 1939, was introduced in accordance with the recommendations of the opinion rendered in congressional reference case No. 5–69, filed on May 6, 1971, to-wit: *Southwest Metropolitan Water and Sanitation District, Colorado* v. *The United States.*

The matter had originally been referred to the Chief Commissioner of the Court of Claims by Senate Resolution 239 of the 91st Congress, first session. That resolution referred the bill, S. 2807 of that Congress, to the Chief Commissioner in accordance with the congressional reference case procedures of sections 1492 and 2509 of title 28 of the United States Code. The recommendations and facts of the matter are found in the opinions and findings of fact filed in the congressional reference case which is made a part of this report. The opinion and findings of fact are as follows:

[BEFORE THE CHIEF COMMISSIONER OF THE UNITED STATES COURT OF CLAIMS, IN CONGRESSIONAL REFERENCE, CASE NO. 5–69 (FILED MAY 6, 1971)]

SOUTHWEST METROPOLITAN WATER AND SANITATION DISTRICT, COLORADO v. THE UNITED STATES

(Report to the United States Senate)

Robert J. Flynn, attorney of record for plaintiff.

Howard O. Sigmond, with whom was *Assistant Attorney General Shiro Kashiwa,* for defendant.

Before DAVIS, *Presiding Commissioner of the Review Panel,* SCHWARTZ and WOOD, *Commissioners.*

OPINION

BY THE REVIEW PANEL: BY S. RES. 239, 91st Cong.: 1st Sess. (1969), the United States Senate referred S. 2807, a bill for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado, to the Chief Commissioner of the Court of Claims pursuant to 28 U.S.C. §§ 1492 and 2509 (Supp. V, 1965–69). The Chief Commissioner referred the case to Trial Commissioner Mastin G. White for proceedings in accordance with the rules, and designated the above-named members of the Review Panel to consider the trial commissioner's opinion on the merits of the plaintiff's legal or equitable entitlement to recover.

After trial on the merits, Commissioner White, in an opinion filed January 29, 1971, concluded that the plaintiff had no legal remedy but did have an equitable claim against the United States, and that there is equitably due the plaintiff from the United States the sum of $246,239.

Both the United States and the plaintiff filed a notice of intention to except to Commissioner White's opinion, and, on March 15, 1971, the plaintiff timely filed its exception to a portion of the said opinion. On April 15, 1971, however, the parties filed a joint motion to withdraw "all appeal documents heretofore filed," asking that the Review Panel adopt Commissioner White's opinion and conclusions and submit the same to the Chief Commissioner for transmittal to the United States Senate.

Accordingly, and without oral argument, since the Review Panel unanimously agrees with Commissioner White's opinion, findings of fact, and conclusions as hereinafter set forth, the Panel adopts the said opinion, findings of fact, and conclusions as the basis for its recommendation that the plaintiff has an equitable claim against the United States, and that there is equitably due the plaintiff from the United States the sum of $246,239.

This determination is hereby submitted to the Chief Commissioner for transmittal to the United States Senate.

OPINION

WHITE, Commissioner: Pursuant to 28 U.S.C. § 1492, the Senate on December 11, 1969, referred S. 2807, 91st Cong., 1st Sess., to the Chief Commissioner of the Court of Claims.

The legislative proposal in question, S. 2807, was entitled "A bill for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado." It proposed that the Congress enact legislation authorizing and directing the Secretary of the Treasury to pay to the Southwest Metropolitan Water and Sanitation District "a sum of money, in an amount to be substantiated, representing the amount to which the district is equitably entitled for the cost of designing and constructing certain water and sewer facilities for a planned industrial park located within the district, such facilities no longer being required after a major portion of the land within the industrial park was condemned by the United States for the Chatfield Dam and Reservoir project * * *."

The reference of S. 2807 to the Chief Commissioner of the Court of Claims was accomplished by means of S. Res. 239, 91st Cong., 1st Sess. This resolution directed that proceedings be conducted in accordance with 28 U.S.C. § 2509 and that, at the conclusion of such proceedings, the Congress be informed regarding "the nature and character of the demand (of Southwest Metropolitan Water and Sanitation District) as a claim, legal or equitable, against the United States, or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant."

The petition of the Southwest Metropolitan Water and Sanitation District ("the claimant") was filed with the Clerk of the Court of Claims on March 18, 1970; and the answer of the United States ("the respondent") was filed on May 15, 1970. Thereafter, the case was tried on its merits at Denver, Colorado, on September 14, 1970. An extensive stipulation of pertinent facts was entered into by the parties and was made a part of the trial record. The filing by the parties of their post-trial briefs and requested findings of fact was concluded on December 21, 1970.

The claimant concedes that it does not have a legal claim against the United States. Therefore, the basic question in the case is whether the claimant has an equitable claim against the United States—i.e., a claim which the United States ought to pay as a matter of moral responsibility (*Froman* v. *United States,* 157 Ct. Cl. 661 669 (1962)).

On the basis of the facts established by the evidence in the record, as summarized in this opinion and set out more fully in the findings of fact, I believe that the claimant has an equitable claim against the United States and that there is equitably due the claimant from the United States the sum of $246,239.

The claimant is a quasi-municipal corporation of the State of Colorado. It was organized on April 25, 1961, in accordance with the laws of Colorado. The claimant is authorized to construct, maintain, and operate water and sewer facilities within the geographical boundaries of the claimant's district; and in performing such functions, the claimant has the power to fix water and sewer tap fees, to levy taxes, and to issue bonds (as well as to do other things that are not pertinent to the present proceeding).

The lands within the claimant's district, at the time of its organization, included approximately 6,000 acres located in the Counties of Jefferson, Arapahoe, and Douglas, all within the State of Colorado. These lands formed an unincorporated area south and west of Littleton, Colorado, which is a suburban community located approximately 10 miles south of Denver, Colorado. The area was regarded as being suitable principally for residential development. Only a very small portion of the area originally within the claimant's district was regarded as having an industrial potential.

The "industrial park" referred to in S. 2807 is commonly known as the Blakeland Industrial Park. It was not part of the claimant's district at the time when the claimant was organized in 1961.

In 1959, approximately 2 years prior to the organization of the claimant, the Rio Grande Land Company (a subsidiary of the Denver & Rio Grande Western Railroad) assembled a 475-acre parcel of land in Jefferson and Douglas Counties, Colorado, to be developed as an industrial site. The site was given the name of Blakeland Industrial Park; and lots within it were to be platted for resale to the public.

The Blakeland Industrial Park was located on the east bank of the South Platte River, at a point below the junction where Plum Creek enters the South Platte River. The South Platte River flows north from this point through the cities of Littleton, Englewood, and Denver up to Greeley, Colorado, where it turns east to join the North Platte River in Nebraska. The two rivers then form the Platte River, which ultimately flows into the Missouri River.

In order to utilize the Blakeland Industrial Park as an industrial site, it was necessary to have water and sewer facilities available. The Rio Grande Land Company first approached the city government of Littleton and requested that it provide water and sewer services to the Blakeland Industrial Park. However, the municipal authorities referred the Rio Grande Land Company to the claimant (which had been organized by that time) for the provision of the desired services. The claimant was willing to provide water and sewer services to the Blakeland Industrial Park; and as a result of negotiations between the Rio Grande Land Company and the claimant, the Blakeland Industrial Park, became part of the claimant's district and the claimant's original plans for the development of the district were changed so as to provide for water and sewer services to be furnished by the claimant to the Blakeland Industrial Park. The claimant redesigned its proposed water and sewer facilities in order to provide the contemplated services to the Blakeland Industrial Park.

The Rio Grande Land Company spent between $800,000 and $1,000,000 in developing and grading sites within the Blakeland Industrial Park for sale. Two sales of industrial sites were made—one of 36.6 acres to the International Pipe and Ceramics Corporation in 1963 and another of 9.75 acres to the United States Rubber Company in 1964.

In order to finance the construction of water and sewer facilities to serve property owners within its district, including property owners in the Blakeland Industrial Park, the claimant in November 1961 issued and sold to the public 5-percent bonds in the principal amount of $1,460,000. The circular which advertised the bonds for sale stressed primarily the fact that the Blakeland Industrial Park was to be developed within the district, inasmuch as the industrial properties would be able to carry the highest potential assessment for tax purposes. The circular estimated that when the development of the Blakeland Industrial Park was completed, the valuation for tax purposes of the properties within the industrial park would be approximately $21,000,000.

The claimant and the purchasers of its

bonds relied primarily on the tax potential of the Blakeland Industrial Park as providing assurance that the claimant would be able to pay off its bonded indebtedness. In this connection, it was anticipated that, by virtue of the high valuation of the properties within the Blakeland Industrial Park, the claimant would be able to operate successfully and pay off its bonded indebtedness on the basis of a tax rate of approximately 10 mills. This was an important factor, because it is generally considered that the tax rate for water and sewer services should not exceed a maximum figure of 10 mills. For example, the FHA and the Veterans Administration will not approve loans on properties within special service districts (such as the claimant's district) where the tax rate for water and sewer services is in excess of 10 mills. Thus, the imposition by a district of a rate higher than 10 mills has the effect of inhibiting the development of lands within the district for residential or industrial purposes, as well as imposing a heavy burden on property owners within the district (the average tax rate, by districts similar to the claimant, for water and sewer services ranges between 4 mills and 8 mills).

After the claimant's bonds were sold, the claimant constructed water and sewer lines to serve property owners within its district, including water and sewer lines along the South Platte River from Littleton down to Blakeland Industrial Park to serve that area. The construction was completed in December of 1962.

Although S. 2807 referred to both "water and sewer facilities for a planned industrial park * * * [as] no longer being required after a major portion of the land within the industrial park was condemned by the United States," it is only the sewer line which the claimant constructed from Littleton to the Blakeland Industrial Park that is actually involved in this proceeding. The water line that was constructed along that route has been relocated at no cost to the claimant; and the claimant does not assert any claim with respect to such water line.

In connection with the construction of the sewer line from Littleton to the Blakeland Industrial Park, the claimant applied for and received from the U.S. Department of Health, Education, and Welfare the sum of $243,304 as a grant-in-aid. The net cost to the claimant of constructing the sewer line amounted to $575,908.71.

The condemnation by the United States of most of the lands within the Blakeland Industrial Park was occasioned by a severe flood which occurred in 1965 as the result of heavy rainfall on the watersheds of Plum Creek and the South Platte River. Even before 1965, the South Platte River was subject to occasional flooding. In 1933 and 1942, the river flooded, causing extensive property damage in the city of Denver. Accordingly, plans were undertaken as early as 1942 to protect Denver from future floods on the South Platte River. In the Rivers and Harbors Act of 1950 (64 Stat. 163, 175), Congress authorized the construction by the Army Engineers of a dam to be known as the Chatfield Dam on the South Platte River immediately downstream from the point where Plum Creek flows into the river. However, no funds were appropriated by Congress for the construction of the dam in 1950 or during a 16-year period thereafter. The plans for the construction of the Chatfield Dam and Reservoir project were referred to in the Army Engineers' annual reports as being in an active status from 1950 to 1956; but thereafter, until 1965, such plans were carried in the annual reports of the Army Engineers as being in an inactive status.

The 1965 flood, previously mentioned, was the most devastating flood in the recorded history of the South Platte River. It inundated the area within the Blakeland Industrial Park, except for the properties of the International Pipe and Ceramics Corporation and of the United States Rubber Company, which were located in the higher portion of the industrial park; and it caused millions of dollars worth of damage in the portions of Denver and its suburbs lying within the flood plain of the South Platte River.

Following the 1965 flood, Congress appropriated funds in 1966 for the construction of the Chatfield Dam and Reservoir project; and construction of the project was started in 1967.

After funds were appropriated for the construction of the Chatfield Dam and Reservoir project, a proceeding to condemn lands needed for the project was instituted by the United States in the U.S. District Court for the District of Colorado. The condemnation suit involved, and resulted in the taking by the United States of, a major portion of the Blakeland Industrial Park (420 acres out of a total acreage of 475) and 655 additional acres of land located within the claimant's district.

The taking by the United States of most of the lands within the Blakeland Industrial Park had the following adverse consequences insofar as the claimant was concerned:

(1) It resulted in the removal of such lands from the public tax rolls.

(2) It deprived the claimant of the major tax source upon which the claimant relied in planning and constructing the sewer line from Littleton to the Blakeland Industrial Park.

(3) It deprived the claimant of most of the potential users that the claimant expected to serve when it planned and constructed the sewer line in question.

(4) It depleted the collateral supporting the claimant's bonds.

(5) It resulted in the market value of the claimant's bonds being reduced approximately 40 percent to 60 percent below their face value.

(6) It impaired the claimant's ability to pay its bonds on time.

(7) It necessitated an exceedingly high tax rate on those lands within the claimant's district that still remain on the public tax rolls.

With respect to point (7) mentioned in the preceding paragraph, the claimant's tax assessment is determined after the annual cost of operating the claimant's district is fixed (and such cost includes the bond requirements for both principal and interest). The amount of the expected revenues from sources other than taxes (principally tap fees charged for making water and sewer connections with new structures) is deducted from the total operating cost; and the remainder, which represents the net operating cost, is divided by the valuation of the properties within the district that are on the public tax rolls. This produces a tax rate in mills to be charged each taxpayer on the valuation of any property that is on the tax rolls. Subsequent to the removal of the Blakeland Industrial Park lands from the tax rolls as the result of such lands being condemned by the United States for the Chatfield Dam and Reservoir project, the tax rate within the claimant's district has gone up markedly, to where it was 34.5 mills in 1969, 32.5 mills being assigned to the payment of bond principal and interest. The tax rate was expected to be 37 mills in 1970; and the rate by 1982 may reasonably be expected to reach a figure somewhere within the range of 250 to 297 mills.

Even the claimant's present tax rate imposes a hardship on property owners within the claimant's district. Furthermore, the development of properties within the district is being substantially inhibited by the high tax rate, since it is difficult, if not impossible, to secure financing on any property bearing such a high tax rate for water and sewer services. Unless the claimant is able to obtain relief in some way, the situation will be virtually intolerable by 1982, since the tax rate at that time will be 250 mills or more, and a 10-mill figure is regarded as being the maximum rate that a district such as the claimant can feasibly impose.

If the claimant's tax rate could be reduced to 10 mills, it is reasonable to conclude that the development of the residential areas within the district would be stimulated, and soon the increased valuation of such lands on the tax rolls would provide a sufficient tax base to permit the claimant to recover its financial position.

Since the United States is responsible for the claimant's unfortunate situation, it is my opinion that the United States is under a moral obligation to provide some relief to the claimant. If the United States had not taken most of the lands within the Blakeland Industrial Park, it is reasonable to infer that the industrial park would have been fully developed within a 25-year period; that such properties would have had a valuation for tax purposes of approximately $21,000,000; and that such valuation would have been sufficient to permit the claimant to operate successfully and to pay off its bonded indebtedness on the basis of a tax rate which would not have exceeded 10 mills. In this connection, it is true that the lands within the Blakeland Industrial Park that were taken by the United States had been flooded in 1965. However, the evidence in the record warrants the inference that the development of the lands within the Blakeland Industrial Park would not have been prevented by the possibility of a subsequent flood, if the Chatfield Dam and Reservoir project had not been constructed by the United States.

As indicated in finding 33, the parties are in agreement that there are four alternative methods that can be used in evaluating the effect on the claimant of the taking by the United States of lands within the claimant's district for the Chatfield Dam and Reservoir project, and the removal of such lands from the public tax rolls. It is my view that the second method is the preferable one, since it is concerned with the taking of industrial lands only—which is the crucial issue in this proceeding—and it takes into account an annual income which the claimant can obtain from the city of Littleton in connection with the use of the sewer line that runs between Littleton and the Blakeland Industrial Park to serve an industrial plant that is located outside the claimant's district.

Under the second method, it is estimated that, in the absence of the taking by the United States of lands within the Blakeland Industrial Park, the claimant's district would have included a total of 525 acres that could have been developed for industrial purposes; that such development would have been accomplished within a 25-year period; that the claimant's total income from such industrial lands during the 25-year period, in the form of taxes and tap fees, would have amounted to $1,559,480; and that the present discounted worth of such income would be $642,443. It is further estimated that after the taking by the United States, only 14 percent of the lands within the claimant's district having an industrial potential remain on the public tax rolls; that the present discounted worth of the claimant's anticipated income from such remaining industrial lands during the 25-year development period is $89,942; that the discounted worth of the claimant's income from the industrial lands, within its district has thus been reduced from $642,443 to $89,942, or by the net amount of $552,501, as the result of the taking by the United States; and that 60 percent of such reductions, or $331,500, should be allocated to the sewer facilities. When the anticipated income of $15,000 per year to the claimant from the city of Littleton for a sewer connection to serve the property of the Gates Rubber Company (located outside the claimant's district) is taken into account, with an ad-

justment because of the cost to the claimant of providing an additional sewer line extension, the $331,500 should be reduced by a net amount of $85,261, thus leaving a remainder of $246,239 as representing the estimated damages to the claimant.

According to this method, therefore, the damages to the claimant arising from the taking by the United States of industrial lands within the claimant's district amount to $246,239. Consequently, I believe that this is the amount which is equitably due from the United States to the claimant.

FINDINGS OF FACT

1. (a) Pursuant to S. Res. 239, 91st Cong., 1st Sess., S. 2807 was referred to the Chief Commissioner of the United States Court of Claims.

(b) The text of S. Res. 239 is as follows: *"Resolved,* That the bill (S. 2807) entitled 'A bill for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado', now pending in the Senate, together with all the accompanying papers, is hereby referred to the Chief Commissioner of the United States Court of Claims; and the Chief Commissioner of the United States Court of Claims shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code, and report to the Senate, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States, or a gratuity, and the amount, if any, legally or equitably due from the United States to the claimant."

2. (a) S. 2807, 91st Cong., 1st Sess., is entitled "A bill for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado."

(b) The text of S. 2807 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Southwest Metropolitan Water and Sanitation District, Colorado, a sum of money, in an amount to be substantiated, representing the amount to which the district is equitably entitled for the cost of designing and constructing certain water and sewer facilities for a planned industrial park located within the district, such facilities no longer being required after a major portion of the land within the industrial park was condemned by the United States for the Chatfield Dam and Reservoir project, and by reason of the inundation of, or other adverse effects upon, certain other facilities and properties located within such district in connection with the said Chatfield Dam project.

SEC. 2. No part of the amount appropriated in this Act in excess of 20 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

3. (a) On December 29, 1969, the Clerk of the United States Court of Claims served a "Notice of Docketing" in Congressional Reference Case No. 5–69 upon the claimant and the respondent, and of the filing of S. 2807, S. Res. 239, and accompanying papers.

(b) The claimant's petition was filed with the Clerk of the United States Court of Claims on March 18, 1970.

(c) The respondent's answer was filed with the Clerk of the United States Court of Claims on May 15, 1970.

(d) A "Stipulation of Uncontroverted Pertinent Facts" was filed with the Clerk of the United States Court of Claims by counsel for the claimant and for the respondent, and was admitted into evidence on September 14, 1970.

(e) The case was tried on its merits at Denver, Colorado, on September 14, 1970.

(f) The filing by the parties of their post-trial briefs and requested findings of fact was concluded December 21, 1970.

4. (a) The Southwest Metropolitan Water and Sanitation District ("the claimant") is a quasi-municipal corporation of the State of Colorado, having been organized pursuant to a decree of the District Court, First Judicial District, State of Colorado, in Case No. 15486 on April 25, 1961, in accordance with Colorado Revised Statutes, 1963, 89–5 *et seq.,* as amended.

(b) The claimant, pursuant to Colorado laws, may sue, be sued, enter into contracts, and construct, build, maintain, and operate water and sewer systems and appurtenances. It has the power to exercise rights of eminent domain, fix water and sewer tap fees and rates, borrow money, issue and reissue bonds, conduct elections, and levy taxes, all in accordance with the pertinent statutes of the State of Colorado.

5. (a) The lands within the claimant's district, at the time of its organization, included approximately 6,000 acres located in the Counties of Jefferson, Arapahoe, and Douglas, all within the State of Colorado. These lands formed an unincorporated area south and west of Littleton, Colorado, which is a suburban community located approximately 10 miles south of Denver, Colorado.

(b) The lands referred to in paragraph (a) of this finding do not consist entirely of contiguous tracts. Generally speaking, the lands within the claimant's district which are located in the central part of Jefferson County may be considered suitable for residential development primarily, the lands within the district which are located in Douglas County border on the South Platte River and relate primarily to the Blakeland Industrial Park area (see finding 8), and the lands within the district which are located in Arapahoe County are primarily located along the banks of the South Platte River downstream from the location of Chatfield Dam (see finding 24).

6. It was the claimant's original plan to serve a residential area located in the central section of Jefferson County and west of the South Platte River, in Sections 22, 23, and 28, Township 5 South, Range 69 West, Jefferson County, Colorado, with later development to include the lands just north of the South Platte River.

7. Areas outside the corporate limits of cities in Colorado counties are unable to provide services such as fire, water, sewer, and recreation. Services of the sort mentioned are supplied through special service districts.

(8) (a) In 1959, the Rio Grande Land Company, a subsidiary of the Denver & Rio Grande Western Railroad, assembled a 475-acre parcel of land in Jefferson and Douglas Counties, Colorado, to be developed as an industrial site. The site was given the name of Blakeland Industrial Park, and lots within it were to be platted for resale to the public.

(b) The Blakeland Industrial Park is located on the east bank of the South Platte River, at a point below the junction where Plum Creek enters the South Platte River. The South Platte River flows north from this point through the cities of Littleton, Englewood, and Denver up to Greeley, Colorado, where it turns east to join the North Platte River in Nebraska. The two rivers then form the Platte River, which ultimately flows into the Missouri River.

(c) In order to utilize the Blakeland Industrial Park, as an industrial site, it was necessary to have water and sewer facilities available. The Rio Grande Land Company first approached the city of Littleton and requested that it provide water and sewer services to the Blakeland Industrial Park, but Littleton referred the Rio Grande Land Company to the claimant for the provision of the desired services.

(d) The claimant was willing to provide water and sewer services to the Blakeland Industrial Park. Accordingly, as the result of negotiations, the land within the Blakeland Industrial Park became part of the claimant's district; and the claimant's original plans for the development of the district was changed so as to provide for water and sewer services to be furnished by the claimant to the Blakeland Industrial Park. The claimant redesigned its proposed water and sewer facilities in order to provide the contemplated services to the Blakeland Industrial Park.

9. (a) The Rio Grande Land Company spent between $800,000 and $1,000,000 in developing and grading sites within the Blakeland Industrial Park for sale.

(b) Two sales of industrial sites in the Blakeland Industrial Park were made, *i.e.,* 36.6 acres to the International Pipe and Ceramics Corporation in 1963 and 9.75 acres to the United States Rubber Company in 1964.

10. The claimant relied upon the tax potential of the Blakeland Industrial Park (1) in redesigning its facilities in order to serve the Blakeland Industrial Park, (2) in establishing the feasibility of the claimant's bonds with respect to sale and repayment, and (3) in ultimately constructing the system.

11. (a) The claimant approached Boettcher and Company to determine if financing could be arranged to secure the necessary funds with which to construct the sewer and water facilities, as planned. Income out of which to pay the interest and debt charges would come from tax assessments and from charges for water and sewer taps.

(b) Boettcher and Company employed Blaine B. Chase to make an appraisal of the property included within the claimant's district to determine if a bond issue would be feasible.

12. Feasibility studies conducted by the claimant, Boettcher and Company, United States Fidelity and Guaranty Company, Connecticut General Life Insurance Company, and Blaine B. Chase attributed a multimillion-dollar tax base to Blakeland Industrial Park, such tax base being of sufficient amount to justify a $1,460,000 bond sale.

13. (a) Based on Blaine B. Chase's appraisal made in 1961 (see finding 11). Boettcher and Company published an offering circular which advertised the sale of a bond issue in the amount of $1,460,000 by the claimant to finance the construction of sewer and water lines to serve property owners within the claimant's district. The report primarily stressed the fact that the Blakeland Industrial Park was to be developed within the district, since the industrial property would be able to carry the highest potential tax assessment, thus assuring the ability of the claimant to pay off its bonded indebtedness.

(b) The offering circular pointed out that the Rio Grande Land Company had spent $860,000 in site development, exclusive of railroad spurs; and estimated that when the Blakeland Industrial Park was completed, the valuation for tax purposes would be approximately $21,000,000.

(c) The potential development of residential properties within the claimant's district was discussed in the offering circular, and the fact that there was a potential growth was mentioned, but no specific estimate of future valuation was given.

14. Blaine B. Chase, in making his appraisal (see finding 11), estimated that with the availability of sewer and water services, the residential potential in the claimant's district would increase markedly. He estimated that the average homes to be constructed in the area would be evaluated at

$25,000 each; that there would be a density of approximately two homesites per acre; and that there would be approximately 250 new housing construction starts per year in the residential area of the claimant's district, extending over a 35-year period.

15. (a) The claimant issued and sold General Obligation Water and Sewer Bonds having a face value of $1,460,000, and a 5 percent interest rate, under the date of November 1, 1961, to finance the construction of water and sewer facilities.

(b) The claimant's charter authorized a bond issue of $2,300,000.

(c) The bonds having a face value of $1,460,000, mentioned in paragraph (a) of this finding, were sold to the United States Fidelity and Guaranty Company, Connecticut General Insurance Company, and Monarch Life, all of them being industrial investors. United States Fidelity and Guaranty Company bought $750,000 worth of the issue; Connecticut General Insurance Company bought $585,000 worth of the issue; and Monarch Life bought the remainder of the issue.

(d) The investing companies relied on the development of the Blakeland Industrial Park as a strong assurance that there was sufficient potential income to pay off the debt.

(e) The bonds are exempt from federal income taxes.

(f) The bonds are not a lien on the lands within the claimant's district. Each current year's obligation is provided for as a tax assessment, and the tax assessment for the current year only becomes a lien.

16. (a) Generally, special service districts with the power to levy taxes, such as the claimant in this case, do not issue bonds which are a lien on the land.

(b) In a special service district, part of the annual assessment is for service rendered during the year. On the other hand, special assessment districts, such as districts constructing streets and sidewalks, with the power to levy assessments but without the power to tax, issue bonds which are a lien on the land. In such a case, the owner of land adjoining the street or sidewalk can pay off the full assessment against his land.

17. The claimant and the purchasers of the claimant's bonds relied upon the tax potential of the lands within the Blakeland Industrial Park areas in determining the economic feasibility of the claimant's project and the claimant's ability to repay the indebtedness. Such reliance influenced the purchasers' decisions to acquire the claimant's bonds.

18. The bonds referred to in finding 15 were refunded by the claimant in an outstanding issue of General Obligation Water and Sewer and Refunding Bonds under the date of November 1, 1965, in a principal amount of $1,440,000.

19. (a) After the bonds mentioned in previous findings were sold, the claimant constructed sewer and water lines to serve part of the central area of Jefferson County, Colorado; and the claimant constructed sewer and water lines along the South Platte River from Littleton down to the Blakeland Industrial Park to serve that area.

(b) Only the sewer line from Littleton to the Blakeland Industrial Park is involved in the present proceeding. The related water line along that route was later relocated at no cost to the claimant; and the claimant does not answer any claim with respect to such water line.

20. (a) The claimant constructed a sanitary sewer outfall line, generally adjacent to the South Platte River, from the Littleton Sewage Treatment Plant to the Blakeland Industrial Park, a distance of 28,346 lineal feet, in anticipation and reliance upon the fact that the projected development of the Blakeland Industrial Park would supply major users of the claimant's water and sewer facilities, together with an adequate tax base to enable the claimant timely to retire its bonded indebtedness incurred in the construction of water and sewer facilities upon normal mill levies.

(b) The sanitary sewer line was sized at 48 to 33 inches in diameter.

(c) The sewer line constructed by the claimant to the Blakeland Industrial Park was designed to be used by other areas in the claimant's district as a major outfall collection line.

(d) The construction was completed in December of 1962.

21. (a) The claimant applied for and received from the United States Department of Health, Education, and Welfare the sum of $243,304 as a grant-in-aid to assist in the cost of constructing the sanitary sewer outfall line extending from the Littleton Sewage Treatment Plant to the Blakeland Industrial Park.

(b) The costs of construction were as follows:

Contract construction costs	$767,163.92
Engineering costs	42,174.71
Administration and legal costs	8,164.60
Less sales tax refund	(6,490.22)
Total	811,013.01
Less Federal participation	243,304.00
Total	567,709.01
Add easement costs	8,199.70
Total construction costs to claimant	575,908.71

(c) The sewer line constructed by the claimant from the Littleton Sewage Treatment Plant to the Blakeland Industrial Park cost the claimant a net sum of $575,908.71.

22. There was no intermediate user between the Littleton Sewage Treatment Plant and the Blakeland Industrial Park at the time of the construction of the outfall sewer line to serve the Blakeland Industrial Park. The sewer line was constructed primarily for the Blakeland Industrial Park.

23. (a) Interest paid up to September 14, 1970, by the claimant on the $575,908.71 referred to in finding 21(c) amounted to $205,200.

(b) Interest to be paid by the claimant subsequent to September 14, 1970, and during the term of the bonds mentioned in findings 15 and 18, will amount to $518,400.

24. The South Platte River is subject to occasional flooding. In 1933 and 1942, the river flooded, causing extensive damage to property in the city of Denver. Accordingly, plans were undertaken as early as 1942 to protect Denver from future floods on the South Platte. House Document 669, 80th Cong., 2d Sess., was prepared in 1948 as a feasibility report, proposing the construction of a dam, to be known as the Chatfield Dam, immediately downstream from the point where Plum Creek flows into the South Platte River. This feasibility report was approved and construction of the Chatfield Dam was authorized by Congress in the Rivers and Harbors Act of 1950 (64 Stat. 163, 175), but no funds were made available for the construction of the dam. The plans for the construction of the Chatfield Dam were referred to in the Corps of Engineers' annual reports as being in an active status from 1950 to 1956. Thereafter, until 1965, the construction of the Chatfield Dam was carried in the Corps of Engineers' annual reports as being in an inactive status.

25. (a) In 1965, there was a severe flood resulting from heavy rainfall in the Plum Creek and South Platte River watersheds. This was the most devastating flood in the recorded history of the South Platte River. It inundated the lands within the Blakeland Industrial Park, except for the properties of the International Pipe and Ceramics Corporation and of the United States Rubber Company (see finding 9(b)), which were located in the higher area of the Blakeland Industrial Park. The 1965 flood caused millions of dollars worth of damage to the portions of Denver and its suburbs lying within the flood plain of the South Platte River.

(b) The areas adjacent to the South Platte River that sustained flood damage in 1965 were not abandoned, but were subsequently rebuilt.

26. (a) After the flood of 1965, Congress appropriated funds for the construction of the Chatfield Dam and Reservoir project.

(b) Hearings on the matter of an appropriation for the Chatfield Dam and Reservoir project were held by the Subcommittee on Public Works of the Committee on Appropriations, United States Senate, in April of 1966. The claimant informed that subcommittee of the claimant's possible loss and damage of the project was constructed at the location then under consideration.

(c) The claimant, in its presentation to the subcommittee, recognized the damage suffered by property owners in the community as a result of the flooding, and endorsed construction of the Chatfield Dam and Reservoir project, but asked that an appropration be made to relieve the claimant "from unusual burdens and economic stress," since the claimant had invested a large sum of money in facilities to serve the Blakeland Industrial Park area and would lose the tax base and anticipated tax income from such area if the project was constructed at the proposed site. Congress did not take any action for the relief of the claimant.

(d) The Chatfield Dam and Reservoir project was funded in 1966, and construction was started in 1967.

27. (a) After funds were appropriated for the construction of the Chatfield Dam and Reservoir project, a condemnation proceeding entitled *United States* v. *425.69 Acres, More or Less, in Douglas and Jefferson Counties, State of Colorado, and Rio Grande Land Co., et al.*, Civil No. 67–C–346, was filed in the United States District Court for the District of Colorado. The condemnation suit involved a major portion of the Blakeland Industrial Park (420 acres out of a total acreage of 475) and 655 additional acres of land located within the claimant's district.

(b) Title to the lands referred to in paragraph (a) of this finding was acquired by the United States subject to "existing easements for public roads and highways, public utilities, railroads, and pipelines."

(c) The claimant petitioned to be made a party to the condemnation proceeding mentioned in paragraph (a) of this finding, so that the claimant could participate in the award. The claimant's motion was opposed by the Rio Grande Land Company. By an order dated June 23, 1969, the District Court denied the claimant's application to be joined as a party, since the lands were acquired by the United States subject to easements for public utilities and pipelines, and the claimant could establish no other ownership of land in the area. The District Court observed that the taking of lands in the Blakeland Industrial Park would reduce the tax base of the lands within the claimant's district and would reduce the number of potential water and sewer taps within the district, thus causing the remaining lands in the district to carry a greater tax burden, but said that such results were not considered compensable as a matter of law.

28. The taking by the United States of most of the lands within the Blakeland Industrial Park had the following adverse consequences insofar as the claimant was concerned:

(a) It resulted in the removal of such lands from the public tax rolls.

(b) It deprived the claimant of the major tax source upon which the claimant relied in planning and constructing the outfall sewer line from the Littleton Sewage Treatment Plant to the Blakeland Industrial Park.

(c) It deprived the claimant of most of the potential users that the claimant expected to serve when it planned and constructed the sewer line mentioned in paragraph (b) of this finding.

(d) It depleted the collateral supporting the claimant's bonds.

(e) It resulted in the market value of the claimant's bonds being reduced approximately 40% to 60% below their face value.

(f) It impaired the claimant's ability to pay its bonds on time.

(g) It necessitated an exceedingly high tax rate on those lands within the claimant's district that still remain on the public tax rolls (see findings 29 and 30).

29. (a) The claimant secures its revenue from two sources. One is the fee charged for making water and sewer connections with new structures, called a tap fee. The other source is a tax assesment. The tax assessment is determined after the annual cost of operating the claimant's district is fixed, which includes the bond requirements for both principal and interest, less the amount of the expected revenues from sources other than taxes, and dividing the net operating cost figure by the valuation of the properties within the district. This produces a mill rate to be charged each taxpayer on the valuation of property on the tax rolls.

(b) It is usually considered that the mill rate for water and sewer services should be no more than 10 mills. The FHA and the Veterans Administration refuse to approve loans for federal purposes within districts where the mill rate for water and sewer services is in excess of 10 mills.

30. (a) The development of the properties within the claimant's district is being markedly inhibited by the high mill rate. It is difficult, if not impossible, to secure financing on property bearing such a high tax rate, and the property owners protest the burden.

(b) If the claimant's mill rate could be reduced to 10 mills, it is reasonable to conclude that the development of the residential areas within the district would be stimulated, and soon the increased assessed value on the tax rolls would supply a sufficient tax base to retain a low mill rate assessment, and the claimant would recover its financial position.

(c) It was anticipated at the time when the offering circular which advertised the claimant's bonds for sale was published (see finding 13) that the mill rate be approximately 10 mills. After the Blakeland Industrial Park lands were removed from the tax rolls, the mill rate within the claimant's district has gone up markedly, to where it was 34.5 mills in 1969, 32.5 mills being assigned to bond and interest payments; and it was expected to be 37 mills in 1970. Because the retirement of $1,425,000 worth of the claimant's bond issue is reserved until 1982–85, the mill rate in 1982 may reasonably be expected to reach 250 to 297 mills.

(d) The present high mill levy of the claimant to pay bonds and interest is a hardship on homeowners within the claimant's district.

31. The average water and sewer mill levy of districts similar to the claimant is 4 to 8 mills.

32. An industrial area is being developed in Section 33, north of the location of the Chatfield Dam and near the South Platte River. It is referred to as the Gates Rubber Company property. The property lies immediately east of the boundary line of the claimant's district, in Arapahoe County. It is essential for Gates Rubber Company to receive sewer service. The company is not willing to be included within the claimant's district because of the high mill rate. The city of Littleton, in order to serve the Gates property, has offered to pay the claimant $115,000 a year for the privilege of connecting its service line from the Gates property to the claimant's sewer line that was placed along the bank of the South Platte River to serve the Blakeland Industrial Park.

33. (a) Blaine B. Chase (see findings 11–14) was engaged by both the claimant and the United States to make an evaluation of the effect that the taking of lands within the claimant's district for the Chatfield Dam and Reservoir project, and the removal of such lands from the public tax rolls, will have on the claimant. Mr. Chase, acting for both parties, used four alternative methods or approaches in making such evaluation; and the results indicated in the succeeding paragraphs of this finding were reached when the respective methods were applied.

(b) Under the first method, it was estimated that, in the absence of the taking of lands within the claimant's district by the United States, the total area would have been fully developed for residential and industrial purposes within a 35-year period; that during such period the claimant's tax income from the lands within its district would have totaled $8,596,558; that $5,157,935 of this total tax income would have been attributable to the sewer facilities; that the ultimate tax income of $5,157,935 from the sewer facilities would have a present discounted worth of $1,654,318; and that the ratio between the cost of the sewer facilities and the tax income from such facilities would be 1:3.6. It was then estimated that, with the elimination from the tax rolls of the lands within the claimant's district that were taken by the United States, the claimant's total tax income during the 35-year period would amount to $5,570,970; that the portion of such tax income attributable to the sewer facilities would be $3,342,582; that the present discounted worth of the ultimate tax income attributable to the sewer facilities would be $1,015,385; and that the ratio between the cost of the sewer facilities and the tax income attributable to such facilities would be 1:2.28. The difference between the "before" tax income of $1,654,318 and the "after" tax income of $1,015,385 would represent estimated damages in the amount of $638,933. Also, the difference between the "before" cost-income ratio of 1:3.6 and the "after" cost-income ratio of 1:2.28 would represent a 37% reduction in the cost-income ratio; and if this percentage were applied to the $1,440,000 representing the principal amount of the claimant's bonds that are outstanding (see finding 18), the result would be estimated damages in the amount of $532,800. However, if the anticipation income to the claimant from the city of Littleton for a sewer connection to serve the property of the Gates Rubber Company [see finding 32] is taken into account, with an adjustment because of the cost to the claimant of providing an additional sewer line extension, the respective damage figures of $638,933 and $532,800 should each be reduced by a net amount of $85,261 to $553,672 and $447,539 under the first method of computation.

(c) Under the second method, it was estimated that, in the absence of the taking by the United States of lands within the Blakeland Industrial Park, the claimant's district would have included 525 acres that could have been developed for industrial purposes; that such development would have been accomplished within a 25-year period; that the claimant's total income from such industrial lands during the 25-year period, in the form of taxes and tap fees, would have amounted to $1,559,480; and that the present discounted worth of such income would be $642,443. It was further estimated that after the taking by the United States, only 14% of the lands within the claimant's district having an industrial potential remain on the public tax rolls; that the discounted worth of the anticipated income from such remaining industrial lands during the 25-year development period would amount to $89,942; that the discounted worth of the claimant's income from the industrial lands within its district would thus be reduced from $642,443 to $89,942, or by the net amount of $552,501, as the result of the taking by the United States; and that 60% of such reduction, or $331,500, should be allocated to the sewer facilities. When the anticipated income to the claimant from the city of Littleton for a sewer connection to serve the property of the Gates Rubber Company is taken into account, with an adjustment because of the cost to the claimant of providing an additional sewer line extension, the $331,500 should be reduced by a net amount of $85,261, thus leaving a remainder of $246,239 as representing the estimated damages to the claimant under the second method of computation.

(d) Under the third method, the prices paid during recent years for lands situated within the claimant's district were compared with prices paid for comparable lands in the same general area but outside the district boundaries. It was concluded that lands within the claimant's district have a market value approximately 40% less than comparable lands situated outside the district's boundaries, and that this difference is attributable to the high mill tax levy forced upon the claimants as a result of the acquisition of lands within the claimant's district by the United States for the Chatfield Dam and Reservoir project. When this percentage factor is applied to the $1,440,000 representing the principal amount of the claimant's outstanding bonded indebtedness, the result is a figure of $576,000 representing the claimant's damages under the third method.

(e) Under the fourth method, the present market value of the claimant's outstanding bonds was estimated, and it was concluded that such bonds could be sold in the open market to knowledgeable buyers at a price somewhere between 40% and 60% of their face amount. Therefore, since the claimant's outstanding bonds have a total face value of $1,440,000, the claimant's damages, consisting of the loss in valuation sustained by the claimant's bonds, would range between a minimum of $576,000 and a maximum of $864,000 under the fourth method.

34. At the trial of this case, representatives of the claimant testified that in the event the Congress should make an award to the claimant, the funds would not be used to pay off the principal of the bonded indebtedness, but would be invested in a fund to be used over a period of time to pay the claimant's current bond and interest obligations only, in an effort to reduce the mill levy to 10 mills, with the hope that new interest could be stimulated in the development of the residential areas within the claimant's district, and that there would be a sufficient development of the residential areas to increase the assessed valuation of such areas to the point where a 10-mill levy on the residential areas would enable the claimant to pay its obligations.

CONCLUSIONS

1. The claimant does not have any legal remedy with respect to the adverse consequences resulting from the action of the United States in taking lands within the claimant's district for the Chatfield Dam and Reservoir project.

2. The claim asserted by the claimant in the present proceeding is not legal in its nature or character.

3. The claimant has an equitable claim against the United States, and there is equitably due the claimant from the United States the sum of $246,239.

Certified, a true and correct copy, this 7th day of May, 1971, at Washington, D.C.

MARION T. BENNETT,
Chief Commissioner, United States Court of Claims.

In agreement with the opinion of the Court of Claims, the committee recommends the bill favorably.

EXCHANGE OF MEDICAL INFORMATION

The bill (S. 2288) to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans' Affairs to establish and carry out a program of exchange of medical information, was announced as next in order.

Mr. CRANSTON. Mr. President, on

July 23 I had the honor to report from the Committee on Veterans' Affairs the first bill which this new Senate committee has ever reported to the Senate. I am most grateful to the chairman of the committee, who introduced the bill, for giving me this opportunity. The bill in question, S. 2288, of which I am a cosponsor, would extend the current authority of the Administrator of Veterans' Affairs to make pilot project grants to medical schools, hospitals, medical centers, and individual members of the medical profession for the free exchange of medical information and techniques. The legislation amends 38 U.S.C. 5055 (c) to provide an authorization of such sums as may be necessary for the next 4 fiscal years.

The bill was unanimously reported from the Veterans' Affairs Committee and was requested and is supported by the administration.

The authority to enter into these agreements was initially enacted by Public Law 89–785, approved November 7, 1966. An appropriation of not to exceed $3 million annually for each of the first 4 years following the fiscal year of enactment was authorized. The authorization expired on June 30, 1971.

The exchange of medical information has become part and parcel of the development of ongoing VA programs for patient care, research, and education in medicine. The specific exchange of information activities authorized by current law have contributed to the quality of Veterans' Administration's medical care.

Exchange of medical information activities have served to strengthen programs at hospitals not affiliated with medical schools and located at remote distances from medical teaching centers, as well as to foster the widest possible cooperation and consultation among all members of the medical profession whether within or outside of the Veterans' Administration.

The purposes of this program are being accomplished through exchange of the most advanced medical and other scientific information and techniques between the Veterans' Administration and medical schools or other institutions of higher learning. These activities use a wide range of methods of information, including closed-circuit television, single-concept films, and other advanced media.

Implementation of these programs promotes an environment of academic medicine at more remote Veterans' Administration hospitals which helps such hospitals to attract and retain the services of qualified members of the medical profession. This environment, in turn, aids in achieving the ultimate purpose of making available the best and most up-to-date medical care for veteran patients at the nonaffiliated Veterans' Administration facilities.

Mr. President, many examples of the types of programs carried out under this authority could be cited. I will mention just three as illustrative of how this legislation benefits those members of medical-scientific communities located considerable distances from medical teaching centers, with a resultant improvement in VA medical care for disabled veterans.

First. In 1968, the University of Oklahoma and the Veterans' Administration entered into an exchange of medical information agreement which authorizes the university to plan, direct, and conduct a program of educational enrichment and assistance at the VA hospital at Muskogee, with the concomitant objective of improving the provision of health services at that hosptial. This is being accomplished in coordination with the University of Oklahoma Medical Center and the VA hospital at Oklahoma City.

Educational activities, involving computer-assisted programed instruction and extensive staff exchange between the university medical center and the Muskogee VA Hospital, have also been instituted. That hospital is thus becoming an academic center for continuing education of community physicians and the training of medical students and residents from the University of Oklahoma Medical School. Also, assisted by this program a baccalaureate degree project in the training of physicians' assistants has been established at the Muskogee VA Hospital. This will result in graduating a class of 15 physicians' assistants beginning in 1972. This is a program I plan to follow very closely.

A second example: A cartridged film, guest lecture program was also begun in 1968 with the medical media network of the University of California. This program now reaches 90 VA hospitals throughout the country, all of which receive 18 programs directed primarily to physicians and nurses on 8-millimeter cartridge film and three lecturers each over a period of 36 weeks. The 18 films deal with medical and nursing subjects of current interest to the professional staffs at each installation and surrounding medical and nursing communities.

The subjects of the live lectures are coordinated with those of the films, thus providing the basis for extended interchange between staff members, guests, and lecturers. In order to further insure that this program provides opportunities for active and individualized learning experiences, as opposed to passive viewing of films, comprehensive study guides are prepared for the programs. These guides include bibliographies for further study, self-testing devices, outlines of key program points, and other useful hints for more effective utilization of the material presented. The interest in this program on the part of Veterans' Administration staff and health professionals in the communities surrounding the participating hospitals has been extensive. The number of individual viewings for the 1970 program, which included only 60 VA hospitals, was approximately 158,000.

A third example: In April 1970, the Veterans' Administration established a two-way television link between the Massachusetts General Hospital and the Veterans' Administration Hospital at Bedford, Mass., 13 miles away. The system is named "Teleconsultation."

This electronic health information exchange highway has clearly established the ease and effectiveness of virtually any type of patient-oriented transaction between professionals by the use of two-way television. Teaching from either site—sometimes with elaborate aids, sometimes with none at all—is readily carried out. The transmission of previously recorded video tapes followed by an active interchange between professionals at each site adds a new dimension to teaching. Intensive psychiatric therapy and patient support at either hospital site is also possible.

A variety of patient-oriented exchanges between nurses, social workers, psychologists, dieticians, and others are carried out routinely.

At the Massachusetts General Hospital, telepsychiatry, with particular application to crisis intervention of the ambulatory neurotic or psychotic patient, has been especially impressive. In fact, one of the most brilliant facets of telemedicine has proven to be telepsychiatry. I am extremely interested in the potential of this method to increase the availability of the psychiatrist and utilization of his full potential. This innovative program of interactive television can point the way to similar advances in mental health programs everywhere.

Early experiences with another innovation in the providing of health care, based at the Massachusetts General Hospital and identified at telecounsel, show that effective counseling services can be delivered to troubled adolescents, in or out of school, and to their involved teachers, guidance counselors, and court probation officers.

Interactive television circuitry based upon the emerging concepts and practice of "telemedicine" extends the usefulness of the physician, increases his availability, and continues to focus health care programs around his skill, his resources, and his knowledge.

The teleconsultation link between Massachusetts General and the Bedford VA Hospital is being used for more than psychiatric consultation or treatment. Any hospital activity at either end that can be better communicated by telephone, mail, or physical presence of the person is being exchanged. A Massachusetts General speech therapist gives weekly training to Bedford patients. A Bedford physical therapist observes and discusses and applies the therapy daily, thus reinforcing therapy as well as himself becoming trained in speech therapy.

Mr. President, the extension of TV links between various institutions and smaller satellite units in the city and countryside seems to provide one part of the answer to the shortage of professionals and the increasing demand for medical care. Interactive television, along with some other changes in medicine, encourages the allocation of tasks between the physician and other professionals and paraprofessionals who care for the patient. This technological advance may lead the way to revolutionary change in medical practice.

Mr. President, the Veterans' Administration in its report urging early and favorable consideration of S. 2288 estimated that the cost for fiscal year 1972 would amount to approximately $2 million.

The committee report recommends, and it is my hope, however, that this program should be funded at a $3,000,000 level for fiscal year 1972; and perhaps higher thereafter. I believe such an appropriation of $3 million for this fiscal year will be acceptable to the Appropriations Committee, since the distinguished chairman of the Housing and Urban Development, Veterans' Space, Science Subcommittee of that committee (Mr. PASTORE), on the floor July 20 during consideration of H.R. 9382 indicated he would support such an amount in the first supplemental appropriation bill once this authorization is enacted.

Mr. President, it has been agreed that we will postpone indefinitely S. 2288 in order to take up and pass H.R. 4762, an identical bill, which passed the other body on July 19.

I wish to express my appreciation to the chairman of the Veterans' Affairs Committee, the Senator from Indiana (Mr. HARTKE), for giving me the honor of reporting this inaugural bill, which falls within the jurisdiction of my Health and Hospitals Subcommittee of the full committee. I also wish to thank the distinguished majority and minority leaders for their cooperation in expediting consideration of this legislation so it can be sent to the President right away and the necessary appropriations can be made as quickly as possible.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on H.R. 4762. I would note that this bill is identical to Calendar No. 295, S. 2288.

The ACTING PRESIDENT pro tempore laid before the Senate H.R. 4762, an act to amend section 5055 of title 38, United States Code, in order to extend the authority of the Administrator of Veterans' Affairs to establish and carry out a program of exchange of medical information, which was read twice by its title.

Mr. MANSFIELD. Mr. President, I ask unanimous consent for the immediate consideration of the bill.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

There being no objection, the bill (H.R. 4762) was considered and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Calendar No. 295, S. 2288, be indefinitely postponed.

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

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

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 a nomination on the Executive Calendar, under New Report.

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

The ACTING PRESIDENT pro tempore. The nomination on the Executive Calendar, beginning with New Report, will be stated.

DEPARTMENT OF THE INTERIOR

The second assistant legislative clerk read the nomination of John W. Larson, of California, to be an Assistant Secretary of the Interior.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

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

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

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to, and the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

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

EMERGENCY LOAN GUARANTEE ACT

The ACTING PRESIDENT pro tempore. The Chair now lays before the Senate S. 2308, which the clerk will state.

The second assistant legislative clerk read as follows:

S. 2308, to authorize emergency loan guarantees to major business enterprises.

The Senate resumed the consideration of the bill.

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 second assistant legislative clerk proceeded to call the roll.

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

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

Mr. STEVENSON. Mr. President, yesterday I called up an amendment to S. 2308. The reasons for the amendment are obvious. The bill is for the benefit of the Lockheed Aircraft Corp. The bill purports now to be a generic bill, yet it is tailor made for Lockheed. Among other things, the bill provides that all loan guarantees will be subject to the right of Congress to disapprove, except for guaranteed loans made before October 1. In other words, the bill now provides that all future loan guarantees will be subject to congressional approval except for one, the guarantee to Lockheed.

The amendment I have offered merely eliminates that exemption for Lockheed. It eliminates the special treatment for just one corporation. It also has the effect of giving Congress an opportunity to vote up or down on two important issues.

The bill in its present form is not generic. It is not a private bill. It is neither fish nor fowl. It is a hybrid.

In its present form, it is impossible for the Senate to work its will on the first issue, and in many ways the more important issue: Whether Congress should interfere in the orderly processes of a free marketplace to bail out corporations in failing circumstances merely because they are big. That is the first question Congress and the Senate will not have an opportunity to vote up or down on, if the bill remains in its present form.

The other question is simply the loan guarantee to Lockheed. At least two Senators in the course of debate yesterday indicated that they would like to vote for a generic bill. They wanted to do so without being forced to vote in favor of a loan to Lockheed.

Mr. President, I would suggest that every Member of the Senate ought to have the right and the opportunity to vote up or down on each of these important issues. This amendment would, as I say, have the effect of separating those issues and affording the Senate an opportunity to work its will on each. It would eliminate the special treatment for Lockheed, the favoritism that is a discrimination in its favor. It would have the effect of requiring that after Congress considers the generic question and passes a bill permitting loan guarantees by the Federal Government, then Lockheed, like all other corporations, would have to come back before Congress to afford the elected representatives of the people in each of the Houses of Congress an opportunity to approve or disapprove the proposed loan guarantee.

The procedures are substantially the same as those set out in the Defense Production Act.

It was only about a year ago that the Senate voted 75 to nothing to require that the loan guarantees under the Defense Production Act be submitted to Congress for approval. If Lockheed were seeking now a "V" loan guarantee under the Defense Production Act, it would have to submit to congressional approval. In this case it is not seeking financing for a defense project. It is seeking financing for a commercial project, the development of a commercial aircraft.

This bill in its present form says in effect that in the case of projects related to the national security and the national defense, Congress reserves the right to approve. But in the case of this loan to the Lockheed Corp. for a commercial aircraft, it is not going to reserve the right to disapprove.

I suggest, Mr. President, that this commercial project simply is not that important. It is unrelated to the national defense. There is no reason on earth, if this is a meritorious claim upon the credit of the United States, why Lock-

heed could not come back later and seek and obtain the approval of Congress. The procedures for affording approval or disapproval in Congress are expeditious.

Congress will reserve only 20 days in session. If neither House passes a disapproval resolution within that time, the Board created by this legislation could go ahead and guarantee the $250 million loan. That 20-day period would not include the August recess, meaning that Congress would not act on the guarantee proposal until some time in September.

It has been argued here that Lockheed would suffer, that it needs the money right away. By Lockheed's own figures, its own cash flow estimates, it would need only about $25 million in additional liquidity to tide itself over until such time as Congress could act on the loan guarantee.

Mr. President, there has been offered no sound explanation as to why that $25 million could not be available from banks. The banks have a distinct interest in keeping Lockheed going and obtaining permanent and longer term financing for Lockheed that could tide Lockheed over during that short period and at no undue risk. If Lockheed has the collateral with which to secure Government interest in $250 million loan, surely it has the collateral with which to protect the banks' interest in a $25 million loan for only a matter of a couple of months.

If this financing is as important to the public welfare as its supporters claim, Lockheed could obtain the financing from the Federal Reserve Board. It has the authority under section 13–3 of the Federal Reserve Act to make such short-term financing available, and at this rate the banks could be protected against any risk through the pledge of collateral by Lockheed. Instead, what has been suggested is that Congress pass this legislation, give this special treatment to Lockheed, and then give carte blanche to Lockheed, to the banks, and to the Board to make a deal providing for loans of up to $250 million for a long period of time to Lockheed. All of this would be done without affording Congress any opportunity to review the details of that deal, the provisions with regard to mergers, the sale of assets by Lockheed, or provisions governing the identity of the management of Lockheed. Nor do we know what the provisions are governing those rights to declare dividends.

Congress is asked in this bill to give the Board carte blanche to let the bankers and Lockheed work out their arrangements and then guarantee the obligations of Lockheed to the banks. Under this bill in its present form Congress would also deprive itself of any opportunity between now and the time of the guarantee to review and evaluate the underlying assumptions about the adequacy of $250 million to tide Lockheed over and get the Tri-Star project off the ground.

Congress would deprive itself of any further opportunity to evaluate the assumption that there will be a sufficient market for this type of aircraft to sustain the Tri-Star project. There is evidence to indicate that that market is softening. As a matter of fact, I have asked the Treasury to contact the airlines and review their present estimates of their needs for this type of aircraft.

In passing separately on the Lockheed guarantee, Congress will have an opportunity to get the latest estimates of what the market will bear, and whether there will be enough business to make the Tri-Star project a viable one. As it stands now, there is grave doubt whether $250 million would be enough. If that is the case, we could expect Lockheed to come back to Congress for another guarantee. It could very well be, too, that Lockheed could default on its loans, and the banks would look to the taxpayers to make good on their guarantee of $250 million.

Mr. President, I do not know the justification for this special treatment. I know of no reason why Lockheed cannot keep going during the short period until the resolution of disapproval would be acted upon. Perhaps opposition to my amendment reflects an obscure interest in the British Government. For some reason, the British Government, in its May 10 Rolls-Royce contract with Lockheed, requires not only a loan to Lockheed in the amount of $250 million, but a loan guaranteed by the U.S. Government by August 8. I do not know what the interest of the British Government is in that guarantee. On the surface one would think it would not matter to Rolls Royce or the British Government where Lockheed got the funds for the development of the Tri-Star project.

The British insist on a guarantee. Perhaps that is because they want to involve the Government so that should the $250 million not be enough the Government would be tempted to make more funds available to Lockheed, perhaps through the guarantee of still more loans to this corporation.

I do not understand why the British Government insists on a guarantee by August 8.

Mr. TOWER. Mr. President, will the Senator yield for a question?

Mr. STEVENSON. I yield for a question.

Mr. TOWER. I would like to point out that the $250 million is actually an outside figure. The Treasury estimates probably no more than $150 million will provide the guarantee. So $250 million is an outside figure.

Mr. STEVENSON. I thank the Senator from Texas. I am glad to hear it. As a matter of fact it is estimated that by the end of September only $25 million of the $250 million would be needed for Lockheed.

But I do not understand why the British Government insists upon not only $250 million, or the assurance that $250 million will be available, but also that the loans of that sum or sums up to $250 million are guaranteed by the U.S. Government.

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

Mr. STEVENSON. I yield.

Mr. TOWER. And I do not know the answer. I have not seen any documentation that shows the British Government insists on a government guaranteed loan.

Pursuing the debates in Hansard, the government, in the person of the Prime Minister, made no specific reference to a loan guaranteed by the Government of the United States. It is just that they want a guarantee or assurance that the funding would be available.

But if the Senator knows of any documentation or if he can cite some specific source for his contention that they must have a U.S. Government guaranteed loan, I hope he would cite it.

Mr. STEVENSON. The requirement of a U.S. guarantee of the loans to Lockheed is contained in article 40 of the May 10 agreement between Rolls Royce and Lockheed. That agreement not only requires the U.S. guarantee of the loan, but it also requires the U.S. Government to make to the British various assurances about the sufficiency of the $250 million to finance the completion of the Tri-Star project. It also requires the U.S. Government to give the British certain assurances that there will be a sufficient market to guarantee the success of the Tri-Star project.

In committee hearings I questioned representatives of the Treasury about these rather unusual provisions and I was told they were only estimates required under the contract. It does not seem to me to matter much what one calls them, the fact is the British are relying on these assurances: The adequacy of $250 million, and sufficiency of the market to guarantee success of the Tri-Star, and in reliance of those assurances the British Government is investing substantial amounts of money in Rolls Royce.

I have a letter from the British Ambassador saying they are relying on those assurances. It goes on to point out their reliance would not be a legal claim by the British against the United States, but they are relying in good faith on these assurances in the contract that are called for by the contract between Rolls-Royce and Lockheed.

Apparently the reliance of the British Government on those assurances of the United States would not create any legal claim against the United States, but they might create a moral obligation on our part. The British could argue that having relied to their detriment to the tune of many millions of pounds upon these estimates, and then the $250 million turns out to be insufficient and they lose much of their investment in Lockheed.

I submit that is the reason for the August 8 date, and that is the reason for the assurances required of the United States in the contract. The British quite understandably are endeavoring to create a moral obligation, at the least, on the part of the United States, so that there will be more pressure on us to bail out Lockheed again if those estimates prove to be as inaccurate as much of the evidence now indicates they will be.

Mr. President, I yield to the Senator from Virginia.

The PRESIDING OFFICER. Does the Senator ask unanimous consent to yield to the Senator from Virginia without losing his right to the floor?

Mr. STEVENSON. I ask unanimous consent that I may yield to the Senator

from Virginia without losing my right to the floor.

Mr. TOWER. Mr. President, reserving the right to object, for what purpose does the Senator propose to yield to the Senator from Virginia?

Mr. STEVENSON. I yield to the Senator from Virginia for the purpose of enabling the Senator from Virginia to make a 15-minute statement on the Lockheed issue.

Mr. TOWER. I would not object.

The PRESIDING OFFICER. The Senator from Virginia is recognized for 15 minutes.

Mr. BYRD of Virginia. Mr. President, I thank the Senator from Illinois for yielding to me at this point.

There are many aspects of the pending legislation, namely emergency loan guarantees to major business enterprises, which require attention.

The legislation under consideration would grant authority to the Federal Government to provide emergency loan guarantees to major business enterprises when failure of such enterprises would result in serious damage to the economy or employment of the Nation or a region of the Nation.

The bill would establish an Emergency Guarantee Board consisting of three members, the Secretary of the Treasury, the Chairman of the Federal Reserve Board, and the President of the Federal Reserve Bank in whose district the prospective borrower is located.

The legislation provides a $2 billion authorization and specifies that guarantee loans for any one enterprise be limited to $250 million.

This legislation results from the request of the Nixon administration that the Congress authorize the Government to guarantee loans for the Lockheed Aircraft Corp. to the extent of $250 million. The Government contends that without such a loan guarantee, Lockheed will go into bankruptcy and substantial unemployment will result.

The Senate Banking Committee held lengthy hearings on this proposal and concluded to recommend legislation, now pending, which could guarantee loans not only to Lockheed but to other major business enterprises as well. In other words, the Lockheed loan guarantee would be a precedent for other companies to seek similar Government support.

I have kept an open mind on this legislation until I could give full consideration to the facts and implications.

Most certainly there would be repercussions if Lockheed were unable to make adequate financial arrangements.

But is the fact that a large corporation is in financial difficulties justification for the Government guaranteeing $250 million in loans?

One of the foremost reasons advanced for passage of this legislation is that it will save jobs. But the real guarantee of jobs, in the long run, is the economic viability of a company. Government-backed loans cannot be a substitute for the good judgment and wise managerial practice which makes a company truly viable.

The national defense effort is not involved. Deputy Secretary David Packard testified before the Senate Armed Services Committee that whether or not Lockheed is able to continue its L–1011 Tri-Star commercial transport program would have no appreciable effect on Lockheed's military contracts with the Government.

Arthur F. Burns, Chairman of the Federal Board, in testifying before the Senate Banking Committee on June 15 declined to say whether he thought the adverse impact of Lockheed's difficulties would be so adverse as to justify saving the company. He did say "the Federal Reserve is not interested in saving big business as much as we are interested in preserving the national economy."

The legislation the Senate is now considering, by its nature, is confined to big business. As the committee report makes clear, it provides emergency loan guarantees "to major business enterprises." The same report emphasizes the major "aspect" by further stipulating that the loans could be utilized only when the failure of such enterprises would result in serious damage to the economy or employment. Few firms would qualify under such criteria.

The amendment offered by the distinguished Senator from Illinois would seek to give the Senate an opportunity to pass judgment on the two questions involved, one question being whether a $2 billion loan guarantee fund should be established, and the other question being whether a loan guarantee of $250 million to Lockheed should be made available to that company. I expect to support the Stevenson amendment.

The proponents of the pending legislation have said that Lockheed Aircraft Corp. has had a lot of hard luck. The testimony of Mr. Daniel Haughton, chairman of the board of Lockheed, seems to bear out this point. Not every company loses large sums on defense contracts, nor does every company suffer from the unexpected bankruptcy of a seemingly solid firm such as Britain's Rolls Royce. But the fact that Lockheed contracted with a foreign firm—to the detriment of U.S. companies—is a reason for questioning whether U.S. funds should be utilized in this case.

And as for the loss on defense contracts, there is some justification for believing that Lockheed underbid in order to get the contracts—with the belief that the Government would later authorize the cost overruns, as has been customary in recent years.

I am glad to say that the new Secretary of Defense and the Deputy Secretary of Defense, Mr. Laird and Mr. Packard, have been addressing themselves to this problem, but it has been the custom in recent years for the Government to more or less automatically take care of these huge cost overruns for the purchase of military equipment. I feel that there is justification for the belief that Lockheed, in bidding on some of these Government contracts, like the C–5A, took a similar view that the cost overruns would be automatically approved.

Twenty-four banks have loaned Lockheed a total of $400 million to build the L–1011 Tri-Star air bus. They now say they can lend no more without a Government guarantee. Testimony indicates that there is no assurance that a $250 million loan guarantee would prove sufficient to rescue Lockheed.

Undoubtedly, Lockheed is in bad shape financially.

But the point we in the Congress must decide is whether the plight of Lockheed justifies setting up a Government-guaranteed kitty of $2 billion to bail out large corporations which have become victims of either economic reverses or mismanagement, or both.

I have found it difficult to reach a conclusion that tax funds—funds obtained from the sweat of the wage-earners—should be used to rescue huge private enterprise corporations.

It seems to me, too, that loan guarantees could subsidize certain large companies at the expense of their competitors.

I am impressed with the comment of the Senator from Ohio (Mr. TAFT) in his Individual Views, appended to the committee report on this legislation. The distinguished Senator from Ohio makes this observation:

> The free enterprise system needs the carrot of success *and* the stick of failure.

Business failure always is unfortunate where the enterprise involved is a legitimate and honest one. But I think we are treading on dangerous ground if we attempt to abolish failure by legislation.

Will not productivity of American industry suffer if companies and management which find themselves in difficulties are bailed out by the taxpayers?

Deputy Defense Secretary Packard has said that he is dedicated to the task of improving performance on defense contracts and reducing or eliminating the huge cost overruns that have characterized defense production in recent years.

I think we might well be undermining this commendable effort, were we to approve legislation providing Government-backed loans for faltering corporations.

It seems to me that removal of the fear of failure could only reduce the incentive of defense and other industries to operate with the efficiency required to improve performance and cut costs.

Just as the free enterprise system is based on profit potential so, too, are business failures and bankruptcy a part of the competitive enterprise system.

And where do we draw the line if we start bailing out ailing companies?

Last year, 11,000 businesses went bankrupt in the United States. The resulting losses are estimated at $1.9 billion.

Is the Government now to embark on a program to end bankruptcy—and if not, where do we draw the line between companies worthy of Government loans and those not worthy?

Do we try to help 10 of those failing businesses; or 20; or 200?

Last year the Penn Central Railroad got in trouble. Congress and the administration's answer was to authorize the Government to guarantee loans totaling $125 million—not just to Penn Central but to any railroad facing bankruptcy.

Today the taxpayers are called upon to bail out the Lockheed Aircraft Corp., and possibly other "major" corporations.

What will it be next year, or the year after?

Most certainly the approval of this leg-

islation would be establishing a precedent.

The fact is that if Congress approves this legislation, there is no real bar to establishing the principle of Federal assistance to any and all failing companies. How can it be argued that the Government can bail out only "major" companies?

This legislation would make the Federal Government a kind of mechanic, charged with keeping regional and national economies in order with Government-backed loans as the tools for the job.

I submit that the Government's record of financial acumen is open to question. Its deficit in Federal funds will run at least $30 billion this year, and it was more than $25 billion for the fiscal year that ended last month.

What does this record say for the Government's management skill? And with the Government itself in such bad financial shape, is this the time to be going into new projects?

Incidentally, the press reports yesterday pointed out the fact that the total assets of the Federal Government at the end of June, this past month, were the lowest since 1938—down to $13.5 billion. The total assets of the Federal Government.

Mr. President, I believe that the pending legislation would end by substituting Government aid for business judgment.

That is contrary to the most basic principles of the free enterprise system which has given this Nation the highest standard of living the world has ever known.

Therefore, I must oppose S. 2308.

Mr. President, in the New York Times of July 25, there appeared an excellent article by Mr. Alan Greenspan on the subject of the pending proposal to create a business loan fund.

Mr. Greenspan, a professional economic consultant, was an adviser to President Nixon in his 1968 campaign.

The article by Mr. Greenspan, who testified on this bill before the Senate Committee on Banking, Housing and Urban Affairs, forcefully makes the point that the legislation now under consideration could create a dangerous precedent.

I ask unanimous consent that the text of Mr. Greenspan's article, "Opening Pandora's Box," be printed at this point in the RECORD.

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

OPENING PANDORA'S BOX—NEW R.F.C. COULD REACH STAGGERING DIMENSIONS

(By Alan Greenspan)

The proposal currently being debated before the Congress to initiate a "Reconstruction Finance Corporation" type guaranteeing agency threatens to open a Pandora's Box, which it would be extremely difficult to close.

The implicit expectation of the proponents of this legislation is that it would be a minimum program designed to help out a few special cases. The cost to the taxpayer, it is argued, would be small and the benefits large. Faltering companies in key industries or key areas essential to the national interest, it is maintained, could be supported, thereby fending off potentially cumulative bankruptcies with their associated deleterious effects on jobs and business confidence.

But it is just not credible that such a foot-in-the-door program can be kept on a limited basis. The number of candidates that would emerge for such guarantees could reach staggering dimensions. Who would be the final arbiter of so vague a standard as what serves the "national interest?" Can one realistically imagine the rejection of a petition of a company in a key Congressman's district cited by him as being in the national interest?

More than 20 years ago the Hoover Commission with the history of the Reconstruction Finance Corporation in mind noted that "direct lending by the Government to persons or enterprises opens up dangerous possibilities of waste and favoritism . . . it invited political and private pressures, or even corruption."

To place the Federal Government in a position where it can pick and choose which particular private enterprises should or should not be allowed to slip into bankruptcy must inevitably lead to subsidization of the least efficient concerns in an industry. We often lose sight of the tremendous churning that goes on in a free, competitive economy—of the way in which concerns, vying for profitability, attempt to marshal their resources in the most productive manner.

It is the very threat of bankruptcy that often jolts concerns, large and small, from inefficient practices in their utilization of labor and capital and in their methods of financing and marketing. To have the possibility of falling back on a guarantor of last resort must inevitably remove this very valuable prod. To institute such a mechanism could only impair the viability of our free enterprise system and slow the growth of American living standards.

Moreover, it is important to remember that when the Federal Government guarantees private credit, it does not add to the total financial resources available. It only moves one borrower up in the credit rating queue at the expense of other borrowers who are not fortunate enough to have such a guarantee.

While the quantity of long-term savings flowing into the capital markets does vary from year to year, it is not an unlimited source of funds. Government loan guarantees, direct and indirect, necessarily single out certain areas of the economy for special treatment. At present, it is primarily housing, via Government-guaranteed mortgages. Presumably, in the future we shall be seeing other areas where the financing requirements are met by "set-asides" in the market through the guarantee mechanism. Government loan guarantees tend to reduce the size of the pool of long-term savings available for nonguaranteed private borrowing.

This is because the availability of Government guarantees increases the effective credit demand at any given interest rate, and inasmuch as the aggregate supply of savings is limited, it acts to raise the interest rates to nonguaranteed borrowers.

Thus, Government guarantees to some companies could have the effect of depriving funds at reasonable cost to other private borrowers. Or worse, in order to prevent this unhappy consequence the Federal Reserve could be pressured to accommodate the increasing demand for funds through an expansion of the money supply. This in turn would act to feed the very inflationary forces that have been instrumental in bringing a number of companies to the verge of bankruptcy and would thereby accelerate the number of petitioners for Government loan guarantees.

Such a vicious circle would be difficult to break once we begin moving toward ever more extensive uses of Government guarantees.

The inevitable secondary consequence of the development of a broad loan guaranteeing authority would be a move, sooner or later, by the Federal Government to increase its regulatory control over the private-enterprise system. Someone is bound to argue (with some validity) that if the Government is the guarantor of last resort for a certain class of business enterprise, it should also oversee the operations of such corporations.

A standby guarantor could reasonably be expected to require the regulation of, for example, pricing and marketing prices, debt-equity ratios and dividend payouts. In fact, it might want to regulate anything that, if mishandled, could lead to the necessity of a loan guarantee—that is—almost every important business decision.

We cannot look upon Government loans or guarantees as a temporary expedient pending a return to prosperity. In fact, the types of problems that have now led to the call for Government guarantees are structural and threaten to be long-standing.

Although our level of activity by any historic standard is high, profit margins have only just emerged, and then by the narrowest of margins, from their lowest levels since the nineteen-thirties. The debt burden of our business structure has risen sharply. As a result, interest charges, loan amortizations and other legally fixed obligations have now reached the point where a substantial number of large, as well as smaller, business enterprises are barely able to meet their commitments at the present depressed levels of cash flow.

Unfortunately, the current outlook suggests that the problem of subnormal corporate profitability and attendant financial difficulties is apt to persist to some extent throughout this decade. So long as this condition prevails, increasing demands will be heard to substitute Government guarantees for private financial worthiness.

The solution to our corporate financial malaise, however, is not the symptom-fighting Government-guarantee mechanism, inasmuch as this must surely lead to new problems that are likely to be far worse than our current economic disease. The only viable long-term solution is to remove the inflation bias from our economic system. This has acted as a damper on productivity increases and exacerbated an already difficult collective bargaining process.

It is difficult to envisage, even under the best of circumstances, a return to the higher profit margins and cash flow of five or 10 years ago. Nonetheless, sufficient gains can be achieved to substantially ease the financial burden currently confronting American business.

To solve today's financial difficulties by introducing a new wedge of Government into our economic system could only trade far greater difficulties for our free enterprise system in the future for beguiling short-term solutions to today's problems.

Mr. BYRD of Virginia. Mr. President, I thank the Senator from Illinois for yielding.

Mr. GAMBRELL. Mr. President, will the Senator from Illinois yield to me for the purpose of addressing a question to the Senator from Virginia?

Mr. STEVENSON. Mr. President, first I commend the Senator from Virginia for his perceptive remarks. He speaks eloquently of the grave consequences which could flow from this precedent. He speaks very convincingly of the dangers of the Government interfering in the free play of our marketplace by rescuing one inefficient manufacturer at the expense of its more efficient competitors.

I thank the Senator, and would just add, before yielding the floor, Mr. Pres-

ident, that I would hope this debate over the amendment I have offered would not have to go on much longer. The amendment yields rather easily to explanation. I think it has been explained adequately already yesterday and today; so I hope that we can bring the debate to a close today, or certainly no later than tomorrow.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois yields the floor. The Senator from Georgia is recognized.

Mr. GAMBRELL. Mr. President, I wanted to address the Senator from Virginia in reference to his remarks.

I might say that in my brief experience in the Senate, I have gained a great deal of respect for the Senator's judgment, particularly in fiscal and financial matters. He is certainly a true conservative, in the sense that he advocates a great deal of retraint, care, and caution in respect to the commitment and use of the resources of our Government. It is no surprise to me that he should evidence a great deal of concern about any proposal to commit a great portion of the Nation's resources, particularly to support the free enterprise system, in which he believes.

However, he has advanced, in his remarks, a proposition which I think lies at the heart of the difference of opinion which we share about this matter, and that is that the purpose of this bill is to support a large business enterprise, a large company as distinguished from a small company, or that the purpose of the bill is to aid some company in and of itself.

The express purpose of the bill is to furnish assistance to major business enterprises whose collapse might work some serious harm on the national economy. In the Lockheed case, there is a good example of what we are talking about. The terms of the arrangements that are being made, or are proposed to be made, would not be of any benefit to the Lockheed company itself, the stockholders and the management. It does not save Lockheed any money; it just keeps the company from collapsing.

What it primarily saves is a large program. There is no way to build an L–1011 airplane without having a large program. In fact, the investment of a lot of other people, small businesses as well as other large businesses, in this program, is much greater than that which Lockheed itself has in the program. If there is a bailout such as we have been talking about—and this is the term used to describe Federal financial assistance—it is the bailout of a program, the L–1011 program.

I would be inclined to say that if the L–1011 program were not worth saving, the aid should not be extended. I would say this loan guarantee board, to be established by the bill if it were reviewing this proposal and found the L–1011 program to be inefficient or undesirable, or not to be useful as an element of our national commercial aviation capacity, if it were an undesirable instrumentality, if it did not work, or could not add anything, or was going to be damaging or harmful to someone else, I would say, "No, we should not offer any assistance."

But the problem we are dealing with here is that we are constantly faced with the argument that we are bailing out some fat cat, some big interest, when the truth of the matter is that we are talking about aiding or offering a lifeline to a program which involves many, many small people. We have talked about the stick of failure. Yes, I am sure the management of Lockheed and the stockholders of Lockheed will feel that lash of failure for whatever inefficiencies or problems they may have encountered. But, actually, this stick is being laid much harder on many other people who simply went along with Lockheed on the assumption that this was a good and valid program. The FAA, the CAB, and all those concerned with commercial aviation seem to think it is a good program.

So what do we do in our national economy when the stick of one company's failure is laid on hundreds and thousands of other large and small business enterprises and hundreds and thousands of innocent employees who have been connected with and working with a single program for 6 or 8 months?

We are not talking about a large company which manufactures small things and just did not know how to do it and went broke. We are talking about the L–1011 program, the three planes sitting on the ground in California, waiting to be financed into further production.

I suppose if this company goes broke, we ought to submit a resolution to buy one of them for the Smithsonian Institute and hang it up next to the Spirit of St. Louis, as symbolic of what we have done with aviation in this country.

It concerns me to be faced continually with the charge that we are doing something for big business, when big business is the only way we can get programs such as this developed. When we talked about the stick of failure being laid on some fat cats, actually the stick of failure is being laid on hundreds of thousands of innocent people who went along with a program that they thought—and everybody still thinks—is a valuable and viable program for this country's commercial aviation.

I wonder whether the Senator would comment on the matter when viewed from that point.

Mr. BYRD of Virginia. I first want to say that the effective presentation made during the past few days by the distinguished Senator from Georgia and the distinguished Senator from Texas, and their eloquence, have caused me to find it difficult to arrive at a decision on this important matter. I concur that it is not all black or all white.

As I mentioned in my remarks, I withheld judgment on the program. I felt that good arguments had been presented on both sides. So I am not one of those who feel that there is not some merit to the proposal.

Where the Senator from Georgia and the Senator from Virginia differ is on a matter of policy or philosophy. I suppose one would say it is more a matter of policy than philosophy, because I do not think we differ on philosophy. It is a matter of differing on policy as to what should be done in cases of this type.

The Senator makes the point that the L–1011 airbus has been adjudged a good program, and I assume it is. I certainly do not say that it is not a good program. But many business enterprises have gone into many programs of a worthwhile nature and have found, for one reason or another, that they have not been able to succeed.

The question that I needed to decide, it seemed to me, in trying to determine how to vote with respect to the proposed legislation, was whether the Government would be justified in initiating a new program, at this time in our fiscal history, for the benefit of or to help companies which get themselves in financial difficulties, whether they be large companies or small companies.

This particular measure deals only with large companies. I do not believe that our Government is now in a position to go into any new programs of this type. I am not sure that we should do it even if we were in a financial condition to do it.

The Government is in even worse shape than Lockheed. The Government is in amazingly bad condition financially, and one of these days the whole financial mess of our Government is going to blow up in the face of the people and in the face of Congress, and the people are going to suffer the most.

So I looked at this matter from two points of view: first, as to whether, assuming the program is sound, this is the time for the Government to be going into a new program; and, second, whether it is logical and wise for the Government to undertake to correct the hardships which some of our major companies may face, or, for that matter, companies which are not so major may be facing.

I reach a conclusion that this is not a time to be going into new programs. I reach a conclusion, too, that it would be unwise to establish a precedent of coming to the rescue, so to speak, of large major companies—to use the language of the committee report—which find themselves in financial difficulties.

Incidentally, it is my understanding that this is the position of the Deputy Secretary of Defense, Mr. Packard. His objection to the bill in question is that it establishes a precedent. He favors, as I understand it, a guaranteed loan to Lockheed; but he does not favor the establishment of a $2 billion fund which could be utilized by other companies as well as by Lockheed.

I have a very high regard for Secretary Packard. He is well versed in the matters of big business. He developed, on his own, a large and highly successful business enterprise. Certainly, he is not unsympathetic with respect to companies that find themselves in difficulty. But, during the 2½ years he has been in the Defense Department, he has also noted the fact that many large Government contractors have—I want to choose the word carefully—perhaps taken advantage of the Government.

He has also noted that the companies competing on Government contracts have apparently underbid in order to get contracts, and then have come back

to the Government and said, "We have these huge cost overruns, but you have always taken care of them in the past, and we expect you to continue to take care of them in the future." I have the feeling that that is the situation with regard to the Lockheed C–5A contract.

I cannot prove it, but last year, or the year before—I lose track of time, it goes by so fast; I guess it was the year before last—when Lockheed officials testified before the Committee on Armed Services on C–5A cost overruns, I got the very distinct impression that Lockheed had deliberately underbid the contract in order to get it, with the expectation that they would subsequently be taken care of on the cost overrun.

All of that entered into my thinking; but I will say again to the distinguished and able Senator from Georgia (Mr. GAMBRELL) that I think he makes good points in regard to the legislation under consideration. It is not a black-or-white question.

I can understand the Senator's viewpoint and his thinking; I happen to disagree with the policy of the legislation. That is my basic reason for opposing it.

Mr. GAMBRELL. Mr. President, I thank the Senator from Virginia. I share the feeling that it is not a clear-cut decision that is easy to arrive at, certainly without the benefit of all the testimony and information that was brought directly before us in committee.

I am also impressed by the observations of Mr. Packard. It had occurred to me that if the Board is constituted, it might be well to invite Mr. Packard to be the administrator of the program, because he obviously reviews such corporation matters with a businesslike approach. I might say that the evaluation of this program, in my opinion, has not matured by a long shot; that is to say that the principle or the policy of the legislation is certainly not altogether clear. It is the emergency brought on by the Lockheed situation that I think justifies the fairly rapid consideration which has been given to the matter. But with that in mind, the committee itself put in the 2-year limit on the bill, with the idea that a certain amount of experience in how these things might go would be gained in that period of time, and that certainly the Government should not set the precedent of saying no, because it is big business, we are not going to give any credit assistance, although we do give credit assistance to the extent of $142 billion in Federal resources to small business, to home buyers and persons who deposit money in banks, in savings and loan associations—all these small people get Federal credit assistance, but big business we are going to establish a precedent that we do not give any credit assistance to such programs.

The committee, I think, felt that there is so much of the economy tied up in big business, whether we like it or not. It might be well if we went back to horse and buggy days, and let everything be done by small businesses, and we would not be setting any precedent by having to be concerned with big business. But that is the way the economy is run, and we cannot lend viable, credit assistance to the economy if we do not do something with reference to big business, if we allow big business to function in a dog-eat-dog atmosphere and offer credit assistance only to small people. If we did that, we would not be able to produce the L–1011 airplanes. That is the plain fact of it.

It concerns me that we are telling people all over the country who in good faith apply for jobs with large corporations, "Look, if your large business enterprise gets into trouble, we will let you go down the drain, but if you put in to go to work for a small company, they can go to the SBA and get a loan there, and your job may be protected in that way."

This, to me, is a precedent we cannot afford to set, that we say success or failure will depend on who happens to be standing around the big guy, that the big guy's failure will carry down a lot of small people, but we are not concerned with that. That is the kind of precedent that concerns me in such a bad situation, and which I think concerned the committee in its deliberations.

What the committee has reported to the floor of the Senate is the result of a careful investigation, and that for at least a period of 2 years we should try a program of this kind and if it proves to be unmanageable, then let it expire. If it needs to be improved upon, then let us improve on it; but let us not try to decide here, in a period of time, what the permanent public policy of the U.S. Government should be. We have had two or three cash crises—credit crunches—in the past several years and many people have failed, certainly. Many more will fail. Many more will fail if Lockheed fails. So what the committee has reported is that we have under consideration a number of ways of using the resources of the Federal Government to encourage the economy, to increase confidence among the people in the economy.

I, myself, in the first meeting that I attended of the Banking, Housing and Urban Affairs Committee, asked Dr. Burns whether he had any plans, studies, or any legislation which would be of benefit to the small businessman, to the person engaged in the home construction market, or some way in which we could avoid the crushing impact of the credit squeeze. Dr. Burns replied that, yes, he did have a study and he was about to make a report of it available by the end of the summer.

I have twice asked him to hurry it up so that we can do something for small businessmen, because that is where the impact on the economy will hurt the most.

Now we have before us another program, yes, and admittedly it relates to big business, but not for the benefit of big business but for the benefit of the people who are associated with it, as well as for the benefit of the viability of the national economy itself. But we say, "No, that is a bad precedent. No, in spite of the fact that we have $142 billion worth of Federal credit assistance outstanding today, we are not willing to consider the experimentation—it is an experiment, mind you, Mr. President—but not a permanent program with the possibility of lending similar credit assistance to large business enterprises whose failure might carry down a lot of small people with them."

That is what concerns me. It is the precedent of nonaction. It is what we tell people who get involved in large programs. We tell them, "No, if you hang around with a big company, you are liable to get washed up and go down the drain." In the committee meetings I used the expression, "throwing the baby out with the bath water."

I do not know the exact figures, but Lockheed has several hundred million dollars invested in the L–1011 program, but the subcontractors, the suppliers, the banks, the airlines, and other people, have nearly twice as much invested in the program as Lockheed has. Many small companies are faced with failure if the program fails.

Mr. PROXMIRE. Mr. President, will the Senator from Georgia yield?

Mr. GAMBRELL. I yield to the Senator for a question.

Mr. PROXMIRE. May I ask the Senator from Georgia whether he can explain to the Senate why his side will not agree to a unanimous-consent limitation on debate on the Stevenson amendment. My understanding is that the Senator from Illinois is anxious to do so. I also understand that the Senator from Georgia and the Senator from Texas oppose the amendment and will not permit a vote on the Stevenson amendment today. This shocks and surprises me, in view of the fact that if we want to move on with this legislation, we would like to have action at a reasonable time. It is one thing if a Senator wants to debate, his own amendment at greater length, but the Senator from Illinois the author of the amendment made it clear that he asked for a unanimous-consent limitation last night, and the Senator from Texas. as I understand, objected. This is a most unusual situation. We are accused of filibustering but the actual filibustering is coming from the side of those in favor of the bill.

Mr. TOWER. Mr. President, will the Senator from Georgia yield?

Mr. GAMBRELL. I would like to respond to that and then I will yield to the Senator from Texas.

I have been sitting here listening to the proceedings. The Senator from Illinois made his presentation and then he yielded to the Senator from Virginia (Mr. BYRD) to make a statement on the merits of the bill. I am simply responding to that statement. Now the Senator from Wisconsin has introduced another question into the matter and I yield to the Senator from Texas to respond to that.

Mr. TOWER. Mr. President, if the Senator will yield to me for a brief response on this matter, I would ask if the Senator from Texas, the Senator from Georgia, or any of us who are proponents of this bill would agree to voting at a time certain on the Stevenson amendment, whether we could then assume that the Senator from Wisconsin and the Senator from Illinois would vote for cloture tomorrow.

Mr. PROXMIRE. I do not know. I cannot speak for any other Senator. The

Senator from Illinois may vote for cloture. But many other Senators would like to debate the matter. I do not know what any other Senator would do.

The Senator from Texas is exercising a very interesting and arbitrary position. He states that they can delay the consideration of the Stevenson amendment and 20 other amendment—the Bayh amendment, the Taft amendment, and the Humphrey amendment. The Humphrey amendment is very far reaching and complicated. It would extend unemployment benefits for the entire country an additional 26 weeks. It is a very detailed amendment. It ought to be debated at great length. The Javits amendment is a complicated amendment. The Senator from Virginia (Mr. BYRD) has a critically important amendment.

The Stevenson amendment as we know is also critical. It should be debated and given consideration at some length. So, for me to say that I would be willing to cut off debate and vote on the bill on a day certain if the Senator would agree on a vote on the Stevenson amendment, it would seem to me, would be foolish.

Frankly, on my own amendments, I would like to take as much as the Senator is taking on the amendment of the Senator from Illinois.

Mr. TOWER. In other words, the Senator will not vote for cloture.

Mr. PROXMIRE. I will certainly not vote for cloture at this point. The Senator from Texas knows that.

Mr. TOWER. Would the Senator agree to vote for cloture on the bill and on all amendments?

Mr. PROXMIRE. The Senator from Wisconsin will not. However, it is interesting that the Senators who have been pressing for a vote on the bill and some of his friends have—but the Senator from Texas has not—accused the Senator from Wisconsin of filibustering. The Senator from Texas is now delaying.

Mr. TOWER. The Senator from Wisconsin is filibustering.

Mr. PROXMIRE. He is not. We are willing to permit a vote on the Stevenson amendment this morning.

Mr. TOWER. I think the Senator from Texas has a responsibility to Senators on this side of the aisle who would like to have an opportunity to vote on the amendment to let them do so. The Senator from Wisconsin asked for controlled time on the Stevenson amendment but does not want to have controlled time on any other amendment.

Mr. PROXMIRE. The author of the amendment, the Senator from Illinois, has asked for controlled time on his amendment. It seems to me that the Senator from Illinois should be allowed that courtesy, especially when the Senator from Texas is trying to get rapid action on the entire bill.

Mr. TOWER. The question of controlled time is something that the Senator from Texas, the Senator from Georgia, and the Senator from Alabama, the distinguished manager of the bill, should get together on. I certainly do not want the door shut on controlled time.

Mr. PROXMIRE. I thank the Senator from Texas. Let me point out that ever since 5 o'clock last night the Senator from Texas and other Senator have made it clear in the RECORD that they will not permit a unanimous-consent agreement on the Stevenson amendment and would not permit it to come to a vote.

If we are being charged with delaying the bill, let the record show that from 5 p.m. last night, and filibuster has been occurring on the other side.

Mr. TOWER. Let the record be perfectly clear that the Senator from Wisconsin said he would not vote for cloture.

Mr. GAMBRELL. Mr. President, let me make the record perfectly clear that we wanted to have controlled time on the bill. We will sit down and talk about controlled time on the bill.

The Senator has mentioned amendment. If the Senators who want to call up their amendments want to have controlled time on the entire matter, I think the people in charge of the bill would be happy to do so. However, I do not see why we should have controlled time on the Stevenson amendment and not on the others. The amendment of the Senator from Illinois involves a matter of principle. It threatens to dispose of Lockheed completely.

I am sure that there are those here who would like to have that effect. That is why this is the crucial amendment in the whole matter.

If this amendment passes, we understand that the whole record demonstrates that the whole case involving being able to bring this whole problem before Congress would go out the window.

This is what disturbs me. As I see it, it is the precedence of inaction.

When I went over to Hawaii several years ago, I was taken on a motorboat tour of Pearl Harbor. We saw there the battleship *Arizona* turned over on its side. That was a memorial to the inaction of the United States when it failed to properly defend itself.

I was wondering if this bill fails to pass if we are going to have a memorial to its failure. I wonder if one of these three planes would be placed in the Smithsonian as a memorial to the inaction of Congress to point out to the public that this particular aircraft became a martyr to the inaction of Congress. It would be stated that though the Congress finally passed a bill, it took action which permitted that plane to go down the drain.

That is why I think this amendment deserves thorough consideration and debate. That is why we should go ahead. If we can get controlled time on the whole proposition, and get controlled time on this amendment and all other amendments and the bill itself, we can get on with the business of the Senate.

However, if we are going to have controlled time on a measure that would gut the bill and yet not have controlled time on the bill itself, it seems to me that we are going backward and not forward.

Mr. PROXMIRE. Mr. President, the Senator from Texas wants to have a lengthy discussion on this amendment. He wants to talk day after day on this amendment. He delayed a vote on it yesterday. He is delaying it today. He apparently wants to delay it tomorrow. However, when it comes to everything else, he just wants to shut off debate and shut us up.

The Senator from Texas and the Senator from Georgia want to shut us off our talk, but they do not want to be shut off on theirs. I can understand that. However, they argue the principle that we should sit down and shut up and that we should not have a chance to discuss our amendments. But they want to delay this amendment where they do not have the votes.

How ridiculous it will be on tomorrow if we go into a cloture vote to shut off debate at a time when those who are pressing for cloture are filibustering and delaying the Senate. They are keeping us from debating any other aspects of the bill.

The Senator from Illinois has an amendment dealing with a very important part of the bill. I think it is a very significant amendment and deserves substantial discussion. But the Senator from Texas and the Senator from Georgia want to prevent us from getting a vote on the amendment.

Mr. GAMBRELL. Mr. President, I reject that contention. It seems to me that the reason we are discussing the matter at this length is because we cannot get an agreement on controlled time on the whole subject. It seems to me that if the Senator from Wisconsin really wants to get on with the business of the Senate, that we can get an agreement on controlled time.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. GAMBRELL. I yield to the Senator from Virginia.

Mr. BYRD of Virginia. Mr. President, I do not want to get in the middle of a controversy between the Senator from Texas and the Senator from Georgia and the Senator from Wisconsin as to who is responsible for the entire filibuster. However, I want to set the record straight as to today.

There has been no filibuster this morning. The Senate has been in session for a little over an hour. The Senator from Illinois explained his amendment. Then the Senator from Georgia spoke in opposition to the legislation, which he has a perfect right to do.

There has been no filibuster today. I think we ought to set the record straight.

Mr. PROXMIRE. Mr. President, I did not charge that there was any filibuster. I stated that there was deliberate delay in objection to the unanimous-consent agreement on the Stevenson amendment.

Mr. GAMBRELL. Mr. President, I thank the Senator from Virginia for explaining the procedure to date. I thank him also for the excellent point he made.

I think for the benefit of the Senator from Wisconsin and the Senator from Illinois, if we can sit down and evaluate the proposition of limiting debate, I think we would save a lot of the time of the Senate and of the country and get on with the business of the Senate.

Mr. President, I yield the floor.

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

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

Mr. PROXMIRE. Mr. President, will the Senator yield to permit the Senator from Wisconsin to make a parliamentary inquiry?

Mr. TOWER. I will let the Senator from Wisconsin have the floor.

Mr. PROXMIRE. No, I do not want the floor. I want to make a parliamentary inquiry if the Senator will permit me to be recognized for a parliamentary inquiry.

Mr. President, are we under the germaneness rule at the present time?

The PRESIDING OFFICER. Yes, until 1:03 p.m.

Mr. PROXMIRE. A further parliamentary inquiry. Does that mean that any discussion has to be on the amendment that is pending, or can it be applied to any part of the bill that is pending?

The PRESIDING OFFICER. Under the rule, it would have to pertain to the specific question before the Senate, which would be the amendment.

Mr. PROXMIRE. The amendment. So any discussion would have to relate to the Stevenson amendment. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. PROXMIRE. I thank the Chair.

Mr. TOWER. Mr. President, I would assume that any discussion of the bill in general would be considered germane.

The PRESIDING OFFICER. The Senator from Texas says that he thinks it could refer generally to the bill. An amendment amends the bill, so the Chair does not see how a Senator can discuss the amendment without discussing the bill itself. The amendment must necessarily consider the bill itself. The Chair has never seen a specific question arise dividing the bill from the amendment.

Mr. TOWER. In other words, the distinguished occupant of the Chair would interpret the rule rather liberally?

The PRESIDING OFFICER. Rather accurately, under the rule as it relates to the specific question.

Mr. PROXMIRE. Mr. President, would the Senator yield along that line?

Mr. TOWER. I yield.

Mr. PROXMIRE. I thank the Senator for clarifying the matter.

It may be helpful to Senators later in the debate on the bill. As I understood the Presiding Officer, one does not have to confine his discussion to the Stevenson amendment. He can talk on any aspect of the bill, because the Stevenson amendment is an amendment to the bill, and any discussion of the amendment would relate to a discussion of the bill.

Mr. TOWER. The Senator from Texas took no position. It was the ruling of the Chair, and the Senator from Texas will abide by the ruling of the Chair, whatever it is.

QUORUM CALL

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 (Mr. HOLLINGS). Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to exceed 30 minutes, with statements therein limited to 3 minutes.

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

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

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

SAN ANGELO RECLAMATION PROJECT, TEX.

A letter from the Assistant Secretary of the Interior submitting, pursuant to law, his determination on deferment of the 1971 construction payment due the United States from the San Angelo Water Supply Corp. in connection with the San Angelo Reclamation Project, Tex.; to the Committee on Interior and Insular Affairs.

REPORT OF THE WATER RESOURCES COUNCIL

A letter from the Chairman of the U.S. Water Resources Council submitting, pursuant to law, a report on a program for water and related land use in the Ohio River Basin (with accompanying report); to the Committee on Interior and Insular Affairs.

INTERIM REPORT OF THE COMMISSION ON RAILROAD RETIREMENT

A letter from the Chairman of the Commission on Railroad Retirement transmitting, pursuant to law, its interim report summarizing its progress since its initial meeting (with accompanying report); to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following report of a committee was submitted:

By Mr. TALMADGE, from the Committee on Agriculture and Forestry, with amendments:

S. 1483. A bill to further provide for the farmer-owned cooperative system of making credit available to farmers and ranchers and their cooperatives, for rural residences, and to associations and other entities upon which farming operations are dependent, to provide for an adequate and flexible flow of money into rural areas, and to modernize and consolidate existing farm credit law to meet current and future rural credit needs, and for other purposes (Rept. No. 92-307).

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. TALMADGE (for himself, Mr. GAMBRELL, Mr. HOLLINGS, and Mr. THURMOND):

S. 2347. A bill to provide that the project referred to as the Trotters Shoals Dam and Reservoir on the Savannah River, Georgia and South Carolina, shall hereafter be known and designated as the Richard B. Russell Dam and Reservoir. Referred to the Committee on Public Works.

By Mr. INOUYE:

S. 2348. A bill to increase the penalties with respect to the commission of a crime of violence in the District of Columbia while armed with a firearm. Referred to the Committee on the District of Columbia.

By Mr. TUNNEY (for himself, Mr. MANSFIELD, Mr. SCOTT, Mr. BAKER, Mr. BAYH, Mr. BURDICK, Mr. CRANSTON, Mr. EAGLETON, Mr. HART, Mr. KENNEDY, and Mr. RANDOLPH):

S. 2349. A bill to implement the 26th amendment to the Constitution of the United States, establish standard durational residency requirements for congressional elections, improve opportunities for absentee registration and voting for Federal office, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. CURTIS (for himself and Mr. HRUSKA):

S. 2350. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the North Loup division, Missouri River Basin project, Nebraska, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. HATFIELD:

S. 2351. A bill to establish the Federal Medical Evaluations Board to carry out the functions, powers, and duties of the Secretary of Health, Education, and Welfare relating to the regulation of biological products and drugs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. HATFIELD (for himself and Mr. KENNEDY):

S. 2352. A bill to provide for a contribution by the United States to the United Nations Relief and Works Agency. Referred to the Committee on Foreign Relations.

By Mr. HATFIELD (for himself, Mr. ALLEN, Mr. ALLOTT, Mr. ANDERSON, Mr. BAKER, Mr. BAYH, Mr. BEALL, Mr. BELLMON, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BROOKE, Mr. BUCKLEY, Mr. BURDICK, Mr. CASE, Mr. COOK, Mr. COOPER, Mr. CRANSTON, Mr. CURTIS, Mr. DOLE, Mr. DOMINICK, Mr. FANNIN, Mr. FONG, Mr. GOLDWATER, Mr. GRAVEL, Mr. GRIFFIN, Mr. GURNEY, Mr. HANSEN, Mr. HARTKE, Mr. HOLLINGS, Mr. HRUSKA, Mr. HUGHES, Mr. HUMPHREY, Mr. JAVITS, Mr. JORDAN of Idaho, Mr. MCCLELLAN, Mr. MANSFIELD, Mr. MATHIAS, Mr. MILLER, Mr. NELSON, Mr. PACKWOOD, Mr. PEARSON, Mr. PERCY, Mr. PROUTY, Mr. SCHWEIKER, Mr. SCOTT, Mr. SPARKMAN, Mr. STEVENS, Mr. SYMINGTON, Mr. TOWER, Mr. TUNNEY, Mr. WEICKER, Mr. WILLIAMS, and Mr. YOUNG):

S.J. Res. 142. A joint resolution establishing a commission to consider and formulate plans for a permanent memorial to Herbert Clark Hoover. Referred to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND RESOLUTIONS

By Mr. TALMADGE (for himself Mr. GAMBRELL, Mr. HOLLINGS, and Mr. THURMOND):

S. 2347. A bill to provide that the project referred to as the Trotters Shoals Dam and Reservoir on the Savannah River, Georgia and South Carolina, shall hereafter be known and designated as the Richard B. Russell Dam and Reservoir. Referred to the Committee on Public Works.

Mr. TALMADGE. Mr. President, in January of this year, as the new Congress was organizing, the U.S. Senate lost one of its most valuable and revered Members. With the death of Senator Richard Brevard Russell, Georgia lost a leading citizen and favorite son. The Nation lost a patriot. We all mourn his passing and miss the wisdom of his leadership in the Senate.

History will record the many contributions Dick Russell made to his beloved State and to his country. His 50 years of public service, 38 of which were spent in the Senate of the United States as one of its all-time most effective and influential Members, is without equal in American history.

The people of Georgia will always cherish the memory of the late Senator Russell. We will eternally honor him as a great statesman and pay tribute to the credit Senator Russell brought our State.

Mr. President I introduce today a bill to provide that the project referred to as the Trotters Shoals Dam and Reservoir on the Savannah River, Georgia and South Carolina, shall hereafter be known and designated as the Richard B. Russell Dam and Reservoir.

I offer this legislation on behalf of my colleagues, Senator GAMBRELL, and the Senators from South Carolina, Senator STROM THURMOND, and Senator ERNEST F. HOLLINGS.

It is especially fitting that this dam and reservoir be named for the late Senator Russell. I know of no other man in the history of Georgia who has done more to develop the State's waterways and water resources than the late Senator Russell. The dam and reservoir at Trotters Shoals will stand as a permanent monument to his work in this area.

The Trotters Shoals project was authorized for construction by the 1966 Flood Control Act. Located on the Savannah River about 16 miles southeast of Elberton, Ga., it will be the third multipurpose project to be built in the Savannah River basin.

The project is expected to be completed in 1978.

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

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

S. 2347

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in honor of the late Richard B. Russell, and in recognition of his long and outstanding service as a member of the United States Senate, the Trotter Shoals Dam and Reservoir, Savannah River Georgia and South Carolina, shall hereafter be known and designated as the Richard B. Russell Dam and Reservoir, and shall be dedicated as a monument to his distinguished public service. Any law, regulation, map, document, or record of the United States in which such Project is referred to shall be held and considered to refer to such Project by the name of the Richard B. Russell Dam and Reservoir.

By Mr. INOUYE:

S. 2348. A bill to increase the penalties with respect to the commission of a crime of violence in the District of Columbia while armed with a firearm. Referred to the Committee on the District of Columbia.

Mr. INOUYE. Mr. President, today I am introducing a bill relating to the District of Columbia which is designed to make minimum sentences mandatory for employing a firearm in the commission of a crime of violence.

There are numerous bills pending before both Houses of Congress dealing with the registration of firearms and the imposition of stringent penalties. Many relate to the Gun Control Act of 1968. Others, national in scope, deal with Federal felonies or interstate trade. I endorse these multifaceted approaches simply because the gravity of the situation merits many and ambitious endeavors both at the national and State levels.

At the national level, I am a cosponsor of S. 831, the Personal Safety Firearms Act of 1971. Essentially that bill would restrict the availability of guns by calling for the registration of every civilian-owned gun in the country and further require all gun owners to pass stringent qualifying procedures to legally possess a gun. Upon passage, the bill would greatly curtail the funneling of firearms into the hands of convicted felons, drug addicts, and mental defectives. In a country where we license automobiles, beauticians, radio stations, dogs, and marriages, I have no legal, moral, or political inhibitions in requiring the licensing of the primary instrument of crime and violence.

At the local level, I am introducing this bill which is applicable only to the District of Columbia. The need of a law to deter persons from committing crimes with guns manifests itself in the daily press, the monthly crime index, and in the annual toll of criminal homicides, rapes, robberies, and aggravated assaults.

I am neither a criminologist nor a penologist. But anyone perusing the papers and police reports could ascertain that even while the District of Columbia government has registered nearly 40,000 guns in the past 3 years, and while the statistics indicate an overall decline in criminal offenses, there are marked increases in rapes, robberies, and aggravated assaults. Within the past 12 months the Nation's Capital city has experienced 228 reported criminal homicides, 421 reported forcible rapes, 4,079 reported aggravated assaults, and 11,565 reported robberies. In light of these shocking figures, it is quite apparent that the registration and restricted sale of guns is not the wholesale or simple solution.

With the passage of the measure which I now introduce, and the broad publication of it, everyone in this city will know that if he uses a gun in committing a crime, he will spend at least 5 full years in prison. This applies to a college president and professional criminal alike. Even those who presently flaunt the registration law will be assured of ample time in prison to reflect upon their acts if found guilty of committing a violent crime. This bill provides that the imposition of 5 years' imprisonment is in addition to the sentence for the crime itself. Under this bill, there would be no suspended sentences, no probation, no parole, and no concurrently running sentences.

Some schools of jurisprudential thought have reservations about mandatory minimum sentences. However, I have grave consternation over the several tragic incidents or recent weeks.

Some judges may decry that this bill would deprive them of their traditional exercise of judicial discretion. I strain to hypothesize a situation where a violent crime is committed with a gun employed where the person should not have been deterred from such action and should not be restrained and rehabilitated.

None can argue that this is solely gun legislation. This is gunman legislation. The punishment imposed is positive and it is prolonged. And those who derive their power over persons and property by use of a pistol are soon to learn that they have no such right to interfere with the rights and freedom of another.

Mr. President, I request that the bill be referred to the appropriate committee for consideration and am hopeful for prompt positive action.

By Mr. TUNNEY (for himself, Mr. MANSFIELD, Mr. SCOTT, Mr. BAKER, Mr. BAYH, Mr. BURDICK, Mr. CRANSTON, Mr. EAGLETON, Mr. HART, Mr. KENNEDY, and Mr. RANDOLPH):

S. 2349. A bill to implement the 26th amendment to the Constitution of the United States, establish standard durational residency requirements for congressional elections, improve opportunities for absentee registration and voting for Federal office, and for other purposes. Referred to the Committee on the Judiciary.

VOTING RIGHTS ACT AMENDMENTS OF 1971

Mr. TUNNEY. Mr. President, it is long past time that all Americans, particularly our young people, be given the opportunity to register and vote for all Federal officials.

It is, therefore, with particular pleasure that I rise today with 10 of my colleagues, Republicans and Democrats together, to introduce the Voting Rights Act Amendments of 1971.

This bill is the product of the combined efforts of Senators MANSFIELD, SCOTT, BAKER, BAYH, BURDICK, CRANSTON, EAGLETON, HART, KENNEDY, and RANDOLPH.

The bill is designed to implement the 26th amendment so that our young people might fully participate in our political system.

The bill has a much broader purpose, however, for it is designed to put an end to the biennial disenfranchisement of millions of American citizens of all ages who, because they are away from home or have recently moved, are unable to register and vote for their Congressmen and Senators.

This bill represents a clear commitment by Republicans and Democrats to the basic principle that no citizen should be denied the opportunity to register and vote simply because he is one of the millions whose job or education or vacation takes him away from his place of residence.

In order to implement that goal, the bill provides for a simple and easy proc-

ess by which persons who are away from home can register and vote in a manner designed to assure maximum opportunity to participate in the political process.

In pursuing the goal of maximum participation, the bill establishes a national standard durational residency requirement of 30 days for registration to vote for Senator and Representative. This time period is specifically chosen in recognition of legitimate local interests in such residency requirements without placing undue and unreasonable burdens on the right of every citizen to cast his ballot.

Finally, to implement and enforce the guarantees of the newly enacted 26th amendment, this bill prohibits the use of any discriminatory requirement based upon age, occupation or student status against the right to vote by any citizen who has attained the age of 18.

Mr. President, the need for this legislation is evident to us all. In the 1968 election, the most recent year for which figures are available, over 9 million Americans 21 years of age or over were unable to register because of failure to meet residency requirements, absence from home during registration, or other reasons. With the addition of 11 million new voters between the ages of 18 and 21 years of age, the number of persons unable to register will undoubtedly be increased tremendously by the many young persons whose education or jobs involve moving from one place to another.

The impact of this disenfranchisement is particularly disturbing because there has been a continuing increase in recent years in the number of persons unable to register. In 1963, the President's Commission on Registration and Voting Participation estimated that residence requirements had disenfranchised 4 million adults in 1950, 5 million in 1954, and 8 million in 1960.

Last year the Congress took a dramatic first step to reverse this trend by enacting the Voting Rights Act Amendments of 1970. That law abolished residence requirements entirely for presidential elections and required that every citizen be given the opportunity to register and vote for President and Vice President by an absentee process. The passage of the 1970 law, in fact, laid the foundation for the bill which we introduce today. Through the fine work of many of our colleagues, including particularly the thorough and incisive efforts of Senator GOLDWATER, Congress has taken the initial steps toward guaranteeing to all Americans the opportunity to vote in presidential elections.

This bill now takes up the work left to be done to assure maximum effectiveness of the rights granted in the 1970 act. It extends the same rights to elections for Senator and Representative and assures that the millions of new voters enfranchised by the 26th amendment will not lose that right by restrictive procedures.

I. DURATIONAL RESIDENCE REQUIREMENTS

ANALYSIS

Section 402 establishes a 30-day standard durational residency requirement in connection with any primary or any election for Senator or Representative. It permits those persons who move from one place to another within a particular State after the 30-day limit to vote for Senator at their old residence in person or by absentee ballot. It also permits persons who move from one place to another within a particular congressional district to vote for Representative within that district at their old residence in person or by absentee.

DISCUSSION

The 1970 Voting Rights Act Amendments abolished completely residency requirements to vote for President and Vice President on the grounds that the right to vote for such offices is a right of national citizenship and that the State has no interest in demanding residence within its boundaries as a condition of voting for national office.

The bill which we propose today does not completely abolish such residency requirements for Senator and Representative for the basic reason that there are different interests to be weighed. While a State has no interest in requiring residence for a specific period in presidential elections, it may well have a legitimate interest in requiring that prospective voters have some attachment to and familiarity with the particular jurisdiction in senatorial and congressional races.

The bill, therefore, selects 30 days as an appropriate and reasonable period for residency requirements. This time period will provide adequate time for intelligent consideration of the particular campaigns and candidates in progress, and, at the same time, allow sufficient time for administration of the mechanical process of registration and voting. After all, while there are unquestionably areas of purely local concern in which Senators and Congressmen act, the character of the large majority of decisions which will be made by such officials are essentially national ones.

Imposition of a durational residency requirement of any length greater than that needed for simple administrative purposes raises serious questions of undue restrictions on the constitutionally guaranteed right of any citizen to travel from one State to another. Challenges to overly restrictive residency requirements are already underway in the courts, and in fact a number of courts Court has invalidated the 1-year residency requirement for welfare benefits in On much the same grounds the Supreme Court has invalidated the 1-year residency requirement for welfare benefits in *Shapiro* v. *Thompson,* 394 U.S. 618 (1969).

The key question is whether the State has any compelling State interest in requiring residence longer than 30 days for registration and voting for Federal officials. It is our belief that there is no such compelling interest. Measured against the needs of a tremendously mobile electorate, measured against the fact that education and employment opportunities may compel a person to move his residence and measured against the cold reality that a slumping economy may in fact dictate a move through loss of a job, we can no longer afford to penalize our citizens by denying them the most basic right of choosing those who will govern them.

II. ABSENTEE REGISTRATION

ANALYSIS

Section 403 establishes a simple absentee registration procedure to allow anyone who is temporarily absent from his voting residence to register by absentee means. It requires that States allow persons who are absent for any reason—education, employment, or whatever—to complete a simple statement attesting to the same information which would be required for registration in person and to mail that form to the appropriate State or local registration official. These forms must be available at post offices and substations, draft boards and educational institutions and wherever else the State may provide.

The section also provides that educational institutions shall not be required to make registration forms available for any jurisdictions other than those from which they draw students.

Finally, in order to shorten and simplify the process of registering and voting by absentee ballot, it requires that a short form to apply for an absentee ballot be included with the registration application which can be retained and used at the appropriate time to get an absentee ballot.

DISCUSSION

This section is designed to make maximum opportunity to vote available to persons of all ages and occupations without becoming hopelessly entangled in the controversy now raging in the courts over where a person's voting residence should be. This bill makes a major step toward assuring that no person will be disenfranchised regardless of the outcome of current court cases. It states simply that no matter where a State fixes a person's residence for voting purposes, it must allow that person to register to vote in that jurisdiction even though he may happen to be physically absent when the registration rolls are open.

The advantages of this approach are particularly significant both in terms of benefits gained and problems avoided.

The essential point in this section is that legitimate State interests are fully protected while the right of the individual citizen to register and vote is assured. The bill does not override legitimate State interests in determining what constitutes "residence" for voting purposes. It does not attempt to require that college students be declared eligible voters in the congressional district where they attend school. It leaves that decision to the State legislature or courts to decide. What the bill does say is that a person must be allowed to register at whatever his voting residence is determined to be by a simple process which does not require his physical presence.

A person need only walk into a local post office, draft board or college office, pick up the registration form, fill it out and mail it. Similarly, a construction worker or a traveling salesman or a vacationer or any other person who is away from home could walk into the same location, pick up a registration form, complete it and mail it and thereby qualify to vote for his Senator and Congressman.

The need for such a procedure has never been more obvious. Of the 48 States

which require registration to vote, only 19 have provisions which allow civilian voters generally to register absentee. Those States are Arizona, California, Hawaii, Idaho, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, New Mexico, New York, Oregon, South Dakota, Tennessee, Texas, West Virginia, Wisconsin, and Wyoming. The remainder either combine absentee registration to certain limited categories, such as the ill or physically disabled or prevent such registration entirely. Yet, at the same time 47 States allow servicemen either to register absentee or be registerd automatically.

Mr. President, we are long past the time when we can continue to allow citizens of any age to be disenfranchised by virtue of work or study or travel which takes them away from home. The case is particularly important for our young people, however. We have told them to be responsible to work within the system, to exercise the right to vote which we have given them. Yet we continue to allow these same young people to be denied that right to vote by forcing them to run the gauntlet to the polls. We find State and local officials telling them they cannot register at school, when at the same time, they are prevented from registering at home by the lack of procedures for absentee registration. It is no wonder that we find our young people skeptical of the system when it seems to give with one hand and take with the other.

This bill will construct a truly major bridge over the gap between the promise and the reality of the rights granted by the 21st amendment in a way which will provide the same benefits to people of all ages and without interfering with legitimate State interests.

III. ABSENTEE VOTING

ANALYSIS

Section 404 requires that anyone who is physically absent from his voting residence for a primary or election for Senator or Representative be allowed to vote by absentee ballot as long as he applies for it 7 days or more prior to the election. This provision is similar to that established for President and Vice President by the 1970 act and contains the same time period and operative language.

It also prohibits the imposition of any undue burden on the exercise of this right, such as complicated procedures designed to discourage persons from voting by absentee, and requires that a simple application for an absentee ballot be made available at post offices, draft boards and educational institutions.

DISCUSSION

The purpose of these provisions is to assure that every citizen who is absent from his district on election day has an opportunity to cast a ballot. It extends a simple procedure already adopted in the 1970 law for presidential elections to the logical extent of full coverage for all elected Federal officials, and it provides a simple mechanism to carry out its mandate.

It has the added benefit, however, of streamlining and simplifying what has often been a multistep maze of absentee procedures which had the effect of preventing all but the stouthearted from voting by absentee. Through the combined provisions of the sections 403 and 404 of this bill a voter can at one time and in one place obtain all of the requisite forms and applications to accomplish completely the goal of registering and voting by absentee.

Thus, for example, the prospective registrant could walk into a post office and obtain the registration form for his home State. Included with the form would be a short application or post card to apply for an absentee ballot. The person would complete the registration form and mail it to the election official designated by the State at an address specified on the form. At the same time he would retain the application card for absentee ballot.

In this way, the citizen can accomplish registration and obtain a ballot with a minimum of inconvenience or complication and without an endless stream of letters and papers back and forth between him and election officials.

This procedure is similar or identical to procedures already in force in States which presently permit absentee registration. Such States typically require the prospective registrant to complete an "Affidavit of Registration" and mail it to his hometown. Thus many States have in fact already provided for the registration form required by this bill.

IV. PROHIBITION OF DISCRIMINATION ON THE BASIS OF AGE, OCCUPATION OR STUDENT STATUS

ANALYSIS

Section 405 of the bill prohibits the use of special voting requirements designed to circumvent the right to vote granted by the 26th amendment. The language tracks closely a similar section of the Voting Rights Act of 1965 and prevents States from imposing special restrictions on the opportunity to register or vote on the basis of age, occupation, or attendance at an educational institution.

DISCUSSION

This section states simply that the standards of residence or other qualifications for registration applied by any state must treat all voters equally. In other words, a State may not construct special restrictions which would make it impossible for a particular segment of voters to register. Thus, for example, the mere fact that a person is 18 years old may not be made the basis for requiring him to register at his parents' home. The State must apply it normal tests for determining residence, and the young person must be allowed the same opportunities and presumptions which are available for any other age group.

It is my personal belief that attempts to discriminate against young voters will be overturned in the courts on the basis of the 26th and 14th amendments. Enactment of this section, however, will provide a readily available and concise standard upon which to judge discriminatory State action.

The advantage of this section is that it does not interfere with legitimate State interest in voter residence and qualifications; but it assures that all voters will have an equal opportunity to establish residence and fulfill such qualifications.

V. LESS RESTRICTIVE STATE LAW

ANALYSIS

Section 406 allows any State or local jurisdiction to adopt or retain any less restrictive voting practices which they may deem appropriate.

DISCUSSION

For example, if a State determines that a shorter residency requirement is sufficient for administrative and policy purposes, it is free to adopt or retain such a provision. Similarly, if a State wishes to provide even greater opportunities for absentee registration or voting than the minimum prescribed by this bill, it is free to do so.

The language of this section is identical to the 1970 act.

VI. ADMINISTRATION AND ENFORCEMENT

ANALYSIS

Section 407 sets forth procedures for enforcement of the act by the Attorney General which parallel the enforcement provisions of the 1970 law. It also incorporates the same criminal penalties for false registration and other fraudulent acts which are contained in the 1965 and 1970 laws.

Finally, it authorizes the Attorney General to enter into appropriate agreements to assist in making registration forms and applications for absentee ballots available pursuant to sections 403 (d) and 404(c).

DISCUSSION

Under this section, anyone who knowingly or willingly gives false information as to his name, address, or period of residence in the voting district for the purpose of establishing his eligibility to register or vote, or conspires with another individual for the purpose of encouraging his false registration to vote or illegal voting, or pays or offers to pay or accepts payment either for registration to vote or for voting is liable for a fine of up to $10,000 and imprisonment up to 5 years.

In addition, the section authorizes the Attorney General to enter into appropriate agreements to assist in making registration forms and applications for absentee ballots available. Under the act, States have the right and responsibility to establish the requisite application forms. This section authorizes the Attorney General to assist in making forms available as required by the act, including, for example, arrangements with the Postmaster General and the Director of the Selective Service System to supply appropriate forms from the States.

Similarly, in the event that one or more States desired to establish a uniform application, the Attorney General could provide assistance and, in fact, would be encouraged to do so.

Mr. President, this legislation is essential. For too long we have permitted citizens, young and old alike, to be deprived of the most essential right of our democracy—the right to vote. It is indeed ironic that while we consider ourselves the most democratic Nation in the world, we continue to make it harder to register and vote in this country than in many of the countries of Western Europe.

Democracy is very fragile. It is a tenuous balance of freedom and order and one of its most basic foundations is the

ideal of participation. This bill seeks to make this ideal a reality. It seeks to open up our process of government and allow millions of people to indulge in the most basic concept of a free society—voting.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD, together with section-by-section analysis which I have prepared, and a study of State absentee registration and voting laws entitled "Absentee Registration and Voting" prepared by the Legislative Reference Service of the Library of Congress.

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

S. 2349

A bill to implement the twenty-sixth amendment to the Constitution of the United States, establish standard durational residency requirements for Congressional elections, improve opportunities for absentee registration and voting for federal office, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voting Rights Act Amendments of 1971."

SECTION 2. The Voting Rights Act of 1965 (79 Stat. 437; 42 U.S.C. 1973 et seq.) is amended by adding at the thereof the following new title:

"TITLE IV—RESIDENCY FOR CONGRESSIONAL ELECTIONS, AND ABSENTEE REGISTRATION AND VOTING FOR FEDERAL OFFICES

"DECLARATION

"SEC. 401. (a) Congress declares that in order to secure and protect the rights of citizens under the Constitution, to enable citizens better to obtain the enjoyment of such rights and to enforce the guarantees of the fourteenth, fifteenth, and twenty-sixth amendments, it is necessary (1) to establish a standard durational residency requirement with respect to voting for United States Senator or Representative, (2) to establish nationwide standards relative to absentee registration and absentee balloting in Federal elections, and (3) to abolish all registration requirements which discriminate among eligible voters on the basis of age, occupation or student status.

"RESIDENCE REQUIREMENTS FOR VOTING

"SEC. 402. (a) No citizen of the United States who is otherwise qualified to vote in any election for United States Senator or Representative shall be denied the right to vote in any election for such offices because of the failure of such citizen to comply with any durational residency requirement of any State or political subdivision thereof, the length of which is in excess of thirty days immediately prior to such election.

"(b) For the purpose of this title each State shall provide by law for the registration or other means of qualification of all duly qualified residents of such State who apply, not later than thirty days immediately prior to any election for Senator or Representative, for registration or qualification to vote in such election.

"(c) If any citizen of any State who is otherwise qualified to vote in any State or congressional district in any election for Senator or Representative has changed his residence within such State or congressional district after the thirtieth day next preceding such election and for that reason does not satisfy the registration requirements applicable to such State or congressional district he shall be allowed to vote

"(1) for Senator in such election in person or by absentee ballot pursuant to section 404(b) of this title at his former residence within such State if he has been a resident of such State for the thirty-day period prescribed in section 402(a) of this title; and

"(2) for Representative in such election in person or by absentee ballot pursuant to section 404(b) of this title at his former residence within such Congressional district if he has been a resident of such Congressional district for the thirty-day period prescribed in section 402(a) of this title.

"ABSENTEE REGISTRATION

"SEC. 403. (a) No state or political subdivision thereof may refuse to register any person who is otherwise qualified to register in that State or political subdivision to vote in any election by reason of that person's temporary absence, in connection with academic or vocational training, employment, or other lawful pursuit, from such State or political subdivision.

"(b) For purposes of this title, registration may be accomplished by

"(1) personal appearance,

"(2) sworn statement as provided in subsection (c) of this section,

"(3) such other additional means as such State or political subdivision shall adopt consistent with the purpose of this section.

"(c) For the purposes of this title, any otherwise qualified person may register or qualify to vote by attesting to the information which would be required of such person for registration or qualification by personal appearance in the place of his permanent residence. Such sworn statement shall be on a form prescribed by the State and may be delivered in person or by certified mail to the appropriate state or local offical at an address specified on such form.

"(d) Forms prescribed by any State pursuant to subsection (c) of this section shall include a simple and concise application form which the prospective registrant may retain for use in applying for an absentee ballot pursuant to Section 404(b) of this title, and shall be readily available in a conspicuous place in each office or substation of the United States Postal Service, at each local board office of the Selective Service System, and at secondary and post secondary educational institutions in kind and number appropriate to the residence location of students in attendance at such institutions.

"ABSENTEE VOTING

"SEC. 404. (a) No citizen of the United States who is otherwise qualified to vote in any State or political subdivision thereof in any election shall be denied the opportunity to vote by absentee ballot on account of his physical absence from such State or political subdivision at the time of such election nor may such person be subjected to any undue burden in exercising the right to vote by absentee ballot.

"(b) Each State shall allow any otherwise duly qualified resident of such State who may be absent from his election district or unit in such State on the day such election is held to vote by absentee ballot if such person has applied for an absentee ballot not later than seven days immediately prior to such election and has returned such ballot to the appropriate election official of such State not later than the time of closing of the polls in such State on the day of such election.

"(c) For the purpose of this title, a simple and concise form of application for absentee ballot shall be readily available in a conspicuous place in each office or substation of the United States Postal Service and at each local board office of the Selective Service System, and at secondary and post-secondary educational institutions in kind and number appropriate to the residence locations of students in attendance at such institutions.

"PROHIBITION OF DISCRIMINATION BASED ON AGE, OCCUPATION, OR STUDENT STATUS

"SEC. 405. No voting qualification or prerequisite to voting, or standard, practice, or procedure shall be imposed or applied by any State or political subdivision to deny or abridge the right of any citizen of the United States eighteen years of age or older to vote on account of age, occupation, or attendance at any educational institution.

"LESS RESTRICTIVE STATE LAWS

"SEC. 406. Nothing in this Act shall prevent any State or political subdivision from adopting less restrictive voting practices than those that are prescribed herein.

"ADMINISTRATION AND ENFORCEMENT

"SEC. 407. (a)(1) In the exercise of the power of Congress under the necessary and proper clause of section 8, article I of the Constitution, section 2 of the twenty-sixth amendment, section 5 of the fourteenth amendment and section 2 of the fifteenth amendment of the Constitution, the Attorney General is authorized and directed to institute in the name of the United States such actions against States or political subdivisions, including actions for injunctive relief, as he may determine to be necessary to implement the purpose of this title.

"(2) The district courts of the United States shall have jurisdiction of proceedings instituted pursuant to this title, which shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28 of the United States Code, and any appeal shall lie to the Supreme Court. It shall be the duty of the judges designated to hear the case to assign the case for hearing and determination thereof, and to cause the case to be in every way expedited.

"(b) The Attorney General is authorized to enter into appropriate agreements to implement the provisions of section 403(d) and 404(c) of this title.

"(c) The provisions of section 11(c) of the Voting Rights Act of 1965 shall apply to false registration under this title and other fraudulent acts and conspiracies committed in connection with this title.

"(d) Whoever denies or attempts to deny any person any right secured by this title shall be fined not more than $5,000 or imprisoned not more than five years, or both.

"DEFINITIONS

"SEC. 408. As used in this title, the term—

"(1) 'State' means each of the United States and the District of Columbia;

"(2) 'election' means a primary election held for the purpose of nominating a candidate for election to Federal office, or a general or special election held for electing an individual to such office; and

"(3) 'Federal office' means the office of President, Vice President, Senator, Member of the House of Representatives, and Delegate to the Congress."

VOTING RIGHTS ACT AMENDMENTS OF 1971
SECTION BY SECTION ANALYSIS

DECLARATION

Section 401.—Congress declares that in order to secure the rights granted by the fourteenth, fifteenth and twenty-sixth amendments it is necessary to adopt a 30 day standard durational residency requirement for Senator and Representative, to adopt a minimum standard for absentee registration and absentee balloting for federal office and to abolish voting restrictions which attempt to discriminate among otherwise eligible voters on the basis of age, occupation or student status.

RESIDENCE REQUIREMENTS FOR VOTING

Section 402.—This section establishes a 30 day standard durational residency requirement in connection with any primary or any election for Senator or Representative.

The bill permits those persons who move from one place to another *within* a particular state after the 30 day limit to vote for Senator at their old residence in person or by absentee ballot. It also permits persons who move from one place to another *within* a particular Congressional district to vote for Representative within that district at their old residence in person or by absentee.

This procedure is similar to that adopted by the Congress in the 1970 Voting Rights Amendments for President and Vice President and would prevent persons who move within a particular State or Congressional district from being disenfranchised by reason of that move.

ABSENTEE REGISTRATION

Section 403.This section establishes a simple absentee registration procedure to allow anyone who is temporarily absent from his voting residence to register by absentee means. It requires that states allow persons who are absent for any reason, education, employment or whatever, to complete a simple statement attesting the same information which would be required for registration in person and to mail that form to the appropriate state or local registration official. These forms must be available at post offices and substations, draft boards and educational institutions and wherever else the state may provide.

The section also provides that educational institutions shall not be required to make registration forms available for any jurisdictions other than those from which they draw students.

Finally, in order to shorten and simplify the process of registering and voting by absentee, it requires that a short form to apply for an absentee ballot be included with the registration application which can be retained and used at the appropriate time to get an absentee ballot.

ABSENTEE VOTING

Section 404.—This section requires that anyone who is physically absent from his voting residence for a primary or election for Senator or Representative be allowed to vote by absentee ballot as long as he applies for it seven days or more prior to the election. This provision is similar to that established for President and Vice president by the 1970 Act and contains the same time period and operative language.

It also prohibits the imposition of any undue burden on the exercise of this right, such as complicated procedures designed to discourage persons from voting by absentee and requires that a simple application for an absentee ballot be made available at post offices and substations, draft boards and educational institutions.

PROHIBITION OF DISCRIMINATION BASED ON AGE, OCCUPATION OR STUDENT STATUS

Section 405.—This section prohibits the use of special voting requirements designed to circumvent the right to vote granted by the twenty-sixth amendment. It would prevent states from imposing special restrictions on the opportunity to register or vote solely on the basis of age, occupation or attendance at an educational institution.

LESS RESTRICTIVE STATE LAW

Section 406.—This section allows states and local jurisdictions to adopt or retain any less restrictive voting practices which they may deem appropriate. The language is identical to the 1970 law.

ADMINISTRATION AND ENFORCEMENT

Section 407.—This section tracks generally the enforcement section of the 1970 Act dealing with the eighteen year old vote. It also authorizes the Attorney General to enter into appropriate agreements to assist in making registration forms and applications for absentee ballots available pursuant to Sections 403(d) and 404(c). Under the Act, States have the right and responsibility to establish the requisite application forms. Under this section the Attorney General would be authorized to assist in making forms available as required under the Act. Similarly, if one or more states desired to establish uniform applications, the Attorney General could provide assistance if so requested.

DEFINITIONS

Section 408.—This section limits the applicability of the bill to elections for federal office.

ABSENTEE REGISTRATION AND VOTING: DIGESTS OF MAJOR PROVISIONS OF THE LAWS OF THE FIFTY STATES AND THE DISTRICT OF COLUMBIA

(By Elizabeth Yadlosky)

ABSENTEE REGISTRATION

Civilian

All but two States, Alaska and North Dakota, require civilian voters to preregister as a condition of voting. In 1970, Alaska will also require voters to register—(Secs. 15.07.010 to 15.07.200).

Of the forty-eight States which require registration, nineteen States permit civilian voters generally to register absentee: Arizona, California, Hawaii, Idaho, Indiana, Iowa, Kansas, Michigan, Minnesota, Nebraska, New Mexico, New York, Oregon, South Dakota, Tennessee, Texas, West Virginia, Wisconsin (if more than 50 miles from home) and Wyoming.

Twenty States do not permit civilians generally to register absentee: Alabama, Colorado (but may be registered by member of family), Connecticut, Delaware, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, Montana, Nevada, New Hampshire, North Carolina, Ohio, Oklahoma, South Carolina, Vermont, Virginia and Washington.

Ten States and the District of Columbia permit certain civilians, as those ill or physically disabled, to register absentee or at home: Arkansas, Illinois, Maine, Maryland, Massachusetts, Montana, New Jersey, Pennsylvania, Rhode Island, Utah and the District of Columbia.

Military (and their dependents and Federal employees overseas)

Two States do not require preregistration by anyone: Alaska and North Dakota.

Nine States do not require servicemen to register: Kansas, Missouri, New Jersey, Ohio, Oklahoma, Rhode Island, Texas, Virginia and Wisconsin.

Thirty-eight States and the District of Columbia permit servicemen to register absentee: Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Mexico, New York, North Carolina, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wyoming, and the District of Columbia.

Two States do not permit servicemen to register absentee: Alabama and Louisiana.

ABSENTEE VOTING

Primary Elections

Civilians

Forty States and the District of Columbia permit absentee voting in primary elections by civilians: Alaska, Arizona, Arkansas, California, Colorado, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the District of Columbia.

Eight States do not permit civilians to vote absentee in primary elections: Connecticut, Massachusetts, Mississippi (except those in transportation industry), New Hampshire, New York, North Carolina, Rhode Island and South Carolina.

Alabama permits absentee voting in primaries by a limited group of civilian voters.

Delaware has no direct primary.

Military (and their dependents and Federal employees serving overseas)

All but the following four States permit military personnel to vote absentee in primary elections: Connecticut, Massachusetts, New York, Rhode Island; (Delaware has no direct primary).

General Elections

The District of Columbia and all but the following four States permit absentee voting by civilians in general elections: Alabama (permits only certain persons to vote absentee, e.g. those who are ill, away at school, at sea), Mississippi (but certain persons who will be absent on election day may vote early), and South Carolina.

All States and the District of Columbia permit absentee voting by military personnel.

State	Civilians			Military-dependents-Federal employees		
	Register absentee	Vote absentee		Register absentee	Vote absentee	
		Primaries	General election		Primaries	General election
Alabama 1958 Recomp. Code of 1940 and 1967 Supp. T. 17.	No (§ 28).....	Only those persons listed in next column. (Supp. § 64(16)).	Only those confined to home or hospital because of physical disability (Supp. § 64(23)); student away at college (Supp. § 64(23)); disabled veterans in veteran facilities (Supp. § 64(16)); seamen, sailors, deep-sea fishermen (Supp. § 64(24g)).	No (Supp. § 27(1)).....	Yes (Supp. §§ 64(16), 64(23)).	Yes (Supp. §§ 64(16), 64(23)).
Alaska Michie Stats. and 1969 Supp.	Registration not required until 1970 primary (§ 15.07.020) when registration is required it may be made by mail (§§ 15.07.040; 15.07.050).	Yes (§ 15.20.010).....	Yes (§ 15.20.010).....	Registration not required...	Yes (§ 15.20.010).....	Yes (§ 15.20.010).

State	Civilians			Military-dependents-Federal employees		
		Vote absentee			Vote absentee	
	Register absentee	Primaries	General election	Register absentee	Primaries	General election
Arizona Rev. Stats. Ann. and 1969 Supp.	Yes (Supp. § 16 -108)	Yes (Supp. §§ 16–1101; 16–1101.01)	Yes (Supp. 16–1101 A. B)	Yes (Supp. § 16 –108)	Yes (Supp. §§ 16–1101; 16–1101.01)	Yes (Supp. §§ 16–1101; 16–1101.01)
Arkansas Stats. Ann. 1947 1956 Rep. and 1967 Supp.	Only those unable because of illness to appear in person (Const. Amend. No. 51, § (e)).	Yes (§ 3–1101)	Yes (§ 3–1101)	Registration not required (Const. Amend. No. 51, § 9(f))	Yes (§ 3–1101)	Yes (§ 3–1101).
California West Election Code and 1968–69 Supp.	Yes (§ 213: Supp. 313(1))	Yes (§ 14630)	Yes (§ 14620 (Supp. §§ 14662, 14800))	Yes. Application to register may be made at same time as application for absentee ballot. (§ 213)	Yes (§ 14630)	Yes (Supp. § 14662).
Colorado Rev. Stat., 1963 1966–1968 Sess. Laws checked.	No. But elector known to county clerk may register members of his family (§ 49–4–2)	Yes (§ 49–14–1)	Yes (§ 49–14–1)	Yes. Application to register may be made at same time as application for absentee ballot. (49–4–14–).	Yes (§§ 49–14–1, 49–14–2)	Yes (§§ 49–14–1, 49–14–2).
Connecticut Gen. Stats. Ann. and 1969 Supp.	No (Supp. §§ 9–16, to 9–20)	No (§ 9–377)	Yes (Supp. § 9–135)	Yes (Supp. § 9–26)	No (§ 9–377)	Yes (§ 9-134).
Delaware Code Ann. T. 15 and 1968 Supp.	No (Supp. § 1105)	No direct primary	Yes (Supp. §§ 5501, 5503)	Yes. Application to register may be made at same time as application for absentee ballot. (Supp. §§ 1901–1909)	No direct primary	Yes (Supp. § 5501).
District of Columbia Code 1967 ed. and Supp.	No except physically disabled (Supp. § 1–1107)		Yes (§ 1–1109)	Yes. May register simultaneously for both Primary and General election. (Armed Forces Voting Information 1964-D.O.D. Gen. 6 p. 9)		Yes (§ 1–1109).
Florida Stats. Ann. and 1969 Supp.	No, except Federal employees outside U.S. can register by mail. (Supp. §§ 97.041, 97.064).	Yes (Supp. § 101.62)	Yes (Supp. § 101.62)	Yes. Application to register may be made at same time as application for absentee ballot. (Supp. §§ 97.063, 97.064).	Yes (Supp. § 101.691).	Yes (Supp. § 101.691).
Georgia Code Ann. and 1968 Supp.	No, except Federal employees outside U.S. can register by mail. A relation may apply for application card. (Supp. §§ 34–609, 34–619).	Yes (Supp. § 34–1401)	Yes (Supp. § 34–1401)	Yes. A relative may apply for a military registration card. (Supp. §§ 34–609, 34–619).	Yes (Supp. § 34–1401).	Yes (Supp. § 34–1401).
Hawaii Rev. Stats. 1968 ed.	Yes (§ 11–5)	Yes (§ 14–2)	Yes (§ 14–2)	Yes (§§ 11–4; 14–4)	Yes (§ 14–13)	Yes (§ 14–2).
Idaho Code and 1967 Supp.	Yes (§ 34–815)	Yes (§ 34–1101)	Yes (§ 34–1101)	May register the same time as voting absentee ballot by completing the registration and voting certificate on the back of ballot envelope. (§34–815).	Yes (§ 34–1128)	Yes (§ 34–1128).
Illinois Smith-Hurd Ann. Stats. 1965 ed. Chap. 46, and 1969 Supp.	No, except disabled persons (§ 5–9, Supp. § 5–5).	Yes (Supp. § 19–1)	Yes (Supp. § 19–1)	Not required (§ 20–1)	Yes (§§ 20–2, 20–3)	Yes (§§ 20–2, 20 3)
Indiana Burns Stats. Ann 1969 Rep. and 1969 Supp.	Yes (Supp. §§ 29–3408; 29–3409).	Yes (Supp. §§ 29–4901, 29–4902; 29–4903).	Yes (Supp. §§ 24–4901, 24–4902, 24–4903).	Yes. Application to register may be made at same time as application for absentee ballot. (Supp. § 29–3412).	Yes (Supp. § 29–4903).	Yes (Supp. § 29–4903).
Iowa Code Ann. and 1969 Supp.	Yes (§§ 53.28)	Yes (Supp. § 53.1)	Yes (Supp. § 53.1)	Yes, execution of affidavit on absentee ballot constitutes registration (Supp. § 53.38).	Yes (Supp. § 53.39)	Yes (Supp. § 53.39).
Kansas Stats. Ann. 1964 ed. and 1968 Supp.	Yes (Supp. § 25–2309)	Yes (Supp. § 25–1119)	Yes (Supp. § 25–1119)	Registration not required (§ 25–1215).	Yes (Supp. §§ 25–1122, 25–1220).	Yes (Supp. §§ 25–1122, 25–1220).
Kentucky, Baldwins K.R.S. and 1968 Cum. Issue.	No (§ 126.145)	Yes (Supp. § 126.140)	Yes (Supp. § 126.140)	Yes (Supp. § 126.145)	Yes (Supp. § 126.140).	Yes (Supp. § 126.140).
Louisiana, Rev. Stat. 1950 and 1969 Rev., T. 18.	No (§ 233)	Yes (§ 1071)	Yes (§ 1071)	Yes (§ 233) (Amend 1968)	Yes (§ 1071)	Yes (§ 1071).
Maine, Rev. Stats. Ann. 1964 and 1968–69 Supp. Title 21.	No, except special provisions for disabled (§§ 72; 102).	Yes (§§ 1–1 & 2; 1251)	Yes (§§ 1–1, 2; 1251)	Yes (§ 1302)	Yes (§§ 1–2; 1307)	Yes (§§ 1–2; 1307).
Maryland, Ann. Code Art. 33 and 1968 Supp.	No (Supp. § 3–6); except physically disabled (Supp. § 3–7).	Yes (Supp. §§ 21–1; 27–3)	Yes (Supp. §§ 27–1; 27–3)	Yes. Registration is automatic when the executed oath on absentee ballot envelope has been accepted by the Board of Supervisors of Elections.	Yes (Supp. §§ 27–1; 27–5).	Yes (Supp. §§ 27–1; 27–5).
Massachusetts Gen. L. Ann. and 1969 Supp.	No, except for physically disabled persons. (ch. 51 Supp. §§ 42, 42A, 42B).	No (Supp. ch. 54 § 86)	Yes (ch. 54 Supp. § 86)	Yes. Registered automatically when application for absentee ballot received. (Supp. § 103D).	No (Supp. ch. 54 § 103B).	Yes (ch. 54 Supp. §§ 86, 103B–103J).
Michigan Comp. L. Ann. and 1969 Supp.	Yes (§ 168.504)	Yes (§ 168.758)	Yes (§ 168.758)	Yes (§ 168.759)	Yes (§ 168.758)	Yes (§ 168.758).
Minnesota Stats. Ann. and 1969 Supp.	Yes (§ 201.20)	Yes (§ 207.02)	Yes (§ 207.02)	Yes (§ 207.19)	Yes (§ 207.19)	Yes (§ 207.19).
Mississippi Code of 1942 and 1968 Supp.	No (Supp. § 3212)	No, except those employed in transportation service may vote early. (Supp. § 3203–11).	No. Certain persons who will be absent on election day may vote early. (Supp. § 3203–11).	Yes. Registration must be effected four months before g eneral election to vote in primary and general election.	Yes (§ 3196–01)	Yes (§ 3196.01).
Missouri Vernon's Ann. Stats. (1966 Rev.) and 1968–69 Supp.	No (§§ 116.040, 117.300, 118.260) except for physically handicapped. (Supp. § 118.245)	Yes (§ 112.010)	Yes (§ 112.010)	Registration not required. (§ 112.310)	Yes (§ 112.300)	Yes (§ 112.300).
Montana Rev. Codes and 1969 Supp.	No, if infirm may be registered at home. (Supp. § 23–3007)	Yes (Supp. 23–3701)	Yes (Supp. § 23–3701)	Yes (Supp. § 23–3719)	Yes (Supp. § 23–3706).	Yes (Supp. § 23–3706).
Nebraska Rev. Stats. 1943 Reissue of 1968.	Yes (§§ 32–221; 32–824)	Yes (§§ 32–803, 32–820)	Yes (§ 32–820)	Yes. May register when they vote by absentee ballot. (§§ 32–221; 32–824).	Yes (§ 32–803)	Yes (§ 32–803).
Nevada Rev. Stats. T. 24	No (§ 293.517)	Yes (§ 293.313)	Yes (§ 293.313)	Yes, when applying for ballot. (§§ 293.320; 293.553).	Yes (§ 293.313)	Yes (§ 293.313).
New Hampshire Rev. Stats. Ann. & 1967 Supp.	No (§§ 55: 10–55:14)	No (§ 60:1)	Yes (§ 60:1)	Yes, automatic when application for absentee ballot is accepted by election board. (§ 60:23).	No (§ 60:1)	Yes (§ 60:1).
New Jersey N.J. Stats. Ann. & 1968–69 Supp.	No, except for physically disabled persons. (§ 19:31–6).	Yes (§ 19:57–15, Supp. § 19:57–19).	Yes (Supp. §§ 19:57–2, 19:57–3).	Registration not required. (Supp. § 19:57–25).	Yes (Supp. §§ 19:57–2, 19:57–3).	Yes (Supp. §§ 19:57–2, 19:57–3).

State	Civilians			Military-dependents-Federal employees		
		Vote absentee			Vote absentee	
	Register absentee	Primaries	General election	Register absentee	Primaries	General election
New Mexico Stats. 1953 and 1969 Supp.	Yes (Supp. §§ 3-4-5; 3-4-7).	Yes (Supp. § 3-6-2 F as amended 1969).	Yes (Supp. § 3-6-3).	Yes, automatic when application for absentee ballot is accepted (Supp. §§ 3-6-2; 3-6-5).	Yes. U.S. Representatives but not State, County or local official (§ 3-6-2).	Yes (§ 3-14-20).
New York McKinney's Election Law 1964 Rev. and 1968-69 Supp.	Yes (§ 153-a, & Supp. § 153-a).	No (§ 117).	Yes (§ 117).	Yes, automatic when application for absentee ballot accepted by election official. (§ 305).	No (Supp. § 302).	Yes (Supp. § 303).
North Carolina Gen. Stats. and 1969 Supp.	No (Supp. §§ 163-65; 163-67; 163-68).	No (Supp. § 163-226).	Yes (Supp. § 163-226).	Yes, automatic when application for absentee ballot accepted by election official. (Supp. § 163-245).	Yes (Supp. § 163-245).	Yes (Supp. § 163-245).
North Dakota Century Code and 1969 Supp.	Registration not required. (Supp. § 16-04-26).	Yes (Supp. § 16-18-01).	Yes (Supp. § 16-18-01).	Registration not required.	Yes (Supp. § 16-18-11).	Yes (Supp. § 16-18-11).
Ohio Page's Ohio Rev. Code and 1968 Supp.	No (Supp. § 3503.11).	Yes (Supp. § 3509.01).	Yes (Supp. § 3509.02).	Registration not required. (Supp. § 3511.02).	Yes (Supp. § 3511.01).	Yes (Supp. § 3511.01).
Oklahoma Stats. Ann. T. 26 and 1968-69 Supp.	No (Supp. §§ 93. 7-103.5).	Yes (Supp. § 326).	Yes (§ 326).	Registration not required. (Supp. § 345.1).	Yes (Supp. § 345.1).	Yes (§ 345.1).
Oregon Rev. Stats.	Yes (§ 247.111).	Yes (§ 253.010).	Yes (§ 253.010).	Yes, not required in advance. Is automatic when the executed oath on the absentee ballot return has been accepted by election officials. (§ 253.600).	Yes (§ 253.510).	Yes (§ 253.510).
Pennsylvania Purdon's Pa. Stats. Ann. and 1969 Supp. Title 25.	No, except persons with physical disability. Bedridden veterans not required to register. (Supp. § 951-18.2).	Yes (Supp. § 3146.1).	Yes (Supp. § 3146.1).	Yes (Supp. § 951-18.1).	Yes (Supp. § 3146.1).	Yes (Supp. § 3146.1).
Rhode Island Gen. L. and 1967 Supp.	No, except for shut-ins (because of age, disability, illness) (Supp. § 17-9-10).	No (Supp. § 17-20-1).	Yes (Supp. § 17-20-3).	Registration not required. (Supp. § 17-21-2; Independents see Supp. § 17-9-11; for members of Peace Corps see Supp. § 17-9-25).	No (Supp. § 17-21-40).	Yes (Supp. § 17-21-40).
South Carolina Code 1962 and 1968 Supp.	No (Supp. §§ 23-63; 23-449.1).	No (Supp. § 23-442).	No, except students away at school (Supp. §§ 23-441; 23-442).	Yes (Supp. § 23-444).	Yes (Supp. § 23-449.8).	Yes (Supp. § 23-442).
South Dakota Comp. Laws 1967, T. 12 and 1969 Supp.	Yes (Supp. § 12-4-7).	Yes (§ 12-19-1).	Yes (§ 12-19-1).	Yes, may apply at same time as apply for absentee ballot (§ 12-19-18).	Yes §§ (12-19-15; 12-19-16).	Yes (§§ 12-19-15; 12-19-16).
Tennessee Code Ann. and 1968 Supp.	Yes (Supp. § 2-306).	Yes (Supp. §§ 2-1601; 2-1602).	Yes (Supp. § 2-1602).	Yes (Supp. § 2-1704).	Yes (Supp. § 2-1704).	Yes (Supp. § 2-1704).
Texas Vernon's Texas Election Code and 1968-69 Supp.	Yes (Supp. Art. 5.02).	Yes (Supp. Art. 5.05).	Yes (Supp. Art. 5.05).	Nor required (Supp. Art. 5.05 sub 2a).	Yes (Supp. 5.05 sub 2a).	Yes (Supp. Art. 5.05 sub 2a).
Utah Code Ann. 1953 and 1969 Replacement.	No, except if physically disabled. (§ 20-2-7).	Yes (§ 20-6-1).	Yes (§ 20-6-1).	Yes, automatic when the executed affidavit on the back of the absentee ballot envelope has been accepted by election officials. (§ 20-17-8)	Yes (§ 20-17-7).	Yes (Supp. § 20-17-7).
Vermont Stats. Ann. and 1969 Supp. T. 17.	No (§ 68).	Yes (§§ 121, 126).	Yes (§ 121).	Yes, may execute Freeman's Oath and Oath of Allegiance at the time the affidavit on the back of the ballot envelope is executed.	Yes (§ 147).	Yes (§ 147).
Virginia Code 1950; 1969 ed.	No (§ 24-67).	Yes (§ 24-319).	Yes (§ 24-319).	Registration not required. (Supp. § 24-231).	Yes (§ 24-345.2).	Yes (§ 24-345.2).
Washington Rev. Code Ann. and 1968 Supp.	No (§ 29.07.060).	Yes (§ 29.36.010).	Yes (§ 29.36.010).	Yes. by signing affidavit on preaddressed ballot return envelope. (§§ 29.39.110, 29.39.140).	Yes (§ 29.39.090).	Yes (§ 29.39.090).
West Virginia Code 1961 and 1969 Sess. Laws.	Yes (§ 3-2-23).	Yes (Supp. § 3-3-2).	Yes (Supp. § 3-3-2).	Yes (§ 3-3-1).	Yes (§ 3-3-1).	Yes (§ 3-3-1).
Wisconsin Stats. Ann. and 1969 Supp.	Yes, if more than 50 miles from residence or ill. (§ 6.30).	Yes (Supp. § 6.85).	Yes (Supp. § 6.85).	Registration not required. (§ 6.22).	Yes (Supp. § 6.85).	Yes (Supp. § 6.85).
Wyoming Stats. 1957 and 1969 Supp.	Yes (Supp. § 22-157).	Yes (Supp. § 22-118.122).	Yes (Supp. § 22-118.122).	Yes. On receipt of executed ballot election official will register if qualified from information in affidavit on back of ballot envelope. (Supp. §§ 22-118.130, 22-118.132).	Yes (Supp. § 22-118.122).	Yes (Supp. § 22-118.122).

By Mr. HATFIELD:

S. 2351. A bill to establish the Federal Medical Evaluations Board to carry out the functions, powers, and duties of the Secretary of Health, Education, and Welfare relating to the regulation of biological products and drugs, and for other purposes. Referred to the Committee on Labor and Public Welfare.

CREATING A FEDERAL MEDICAL EVALUATIONS BOARD

Mr. HATFIELD. Mr. President, my concern for the present state of new drug evaluation in this Nation, as currently practiced by the Food and Drug Administration is well known to Members of this body. As an outgrowth of my interest in the plight of the experimental drug dimethyl sulfoxide—DMSO—I have come to the determination that nothing outside a total reorganization of our methods for evaluating potential medicines can effectively serve the public in its best interest.

DMSO is a simple organic chemical developed from lignin, the cement substance of trees, and having the ability to penetrate human tissues. Its medical applications sprang from collaboration in the early 1960's—when it was hailed publicly as the "New Wonder Drug"—between Robert Herschler of the Crown Zellerbach Corp., in Oregon, and Dr. Stanley Jacob who was working out of the University of Oregon Medical School.

Dr. Jacob has said:

Like antibiotics and cortisone, DMSO cuts across disease lines. The principle of DMSO is that it provides a relatively easy method of using the skin for an avenue for curing ills affecting the body generally. DMSO is rapidly absorbed and will influence a disease process elsewhere in the body . . . DMSO is available as a prescription drug in many other countries. My own research and the scientific literature, of which there are more than 1200 publications, show DMSO to be effective and safe treatment for many diseases for which there is no other known treatment. It also possesses special potential in the treatment of diseases as serious as heart attacks and cancer.

Despite the evidence of safety and efficacy of this agent, the FDA has kept this drug in an investigational stage for almost a decade, at one point even ban-

ning it entirely. Finally, last summer, DMSO was approved for use on horses. This was the first positive action to market the drug taken by the Food and Drug Administration on DMSO.

Mr. President, I have received many hundreds of letters from Oregonians and people across the Nation appealing to me as a Member of Congress to work to get DMSO available to people as a prescription drug. Many describe first hand encounters with DMSO and seemingly miraculous relief from various disorders. Earlier in this Congress, I introduced a resolution to have the question of DMSO for human use placed before the National Academy of Sciences. Subsequently, Commissioner of the Food and Drug Administration, Dr. Charles Edwards, announced that this action would be taken. Commissioner Edwards' announcement was made during the hearings of the Consumer Subcommittee of the Commerce Committee on May 21 of this year. Reaction across the country, in the press and in the mail I have received, has been overwhelmingly favorable and voluminous.

The FDA action was precedented by the earlier request made by FDA in 1966 that the National Academy of Sciences evaluate for safety and efficacy all drugs approved prior to 1962 and still on the market. This was done because the FDA was already too overburdened to undertake the job itself.

My investigation into the single case of DMSO led me to find that it is not alone. I discovered many more cases where the FDA's procedural maze and purported lack of scientific competence, along with a striking political sensitivity and self-protectiveness have led to great inequities in the evaluation of drugs. Such criticisms are made in literally hundreds of articles that have appeared in the last few years in medical trade papers, scientific magazines and publications of general interest. Eminent authorities in the field of medicine and pharmacology have called for FDA reform.

It is evident, from the number of cases that have come to my attention, that simple internal reform is not enough to alleviate the inadequacies of the overburdened Food and Drug Administration. Scientific judgments must be made by people of high scientific competence and in an atmosphere conducive to thoughtful and earnest consideration.

Therefore, I send to the desk a bill to establish the Federal Medical Evaluations Board to carry out the functions, powers, and duties of the Secretary of Health, Education, and Welfare relating to the regulation of drugs and biological products.

The purposes of the bill are to—

Provide for a maximum of professional competence and swift, thorough review in the evaluation of biological products and drugs, so that the highest standards of protection for the public are maintained, yet so the medical products which have shown proven efficacy and safety shall be made available to the public without undue delay;

Centralize and upgrade the evaluation of medical products, and to cut down the expense of overlapping jurisdictions and duplicative efforts in this field;

Assure medical products of a fair, swift, and highly professional evaluation in terms relevant to protection of the public;

Provide for an independent appeals mechanism in cases where there may be an honest dispute over the safety or efficacy of a medical product or a decision of the Board; and

Separate evaluation, primarily a professional scientific and clinical judgment from enforcement powers in the regulation of medical products.

The bill provides for—

The establishment of a 15-member Federal Medical Evaluations Board, to be composed of highly qualified eminent scientists, physicians, and clinical researchers to be appointed by the President;

The jurisdiction of the Board to encompass evaluation of medical products, including drugs and antibiotics, and regulatory authority over the same;

The appointment by the Board of an executive director and a highly competent medical staff to aid the Board in its evaluations;

The use by the Board of advisory panels to be called in cases where the Board may deem more professional expertise is necessary to making evaluative judgment;

The mandatory establishment by the Board of ad hoc independent advisory appeals panels in cases where there may be a disagreement over the decision or judgment of the Board; and

Mr. President, it is a primary concern of mine that the functions of judge and prosecutor relating to new drugs have been consolidated in the Food and Drug Administration. I am pleased to offer this bill and ask that the full text be printed at this point in the RECORD.

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

S. 2351

A bill to establish the Federal Medical Evaluations Board to carry out the functions, powers, and duties of the Secretary of Health, Education, and Welfare relating to the regulation of biological products and drugs, and for other purposes

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

FEDERAL MEDICAL EVALUATIONS BOARD

ESTABLISHMENT

SEC. 101. There is established in the executive branch of the Federal Government the Federal Medical Evaluations Board (referred to hereafter as the "Board").

MEMBERSHIP

SEC. 102. (a) The Board shall be composed of fifteen members appointed by the President by and with the advice and consent of the Senate. Members of the Board shall be selected from persons in private life who because of their experience, position, or training in the fields of general medical practice, clinical research, or the relevant basic sciences are eminently qualified to carry out the functions of the Board. Members of the Board shall be appointed in such a manner as to provide a balanced representation of such fields on the Board. A vacancy in the Board shall be filled in the same manner as the original appointment was made.

(b) (1) Except as provided in paragraphs (2) and (3), members of the Board shall be appointed for terms of three years.

(2) Of the members first appointed—

(A) five shall be appointed for terms of one year,

(B) five shall be appointed for terms of two years, and

(C) five shall be appointed for terms of three years, as designated by the President at the time of appointment.

(3) Any member of the Board appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term. A member may serve after the expiration of his term until his successor has taken office.

(c) The Board shall have a Chairman and a Vice Chairman who shall be elected by the members of the Board from among their number for a term of one year. Except for the first two chairmen of the Board, the Chairman of the Board shall be selected from members of the Board who will have served for at least two years as a member of the Board before assuming the office of Chairman. Except for the first two vice chairmen of the Board, the Vice Chairman of the Board shall be selected from members of the Board who will have served at least one year as a member of the Board before assuming the office of Vice Chairman. The Chairman and Vice Chairman of the Board shall, during the period of their service in such positions, be full-time officers of the United States.

(d) The basic pay of the Chairman and Vice Chairman of the Board shall be at the rate prescribed for level III of the Executive Schedule by section 5314 of title 5 of the United States Code. Each other member of the Board shall be paid at the rate of $200 for each day such member is engaged upon the work of the Board, and shall be allowed travel expenses, including a per diem allowance, in accordance with section 5703 (b) of title 5 of the United States Code.

(e) The Board shall meet monthly and at such other times as the Chairman or Vice Chairman shall direct. Seven members of the Board shall constitute a quorum for the carrying out of the functions, powers, and duties of the Board.

EXECUTIVE DIRECTOR AND STAFF OF THE BOARD

SEC. 103. (a) (1) The Board shall appoint an Executive Director and fix his basic pay at the rate prescribed for level V of the Executive Schedule by section 5316 of title 5 of the United States Code. The Executive Director shall serve at the pleasure of the Board.

(2) The Board may delegate to the Executive Director such of its functions, powers, and duties (other than those relating to the making, amending, or repealing of regulations) as it deems appropriate.

(b) With the approval of the Board, the Executive Director may appoint and fix the basic pay of such additional personnel as may be necessary to carry out the functions, powers, and duties of the Board.

TRANSFERS TO BOARD

SEC. 104. (a) There are transferred to and vested in the Board the functions, powers, and duties of the Secretary of Health, Education, and Welfare—

(1) to make, amend, and repeal regulations under (A) section 351(d) of the Public Health Service Act (B) sections 506, 507, 510, and 511 of the Federal Food, Drug, and Cosmetic Act, (C) section 701 of such Act (but only to the extent necessary to carry out the functions, powers, and duties transferred to and vested in the Board by this section), and (D) subsections (l) and (n) of section 512 of such Act; and

(2) under sections 501, 502, 503, 505, 508, and 707 of the Federal Food, Drug, and Cosmetic Act and under those subsections of section 512 of such Act not referred to in paragraph (1).

(b) So much of the positions, personnel, assets, liabilities, contracts, property, records, and unexpended balances of authorizations, allocations, and other funds, which the Director of the Bureau of the Budget

determines (1) were employed, held, used, or available or to be made available in connection with the functions, powers, and duties transferred by this section, or (2) arose from such functions, powers, and duties, shall be transferred to the Board.

ADVISORY EVALUATION PANELS

SEC. 105. (a) The Board may, from time to time, establish advisory evaluation panels to advise it with regard to the exercise of any of its functions, powers, and duties (other than those with respect to which an advisory appeals panel is established under section 106). Members of a panel shall be drawn from persons specially qualified in the subject matter to be referred to the panel and shall be of adequately diversified professional background.

(b) The size of any panel shall be determined by the Board, except that there shall be no fewer than three members and no more than ten members. Members of a panel shall receive as compensation for their services a reasonable per diem, which the Board shall by regulation prescribe, for time actually spent in the work of the panel, and shall in addition be reimbursed for their necessary traveling and subsistence expenses while so serving away from their places of residence. The members shall not be subject to any other provisions of law regarding the appointment and compensation of employees of the United States. The Board shall furnish each panel with adequate clerical and other assistance, and shall by regulation prescribe the procedure to be followed by each panel.

ADVISORY APPEALS PANELS

SEC. 106. (a) The Board shall, upon request of any applicant under section 505 or 512 of the Federal Food, Drug, and Cosmetic Act, establish an advisory appeals panel to review and advise the Board with respect to any order of the Board refusing, withdrawing, or suspending approval of the application of such applicant filed under such section 505 or 512. An advisory appeals panel established by the Board shall in accordance with regulations prescribed by the Board review the applicable order and application and any other materials and information the panel considers relevant to its inquiry and shall report to the Board its recommendations.

(b) The Board shall make regulations prescribing the time and manner in which a request for the establishment of a panel shall be made. The Board shall also prescribe regulations requiring that an applicant for an advisory appeals panel shall pay (either in advance or by way of reimbursement) one-half of the costs to the Board for the establishment and operation of an advisory appeals panel.

(c) Members of an advisory appeals panel shall be drawn from persons specially qualified in the subject matter to be referred to the panel and shall be of adequately diversified professional background. No person who served as a member of the advisory evaluations panel which considered the application to be reviewed by an advisory appeals panel may serve on such advisory appeals panel.

(d) The size of any panel shall be determined by the Board, except that there shall be no fewer than three members and no more than ten members. Members of a panel shall receive as compensation for their services a reasonable per diem, which the Board shall by regulation prescribe, for time actually spent in the work of the panel, and shall in addition be reimbursed for their necessary traveling and subsistence expenses while so serving away from their places of residence. The members shall not be subject to any other provisions of law regarding the appointment and compensation of employees of the United States. The Board shall furnish each panel with adequate clerical and other assistance.

SAVINGS PROVISIONS

SEC. 107. (a) All orders, determinations, rules, regulations, permits, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective (A) by the Secretary of Health, Education and Welfare in the exercise of duties, powers, or functions which are transferred under this title, or (B) by any court of competent jurisdiction upon review of such action by the Secretary, and

(2) which are in effect on the date of the enactment of this title,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Board (but only in the exercise of any function, power, or duty transferred to and vested in it by section 104 of this title) by any court of competent jurisdiction, or by operation of law.

(b) The provisions of this title shall not affect any proceedings which are pending on the date of the enactment of this title before the Secretary of Health, Education, and Welfare and which relate to functions, powers, or duties transferred by this title; but such proceedings shall be continued before the Board.

(c) (1) Except as provided in paragraph (2)—

(A) the provisions of this title shall not affect suits commenced prior to the date of the enactment of this title, and,

(B) in all such suits proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this title had not been enacted. No suit, action, or other proceeding commenced by or against any officer in his official capacity as an officer of the Department of Health, Education, and Welfare shall abate by reason of the enactment of this title. No cause of action by or against the Secretary of Health, Education, and Welfare or by or against any officers of the Department of Health, Education, and Welfare in his official capacity shall abate by reason of the enactment of this title. Causes of actions, suits, or other proceedings may be asserted by or against the United States or such official of the Board, as may be appropriate, and, in any litigation pending on the date of the enactment of this title, the court may at any time, on its own motion or that of any party, enter an order which will give effect to the provisions of this subsection.

(2) If before the date of the enactment of this title, the Secretary of Health, Education, and Welfare or any officer of the Department of Health, Education, and Welfare in his official capacity, is a party to a suit which relates to a function, power, or duty transferred by this title, then such suit shall be continued by the Board (but only in the exercise of any function, power, or duty transferred to and vested in it by section 104 of this title).

(d) With respect to any function, power, or duty transferred by section 104 of this title and exercised after the date of the enactment of this title, reference in any other Federal law to the Secretary of Health, Education, and Welfare in connection with a function, power, or duty transferred by this title shall be deemed to mean the Board.

EFFECTIVE DATE

SEC. 108. This Act shall take effect on the date of its enactment except that the provisions of sections 104 through 107 shall take effect ninety days after the members of the Board first appointed take office or on such prior date after the date of the enactment of this Act as the President shall prescribe and publish in the Federal Register.

By Mr. HATFIELD (for himself, Mr. ALLEN, Mr. ALLOTT, Mr. ANDERSON, Mr. BAKER, Mr. BAYH, Mr. BEALL, Mr. BELLMON, Mr. BENNETT, Mr. BIBLE, Mr. BOGGS, Mr. BROOKE, Mr. BUCKLEY, Mr. BURDICK, Mr. CASE, Mr. COOK, Mr. COOPER, Mr. CRANSTON, Mr. CURTIS, Mr. DOLE, Mr. DOMINICK, Mr. FANNIN, Mr. FONG, Mr. GOLDWATER, Mr. GRAVEL, Mr. GRIFFIN, Mr. GURNEY, Mr. HANSEN, Mr. HARTKE, Mr. HOLLINGS, Mr. HRUSKA, Mr. HUGHES, Mr. HUMPHREY, Mr. JAVITS, Mr. JORDAN of Idaho, Mr. MCCLELLAN, Mr. MANSFIELD, Mr. MATHIAS, Mr. MILLER, Mr. NELSON, Mr. PACKWOOD, Mr. PEARSON, Mr. PERCY, Mr. PROUTY, Mr. SCHWEIKER, Mr. SCOTT, Mr. SPARKMAN, Mr. STEVENS, Mr. SYMINGTON, Mr. TOWER, Mr. TUNNEY, Mr. WEICKER, Mr. WILLIAMS, and Mr. YOUNG):

S.J. Res. 142. A joint resolution establishing a commission to consider and formulate plans for a permanent memorial to Herbert Clark Hoover. Referred to the Committee on Rules and Administration.

Mr. HATFIELD. Mr. President, I am introducing today a joint resolution establishing a commission to consider and formulate plans for a permanent memorial to Herbert Clark Hoover.

On August 10, 1974, our country will mark the 100th anniversary of the birth of its 31st President, Herbert Clark Hoover. More than any other American leader of this century, President Hoover exemplifies for us a humanitarian commitment to the needs of people not only in our Nation but throughout the world.

The religious convictions of President Hoover and a request from President Wilson caused him to relinquish a successful, worldwide business career to devote his tireless energies before, during, and after World War I to easing through European relief activities the suffering weighed upon million of victims of that conflict.

President Hoover continued his efforts in the domestic sphere as Secretary of Commerce for Presidents Harding and Coolidge, and committed those convictions to the improvement of conditions in the fields of child labor and collective bargaining.

President Hoover began this modern success story as an orphaned boy in West Branch, Iowa, was raised by relatives in Newberg, Oreg., and worked his way through high school in Salem, Oreg., as well as through Stanford University in California.

Turned from office by worldwide economic conditions which no man could control, President Hoover offered us not bitterness but continued service to shape our Nation and the world into a better place in which to live.

Among those contributions he gave us were reform proposals written for President Truman increasing governmental efficiency and accountability, including the first all-encompassing general reorganization plan for National Government which continues to benefit us today. Through his efforts to make the organization of Government responsive to the people it is built to serve, President Hoover's name has become synonomous

with modern management practices both in government and in business.

Mr. President, throughout his life President Hoover sought only a chance to serve his fellow man, and was granted a life and a career as a Presidential counselor and adviser for which all Americans can be thankful. He has truly earned a special niche in our history as a man of achievement and compassion, deserving the respect of his fellowmen.

ADDITIONAL COSPSONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1659

At the request of Mr. FANNIN, the Senator from Texas (Mr. TOWER), and the Senator from Utah (Mr. BENNETT) were added as cosponsors of S. 1659, to amend the National Labor Relations Act to strengthen and reform certain provisions thereof.

S. 1960

At the request of Mr. EAGLETON, the Senator from New Mexico (Mr. MONTOYA) was added as a cosponsor of S. 1960, a bill to allow a credit against Federal income tax for State and local real property taxes or an equivalent portion of rent paid on their residences by individuals who have attained age 65.

S. 1986

At the request of Mr. HOLLINGS, the Senator from Montana (Mr. METCALF), the Senator from Hawaii (Mr. INOUYE), and the Senator from Alaska (Mr. GRAVEL) were added as cosponsors of S. 1986, the National Oceanic Act of 1971.

S. 1991

At the request of Mr. MANSFIELD, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of S. 1991, a bill to assist in meeting national housing goals by authorizing the Securities and Exchange Commission to permit companies subject to the Public Utility Holding Company Act of 1935 to provide housing for persons of low and moderate income.

S. 2097

At the request of Mr. PERCY, the Senator from Oklahoma (Mr. BELLMON), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of S. 2097, a bill to establish a Special Action Office for Drug Abuse Prevention in the Executive Office of the President.

S. 2223

At the request of Mr. TALMADGE, the Senator from Alaska (Mr. GRAVEL), and the Senator from Rhode Island (Mr. PELL) were added as cosponsors of S. 2223, to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes.

S. 2327

At the request of Mr. FANNIN, the Senator from Arizona (Mr. GOLDWATER), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2327, a bill to provide for strike ballots in certain cases.

SENATE JOINT RESOLUTION 79

At the request of Mr. HARTKE, the Senator from Maine (Mr. MUSKIE), and the Senator from Michigan (Mr. HART) were added as cosponsors of Senate Joint Resolution 79, the Equal Rights Amendment.

SENATE JOINT RESOLUTION 129

At the request of Mr. FANNIN, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of Senate Joint Resolution 129, proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budgets by the President and action by the Congress to provide revenues to offset Federal funds deficits.

SENATE RESOLUTION 157—SUBMISSION OF A RESOLUTION RELATING TO THE 50TH ANNIVERSARY OF THE DISABLED AMERICAN VETERANS

(Referred to the Committee on the Judiciary.)

FIFTY YEARS OF SERVICE TO AMERICAN VETERANS

Mr. HARTKE. Mr. President, for myself and Mr. THURMOND, I submit a resolution recognizing the 50th anniversary of the founding of the DAV.

We humans have a tendency to close our eyes to the things we do not want to see. And to close our minds to the things we do not want to remember. And to turn away from anything unpleasant that might interfere with our pursuit of happiness.

It is a human frailty and—since we have all been guilty of it at least once or twice in our lifetimes—it is one I suppose we can all forgive.

But certainly, it is not one we can condone—especially when it means turning away from the plight of our disabled veterans.

Yet it was just such a situation as this that led to the birth of the Disabled American Veterans 50 years ago. They were spawned in a sea that was just as polluted as the air we breathe today—and every bit as dangerous. Only the elements were different. It was a sea of apathy and disinterest, that engulfed the Nation after World War I and almost succeeded in drowning the "better world" our men fought and died for, the "better world" our disabled veterans thought they were returning to.

We wanted to forget the agonies of the Argonne, the mustard gas that filled the trenches at Chateau-Thierry. We turned away from the unhappy sight of a man with no legs or arms, as if, by closing our eyes and our minds, we could make the unpleasant memories go away. We put our wounded in the hospitals—what few we had—and then tried to forget—as if, by ignoring them, they would cease to be.

But the men who were maimed and disabled—those who were blinded and doomed to live out their lives in eternal night—those who were gassed and would spend the rest of their lives fighting for every breath they took—these men could not close their minds and make the unhappy memories go away. They could not close their eyes and open them to find their bodies whole and healthy again. These men had to learn to live with their memories—and their wounds, no matter how painful.

And they wanted to live with dignity—the kind that comes from standing on one's own two feet—regardless of whether or not the feet are still there—by earning a living with one's own two hands—regardless of whether or not the hands are gone.

And so they fought the noxious fumes of apathy. And they flailed away at the disinterest. And they refused to let us sit complacent and secure and forgetful in our own little world of comfort. They grew and matured. And we should all be grateful that they did.

Because, through the past five decades, not only have they set an example of determination and courage equal to none, they have done something else. They have proved to us that handicapped is not synonymous with helpless.

By their example, they have helped countless other Americans born with disabilities or crippled by disease gain the courage—and the know-how—to lead full and satisfying lives.

They have proved to us that a man does not need two arms to embrace life. He does not need two legs to stand tall amongst his fellow men. He does not need two eyes to see the truth and follow it. A man does not need any of these. All he needs is guts.

And these men have guts.

They demonstrated this on the battlefields, they demonstrated it in the hospitals, and they have demonstrated it every day since. They have caused me, many times, to say fervently, "Thank God they are Americans. Thank God they are on our side."

Mr. President, I give you the Disabled American Veterans—50 years old this year.

We gave them a congressional charter in 1932, and now, as they embark on their second half century of dedicated service to the Nation, I am privileged to submit Senate Resolution No. 157, which reads as follows:

Whereas, the year 1971 brings to a close the 50th anniversary of the founding of the Disabled American Veterans; and

Whereas, this congressionally chartered Organization is dedicated solely to the rehabilitation of service-connected and service-incurred disabilities of veterans who have served in our Nation's wars; and

Whereas, the Disabled American Veterans over its half century of life has processed hundreds of thousands of claims of service-connected veteran, wives, widows, and children; and

Whereas, these claims have been processed in the interest of the individual without regard to membership in the Organization; and

Whereas, the Disabled American Veterans in its 50-year history has emphasized: (1) the need for proper medical care and treatment of veterans with service-connected disabilities; (2) adequate compensation for such disabilities; (3) training and or education to restore the employability of disabled veterans; and (4) adequate compensation to widows, minor children, and dependent parents of service-connected disabled veterans; and

Whereas, the Disabled American Veterans has its own scholarship fund to aid the children of disabled veterans; and

Whereas, the Disabled American Veterans has a special program for handicapped Boy Scouts to aid them in achieving their full potential; and

Whereas, the Disabled American Veterans has established its own disaster fund to provide clothing, shelter, food and other necessities of life to those DAV members who have suffered loss as a result of hurricanes, floods, tornadoes and other natural disasters; and

Whereas, the Disabled American Veterans has been keenly aware of its civic and public responsibilities; and

Whereas, the Disabled American Veterans has been devoted to the highest type of patriotism: Now, therefore, be it

Resolved, That the Senate of the United States commends the Disabled American Veterans and its thousands of members on the occasion of achieving the half century mark of service to deserving veterans and their dependents; and commends the Organization for its ideals of service, responsibility, and patriotism.

Mr. THURMOND. Mr. President, it is a pleasure for me to join Senator HARTKE in submitting this resolution paying tribute to the Disabled American Veterans on their 50th anniversary. I am proud to be a life member of this great organization.

The history of the DAV is the history of our people. The condition of these veterans is the result of our own action.

Because the scars they live with today are the wounds they suffered yesterday fighting America's battles—we owe them, not only our gratitude, we owe them our very existence. Where would our Nation be today without the sacrifices of these men.

Mr. President, their history is our history. Our young men marched with strength and pride down the streets of New York. They boarded the ships for overseas and returned—those who were not left in fields like Flanders—and 300,000 of them were sick and maimed and wounded.

We were a young Nation—young in the sense we had not yet had to cope with this kind of tragic consequence of war. Our hospitals were few—and in those we had, conditions were so crowded, the disabled and sick veterans were sleeping on the floor. Doctors and nurses worked around the clock. There were not enough hands or enough hours to do the job that needed to be done.

Mr. President, here in Washington, we hastily set up plans and formed bureaus and, in our hurry to get things done, we made more confusion. The disabled veteran, bewildered by redtape, wandered from Government bureau to Government bureau. He enrolled in vocational training programs, only to be given a certificate of completion or "rehabilitation" before the programs were a week old. He applied for benefits that were never seen. He pleaded for medical aid that was never forthcoming.

Out of this chaos came the Disabled American Veterans organization. Its stated purpose was, and still is, "service to disabled veterans by disabled veterans." Its objectives have remained the same:

To advance the interest and work for the betterment of all wounded, injured and disabled veterans, their widows and dependents . . . to cooperate with all federal and private agencies devoted to the cause of improving and advancing the conditions, health and interest of wounded, injured or disabled veterans.

Mr. President, in 1921, at the first national convention in Detroit, Mich., the DAV initiated its national service program. Since its beginning 50 years ago, this program has handled more than 8 million cases for disabled veterans and their dependents. The 150 DAV national service officers, located in every State in the Union, comprise the largest field staff of any of the veterans' organizations.

During the second national convention in 1922, the DAV auxiliary was formed by the wives, daughters, and mothers of wartime disabled veterans. This group has contributed significantly to the success of the DAV program.

The years 1928–29 saw the formation of the National Service Fund Foundation which was to raise money and ensure the successful continuation of the service program.

Mr. President, 1932 was another significant year, for on June 17, Congress recognized the DAV's outstanding service to disabled veterans and its devotion to the cause of the war disabled, and granted a Federal charter to the organization, as "the official voice of the Nation's wartime disabled."

Other years stand out as milestones in the DAV's struggle for maturity.

The life membership fund was started in 1939. This program, where a member could buy a lifetime membership for a stated amount, has now grown to 125,155 life members.

In 1941, the DAV issued the first idento-tags, miniature license plates, to American motorists. This program was to become the financial backbone for the DAV program of service.

Mr. President, the DAV charter was amended in 1942 to admit members of World War II and of any future wars.

In 1944, the national service officers formal training program was begun at American and Catholic universities. This program includes courses in counseling, guidance, legislation, adjudication, law, physiology, psychology, and presentation of medical evidence.

In 1966, two dates stand out as especially significant: June 17, when Congress held a "DAV Day on the Hill," in recognition of the organization's 34th anniversary of the granting of its Federal charter; and November 11, when the DAV dedicated its new modern national headquarters building in Cold Spring, Ky.

In 1968, the DAV set up a national scholarship fund to help defray college expenses of members' children and also created the disaster fund to help members who were victims of natural disasters.

And 1969 saw the Boy Scouts of America and the DAV begin a joint program of scouting for handicapped boys. Nothing is more natural than for men who have overcome the disabilities of war to teach boys who have natural handicaps how to overcome them.

This brings us to the year 1971, which marks the completion of the first half century of DAV service.

Mr. President, in view of the service these men have rendered our Nation, both on the battlefield and here at home, I think it is especially fitting that we take time out to salute them on their golden anniversary—and to wish them an even more successful and productive half century to come. I am proud to join my colleague in sponsoring this resolution.

SENATE RESOLUTION 158—SUBMISSION OF A RESOLUTION RELATING TO THE GENEVA PROTOCOL

(Referred to the Committee on Foreign Relations.)

THE GENEVA PROTOCOL: A PATHWAY TO RATIFICATION

Mr. BROOKE. Mr. President, recent months have witnessed important contributions to the goal of controlling chemical and biological weapons. President Nixon has won wide appreciation in the Senate and in the country for a series of constructive initiatives in this field, particularly his decision to end American work on biological weapons. At the same time, the President has resubmitted to the Senate the Geneva Protocol of 1925, the principal international agreement limiting the use of poison gas and bacteriological weapons. After almost half a century, during which time most other nations have ratified the protocol, it is a matter for serious concern that the United States is not yet a party to this treaty.

Yet, as Members of the Senate appreciate, significant disagreement has developed over the scope of the protocol, and that disagreement now threatens to delay still further U.S. adherence to the pact. The distinguished chairman of the Foreign Relations Committee has written the President stating the committee's view that the protocol should be construed to prohibit the use of herbicides and riot control agents, a view which the Secretary of State has opposed. In his letter and in his remarks to the Senate on June 8, Senator FULBRIGHT made clear his hope that the issue can be resolved and that ratification of the protocol will not be needlessly jeopardized. The chairman expresses "considerable doubt that the Protocol could now receive the advice and consent of the Senate on the terms laid down by the Secretary of State."

I ask that Senator FULBRIGHT's letter to the President of April 15, 1971, appear in the RECORD at the conclusion of my remarks.

I believe we can and should find a way out of this impasse. I am confident that a majority of the Senate and the administration are anxious to do so. It is with that objective in mind that I rise today to suggest a procedure for breaking this deadlock and opening the way to constructive action on the protocol by the Senate and the President.

Let me distinguish at the outset two issues, the question of U.S. policy regarding herbicides and riot control agents, and the question of a proper interpretation of the protocol itself. My proposal, which I shall offer as a Senate resolution, addresses both issues.

So far as policy is concerned, I believe that the testimony before the Foreign Relations Committee, along with other evidence now available, will persuade

most Senators that the United States should refrain from using herbicides and tear gas in warfare. Such agents have proved to be of dubious military value. Indeed, the administration has already ordered a termination in the use of herbicides in Southeast Asia and is tightly constraining the use of tear gas. Agents of the latter type had come to be used in tandem with lethal weapons; for example, as devices for flushing suspected Vietcong into the open, where they could be shelled and bombed. In such use, the nonlethal character of tear gas itself is of no significance, since the effect is actually to enhance the deadliness of other weapons. There is, of course, no valid comparison between that kind of employment of tear gas in combat and the customary riot control applications of such agents in certain civil disorders.

In weighing the use of tear gas in warfare, strictly as a matter of policy, one must recognize the hazards posed for us if some potential adversary should use these materials against our troops in the future. Use by both sides would deprive either of any advantage, and more importantly, such use could open the door to the employment of other gases and chemicals. Further experience in Southeast Asia has made clear that riot control agents are of no value militarily against adequately equipped troops. Since North Vietnamese and Vietcong soldiers have acquired gas masks, the initial utility of tear gas in Vietnam has declined to near zero. These facts are forceful reminders that the U.S. interest lies in discouraging the military use of such materials, rather than facilitating it. Clearly, the advantages of retaining the option to use tear gas in warfare are outweighed by the disadvantages of risking such use against ourselves and of eroding the barriers against gas warfare in general.

The administration has continued to evaluate these issues. I think it is fair to say that, as implied by Secretary Rogers, the administration is open to persuasion with regard to future policy in this area. An expression of Senate opinion could well be influential in shaping the administration's own conclusions.

The administration's review of this issue has been complicated by the special situation in which it has found itself. The United States has used herbicides and tear gas in Southeast Asia. The Government is understandably reluctant to invite charges that it has violated international law by doing so. One surmises that concern on this point has had substantial bearing on the administration's reluctance to interpret the Protocol as banning the use of these agents.

One may offer several comments on this point. To begin with, since the United States is not presently a party to the protocol, even if the agreement is interpreted to ban tear gas and herbicides, this country could not properly be charged with an actual violation. Secondly, and more significantly, the protocol is quite ambiguous on these issues. Until it is clarified, either through appropriate judicial interpretation or a declaration of understanding by our own Government, no one could reasonably conclude that the United States has violated the provisions of the agreement. While some unfriendly states may choose to exploit these awkward circumstances politically, the United States need not and should not feel that its activities in Southeast Asia bind it to a relatively narrow interpretation of the protocol for the future.

On the merits, I believe that the administration and the Senate are gravitating toward a common policy position; namely, that there are no decisive military advantages in the use of tear gas and herbicides, that such use adversely affects our efforts to establish international controls over chemical and biological weapons, and that such agents should be prohibited for use in warfare.

There are, however, major questions as to how we might best approach this policy objective, and here we need to deal carefully with the issue of a proper interpretation of the protocol. Even those who agree that the right policy is to ban the use of tear gas and herbicides may well disagree as to whether the protocol was actually intended to prohibit them. Most students of the matter acknowledge, as does the Foreign Relations Committee, the profound ambiguity of the protocol on this point. Herbicides were not in widespread use at the time it was drafted and there is divided legal opinion as to whether the signatories intended to cover various kinds of nonlethal riot control agents.

Under the circumstances the United States and other members of the international community badly need an agreed interpretation of what the protocol actually proscribes. The United Nations General Assembly has already expressed the view, in an 80 to 3 vote, that tear gas and herbicides should be prohibited by the Geneva protocol. I have considerable sympathy for the procedural objection which led the United States to oppose that Assembly resolution: a political body is not usually the appropriate forum for an objective judicial interpretation of a legal contract. Nevertheless, the Assembly's action does indicate overwhelming support among the signatories of the protocol for the policy goal of banning such materials.

Long reflection has convinced me that our present dilemma affords the United States an opportunity to advance both the policy goal of controlling chemical and biological weapons and the procedural goal of building viable institutions of world law. It can do so, in my judgment, by seeking through U.N. channels an interpretation of the Geneva protocol by the International Court of Justice. This might take the form of an advisory opinion to the General Assembly.

In soliciting the Court's opinion on whether herbicides and tear gas are actually within the purview of the protocol, the United States should make clear that it is prepared to accept the Court's finding as authoritative and binding prospectively with regard to other States which offer similar undertakings. Since the Court would be examining an admittedly ambiguous and uncertain aspect of the protocol, the United States would in no way be acknowledging any violations for actions in Southeast Asia. Indeed, the best measure of our good faith in this matter would be our very initiative in seeking clarification from the International Court. Furthermore, and I consider this an important reason for proceeding in this manner, resort to the Court would be a helpful contribution to strengthening the infant institutions of world order. This would be entirely compatible with existing U.S. policy which reserves to this country any decisions regarding the issues on which it will accept the Court's jurisdiction. Since we would be involved in seeking an advisory opinion, rather than presenting an actual case before the Court, the U.S. reservation of rights under the so-called Connally amendment would in no way be affected.

If the Court interprets the protocol to cover herbicides and riot control agents, the United States will have made clear its willingness to abide by the standard in the future and on a reciprocal basis. If the Court rules against this interpretation, then it will be apparent that further negotiations are required if effective prohibitions are to be extended to these agents. Either way the unfortunate ambiguity of the protocol on this point will be resolved and all parties will have a solid foundation on which to gauge their adherence to it and their activities under it.

The resolution I am offering today will permit the Senate to fulfill its obligation to tender advice and consent in a timely and beneficial way. It will enable the majority of the Senate to make known its policy recommendations, namely that herbicides and tear gas should be banned in warfare, and to recognize that the disputed provisions of the protocol deserve precise judicial interpretation. The text of the resolution is largely self-explanatory:

S. RES. 158

Whereas there is a vital need to establish effective international controls over agents and weapons of chemical and biological warfare; and

Whereas the United States has recently taken important and constructive initiatives to deal with this problem; and

Whereas the United States has not yet ratified the Geneva Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare; and

Whereas further delay in ratifaction by the United States of this Protocol may impede other negotiations concerning matters vital to national security and international order; and

Whereas certain issues of interpretation of the Protocol are in dispute within the international community and the United States; and

Whereas law and order among nations can be enhanced by resort to international judicial institutions; Now, therefore be it

Resolved, That it is the sense of the Senate that the issues of whether chemical herbicides and riot control agents are included within the limitations and prohibitions of the Geneva Protocol should be submitted to the International Court of Justice for an advisory opinion, to be accepted by the United States as binding prospectively with regard to any other States adhering to the Protocol and accepting the Court's interpretation; and

Resolved further, That, in the event that the International Court of Justice finds either or both types of agents not to be included within the purview of the Geneva Protocol, the Government of the United States should seek expeditious international

negotiations to prohibit the use of such agents in warfare; and

Resolved further, That the President of the United States is respectfully urged to take appropriate steps to obtain early action by the International Court of Justice and to continue his efforts to achieve comprehensive international prohibitions on chemical and biological warfare, including specifically the use of chemical herbicides and riot control agents.

Mr. President, if, as I have some reason to believe, the administration is prepared to consider this plan, Senate approval of the proposal could pave the way to early ratification of the protocol. Once we have provided for an agreed mechanism to define the scope of the protocol and for an explicit indication that the policy goal is to prohibit the use of herbicides and tear gas, either through court interpretation or subsequent negotiations, there will be no need to postpone action on the protocol.

For my part, I think we should act expeditiously. Other negotiations on chemical and biological weapons are in progress, and U.S. failure to adhere to the one outstanding agreement in this field could impede these efforts. Other countries may well be skeptical of our attitude on these matters. There could be no better affirmation of our devotion to genuine and effective arms control in this area than our prompt endorsement of the protocol and our vigorous participation in the current discussions to expand and update limitations on such weapons.

In summary, this resolution is an attempt to chart our way out of the present disagreement over the protocol. Reasonable men can and do disagree on these questions of interpretation, and an advisory opinion by the International Court of Justice would be a practical device for resolving them. By proposing that the question be referred to the Court and by making clear our policy objective of prohibiting the use of tear gas and herbicides in warfare, the Senate will be able to make a significant contribution to the development of international judicial machinery and to the cause of arms control. A responsive attitude on the part of the executive branch should then make it possible for the Senate to lend its advice and consent to the protocol. This is a pathway to sensible accommodation and sound policy. I trust that the Senate and the President will give this suggestion their sympathetic consideration.

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

APRIL 15, 1971.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Committee on Foreign Relations has recently completed hearings on the Geneva Protocol of 1925 which you submitted to the Senate on August 19, 1970. At its last business meeting the Committee discussed the testimony which had been heard and reviewed the possible courses of action open to it. The Members decided that before the Committee gave further consideration to the Protocol I should privately communicate to you certain views which many of us now hold concerning United States adherence to the Protocol.

At the outset let me express the Committee's strong approval of the initiatives which you have already taken in revising U.S. policy with regard to chemical and biological weapons. Your decisions to renounce altogether biological and toxin warfare, as well as the first use of lethal and incapacitating chemical weapons, were a major contribution toward a more secure future for mankind. All of us appreciate the difficulties which confronted you in taking these steps and in deciding to resubmit the Geneva Protocol to the Senate.

There is no question of the Committee's strong support for the objectives of the Geneva Protocol. Indeed it is because we attach such great importance to the Protocol that many of us are reluctant to proceed further toward its ratification on the basis of the understandings and interpretations which have been attached to it by the Secretary of State.

I believe it accurate to say that when our hearings began few of the Members had firm views on the question of tear gas and herbicides. Having heard a number of expert witnesses on all aspects of the Protocol, many Members now consider that it would be in the interest of the United States to ratify the Protocol without restrictive understandings, or, if that is not possible at this time, to postpone further action on the Protocol until it is.

The Secretary of State's position on tear gas and herbicides appears to rest primarily on the grounds that the Protocol was not intended to prohibit their use. Having heard the legal testimony on both sides of this issue, many Committee Members conclude that an adequate legal argument can be made either for or against that interpretation. Given the Protocol's acknowledged ambiguity, we tend to agree with the view expressed in testimony by Mr. George Bunn, former General Counsel of the Arms Control and Disarmament Agency, who said that "any future interpretation of the Protocol should depend less on the negotiating history than on a realistic appraisal of the pros and cons—military, diplomatic and arms control—of the use of these agents in the future."

In this connection, we note that the use of herbicides in Vietnam is now being discontinued. It would appear that their actual utility in Vietnam has been marginal and that the crop destruction program may well have been counterproductive. Furthermore, the more we learn about the impact of the herbicide warfare on the ecology of Vietnam, the more disturbing are its implications for the future. As Dr. Arthur W. Galston, an eminent biologist from Yale, reminded the Committee, "If man makes conditions unsuitable for vegetation on this earth, he thereby makes conditions unsuitable for his own existence."

Testimony on the question of tear gas also raised considerable doubt in the minds of many Members as to the desirability of its future use in war by the United States. Dr. Matthew Meselson of Harvard, who testified before the Committee and who has made a careful study of the military use of tear gas, presented the following conclusions:

1. The military value of riot gas is very low.

2. Our overriding security interest in the area of chemical and biological weapons is to prevent the proliferation and use of biological and lethal chemical weapons.

3. Our use of riot gas in war runs directly counter to this fundamental interest.

Dr. Meselson's view coincides closely with that expressed by another highly qualified witness, Dr. Donald G. Brennan of the Hudson Institute, a military strategist who last testified before the Committee in support of the Safeguard Anti-Ballistic Missile System. After a skeptical critique of many of the familiar arguments against tear gas and herbicides, Dr. Brennan concluded that the military cost of giving up tear gas and herbicides appeared relatively low and that the United States position could therefore properly "be dominated by 'decent respect for the opinions of mankind' and accept the interpretation that the Protocol embraces harassing agents and herbicides."

The latter point leads to another consideration which troubles many Members of the Committee. This is the fact that the overwhelming majority of the nations of the world already agree, as evidenced by an 80–3 vote in the U.N. General Assembly, that tear gas and herbicides should be prohibited under the Geneva Protocol. If, at this late date the United States adheres to the Protocol but in so doing places its weight behind a restrictive interpretation, this cannot help but weaken the effect of the Protocol. The Committee finds it difficult to believe there would be any positive moral force to our becoming a party to the Protocol only on condition that we reserve the right to keep on doing as we wish despite the fact that most other nations believe it undesirable. Furthermore, I sense a reluctance on the part of Committee members to give advice and consent to an international agreement in the face of a virtual certainty that our interpretation will be challenged or rejected. It will not suffice, as the Secretary of State suggested, to ratify now, and work out the problems later.

We believe that these arguments are, of themselves, sufficiently compelling to warrant the Committee's request that you give further consideration to the tear gas and herbicide question. In addition, as you know, there are now several studies in progress on the use of tear gas and herbicides in Vietnam, including one requested by you as a basis for examining the implications and consequences for U.S. policy of their future use in war. It seems to us that all of these studies, but in particular the latter, should be available before any final action is taken with regard to ratification of the Protocol.

Although we would agree that the Protocol should long ago have been ratified by the United States, it is perhaps unfortunate that it comes before the Senate at a time when the United States is at war and actively employing chemical weapons which most nations consider to be prohibited by the Protocol. Possibly by the time the results of these additional studies are available the war in Indochina will be ended, or at least the level of conflict there will have been reduced to a point where our further use of either tear gas or herbicides will be unnecessary. This alone would make it easier for all concerned to make a dispassionate assessment of the issues involved.

As a practical matter I have considerable doubt that the Protocol could now receive the advice and consent of the Senate on the terms laid down by the Secretary of State, i.e. that you might not ratify the Protocol if the proposed understandings are modified by action of the Senate. At present the prospects for the Protocol are clouded by strongly held views on both sides and I personally would not wish to see it risked a second time under such circumstances. The Committee asks therefore that the question of the interpretation of the Protocol be reexamined considering whether the need to hold open the option to use tear gas and herbicides is indeed so great that it outweighs the long-term advantages to the United States of strengthening existing barriers against chemical warfare by means of ratification of the Protocol without retrictive interpretations. If the Administration were to take the longer and broader view of our own interests, I cannot imagine any serious opposition to that decision either here at home or abroad. On the contrary, I personally believe that were you to take this initiative your action would be

regarded as truly courageous and possessed a real moral force.

Sincerely yours,

J. W. FULBRIGHT,
Chairman.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 70

At the request of Mr. HOLLINGS, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Resolution 70, calling for publication of the National Nutrition Survey.

EDUCATION AMENDMENTS OF 1971—AMENDMENT

AMENDMENT NO. 337

(Ordered to be printed and referred to the Committee on Labor and Public Welfare.)

Mr. HUMPHREY submitted an amendment intended to be proposed by him to (S. 659) a bill to amend the Higher Education Act of 1965, the Vocational Educational Act of 1963, and related acts, and for other purposes.

ANNOUNCEMENT OF HEARINGS ON RECYCLED PAPER

Mr. JORDAN of North Carolina. Mr. President, I wish to announce that the Committee on Rules and Administration has scheduled an open hearing on Tuesday, August 3, 1971, in room 301 of the old Senate Office Building, at 10 a.m. on two measures referred to the committee to require the use of recycled paper for the printing of the CONGRESSIONAL RECORD and to make recycled paper available for other uses by Members of Congress.

The use of recycled paper as one means to combat solid waste problems has interested me for some time. If it is possible and feasible for Congress to use paper produced in large measure from the fibers of waste paper and other waste products, we would not only help solve some of our solid waste problems which are mounting at such a rapid rate, but we would also be conserving our tree resources.

I think Congress should take the lead in the effort to attain both these goals, and that is why I have called this hearing before the recess and such a short time after the bills were introduced on July 14. I think we should move as quickly as we can to determine what is possible and feasible, both in terms of the state of the art and the printing paper requirements of the Government.

The specific measures scheduled for the hearing are:

S. 2266 (by Mr. Moss, et al.)—To amend section 734 of title 44, United States Code, to require the Public Printer to furnish recycled material for the official use of the Senate and the House of Representatives, and

S. 2267 (by Mr. Moss, et al.)—To amend chapter 9 of title 44, United States Code, to require the use of recycled paper in the printing of the CONGRESSIONAL RECORD.

Any Member desiring to testify should contact the Committee on Rules and Administration no later than Monday, August 2, 1971.

ADDITIONAL STATEMENTS

THE J. P. STEVENS & CO. REDUCES PRODUCTION

Mr. TALMADGE. Mr. President, I was notified today that J. P. Stevens & Co. is discontinuing weaving and finishing operations at its plant in Milledgeville.

Approximately 400 jobs will be lost by this action. In a city of 11,600 population the effect of 400 people suddenly thrown out of work can be severe indeed.

Company officials blame this cutback in production on low-wage imports of foreign fabrics and apparel.

Mr. President, the flood of textile imports into the United States cost Americans some 100,000 jobs a year. Georgia alone lost some 7,000 jobs in the textile and apparel industry last year.

The toll has been tragic. People are being thrown out of work. They are losing the means for supporting and feeding their families. All this is happening at a time when the American economy already is seriously depressed and unemployment dangerously high. I bring this action by J. P. Stevens & Co., which is just another in a long series of mill closings and cutbacks, before the Senate with this thought in mind; how long are we going to permit cheap foreign imports to drive Americans out of work? How long is the American Government going to export jobs and our resources to foreign countries that are already outproducing, outtrading, and outmaneuvering us at every turn?

I say, Mr. President, as I have said in the Senate many times before, that the time has come to draw the line on textile imports.

We have depended upon our trade negotiators and upon the good faith of other nations, principally Japan and the Far East, to no avail. Reasonable voluntary agreements have not been forthcoming. I see nothing to indicate that they will be.

Therefore, Congress must act to protect the citizens of this country. I submit that if we continue to sit idly by and fail to look after the interests of the American workers and the American taxpayers, then we will be derelict in our duties.

I bring a news release issue today by J. P. Stevens & Co., to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

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

MILLEDGEVILLE, GA.—J. P. Stevens & Co., Inc. Tuesday announced manufacturing changes in its Milledgeville Plant which will mean a substantial reduction in personnel over the next few weeks. Weaving and finishing operations at the plant will be discontinued because of continuing weak market conditions directly attributable to imports of foreign fabrics and apparel. Approximately 400 people will be affected by these changes, a company spokesman said.

Yarn production and package dyeing operations will continue. The conversion of the remainder of the plant to other products is under study looking toward the time when the plant will again be operating at full capacity.

This plant is a fine manufacturing facility and the personnel unexcelled. The outstanding performance of these fine employees through the years made this decision particularly difficult. The Milledgeville Plant is another victim of low wage imports particularly from the Far East, the company said.

SUPPORT FOR A DEPARTMENT OF NATURAL RESOURCES

Mr. PERCY. Mr. President, impressive support continues to be demonstrated for a Department of Natural Resources—DNR—as proposed by S. 1431, of which I am pleased to be the chief Senate sponsor on behalf of the administration. The DNR is one of four new Departments proposed by the President in his major executive reorganization plan.

The need for such a new Department is truly urgent. A rapidly growing population demands recreational space. At the same time the increased use of our natural recreation areas threatens to spoil them and make them unattractive. Vastly increased use of energy of all forms puts heavy demands on our energy resource allocation and utilization. These problems cannot be solved by the confused and fragmented departmental organization that exists now.

For example, responsibility for management of onshore Federal lands is divided among at least five agencies. The Bureau of Land Management has jurisdiction over 475 million acres; the Forest Service, over 187 million acres; the National Park Service, over 30 million acres; the Bureau of Sport Fisheries and Wildlife, over 30 million acres; the Bureau of Reclamation, over 9 million acres; the Defense Department and other agencies, over 35 million acres.

The Department of Natural Resources will bring together into one agency most of the numerous natural resource and physical environment programs which currently are scattered throughout the Federal Establishment. It will provide the essential governmental capabilities required to plan, weigh alternatives and priorities, establish policies, and operate programs to meet our needs for recreation, environmental protection, pure water, and abundant energy.

Mr. President, I am pleased that organizations concerned with conserving our natural heritage and with improving our energy resource base are supporting establishment of the proposed Department of Natural Resources.

On May 16, the Sport Fishing Institute's board of directors adopted a resolution strongly endorsing establishment of a Department of Natural Resources. On May 19, the board of directors of the American Fishing Tackle Manufacturers Association similarly endorsed the DNR. And in May the annual conference of the American Public Power Association adopted a resolution endorsing establishment of a Department of Natural Resources. These organizations and their members are to be commended for their forward-looking stands in support of the DNR.

I ask unanimous consent that the resolutions of each of the three organizations be printed in the RECORD.

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

SPORT FISHING INSTITUTE DIRECTORS RESOLUTION

At its recent regular Annual Meeting, held May 16, 1971, at the Pfister Hotel, Milwaukee, Wisconsin, the Board of Directors of the Sport Fishing Institute adopted two resolutions dealing with some currently urgent conservation issues of national significance, as follows:

FEDERAL DEPARTMENT OF NATURAL RESOURCES

Whereas, there is a substantial fractioning of effort, with resulting lack of coordination and attendant waste of limited resources, in the present multiplicity of agencies concerned with various aspects of conservation of natural resources and environmental affairs, which are scattered throughout several federal departments of the government; and

Whereas, the need for concentration of purpose by and maximum coordination of effort among these natural resources and conservation agencies is very urgent, in the interest of protecting and maintaining an acceptable level of environmental quality, yet exceedingly difficult of attainment in the present circumstances of administrative diffusion;

Now, therefore, be it resolved, that the Board of Directors of the Sport Fishing Institute, meeting in regular Annual Session at Milwaukee, Wisconsin, this 16th day of May, 1971, does herewith endorse and support the proposed creation of a comprehensive new Federal Department of Natural Resources, by gathering together in the proposed new conglomerate, from the Departments of Interior, Agriculture, Commerce, and Army, as well as several other related Officials and Programs, the principal resource conservation and development agencies and activities, possibly excepting the independent Environmental Protection Agency, that significantly affects the quality of the land and water environments and the well-being of the living organisms they support and produce.

AMERICAN FISHING TACKLE MANUFACTURERS ASSOCIATION RESOLUTION

Whereas there presently exists a multiplicity of federal agencies concerned with the control and administration of this country's natural resources, the conservation thereof, and related environments; and

Whereas there is an obvious need to eliminate the duplication and overlapping of the various federal agencies to more clearly define and attain the maximum simplicity and control in the preservation of our land, water and air, as well as the quality of the environment;

Therefore, now be it resolved that the Board of Directors of the American Fishing Tackle Manufacturers Association, assembled in Milwaukee, Wisconsin, at their annual meeting the 19th day of May, 1971, herewith endorses and supports the proposal to create a Federal Department of Natural Resources that will combine the activities, responsibilities, and jurisdiction of various federal agencies presently administering and affecting the natural resources and the environment so that this proposed Federal Department of Natural Resources in conjunction with the recently created Environmental Protection Agency will have sole responsibility to protect our natural resources and maintain maximum quality in the levels of the environment.

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D.C., June 11, 1971.

HON. RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you know, the American Public Power Association represents more than 1,400 local publicly-owned electric utilities in 47 States, Puerto Rico, the Virgin Islands, and Guam. As purchasers of wholesale power from Department of the Interior power marketing agencies, as customers for U.S. Army Corps of Engineer hydroelectric power, and as purchasers of oil, coal, gas, and uranium for generation of electricity, APPA members have a great interest in development of this Nation's natural resources.

At our annual Conference this May, the APPA membership adopted the attached resolution endorsing establishment of a Department of Natural Resources, in order to consolidate energy and natural resources functions in a single agency in the interest of efficient government. Because of your advocacy of such a proposal, I thought you would be interested in receiving a copy of this resolution.

Sincerely,

ALEX RADIN.

DEPARTMENT OF NATURAL RESOURCES

Whereas, numerous federal departments and agencies deal with related functions regarding energy and natural resources, and

Whereas, it is in the interest of more efficient government to consolidate such similar functions in a single agency;

Now, therefore be it resolved: That the American Public Power Association supports establishment of a Department of Natural Resources which will efficiently coordinate Federal natural resources and energy programs.

DIRECT LOANS TO VETERANS

Mr. HUGHES. Mr. President, the Senate has passed H.R. 3344 to authorize the Administrator of the Veterans' Administration to sell direct loans made to veterans at reasonable prices on the mortgage market.

This legislation was requested by the Veterans' Administration after numerous protests to the VA over the interruption of the direct home loan program for veterans. Direct loans could be made available to veterans without the legislation, but the VA has requested it before they will change their present policy.

Most veterans are eligible for a Government guarantee on their home loan under the popular GI loan guarantee law. But in most counties where commercial credit is tight, veterans are eligible for a direct loan from the Government if private financing is not available for the GI bill guarantee. The Veterans' Administration makes these loans from a revolving fund in which there is presently about $560 million available for further lending.

This program is not costly for the taxpayers and, in fact, the revolving fund has shown a profit of nearly $250 million since its inception under legislation passed in 1950. I have heard a report that some veterans were informed that the reason this direct loan program has been interrupted was the lack of appropriated funds due to congressional inaction. Let me emphasize that the funds for this program are not appropriated each year but are available in a revolving fund which is repaid by the veterans who have already received loans.

About 20 percent of the veterans in our country live in credit-tight areas and are therefore eligible for the direct loan. No one from the Veterans' Administration adequately explained to me why this program was interrupted last March.

In hearings before the Subcommittee on Housing and Insurance—Committee on Veterans' Affairs—which I have the honor of chairing, the Chief Benefits Director of the Veterans' Administration described the efforts which began in March to utilize the supply of private capital in banks and savings and loan associations to meet the housing credit needs of veterans. A complicated and complex referral system was set up which involved sending the veteran's application for a direct VA loan from the regional office to the VA central office here in Washington, and then to the Federal Home Loan Bank Board with a request for information on any possible credit sources. I have been informed that somewhere along the way the Office of Management and Budget was included in the referral process for reasons that were never fully explained.

I do not doubt the effort which VA regional officials extended, for example, in Des Moines in my own State of Iowa, in trying to find private sources of credit for these veterans. But I am critical of the decision by the administration to allow long delays for veterans who qualify for the direct loans and who are awaiting an answer.

I have been informed that about 30 percent of the applications referred to Washington have been funded by private lenders. But apparently there are still over 2,000 direct loan applications which have not been financed, with the veterans left with no information on when an answer might be received.

I can only conclude that this kind of treatment will discourage these young men from even attempting to participate in other available veterans' programs. The money is in the revolving fund and the Veterans' Administration could have been making these loans every week since March.

Statements were made by VA officials at the hearing July 13 that no loan applications sent to Washington have been rejected. Apart from some severely disabled paraplegics, and the wives of men who are prisoners of war or listed as missing in action, no direct loans were approved.

This means that there are veterans around the country who are qualified for a direct loan, are aware of the existence of the program, and are awaiting an answer; but their applications are gathering dust in some file here in Washington. Many veterans withdraw their application after weeks of delay. The reasons are not clear but there are probably some who find that the house has been sold to another buyer, and others who give up in frustration after weeks and even months without an approval or a rejection.

Officials from the Veterans' Administration assured the subcommittee that there will once again be a viable direct loan program just as soon as H.R. 3344 is passed. Let me assure the Veterans' Administration that I have directed my staff to maintain close contact with this program and to inform me if there are unwarranted delays for applications which are backing up in the pipeline.

The legislation itself will authorize the Administrator of the Veterans' Administration to sell loans on the commercial mortgage market at reasonable prices. This amends section 1811(g) of title 38, United States Code, which requires that

sales by the Administrator of direct loans in connection with the veteran's loan program be made at a price which is not more than 98 percent of par—the unpaid balance—plus interest. The Veterans' Administration has recommended enactment of H.R. 3344 because in general, present mortgage market conditions have precluded the sale of loans at prices which would conform with the law. This legislation will allow the Administrator more discretionary authority to establish prices at which he may offer and sell direct loans. This change in the law requires that the sales prices be maintained at reasonable levels which take into account the overall interests of the Government, and the approval by the Secretary of the Treasury adds another safeguard.

This legislation passed in the House of Representatives on July 6 and its approval in the Senate on July 23 clears the way for enactment into law. I am confident that the Veterans' Administration will begin again its direct home loan program just as soon as this legislation is signed into law.

TRIBUTE TO EDGAR EISENHOWER

Mr. THURMOND. Mr. President, America was deeply saddened at the recent death of Edgar Eisenhower, older brother of our late President. This distinguished lawyer, a longtime resident of Tacoma, Wash., was devoted to his lifelong goal of service to mankind. Those who were closest to him said that he viewed the practice of law as a means to that end.

Edgar Eisenhower was a great man in his own right. He was a respected attorney and citizen of Tacoma, long before Dwight Eisenhower became a famous general. He maintained an active interest in the welfare of his country, and did not hesitate to speak out when he felt the issue justified it. He once openly criticized President Eisenhower for advocating a budget which exceeded levels promised during the campaign. The President responded good-naturedly:

Edgar has been criticizing me since I was five years old.

A conservative in political philosophy, Edgar Eisenhower served as Washington State honorary chairman of the Goldwater for President Committee. He also served as a trustee for Americans for Constitutional Action.

Mr. President, I join the millions of Americans who mourn the loss of this man. His family has contributed so much to the rich heritage of our Nation.

I ask unanimous consent that the following material be printed in the RECORD: An article by Ellen Hoffman entitled "Edgar Eisenhower, 82, Lawyer, Dies," published in the Washington Post of July 13; an article by Dwight Jarrell entitled, "E. N. Eisenhower Laid to Rest in Land He Loved," which appeared in the July 17 issue of the Tacoma, Wash., News Tribune; an editorial published in that newspaper on July 14; and an article entitled "Eisenhower Rites Set for Thursday," which appeared in the Tacoma newspaper on July 13.

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

[From the Washington Post, July 13, 1971]

EDGAR EISENHOWER, 82, LAWYER, DIES

(By Ellen Hoffman)

Edgar N. Eisenhower, 82, brother of the late President Dwight D. Eisenhower, died last night in Tacoma, Wash., nine days after being hospitalized for arteriosclerosis that a doctor said caused severe brain damage.

A son-in-law said Mr. Eisenhower had worked at his law office until being hospitalized July 3 after suffering a speech disability.

Edgar Eisenhower once publicly accused his brother of breaking a campaign promise.

"I can't for the life of me understand what persuaded Dwight to go for that big budget this year. All of his campaign speeches and promises were for decreased government spending," Mr. Eisenhower told a reporter while visiting the President in Washington in April, 1957.

The budget proposal in question called for an expenditure of $71 billion, the highest on record in peacetime.

"Edgar's been criticizing me since I was 5 years old," the President replied, when told about his brother's remarks.

President Eisenhower's older brother was a tax lawyer who was once described by his political ally, U.S. Sen. Barry Goldwater, as "a wonderful man (who is) even rightwing of me."

The second oldest of seven sons, Mr. Eisenhower was the first of the family to be nicknamed "Ike."

"When Dwight (a year younger) came along to school the boys began calling me 'Big Ike' and him 'Little Ike,'" Mr. Eisenhower reminisced.

Born in Hope, Kan., he graduated from high school in Abilene. His brother Dwight helped finance his first year in college while awaiting appointment to the U.S. Military Academy. In 1914, Mr. Eisenhower graduated from law school at the University of Michigan.

He moved in Tacoma, Wash., the same year and established the law practice he conducted there for more than 50 years. While his brother was President, Mr. Eisenhower came to Washington several times to attend White House social events.

Mr. Eisenhower expressed dissatisfaction with government policies several times during his brother's administration, speaking out against Social Security, high taxes and the decision to send federal troops to enforce desegregation of the schools on Little Rock, Ark.

The President must have received "some bad legal advice . . . the authority for enforcing a court decree rests with federal marshals, not troops," Mr. Eisenhower suggested.

In 1959 Mr. Eisenhower became a trustee of Americans for Constitutional Action, which described itself as a new organization dedicated to opposing the government's "spendthrift and inflationary policies."

Five years later Mr. Eisenhower served as honorary chairman of the Washington State Goldwater for President Committee.

Despite their verbal sparring over financial and political policies, Mr. Eisenhower and his brother Dwight never abandoned their friendly relationship.

"I want to make it plain that there are no differences between my brothers and me. We can differ on a friendly basis and no rancor is involved . . . The country probably doesn't understand the absolute warmth of the Eisenhower family," Mr. Eisenhower explained.

Of the seven Eisenhower brothers, only Milton, interim president of Johns Hopkins University and head of the presidential commission on violence, survives.

Paul died in infancy. Roy, who died in 1942, was a pharmacist in Junction City, Kan. Arthur, who died in 1958, was a Kansas City banker. The former President died in 1969.

Earl, a publicist for a Chicago area printing and publishing company, had served in the Illinois House of Representatives. He died in 1968.

[From the Tacoma News Tribune, July 17, 1971]

E. N. EISENHOWER LAID TO REST IN LAND HE LOVED

(By Dwight Jarrell)

Memorial services were held here Friday in the flower-filled Valley Chapel of Mountain View Funeral Home for Edgar N. Eisenhower.

The body of the brother of the late President Dwight D. Eisenhower rested in a simple, bronze, closed casket covered with a blanket of blossoms.

The graceful chapel at the bottom of rolling foothills was filled quickly to its capacity of 300 long before the 11 a.m. rites. Among those present were Milton Eisenhower, brother of the 82-year-old attorney who had practiced law here nearly 60 years. He died Monday evening following a stroke July 3.

Others of his immediate family present were his daughter, Mrs. William (Janis) Causin, of Tacoma, and two grandchildren, Jean Nadine Causin and William Eisenhower Causin.

"This day is a befitting occasion to meditate upon the meaning of this great person, a friend and loved one of many," said Dr. Michael D. Anderson, pastor of University Place Presbyterian Church, in his simple eulogy, "A Memorium to Mr. Eisenhower."

"This day when the great mountains of the Northwest are dressed in the brilliant hues of dazzling sunlight on snow, rocks and trees, a day when there is a mysterious depth to the beauty of Puget Sound waters lying between mighty Cascades and the elusive pantheon of the Olympics. Mr. Eisenhower loved this land.

"In the kaleidoscope of personal reflections," Dr. Anderson had begun, "we see the many impressions of Edgar Newton Eisenhower. Jean Nadine Causin said the 'understanding' comprehends the lasting qualities of her grandfather. Janis Causin spoke of the extraordinary willingness of her father 'to spend time with people,' all persons. William Eisenhower Causin said that his grandfather 'lacked nothing' in personal qualities. He was the 'man for all seasons' whom children, youth, students and adults deeply enjoyed. William Causin said that 'insight into people' was an appropriate theme depicting Mr. Eisenhower's personhood. Milton Eisenhower said that his brother 'saw law as a way of helping other people.'

"We must see," said Dr. Anderson, "the childhood experience of this great person to know of his manhood. 'Every child comes with the message that God is not yet discouraged of Man,' Tagore wrote. In the spontaneous faith and confidence in goodness, work and trust, we see the attitudes which formed around this person, Mr. Eisenhower.

"The salient character of the pioneer mentality learned in that Westward-Ho! family made its lasting impression: The search for true individual religion, accessibility to expansive horizons, and trust in the reward of honest work. You can take the boy out of Abilene but you can never take all of Abilene out of the boy. Mr. Eisenhower's later successful practice of law was highlighted with the comely incidents that a boy from Abilene could fully appreciate. Scores of persons were indebted with gratitude to this outstanding lawyer for his services which represented for them new life and hope.

"From this home," continued Dr. Anderson, "there was bred into him a 'certain independence and a determination to rise above' humble beginnings. Through his father, Ed learned of the Fatherhood of God and the dignity, independence, and equality of men who had a common sonship! This attitude became a determining presupposition of his philosophical stance and world-view.

"Ed Eisenhower," Dr. Anderson said in his conclusion, "has finished the race. He

ran hard, he ran well, he ran competitively, he ran justly, he ran proudly."

There were no pallbearers and cremation followed the brief services. Interment will be in Mountain View Memorial Park in a family plot.

[From the Tacoma News Tribune, July 14, 1971]

EDGAR NEWTON EISENHOWER

Edgar N. Eisenhower was a big, friendly, hard-working, hard-playing Western type of man—just the kind that will be missed so much by his community and the very many who knew and loved him.

Although known across the nation as elder brother to a President of the United States, he was a leading citizen of Tacoma long before Dwight Eisenhower was a general in the Army. Here he practiced law 57 years. On this community he spent his considerable energies. Here his integrity, his ability, his stature shone; his precept was that practice of the law has but one real purpose—service to one's fellow men.

A man's nature is shown in his play as well as his work; it was characteristic of Mr. Eisenhower that since he was 69 years old he shot his age or better at golf 11 times, and enjoyed the game thoroughly until his death at 82.

Something we read of Mr. Eisenhower must be related here. He was interviewed by Bela Kornitzer in preparation of the book "The Great American Heritage," which was the story of the five Eisenhower brothers.

"From his office windows," wrote that author, "Edgar can see Mount Rainier, one of the tallest mountains in the United States. He often seems to be looking at it when he is making decisions. Other windows look out over Puget Sound, a body of water connected with the world's largest ocean, the Pacific. One gets the impression that something of the largeness of these two views, the mountain and the sea, has entered into the very fiber of Edgar's being—that he is a large man inwardly as well as outwardly."

That scene and that conclusion so well expressed is the same known to many Tacomans over the years. It is the Edgar Eisenhower they knew. He was a man who, although materially very successful, never forgot he once was poor, and whose long professional career followed a goal that was not materialistic but was dedicated to personal service to others, particularly those in trouble.

[From the Tacoma News Tribune, July 13, 1971]

EISENHOWER RITES SET FOR THURSDAY

The funeral of Edgar N. Eisenhower, 82, prominent Tacoma attorney and brother of the late President Dwight Eisenhower, will be at 11 a.m. Thursday at Mountain View Funeral Home's Valley Chapel. He died Monday evening.

Milton Eisenhower, younger brother of Edgar, was in Moscow early Tuesday en route to London and Tacoma after learning of his brother's death. He was at a Soviet-American conference in Kiev.

Edgar Eisenhower suffered a stroke July 3 and had been hospitalized since then, suffering from brain damage and loss of speech as a result of what his doctor described as "general arteriosclerosis."

Because of his younger brother Dwight's fame as a general in World War II and later as President, Mr. Eisenhower received considerable attention nationally. At one point his name, as well as that of Milton, was mentioned as a possible 1964 presidential candidate.

Described locally as an "ultraconservative," he accepted the honorary Washington State campaign chairmanship for Barry Goldwater's unsuccessful presidential campaign in 1964. He also was mentioned in 1962 as a possible candidate to run against Sen. Warren G. Magnuson.

The attorney preferred that he should never be the subject of a news story unless it was for his ability as a golfer. In this regard he won the Washington State Seniors Golf Association tournament in 1948, 1949, 1950 and 1952, and in 1953 he was invited to play in the Bing Crosby Pro-Amateur tournament at Monterey, Calif.

Eisenhower was born in Hope, Kans., but grew up in Abilene, Kans., the second of seven boys. He attended public school in Abilene and obtained a law degree from the University of Michigan. In 1914 he moved to Tacoma and opened a law office. In 1959 the University of Michigan awarded him an honorary doctor of law degree.

As a boy, however, his desire for an education was not as evident. He refused to repeat the eighth grade and went to work instead. However, he relented when "I suddenly realized my little brother, Dwight, had gone into high school and gotten ahead of me." He returned to school and graduated with the former president.

Edgar Eisenhower was 21 months older than Dwight.

He had a son and a daughter by his first wife before their marriage ended in divorce. His second wife died in 1948. In 1952 he married his secretary, Lucy Dawson. They were divorced in 1967.

A practicing attorney in Tacoma for nearly 60 years, Mr. Eisenhower was a member of the American Bar Association, Tacoma Bar Association, Washington Bar Association, Elks Lodge, Tacoma Club, Tacoma Country and Golf Club and the Rainier Club of Seattle.

He had also served on the board of directors of St. Regis Paper Co., Washington Steel Products, Inc., E. L. Bruce Co. and Vancouver Plywood Co.

His survivors include a daughter, Mrs. William (Janis) Causin, of Tacoma, and his brother, Milton, who is interim president of Johns Hopkins University in Baltimore.

The family has requested that memorials to Edgar Eisenhower be sent to the Eisenhower Memorial Hospital, Palm Desert, Calif.

A SOUND OCEANS PROGRAM

Mr. HOLLINGS. Mr. President, Sunday a week ago an article by Flora Lewis in the Washington Post asked, "Should we turn from space to oceans?" Answering "Yes," Miss Lewis stated:

If only Americans and Russians could agree to leave the next chapter in space to their children and grandchildren, and turn their yen for bold search and high excitement to the hidden seas, it would not only release an enormous lot of resources to improve life on solid ground, but would almost certainly bring unimagined rewards.

It is clear, Mr. President, that the United States is already reordering its priorities as we cut back sharply in military and aerospace spending. But what remains is national drift, not national direction. No bold, challenging programs fill the vacuum created by those cutbacks. And one result is our sagging economy and increasing joblessness. Only now can we begin to see that one of the vast costs of the space program may have been the channeling away of funds from a sound oceans program. At the rate the competition from Russia and Japan is developing in the oceans, the cost of ignoring the oceans may be far vaster than we ever imagined.

Miss Lewis spoke of the munificent, unimagined rewards to be reaped from the seas. She is absolutely right. And the rewards are not just in science, technology, and rich resources. A comprehensive, well-funded oceans program can be more than the economic palliatives being offered now. Such a program could reach the roots of our economic plight, and not simply treat the symptoms.

Let me just give one example. A soundly financed oceans program would take qualified unemployed people off relief and would place them in jobs. For each scientist and engineer that we place in a program of advanced technology, the National Academy of Sciences reported recently that 12 others are directly employed. And the impact extends beyond—to subcontractors, suppliers, and to still other levels throughout the economy. New products and services would result from an advanced oceans program; foreign trade would be enhanced. The effects of a soundly financed oceans program would resound through the life of the United States. The multiplying effect of employing scientists and engineers in an oceans program would be enormous. We must mobilize the vast pool of our trained talent, engage their creative energies, and then send them into the worldwide competition in the oceans.

The rewards of an oceans program will include work in a time of soaring joblessness; direction, challenge, and opportunity in a time of national drift; national security in a time of rising international competition on the high seas; innovation and renewal in a time of diminishing technological superiority.

Mr. President, Flora Lewis has written eloquently. I ask unanimous consent that her article, "Should We Turn From Space to Oceans?" be printed in the RECORD.

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

[From the Washington Post, July 18, 1971]

SHOULD WE TURN FROM SPACE TO OCEANS?

(By Flora Lewis)

The Russians have not yet revealed precisely what went wrong to cause the death of their three cosmonauts. Their announcement, so far, said only that a leak in the reentry capsule brought a sudden, disastrous drop in atmospheric pressure leading to nearly instant death.

For the moment, at least, they say they plan to go ahead with their manned space station program. They evidently believe the fault in the system can be repaired without too much trouble. But it is to be hoped that they are also making as thorough a study as possible of the physical effects of the longest space sojourn yet made.

As one of their scientists said while Soyuz II was still in orbit, each day aloft beyond the previous record of 19 days was "a step into the unknown."

Somehow, the unknown of space has seemed the most alluring, the most challenging man has ever faced, worth not only the lives of the adventurous but the effort of thousands and the resources of millions of people. But the sad mysterious death of the three Russians should be the moment to pause and review the urgency of that challenge.

It seems to be more or less inevitable that if the Soviets push ahead with an intensive space program, so will the United States and vice versa. There is not only rival prestige to spur both on, but the deep fears of overwhelming military advantage which would

be gained if one superpower won control of the emptiness which cradles the earth.

There have been many suggestions that the two join in at least some part of space research and exploration. The first step came shortly before the Soyuz tragedy when Russian astronauts visited Houston.

Certainly that would provide large savings and possibly a shade less mutual suspicion, although neither side is likely to reveal anything it considers of military value. The Soviet economy, in a much different way from the American economy, is also strained by huge space expenditures which could be put to far more productive use.

Of course, much more would be saved for both countries if, instead of just holding back the space race, they could agree to hold back the race into space. This is a time to consider proposing an agreement for both to concentrate for awhile or further theoretical and laboratory research. The current generation has made its voyage of discovery. It is a time to consider leaving the effort to occupy space to a future generation, by mutual consent.

The rewards of what has been done so far are meager, compared to the vast cost. Meanwhile, a pittance has been spent on exploiting the oceans which wash our panel, though we know the rewards are likely to be munificent and to come quickly.

Oceanography is still in its earliest development, about where Columbus was in advancing the art of navigation. Beneath the seas, too, if the TV cameras could only penetrate (and with a little more research they could), is extraordinary adventure, a vast and challenging unknown. To plumb its secrets would take a small fraction of what space mission costs, with infinitely greater benefit for all the rest of us who will spend our lives fixed firmly to this earth.

A wayward accident in October, 1968, turned out to give a fascinating example of how much vital knowledge can be extracted from the seas, and how little we know about them. Alvin, the tiny submarine operated by the Woods Hole Oceanographic Institution, was preparing for a dive 135 miles southeast of Woods Hole, Mass.

All the equipment was aboard, including box lunches for the three submariners who man the deep-dive craft, when a cable broke, with its hatch open. Alvin sank to the bottom, a depth of 5,140 feet. No one was hurt. In September, 1969, almost a year later, Alvin was retrieved and brought to the surface.

The box lunches and two thermos bottles filled with bouillon were sea-soaked but otherwise almost perfectly preserved. At the same temperature under refrigeration, they would have spoiled in a few weeks. So the discovery was made that deep enough under the sea something stops bacterial decay and biodegradation. Laboratories are studying the phenomena now. Their hunch is that the answer is pressure.

If they prove it, it will have fantastic implications for the science of preserving food, and perhaps for medicine. It may also have dreadful implications about the ultimate effect of pollutants dumped in the sea. In any case, there is a new and unsuspected principle to be discovered here, and it is likely to have immense effect.

Little Alvin is as a tricycle to a space capsule in cost and sophistication, but it may have brought knowledge of far greater value than the moon rocks.

If only American and Russians could agree to leave the next chapter in space to their children or their grandchildren, and turn their yen for bold research and high excitement to the hidden seas, it would not only release an enormous lot of resources to improve life on solid ground, but would almost certainly bring unimagined rewards.

And then perhaps, in a generation or two, it might be easier to turn back to space from a less tormented world, less divided and less hostile in itself.

SEX DISCRIMINATION IN THE STATE DEPARTMENT

Mr. CASE. Mr. President, discrimination against individuals because of their sex is wrong. The lack of an adequate employee grievance system within the State Department is wrong.

And today I would like to talk about a case which combines these two wrongs: the case of Alison Palmer, a woman Foreign Service officer.

Miss Palmer has had an outstanding career in the State Department. She received national acclaim for her heroic activity in the midst of upheavals marking the early years of the Congo's independence.

Yet, Miss Palmer claims that she was denied positions in three American embassies in 1965 because of her sex. She submitted a formal complaint to the Equal Employment Opportunity Office of the State Department in October 1968, and on August 8, 1969, that Office found that Miss Palmer had indeed been discriminated against because of her sex. Mr. Frederick D. Pollard, the Office Chief, recommended:

> That Miss Palmer's personnel file be documented to show that her career has been affected by prejudice against women officers.

In concurring with this and other recommendations, the State Department's Legal Adviser's Office wrote:

> The finding of discrimination on the basis of sex is supported by adequate evidence contained in the investigatory report.

One would have thought that once such a clear-cut finding had been made, the State Department would have taken action to make amends to Miss Palmer.

But incredibly, Equal Employment Chief Pollard felt it necessary to warn Miss Palmer of further adverse effects that might result to her career if she insisted on following through on her complaint. Mr. Pollard wrote:

> People knowledgeable in how the Foreign Service selection [promotion] system works, including Director of Personnel Howard Mace, have expressed apprehension that your career prospects could be damaged by inclusion of reference in your file to this grievance procedure.

There would seem to be little point in having an office to guarantee equal employment if findings that fundamental rights have been denied serve to injure further the career of the individual who has already been discriminated against.

However, the State Department is almost unique among Government agencies in that it does not have an independent grievance and appeals system.

The State Department, at least at its top levels, seems to feel that the very people in management who might be the subjects of employee complaints should also be the same people who rule for or against the complaining employee. Thus, the State Department has petitioned to be exempted from the Executive order governing management-employee relations in the Federal Government. And in Miss Palmer's case, one of the men who was found to have discriminated against her, Ambassador John Burns, later became the head of the personnel system which was asked to act on her complaint. Then, that same personnel system tried to prevent Miss Palmer's case from being referred to the Civil Service Commission and even told the Commission on several occasions that Miss Palmer had withdrawn her complaint although that was not true. When Miss Palmer requested that Deputy Under Secretary of State Macomber be called as a witness in her case, he declined on grounds that—

> It would not be appropriate for Mr. Macomber to be a witness in a case in which he has responsibility for the final decision.

An employee has little chance to correct an injustice under such a system and that is why Senators BAYH, COOPER, HUMPHREY, and SCOTT have introduced S. 2023 which would establish a rational grievance and appeal system at State. I have joined them as a cosponsor, for I believe that procedures must be established in the State Department for the fair treatment of all employees.

The State Department has moved recently to correct and improve its procedures in the personnel area, and I ask unanimous consent, Mr. President, to include in the RECORD a description of these efforts as described in the latest Department of State Newsletter.

I also ask unanimous consent that several newspaper articles and documents pertaining to Miss Palmer's case be included in the RECORD.

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

[From the Department of State Newsletter, July 1971]

DEVELOPMENT OF A GRIEVANCE SYSTEM FOR THE FOREIGN SERVICE: A STATUS REPORT

State, AID and USIA are jointly committed to establish a new formal grievance system for their Foreign Service employees.

This was made clear in the employee-management relations proposal which was submitted by Deputy Under Secretary William B. Macomber, Jr., to the Federal Labor Relations Council in June on behalf of the three Agencies.

Mr. Macomber is also on public record as favoring an amendment to the Foreign Service Act which would insure that all members of the Foreign Service have access to a grievance procedure.

The AFSA Board and AFGE have also strongly supported the creation of a new formal grievance procedure. AFSA established a working group which developed a very detailed proposal in this regard. Subsequently, the AFSA proposal was introduced into the Congress as a proposed amendment to the Foreign Service Act by Senators Bayh, Scott and others.

The Agencies have now developed an interim grievance procedure. In preparing this grievance system they took into account the AFSA proposals and also benefited from informal consultations with the AFSA working group and with AFGE local and national officials. The Agencies' system and AFSA's proposals agree in many significant respects but differ on certain points. This will be fully explained when the Agencies' interim system is circulated for comment to all members of the Foreign Service.

The Agencies believe that when a new employee-management system is approved by the Federal Labor Relations Council the first important business should be the development of a definitive grievance system. When this is completed the Agencies believe it will then be appropriate to support legislation incorporating the principles of the grievance system that has emerged. Until this process has been completed, however, the Agencies strongly believe that legislation on this subject should be deferred.

Unfortunately, it will not be possible to get a new employee-management relations system actually operating until some time this fall. The Agencies first have to obtain both the Federal Labor Relations Council's and the President's approval of a new Executive Order, setting up the system and then elections will have to be held for the designation of representative employee organizations.

In view of this delay, and in order to provide a grievance system in the intervening period, the three Agencies have decided to institute as an interim measure the grievance machinery which they have now developed.

At the same time the Agencies, in an airgram to the field and in a notice to Foreign Service employees in Washington, will solicit individual comments on the interim procedures. These comments will be given careful consideration in the development of a definitive grievance procedure which will emerge in final form through the new employee-management system when it is put into effect.

[From the Washington Evening Star, July 15, 1971]

UNUSUAL BIAS CASE EMERGES FROM STATE DEPARTMENT

(By Joseph Young)

A most unusual case has cropped up in the State Department, which can hire, promote and fire employes virtually at will.

The case has arisen at a time when State is trying to bring its civil service employes under the Foreign Service System. It involves Alison Palmer, a 39-year-old Foreign Service officer with a brilliant record who charges she has been discriminated against in her career because she is a woman.

Key documents that would have helped Miss Palmer's case mysteriously disappeared.

In this respect, her case recalls the recent suicide of a Foreign Service officer who was denied promotion and subsequently was "selected out" when certain documents that would have been favorable to him were withheld.

State finally furnished data for Miss Palmer after two year's wait only when the Civil Service Commission's equal employment opportunity office and the American Federation of Government Employes intervened.

Meanwhile, Miss Palmer says she has received "threats" that it would be against her best interests if she insisted on a grievance hearing concerning her discrimination charge.

Miss Palmer's charge of discrimination was upheld by an Inspector General's Office representative who filed a report stating that she had been the victim of bias in being rejected for promotion to posts in Dar es Salaam, Tanzania, and Addis Ababa, Ethiopia.

On Aug. 28, 1969, the legal office, in a memorandum, found that State's personnel office had in fact acted illegally and it recommended that "Miss Palmer's personnel file be documented to show that her career has been affected by prejudice against women officers—this documentation can best be done by placing a copy of this memorandum in her file."

But the key parts of memorandum were not placed in her file. It was kept secret in the personnel office.

Missing was the fourth and last page of the finding that the personnel office had acted illegally.

Finally last month the necessary papers were given to Miss Palmer, State's excuse was that they had been misplaced "inadvertently."

Miss Palmer's case is now before the Civil Service Commission which has jurisdiction because it involves a charge of discrimination.

Miss Palmer's career in the Foreign Service was marked by a rapid rise—to a certain point. She was graduated cum laude from Pembroke College with a B.A. in English and earned her M.A. in African Affairs at Boston University.

She spent two years each with the Christian Science Monitor and the New York Times. She joined the Foreign Service in 1956 in Ghana and remained on that assignment until 1958. She also served as vice consul in Leopoldville and consul in Georgetown, British Guiana in 1963–65. Her most recent foreign assignment was as an assistant political adviser in Vietnam.

Meanwhile, State's move in bringing civil service positions into Foreign Service is being challenged in the federal courts by the American Federation of Government Employes which charges it would deprive civil servants of their job protection and due process rights.

Should know better—Walter Trohan, the veteran Washington columnist of the Chicago Tribune, has been around this town too long to write such nonsense about federal employes as he recently did.

Trohan made the wild and unfounded charge that "the great majority of employes are overpaid and do little work." But where Trohan really flipped his lid was when he added that federal employes need their annual and sick leave "for the most part in nursing hangovers. After all Washington has the highest per capita rate of alcohol consumption in the nation."

Nathan Wolkomir, president of the National Federation of Federal Employes, points out that Washington has no fair trade law and consequently its liquor prices are the lowest in a wide area. The result is that many Virginia and Maryland residents buy their liquor here. And many of the millions of tourists who visit here each year take advantage of the lower prices to take a bottle or two home with them.

As for Trohan's charge that federal employes "do little work", Wolkomir wonders if he means the doctors and nurses in veterans hospitals, the research scientists in the National Institute of Health, the people who carry the mail, operate the space program, the men and women who provide essential support services at the Defense Department, process social security benefits, the federal employes who conserve our national parks, fight forest fires, guard our borders, are employed in security functions such as the FBI and Secret Service, inspect our foods, provide essential services for business and labor, combat insect pests, trace down drug pushers, aid farmers, operate the nation's air facilities and flight operations do the vital statistics and clerical work at headquarters, etc.

Of course, it should be obvious that if federal employes were not doing their jobs properly the government would come to a virtual halt and the country would collapse. The vital public services, benefits and protections that Americans depend on in their daily lives would cease. The result would be chaos and disaster for all of us—Trohan included.

But unfortunately, articles such as Trohan's are read by many people—the Chicago Tribune, for example, has a substantial circulation not only in Chicago but throughout the entire Midwest. Other federal unions should follow the NFFE's lead in not letting false and unsubstantiated charges go unchallenged.

[From the Des Moines Register, July 2, 1971]

GOVERNMENT SECRECY CITED IN SEX DISCRIMINATION CASE

(By Clark Mollenhoff)

WASHINGTON, D.C.—For two years the State Department Personnel Office kept secret a finding that the Personnel Office had acted illegally in discriminating against Miss Alison Palmer, a 39-year-old Foreign Service officer.

Miss Palmer said Thursday she had received "threats" that it would be against her best interests if she insisted on a grievance hearing on her complaint that she was discriminated against because of sex.

In three weeks of hearings before an outside hearing officer, Andrew B. Beath, an Equal Employment Opportunity appeals examiner, Miss Palmer has forced the State Department to produce the records that demonstrated the following:

1. As early as Feb. 9, 1969, an Inspector General's Office representative filed a report stating that Miss Palmer had been discriminated against through a rejection to posts in Dar es Salaam, Tanzania, and Addis Ababa, Ethiopia. Ambassador John H. Burns, then in Dar es Salaam, was later to become director general of the Foreign Service.

2. On Aug. 8, 1969, the legal office, in a memorandum, found that the personnel office had in fact acted illegally, and it recommended that "Miss Palmer's personnel file be documented to show that her career has been affected by prejudice against women officers—this documentation can best be done by placing a copy of this memorandum in her file."

3. That memorandum was not placed in Miss Palmer's file, and it was in fact kept secret in the Personnel Office under the direction of Ambassador Burns, now the director general of the whole Foreign Service, and Howard Mace, director of personnel for the State Department.

4. On Nov. 26, 1969, Miss Palmer received the letter she considers the "threat" that "your career prospects could be damaged by inclusion of reference in your file to this grievance procedure."

It was not until June 23, 1971, that Mace, in a memorandum to Miss Palmer, noted that the memorandum of "Aug. 8, 1969, was inadvertently not included in your file."

"I have requested that the missing four and last pages (containing the finding that the personnel office had acted illegally and recommending that the whole memorandum be placed in the file) be included," Mace noted.

Miss Palmer said she felt "fortunate that I have been able to get a hearing before an outside hearing officer."

"It is only in these cases involving discrimination that one can get a hearing by someone outside of the Foreign Service system." Miss Palmer said.

During the hearing before Equal Opportunities examiner Beath, Miss Palmer was able to bring Mace into the hearing for questioning, and he insisted that the last page of the memorandum, had been misplaced "inadvertently."

Miss Palmer sought to have Deputy Under Secretary William Macomber called to give testimony on why her rights had not been protected in a more satisfactory manner in the two-year period he had been "Equal Opportunity officer" for the State Department.

Macomber declined to testify because "he has not been personally involved in this case and has formulated no opinion," J. Edward Lyerly, the legal officer for personnel matters wrote to Miss Palmer.

Miss Palmer declared that she plans to ask that Macomber be disqualified from assuming his final authority, because "All of this whole record of hiding of findings of illegal action, the long coverup and the threats have taken place under his jurisdiction."

Miss Palmer was graduated cum laude from Pembroke College with a B.A. in English in 1953. She won her M.A. in African Affairs, in 1970, at Boston University.

After she was graduated she spent two years, 1953–1954, with the Christian Science Monitor, and 1954–1955 with the New York Times. She joined the Foreign Service in 1956 in Ghana and remained on that assignment until 1958, when she was returned to personnel in the State Department. Although she was rejected by ambassadors for some service as a political officer, she did serve as vice consul in Leopoldville in the 1960–62 period with Ambassador Clare Timberlake and con-

sul in Georgetown, British Guiana, 1963–1965.

Her most recent foreign assignment has been in Vietnam where she has been an assistant political adviser.

[From the Washington Daily News, July 3, 1971]

BOY, IS SHE EVER A DIPLOMAT!—AFRICA EXPERT FIGHTS SEXIST APARTHEID

(By Dan Thompson)

The State Department has been backed to the wall by a 5-foot, blue-eyed strawberry blond who contends she was denied important diplomatic assignments solely because of her sex.

She is Miss Alison Palmer, 39, a middle-echelon Foreign Service Africa expert with impressive academic credentials and service in British Guiana, the Congo, Ethiopia and Vietnam.

Miss Palmer's case is a dramatic example of the kind of personnel practices and system inequities that have produced growing unrest among the Foreign Service's younger officers and threatened a morale breakdown in the 3,000-member U.S. diplomatic corps.

And Miss Palmer's story may prove embarrassing to some of the State Department's top officials including William Macomber Jr., deputy under secretary of state for administration; Ambassador John Burns, former director general of the Foreign Service, and Howard Mace, Foreign Service director of personnel who is soon to be named as ambassador to Sierra Leone if he can win Senate clearance.

FINDING IGNORED

A Civil Service Commission grievance panel recently took Miss Palmer's case under advisement after three weeks of hearings which showed, among other things, that Mr. Mace and Mr. Burns apparently ignored for nearly three years a legal finding in her favor by the Department's Equal Employment Opportunity Office.

The reason, Miss Palmer charges, is that Mr. Burns, when ambassador to Tanzania in 1965, was one of three ambassadors to reject her assignment to their embassies as political officer because she is a woman. The other two were Olcott Deming, when he was ambassador to Uganda, and Edward Korry, when ambassador to Ethiopia.

After being rejected for three different assignments in 1965, Miss Palmer threatened to carry her story to Congress. The department responded by sending her to Ethiopia, where Mr. Korry relented and assigned her as his assistant. There, she says, she ran errands for his wife, among other things.

"I was a glorified secretary," she recalls. "It was a fine assignment for some one schooled in African affairs and being paid at the rate of a Foreign Service officer 5—$15,000 a year."

In 1968 while serving in the pacification effort in South Vietnam, she appealed the earlier rejections of assignment to the equal employment office. And in August of 1969, after an extensive investigation, the office stated in a memorandum:

"The documents in the investigative file clearly show that Miss Palmer was discriminated against because of her sex and that her career was adversely affected."

It recommended that Miss Palmer's personnel file be documented to show her career had been affected "by prejudice against women officers," and added: "This documentation can best be done by placing a copy of this memorandum in her file."

The entire legal office concurred. But Idar Rimestad, who then held Mr. Macomber's job, ruled that Mr. Burns and Mr. Mace would have to sign it also for it to be valid.

REFUSED TO SIGN

When she returned from Vietnam in 1970, Miss Palmer met with Mr. Mace and he said he wouldn't sign the memo because he didn't agree with it. He did, however, promise to put it in her file. This he apparently did minus the fourth page which carries findings, recommendations and signatures. He later told the grievance panel that the fourth page was inadvertently dropped.

Mr. Burns never did sign the memo. But Mr. Mace pledged during the final day of grievance hearings that he would sign it.

Initially Miss Palmer asked only that her record show that her career had been affected by sex discrimination and that steps be taken to prevent this from happening to other women.

Now, her demands to the Civil Service Grievance Board are considerably stronger, including that Mr. Mace, Mr. Burns, Mr. Deming, Mr. Rimestad, and others be reprimanded, that the equal employment office operations be investigated and that a full-page story vindicating her be carried in the State Department's monthly newsletter.

"Hell hath no fury," one State Department official commented.

NEW CRISIS ON FOGGY BOTTOM

(By Edith Kermit Roosevelt)

WAHINGTON.—A bright young woman Foreign Service Officer is becoming a major public relations embarrassment to William B. Macomber, Jr., the State Department's Deputy Under Secretary for Administration.

Following mounting criticism of personnel practices in the Foreign Service, Macomber has for months been personally involved in efforts to improve the public image of the Department of State. His latest move was to issue a special glossy supplement to the June 1971 issue of the State Department News Letter praising his proposals for a new "employee-management relations" system in the Foreign Service.

But scarcely had Macomber's puff piece reached the desks of news reporters when FSO Alison ("Tally") Palmer revealed in a grievance hearing on employment-management relations involving discrimination against her because of sex, that Macomber had refused to appear to answer the charges that she had leveled against him.

Macomber's refusal to appear coincided with a bombshell in Miss Palmer's hearing which implicated Howard Mace, Director of the State Department's personnel systems, in suppressing a page in a document essential to her case. The material suppressed contained an admission by the State Department's legal division that Miss Palmer's career had in fact suffered due to discrimination.

After Mace was confronted with the facts in the hearing, he agreed on June 23, 1971 to place the complete document signed by himself in Miss Palmer's personnel file as well as to furnish her with a copy of it containing the missing page.

Mace is already under serious attack in the Congress for his role in withholding information from legislators regarding Charles Thomas, the Foreign Service Officer who committed suicide a few weeks ago after a fruitless two-year effort to win a State Department hearing on his case.

Another scandal haunting the State Department involves the case of John D. Hemenway, a former Foreign Service Officer, who charged in a grievance hearing on June 11, 1971 that Mace only permitted him to examine his personnel files after there was "some official root through the files to remove anything that could be helpful to me."

The public record of the cases of Thomas; Otto F. Otepka, a former State Department Security chief, and Stephen A. Koczak, a former Foreign Service Officer, contains evidence that such manipulation of personnel files frequently occurs on instructions from the top.

Apparently, the State Department counted on intimidating Miss Palmer after she sought redress Under the Executive Order of 1968 which bars discrimination on the basis of sex. In a letter to her by Frederick D. Pollard, Jr., Director of the State Department's Equal Opportunity Program, Miss Palmer was warned that her "career prospects could be damaged" if she went ahead with her hearing.

However, the pint-sized blonde FSO, who made headlines in 1960 for rescuing three American journalists and two government officials from a rampaging and murderous Congolese mob, does not scare easily. With the support of the American Federation of Government Employees (AFL–CIO) as well as admiring male colleagues, who are also victimized by the system, she is proceeding bravely ahead.

Miss Palmer, who has had a demonstrably outstanding record and commendations in the hardship posts to which she has been repeatedly assigned, has accused the following persons of blocking her promotion and professional opportunities:

John H. Burns, Director General of the Foreign Service and a former Ambassador to Tanzania; Olcott Deming, a former Ambassador to Uganda; and Edward Korry, currently Ambassador to Chile.

Miss Palmer has copies of protest letters from Korry to the State Department objecting to her assignment as a Political Officer to Ethiopia while he was Ambassador there on grounds that she might meet some foreigners who could be sexually dangerous.

DEPARTMENT OF STATE,
Washington, D.C., August 8, 1969.

To: O—Idar Rimestad.
From: O/EP—Frederick D. Pollard, Jr.
Subject: Complaint of Alison Palmer (FSO–4) with Respect to Discrimination on the Basis of Sex—Action Memorandum.

BACKGROUND

In a letter dated October 15, 1968, Miss Alison Palmer, FSO–4, currently assigned to Viet-Nam, formally submitted a complaint to O/EP alleging that she had suffered discrimination on the basis of sex and that her career had been adversely affected by prejudice against women officers. Specifically the complainant stated that panelled assignments as Political Officer to Dar es Salaam and to Kampala were cancelled because of her sex, and that a third assignment as Political Officer to Addis Ababa was objected to by the Ambassador for the same reason. In the face of her determination to oppose the third turndown, she was assigned to Addis Ababa as Political Officer, but upon arrival was given the title and duties of the Executive Assistant. Little by little she assumed the duties of a Political Officer while serving as Executive Assistant and with the departure of the Ambassador from the post was assigned full-time to the duties of a Political Officer.

Miss Palmer states that her purpose in presenting her complaint is twofold:

"(1) I would like to have documented in my personnel file the fact that my career has been affected by prejudice against women officers;

"(2) I would like to have some steps taken to prevent this happening in the future, either to me or to any other woman FSO."

In accordance with the procedures outlined by the U.S. Civil Service Commission on "Investigating Complaints of Discrimination in Federal Employment," Miss Palmer designated Ambassador Clare H. Timberlake as her representative. O/EP requested of Ambassador Fraser Wilkins that Mrs. Gladys P. Rogers, a Foreign Service Inspector and FSO–1, be assigned to conduct the investigation of Miss Palmer's allegations.

DISCUSSION

Mrs. Rogers conducted her investigation between December 30, 1968, and January 24, 1969. During that time she consulted with Ambassador Timberlake to assure Miss Palmer's interests were protected. Mrs. Rogers and Ambassador Timberlake also met with me and Miss Odris Rossell, my deputy to discuss the report and findings. Discussions also took place on actions which should be taken to protect Miss Palmer in particular and

women in general from future discriminatory acts because of their sex.

Mrs. Rogers' "Report of Investigation" and the summary remarks to me are attached.

The investigation was confined, for the most part, to an examination of the files which relate to her assignment as Political Officer. The pattern of discrimination covered the period from August 1965 (when her first assignment was cancelled because of her sex), through September 1967 when she was able to assume the duties of Political Officer.

The documents in the investigative file clearly show that Miss Palmer was discriminated against because of her sex and that her career was adversely affected.

The lapse of time between the initial discrimination (August 1965) and Miss Palmer's complaint (October 1968), makes it difficult to reconstruct the events, climate, and the extent of the bias which existed at the time the discrimination took place.

For example, while discrimination on the basis of sex has been prohibited for years, the Department's regulations specifically prohibiting discrimination on the basis of sex were not issued until January 3, 1967. These regulations were strengthened on February 14, 1968, subsequent to the issuance of E.O. 11375, which prohibits discrimination on the basis of sex. Revised EEO regulations have been issued by the Civil Service Commission, effective July 1, 1969. A strong policy statement dealing with discrimination against women did not exist then, nor does it now.

The frank statements contained throughout the documents in the investigative file show that discrimination based on sex not only was practiced, but also condoned at all levels during the period Miss Palmer alleges discrimination.

The investigative report deals with discrimination against one woman Political Officer, in only one phase of the personnel process (assignment), in only one regional bureau. Left unanswered are questions such as whether discrimination existed in the assignment of other women officers, in other phases of the personnel process, or in other parts of the Department.

As part of the "Action Program" required by the Civil Service Commission regulations on women, we are gathering general statistical data on the Status of Women in the Department. Analysis of this data will enable us to identify problem areas and seek corrective action.

A number of officers identified in the attached report are not aware of the investigation. These individuals have not been informed of the details of the Complaint as it concerns them, nor given an opportunity to respond.

The experience gained in handling Miss Palmer's complaint has been helpful in drafting our new Equal Employment Opportunity regulations. We are revising our procedures to provide more rapid and thorough handling of complaints.

RECOMMENDATIONS

(1) That Miss Palmer's personnel file be documented to show that her career has been affected by prejudice against women officers—this documentation can best be done by placing a copy of this memorandum in her file. Copies of the investigation itself and the summary will be maintained in my office.

(2) That you or the Director General address a letter to all Principal Officers emphasizing the Department's policy of prohibiting discrimination on the basis of sex and soliciting the cooperation of Chiefs of Mission to ensure equal opportunity for female members of their staffs.

(3) That the Deputy Assistant Secretary for Personnel instruct Assignment Panels in their responsibilities with regard to assuring equal opportunity for women in assignments; and if instances of apparent prejudice in the proposed assignment of women officers occur, they be brought to the attention of O/EP for resolution.

(4) That the Department's continuing efforts to eliminate discrimination on the basis of sex be brought to the attention of all officers and employees through appropriate notices and articles.

DEPARTMENT OF STATE,
Washington, D.C., November 26, 1969.

Miss ALISON PALMER,
CORDS Nhatrang,
San Francisco, Calif.

DEAR MISS PALMER: In response to your letter of October 20, I want to fill you in on where consideration of your complaint stands at present. The investigation of your complaint, and the recommendations stemming from it, have received high-level consideration. As you certainly would be aware, however, implementation of any measures in such a delicate area must be done with extreme care lest the results fall far short of what is desired.

A number of moves are either in process or being considered which would provide more discipline in the assignment process. These moves will aid in the elimination of a variety of potential inequities, not just the one which was the subject of your complaint.

With specific regard to your request that your personnel file be documented concerning the effect of prejudice in your career, I would offer a bit of counsel. People knowledgeable in how the Foreign Service selection system works, including Director of Personnel Howard Mace, have expressed apprehension that your career prospects could be damaged by inclusion of reference in your file to this grievance procedure. The employee, of course, has the right to include anything he wishes in his file, and this is not meant as any attempt to dissuade you from having the file documented. What I would suggest is that you hold your decision in abeyance on this until your return to Washington early next year, at which time you can discuss the matter thoroughly with those most knowledgeable on the workings of the selection system, and then decide whether and what to put in your file.

One thing I wish to make clear is that this letter is in no way intended as an effort to dissuade you from contacting Senator Smith. If you feel she should be interested in this matter, that is entirely between you and the Senator and the Department would not wish in any way to intervene.

I will look forward to seeing you after the first of the year when you return to Washington; I understand that you have been assigned to INR/AF in a position in which you had previously expressed interest.

Sincerely yours,
FREDERICK D. POLLARD, Jr.,
Director,
Equal Employment Opportunity Program.

P.S.—For your information, I received a copy of the attached memo after this letter was typed.

DEPARTMENT OF STATE,
Washington, D.C., June 14, 1971.

Mr. ANDREW B. BEATH,
Equal Employment Opportunity,
Appeals Examiner,
Washington, D.C.

DEAR MR. BEATH: Reference is made to Miss Alison Palmer's request for a number of witnesses including Deputy Under Secretary of State for Administration William B. Macomber, Jr., to testify in her discrimination hearing.

The Deputy Under Secretary for Administration informs me that he is aware that this discrimination case has been filed and that in accordance with Regulations a hearing is in progress. Deputy Under Secretary Macomber has further informed me that he has not personally been involved in this case and has formulated no opinion.

Mr. Macomber became the Department's Equal Employment Opportunity Officer when he assumed his present position in October, 1969. Since this case was brought under the Department's pre-July 1969 Regulations, which places the responsibility for the final decision on a complaint in the Equal Employment Opportunity Officer, it would not be appropriate for Mr. Macomber to be a witness in a case in which he has the responsibility for the final decision.

Sincerely yours,
J. EDWARD LYERLY,
Deputy Legal Adviser for Administration.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., December 15, 1970.

Mr. FREDERICK D. POLLARD, Jr.,
Director, Equal Employment Opportunity Program, Department of State, Washington, D.C.

DEAR MR. POLLARD: Civil Service Commission regulations on equal employment opportunity require that certain reports be submitted to the Commission from departments and agencies. One of these, the Disposition of Complaints Reports, is to be submitted to the Civil Service Commission within 10 calendar days of the closing of a complaint.

The Department of State Equal Employment Opportunity Complaint Processing Reports for April and June 1970 indicate the complaints of Miss Alison Palmer and Mr. Willie D. Waiters, respectively, were closed in those months. In response to our recent telephone request for disposition reports on these two cases, you provided us with status reports on each case as of November 30, 1970.

So that we are both in compliance with the regulations I would appreciate receiving from you the proper Disposition reports on the Palmer and Waiters cases. In this regard enclosed for your guidance in submitting the required reports, is a copy of Appendix C of FPM Chapter 713 which details the information required in the various reports. Section C–4 covers reporting disposition of complaints.

Thank you for your cooperation in this matter.

Sincerely,
JAMES FRAZIER, Jr.,
Director.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., January 20, 1971.

Mr. FREDERICK D. POLLARD,
Director, Equal Employment Opportunity Program, Department of State, Washington, D.C.

DEAR MR. POLLARD: This has reference to the complaint of discrimination which Miss Alison Palmer filed with the Department of State on October 15, 1968.

Miss Palmer, through her representatives, the American Federation of Government Employees, has been in contact with the Civil Service Commission requesting information and assistance in connection with the processing of her complaint.

In April, 1970 the Department of State reported to us that Miss Palmer had withdrawn her complaint during that month and that the Department considered the case closed. However, Miss Palmer alleges, and the Department has since confirmed, that she has not withdrawn her complaint.

Your office has informed us by telephone that although the Department considers Miss Palmer's complaint closed, it has not yet issued a written decision in her case. Our Office of Federal Equal Employment Opportunity requested by telephone on December 8, 1970 that the Department issue its written decision in this matter to Miss Palmer, granting her the right to appeal the decision to the Civil Service Commission's Board of Appeals and Review. To date our request has gone unanswered. Our request of December 15, 1970 for a proper disposition

report on the complaint is also unanswered as of this date.

I am sure you will agree that failure to process discrimination complaint cases expeditiously and in accordance with applicable regulations can result in a negative image of the Federal Government's efforts in equal employment opportunity and also vitiate progress made under affirmative action program activities.

I would appreciate your immediate issuance of a written decision to Miss Palmer, if the case is actually closed. If the matter is still open, please expedite processing of the complaint in accordance with applicable regulations. Please send me a copy of your written decision in this matter, giving Miss Palmer appeal rights to the Commission, or a report on the current status of her case and the steps you are taking to expedite its processing.

I appreciate your cooperation in this matter.

Sincerely yours,

NICHOLAS J. OGANOVIC,
Executive Director.

EAST PAKISTAN EXAMPLE OF GENOCIDE TODAY

Mr. PROXMIRE. Mr. President, those who delay the ratification of the Genocide Treaty cannot ignore the tragedy taking place 8,000 miles from our shore in East Pakistan. Since March, the Pakistan Army apparently has been ravishing the country, massacring thousands of men, women, and children whose only crime is being Hindu.

Through the eyes of journalists leaving that country we have seen the slaughter of old men and infants, poor peasants, people who have never had any connection with the rebel army. I quote an article published in the London Sunday Times, June 13:

West Pakistan's Army has been systematically massacring thousands of civilians in East Pakistan since the end of March. This is the horrifying reality behind the news blackout imposed by President Yahya Khan's government since the end of March. This is the reason why more than five million refugees have streamed out of East Pakistan into India, risking cholera and famine.

Mr. President, this article is entitled simply "Genocide." That word describes what is taking place in East Pakistan.

I quote again from an article entitled "Why the Refugees Fled," also published in the London Sunday Times of June 13:

The bone-crushing military operation has two distinctive features. One is what the authorities like to call the "cleansing operation:" a euphemism for massacre. The other is the "rehabilitation effort." This is a way of describing the moves to turn East Pakistan into a docile colony of West Pakistan. These commonly used expressions and the repeated official references to "miscreants" and "infiltrators" are part of the charade which is being enacted for the benefit of the world. Strip away the propaganda, and the reality is colonization—and killing.

Genocide is not a thing of the past. Just look at what is happening right now in Pakistan. How much longer can we delay in acting on the genocide convention?

Mr. President, I ask unanimous consent that an article entitled "Hindus are Targets of Army Terror in an East Pakistan Town," published in the New York Times, be printed in the RECORD.

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

[From the New York Times, July 4, 1971]

HINDUS ARE TARGETS OF ARMY TERROR IN AN EAST PAKISTANI TOWN

(By Sydney H. Schanberg)

FARIDPUR, PAKISTAN.—The Pakistani Army has painted big yellow "H's" on the Hindu shops still standing in this town to identify the property of the minority eighth of the population that it has made its special targets.

Members of the Moslem majority—who, though not exempt from the army's terror, feel safer, than the Hindus—have painted on their homes and shops such signs as "All Moslem House."

The small community of Christians, mostly Baptists, have put crosses on their doors and stitched crosses in red thread on their clothes.

Compared with some towns in East Pakistan, Faridpur, which sits in the central part of the province 85 miles by road and ferry west of the capital, Dacca, suffered only moderate physical damage when the army struck here in April. The attack was part of the offensive begun March 25 to crush the Bengali autonomy movement.

Though a number of shops, most of them belonging to Hindus, have been razed in Faridpur, most of it is physically intact. But every other aspect of life has been shattered, and the hate and terror and fear that wrack the town make it typical of virtually every community in this conquered province of 75 million people.

EASED UP ON EXECUTIONS

Only about half of Faridpur's 35,000 people have returned, although the flow has been growing. Recently the army eased up on its executions and burning of villages in an attempt to demonstrate that normality has returned. The change in tactics began in mid June, just before the central Government announced that it was allowing foreign newsmen back into the region.

An undetermined number of Faridpur's 10,000 Hindus have been killed and others have fled across the border to predominantly Hindu India.

Some Hindus are returning to Faridpur, but it is not out of faith in a change of heart by the army but rather out of despair. They do not want to live as displaced persons in India and they feel that nowhere in East Pakistan is really safe for them, so they would rather be unsafe in their own town.

A Hindu barber said that he was still in hiding but that he sneaked into Faridpur every day to do a few hours' work to earn enough to eat. "I come into town like a thief and leave like a thief," he said.

Those Hindus who have slipped into town keep guards posted at night. "None of us sleep very soundly," a young carpenter said. "The daylight gives us a little courage."

THIS IS OUR HOME

A 70-year-old Hindu woman who was shot through the neck said that as bad as conditions were and as frightened as she was, "this is our home—we want to stay in golden Bengal."

On April 21, when the army rolled into Faridpur, the old woman and her 84-year-old husband ran to seek refuge in a Hindu village. Bodidangi, about three miles away. The next day the army hit Bodidangi and, reliable local reports say, as many as 300 Hindus were massacred.

The old woman stumbled and fell as she tried to flee Bodidangi, she related, and two soldiers caught her. She said they beat her, ripped off her jewelry, fired a shot at point-blank range into her neck and left her for dead.

She and her husband had owned a small piece of property on which they rented out a few flimsy huts. Only the dirt floors are left, she said.

The campaign against the Hindus was—and in some cases still is—systematic. Soldiers fanned through virtually every village asking where the Hindus lived. Hindu property has been confiscated and either sold or given to "loyal" citizens. Many of the beneficiaries have been Biharis, non-Bengali Moslem migrants from India, most of whom are working with the army now. The army has given weapons to large numbers of the Biharis, and it is they who have often continued the killing of Hindus in areas where the army has eased off.

Hindu bank accounts are frozen. Almost no Hindu students or teachers have returned to the schools.

ASSURANCES BY YAHYA

President Agha Mohammad Yahya Khan has appealed to the Hindus to return from their hiding places and from India—possibly four million of the six million Bengalis who have fled to India are Hindus—and has assured them of an equal role in East Pakistani life. However, army commanders in the field in East Pakistan privately admit to a policy of stamping out Bengali culture, both Moslem and Hindu—but particularly Hindu.

Although thousands of "antistate" Bengali Moslems have been killed by the army, the Hindus became particular scapegoats as the martial-law regime tried to blame Hindu India and her agents in East Pakistan for the autonomy movement.

In Faridpur—and the situation was much the same throughout East Pakistan—there was no friction to speak of between Hindu and Moslem before the army came.

The army tried to drive a wedge between them. In April, as a public example, two Hindus were beheaded in a central square in Faridpur and their bodies were soaked in kerosene and burned. When some Hindus trying to save their lives, begged to convert to Islam, they were shot as unworthy nonbelievers (in some cases, however, converts are being accepted).

The army also forced Moslems friendly to Hindus to loot and burn Hindu homes; the Moslems were told that if they did not attack Hindus, they themselves would be killed. Most of the Hindu houses in the region around Faridpur—some say 90 per cent—were burned as a result.

Still, there is no sign of a hate-Hindu psychology among the Bengali Moslems. Many have taken grave risks to shelter and defend Hindus; others express shock and horror at what is happening to the Hindus but confess that they are too frightened to help.

Many Bengalis, in fact, feel that the army has only succeeded in forging a tighter bond between Hindu and Moslem in East Pakistan.

TRIBUTES TO THE LATE CONGRESSMAN L. MENDEL RIVERS BY THE NORTH CHARLESTON BANNER

Mr. THURMOND. Mr. President, immediately after the death of Congressman L. Mendel Rivers last December, tributes to his memory poured forth from our State and across the Nation. Newspaper accounts of his life and death and editorials praising his public service were printed in many publications.

Since that time a handsome volume has been prepared containing the memorial addresses and printed tributes to Congressman Rivers which were included in the CONGRESSIONAL RECORD.

Mr. President, it has come to my attention that the December 30, 1970, accounts of the North Charleston Banner, North Charleston, S.C., about Mr. Rivers were not included in the RECORD at that time. Since these accounts from Mendel Rivers' home community had not been called to our attention at that time, I commend them to the Senate now.

Mr. President, I ask unanimous consent that the North Charleston Banner articles of December 30, 1970, entitled, "People He Served Said It Best: 'A Tragic Thing,'" "L. Mendel Rivers Never Forgot North Charleston," "Mendel Rivers Returns Home to Charleston," and an editorial entitled, "L. Mendel Rivers," be printed in the RECORD.

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

PEOPLE HE SERVED SAID IT BEST: "A TRAGIC THING"

In the end, the people Mendel Rivers served in life described best what everyone felt upon his death.

The housewives, barbers, druggists, clerks and cab drivers put in simple words the grief and shock at the death of Rivers, chairman of the powerful House Armed Services Committee, early Monday at the age of 65, several days after undergoing major heart surgery at a Birmingham, Ala., hospital.

W. J. Britton, a postal clerk who lives at 781 Jordan Street, called Rivers' death "a tragic thing for the entire community." His two sons and all servicemen, Britton said, "have benefitted by the things he has accomplished."

A housewife, Mrs. Ed Rolfe of 1023 Riverview Dr., expressed "great shock and sorrow."

"It is a great loss to my family, all of South Carolina and the whole country. I know he was a really great man," she said.

At Charleston Air Base Monday afternoon, the "little people" turned out to pay their respects to the fallen leader, a man who had championed the cause of the enlisted man and who had provided so many jobs for "his people" back home.

They stood glumly in groups of three or four as Rivers' flag-draped coffin was taken from a gleaming Air Force jet. Some wiped away tears. Air Force privates stood shoulder-to-shoulder with colonels and majors to get a last look at some vestige of the man who had become a legend in his own time in Charleston County.

While politicians and civic leaders were high in their praise of Rivers and expressed deep sadness at his passing, it was the man in the street who seemed to mourn most.

"It was a great blow to everybody in Charleston," said cab-driver Larry Daniels of 115-B Russelldale. "He was a man who took care of all of us."

"It was a sad, sad thing," said Mrs. C. E. Infinger, a housewife of 219 Victoria Ave. "The people of Charleston will really miss him. He was a good man."

A retired civil service employe, Harold F. Hardin of 1009 Dennis Dr., Hanahan, said: "He was a good man, and we needed him. His loss will have a grave effect on the economy in this area."

Mrs. R. D. Varner, a housewife of 3049 Chicora Ave., said she attended school with Rivers.

"It's a sad thing. It's the Lord's will," she said. "He will be missed all over the world."

"This is one of the saddest things that could happen to South Carolina and the whole country," said Mrs. V. T. Roseborough, a saleslady. "He will be greatly missed."

Albert Jacobs, the manager of a drug store in Moncks Corner, said he was "deadened by the news."

"I had been praying for him," said Jacobs. "I wonder now what the future holds for the economy in this area. He always looked out for us."

The Rev. Walter Hickman of Yeaman's Park Presbyterian Church said Rivers' death was a "big loss to the community and the country—in fact, the world. No one was really prepared for it."

Dr. Gordon Stine, chairman of the Charleston County Democratic Party, admitted that it was probably Rivers' intervention in 1968 that brought about a landslide for local Democratic candidates. Rivers went on television in the closing weeks of the campaign to plug personally for "my people."

"He was instrumental in the landslide victory in 1968," Stine said. "I don't think he would have done it unless he had been behind it in his convictions. Needless to say, we all loved him dearly. It will be a real loss. The real loss, of course, will be felt by the servicemen throughout the world. He did so much for them."

Robert W. Turner, former state representative from North Charleston and presently head of the State Pollution Control Authority, doubted that Rivers would ever be replaced.

"He was one of the strongest men in Congress," Turner said. "You can't replace him. "He was from our part of the country, and he was extremely dedicated to the job. He lived his job; he lived it for his people. He was the kind of man you needed so badly in Congress. I had been extremely worried about him, but it was still a shock when I learned he had died."

John Bourne, former head of the Charleston County Republican Party, said Rivers' death represented "a great loss to the community, the state and the nation. I'd been fearful he would not survive, but I still can't fully believe it."

State Sen. Allen R. Carter of North Charleston said the community had lost a friend and "a man who was tremendously interested in the peace and well-being of the country."

"He was just an awfully good friend," Carter said. "I'd known him for many years but more intimately, I guess, in the last four. He came by my office one Saturday morning, just stopped by. He was traveling around. What amazed me so much later on was that he was in such bad health and never said a word about it, even in private conversation. I don't think we can even begin to assess the amount of the loss now."

Rep. Arnold Goodstein said Rivers would "leave his mark on the people of this country for a long time."

"He is a man who spent his lifetime working for the people of his district and in Charleston County," Goodstein said. "The Democratic Party has lost a greater leader, and Charleston County has lost its most accomplished citizen."

L. MENDEL RIVERS NEVER FORGOT NORTH CHARLESTON

Though he became a world figure later in life, L. Mendel Rivers never forgot North Charleston, and North Charleston never forgot him.

Rivers moved from St. Stephen to North Charleston in the second grade when the community was little more than a few homes and fewer streets. He worked at different jobs in the community to help pay his way through school and played semi-pro baseball here as a young man.

North Charleston helped the young attorney attain the largest margin of victory ever posted by a local politician in 1934 when Rivers won a state House seat with 18,000 votes. North Charleston gave Rivers 85 percent of its votes that year. North Charleston went for Rivers by large margins for the remainder of his career.

Though the chairman of the House Armed Services Committee subsequently moved to the West Ashley area and maintained another home in Virginia, he remembered his boyhood home.

Though people were fond of joking that the peninsular city would sink into the ocean if another military facility located in the area, there was never any danger of that, because most of the military facilities were being located and expanded in North Charleston.

Rivers obtained a $7 million appropriation in 1954 to pump now life into a flaggin Charleston Air Force Base and ultimately turned the base into one of the service's largest airlift facilities. One of the chief backers of the C-5 aircraft, the congressman also arranged for the local base to be one of two Military Airlift Command bases to house the first operational C–5 planes.

Charleston Naval Base became a sprawling complex under Rivers' benevolent gaze, and he also arranged for the Navy's Atlantic fleet Polaris operations to be based near Goose Creek. When large-scale employment cutbacks hit the local bases in the wake of the Vietnam standdown, Rivers was able to cushion the blow to the local economy by switching other armed forces organizations to the local military complex.

One of the largest military appropriations for the Charleston area was a $12 million outlay for a new naval hospital. Construction is well underway in North Charleston.

While he was insuring a large military presence in North Charleston, Rivers also was careful to appeal to industry to settle in the area. Avco Lycoming, Lockheed-Georgia and General Electric were a few who invested large sums of money locally to begin new operations.

Through his 30 years' service in Washington, Rivers' name was memorialized time and again in the North Area, giving him the unusual distinction of having things named for him in life instead of only in death.

In 1948, North Charleston's busy "main street" was renamed Rivers Avenue. It had been known as the "dual lane" until then.

When a new Post Office annex was built in North Charleston, it was named "Rivers Annex."

Rivers took an active interest in servicemen's housing, and in 1963 he dedicated the new Men-Riv Park, a $6.5 million modern housing subdivision for servicemen and dependents at Goose Creek.

In 1965, a bronze bust of Rivers was unveiled adjacent to the Cooper River Memorial Library. Today, its steady gaze oversees the booming construction of the new naval hospital just across Rivers Avenue.

Rivers also announced a $750,000 federal grant to the Baptist College at Charleston in 1968. That money was used to construct a $1 million library on the budding North Charleston campus, and just a few weeks ago evangelist Billy Graham and trumpeter Al Hirt joined to honor Rivers on the occasion of the college's new facility being named the "L. Mendel Rivers Library."

MENDEL RIVERS RETURNS HOME TO CHARLESTON

Congressman L. Mendel Rivers came home Monday.

More than 200 people crowded the flight line at Charleston Air Force Base to pay their respects as the congressman's flag-draped coffin was delivered by Air Force jet from a Birmingham, Ala., hospital, where the 65-year-old chairman of the House Armed Services Committee died earlier in the day following heart surgery.

They were Mendel Rivers' people. Air Force enlisted men stood grimly with colonels. Housewives looked on solemnly. On the roof of a building not far from the flight line, two civilian workers in hard hats stood silently watching the tableau.

The crowd was very small at 2 p.m., but it had grown in size by the time the shiny, white Air Force KC–135, number 24130, landed and pulled slowly up to the parked hearse and Air Force honor guard decked out in chrome helmets.

A short time before the plane's arrival, a small group of newsmen arrived on the scene and were told the Rivers family had requested no press coverage, no pictures. They divested themselves of cameras, but no one left. They remained to pay their respects.

As the crowd began to grow in size, an Army enlisted man asked one newsman what was going on and was told that Rivers' body was due to arrive shortly.

"Oh, oh, I see," the young soldier mumbled, and he walked over to join the mourners.

When the plane rolled up to the waiting hearse and honor guard, there was absolute silence among the spectators, who had grown in number by now to over 200 in the immediate area. Many others stood in front of buildings, their hats removed, far down the dual-lane street leading to the flight line.

The gaping side door of the plane opened, two Rivers' aides walked down the stairway, and a truck then backed up to the cargo door. A hydraulic pump lifted the truck bed to the level with the cargo hatch, and the flag-decked coffin was placed on the truck. The bed was lowered, and Air Force pallbearers stepped forward, grasped the coffin and then proceeded between the honor guard to the hearse.

As the coffin was placed in the hearse, the Air Force personnel snapped to attention, but there were no salutes.

Finally, the hearse and its police escort pulled away. A woman stood nearby as if rooted to the spot, her hands held up to cover her mouth, the tears welling in her eyes.

Congressman L. Mendel Rivers had come home.

L. MENDEL RIVERS

We feel, it seems, an extra measure of grief, of loss, of sadness upon the death of a very few great Americans. We felt is for John Kennedy and Robert Kennedy and Dwight Eisenhower. We feel it today for L. Mendel Rivers.

L. Mendel Rivers has been described as probably the third or fourth most-powerful man in the United States because of his chairmanship of the House Armed Services Committee, but that is not the reason we accord him a special place in our hearts. Congressman Rivers was also the most powerful political figure in Charleston, but that is not the reason, either, for our special feeling of loss. Nor will we miss him for his single-handed work at making the Charleston area one of the largest military complexes in the world.

Ultimately, we all will miss L. Mendel Rivers because he never forgot us.

He remained a humble politician—in a day, it seems, when politicians with power forget their beginnings—despite his 30 years' service in the House and the fact that he was unbeatable in his district.

"Rivers Delivers" was a factual and, therefore, powerful slogan which served to make us remember and appreciate the congressman, but we prefer to remember another slogan which truly described the man. It was a two-word description used on his political billboards some months ago during the Democratic primary: "Your Congressman."

When Mendel Rivers, then an unknown attorney, first ran for his congressional seat in 1940, he faced harsh odds. He had little money to finance a campaign, and he faced an opponent backed by strong local forces. Mendel Rivers won the election in November of that year by waging a door-to-door, hand-to-hand campaign in the rural areas of the district which his opponent had taken for granted. In the years after that campaign, Rivers returned almost annually to the little courthouses and tiny general stores in scores of small villages across the district to meet his constituents face-to-face and hear their problems. He never forgot the little man and the fact that he was, in the final analysis, "our congressman."

The North Charleston Banner became personally acquainted with this remarkable quality over a period of time. A small, struggling newspaper would not, it seems, have warranted much attention from a man of Rivers' stature. So we were astounded at the ease with which we could contact the man in his Washington office and the unhesitating cooperation he displayed in helping out with a news story. Mendel Rivers, apparently, made no distinction between the New York Times and the North Charleston Banner, a fact which amazed us at first but which we slowly grew to accept as a mark of the man.

And so we mourn his death today. We mourn it not because of his position in the nation and not because of the physical improvements he brought to our community. We do not mourn him, either, for the material aid he granted in the past.

We mourn his death because we were among "his people" he cared about so much.

PERMANENT WAGE-PRICE CONTROLS

Mr. BENNETT. Mr. President, Prof. John Kenneth Galbraith came out the other day for permanent wage-price controls of the economy. Such a statement is not surprising from Mr. Galbraith. He is one of those academics-turned-administrators who have never quite recovered from their World War II experience of regulating the Nation's economy. It matters not to them that the regulation did not work. They forget the economy was stifled and that free initiative, which is at the heart of our prosperity, was smothered.

Professor Galbraith's economic advice is not surprising to us, but it is surprising that his fellow Democrats should continue to take him seriously. Mr. Galbraith, alone for 30 years, has been one of the chief economic advisers of the Democratic Party. He was a member of President Kennedy's administration which maintained a level of unemployment considerably higher than anything experienced in this administration. He is now a member of the Democratic Policy Committee and judging from recent statements by Senators MUSKIE, HUMPHREY, KENNEDY, JACKSON, BAYH, HARRIS, and Mr. McCarthy, his views are still held in high esteem in the leading councils of the Democratic Party.

These gentlemen, of course, are not as open in their advocacy of wage-price controls. They use words like temporary and short term to describe the controls they would institute. But they know as well as Professor Galbraith does, that short-term controls would rob the economy of its dynamism and lead to demands for more and more Government intervention in the economy, until it was turned into a semipublic corporation.

Perhaps the most unacceptable aspect of the Democrats' plan to socialize our economy either gradually or in one fell swoop—is that they are advocating it—with the usual accompaniment of gloomy predictions of imminent collapse—at just the time the economy is turning around and beginning a sustained recovery. All signs point now to steady progress toward full employment without runaway inflation. The GNP increased $19.7 billion in the second quarter of 1971 to a seasonally adjusted annual rate of $1,040.5 billion. This jump represents the third largest real increase in history. In real dollars, it is the second largest increase since the third quarter of 1969. When coupled with the first quarter increase, it means that GNP has grown by a recordbreaking $52.5 billion in the first 6 months of this year.

It is also clear that unemployment has begun to drop. Historically, unemployment begins to drop 6 months after the low point in an economic cycle is reached. The low point in the current cycle was reached last December when unemployment rose to 6.2 percent. In June, just 6 months later, the unemployment rate made the most dramatic drop in 20 years—a .6 drop to 5.6 percent. At the same time, average weekly working hours among manufacturing employees rose to a full 40 hours—traditionally the sign that companies are gearing up for full production schedules and will soon begin new hiring. Average weekly overtime among manufacturing employees is even up now to a full 3 hours.

Inflation has slowed as well. When President Nixon took office, the rate of inflation was high and going higher. It continued to rise until the beginning of last year. At that time, the upward movement in the inflation rate was arrested at a dangerously high point—the consumer price index was then going up at a rate of 6 percent a year. Since then, the rise in the index has declined steadily. While June was a disappointment, the last 12-month period declined to about a 4.5-percent rate. While this is not tolerable yet, it is worth noting that of 22 nations belonging to the Organization for Economic Cooperation and Development, only three had lower rises in their consumer price indexes during the last 12 months than did the United States.

The indications that the economy is now on the upswing have been clear to practically everyone. Consumer spending has increased dramatically. Nondurable consumer spending increased a sharp $7.5 billion in the last quarter, the largest quarterly increase in 3 years. During the first quarter, durable consumer spending made the largest single jump in history. Housing starts in the first 6 months of this year were 48 percent above the rate a year ago. And at the same time, personal savings has increased steadily, indicating the economy will have the resources to continue expanding over the next year or more.

The signs of economic progress are clear to everyone—business, labor and the consumer. Everybody, that is, but certain elements in the Democratic Party. But, this inability to see what's going on is nothing new. These same Democrats, after all, were responsible for the extravagant spending in the Johnson-Humphrey years which left the economy in shambles by the time President Nixon took office. Now, to compound the disaster they created, they would have us institute wage-price controls at a time when inflation is being reduced and the dynamism of our economy is shifting into high gear.

At just the point when our free system is beginning to show what it can do when not shackled by the irresponsible policies of President Nixon's predecessors, the Democrats would have us destroy that competition with wage-price controls. The President, thankfully, will

not listen to their advice. Nor thankfully, will the public. For the President and the public believe in the free and competitive spirit which has built this country. And they can see how it is working in the economy today.

MORE WHO HELPED ON FOREST RESEARCH LAB

Mr. McINTYRE. Mr. President, when the Senate passed the appropriations bill for the Department of Interior and related agencies I stated my pleasure that this legislation included funds for the construction of the Forest Service Research Laboratory on the grounds of the University of New Hampshire at Durham, N.H.

In the course of my remarks I paid tribute to several individuals who have worked for a long time to bring this vital laboratory to fruition. In some manner, which I cannot explain, some of my remarks about individuals were not included when the CONGRESSIONAL RECORD appeared.

I would like to correct this immediately by adding the names of Theodore Natti, director of the State of New Hampshire Department of Resources and Economic Development, G. Allen Holmes, president of the New Hampshire Farm Bureau Federation, and Tudor Richards, executive director of the Audubon Society of New Hampshire as being among those who have spoken for both themselves and in behalf of their organizations in behalf of this laboratory.

Mr. President, I want to pay tribute to these persons as I did earlier to the others. They made a fine contribution to this successful effort.

AMERICA'S POSITION IN WORLD TRADE

Mr. FANNIN. Mr. President, the deterioration of America's position in world trade continues although there are some hopeful signs that the Nation is starting to understand the seriouness of the problem.

On the radio this morning there was a report that the workers at one American shoe factory had agreed to forego wage increases for the next 2 years so that their plant could remain in operation. Because of competition from Italian imports, the factory was in danger of being closed.

But in too many cases, the unions are adamant in their wage demands. They blindly seek pay increases far in excess of productivity increases. This is bound to result in disaster for American firms trying to compete at home against foreign imports as well as in the other world markets.

The tragic result is an export of jobs that we can ill afford to lose.

Mr. President, a column in today's newspaper comments on this problem. I ask unanimous consent that the column, by Marquis Childs, be printed in the RECORD.

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

LABOR RELATIONS: A LESSON FOR U.S.

(By Marquis Childs)

The President of a New York bank, who is also a director of the Japanese Sony Corporation, recently visited Japan. Escorted through one of Sony's big plants manufacturing electronic equipment, he noted that on two assembly lines workers were wearing red arm bands.

He asked the reason. They are on strike, the plant manager said. Observing how they were working with the same ant-like industry of those without arm bands, the banker exclaimed in astonishment. But naturally they're working, the manager said, and when the strike is settled and if there is a grant of higher wages they will get their increased back pay.

The banker, who once took, on the whole, a liberal view of the American trade union movement, tells this as another piece of evidence of how Japan is able to forge ahead of the rest of the world, including the United States.

The United States is pricing itself out of world markets. This is the threat that faced Britain when in the early years of this century the flourishing British textile industry was faced with cheap European competition. The British threw up tariff barriers, with the result that Britain was left with a small highly specialized share of the market.

A study not yet released by the Labor Department shows that during the five years 1965–70 Japan's output per man-hour increased at the rate of 14 per cent a year. The U.S. rate was two per cent a year. European countries—Belgium, Switzerland, the Netherlands—were closer to Japan with rates between six and eight per cent. Productivity per man-hour is, of course, the key to industrial output.

The centerpiece at the moment is steel. The choice is between a strike, with its serious impact on production, and a price increase at least equal to that granted aluminum workers. President Nixon has on his desk an order extending the agreement with Japan limiting imports of Japanese steel to six million tons a year. The agreement was reached when Japanese steel began flooding the American market. Steel is the cardinal example of what is happening to American industry in the worldwide cost-price squeeze.

Rebuilding their steel plants shattered in World War II, the Japanese increasingly bought American technology. Today 80 per cent of their basic steel is the oxygen process, a notable advance. In contrast, only 48 per cent of American steel is produced with the advanced technique.

Older plants have been kept in operation as American companies followed a conservative policy of capital investment. So, in price and volume, the Japanese began to outpace American producers. Add to this the wage differential, perhaps as great as 80 per cent, and you have the explanation of why the demand for a limit on imports was irresistible.

What haunts knowledgeable leaders in the labor movement is the multinational corporation. A good example is electronics. An American company, Ampex, found it could not compete in tape recorders with Japanese manufacturers. Today Ampex buys 90 per cent of the parts that go into Ampex tape recorders from Japan. Moreover, Ampex bought 48 per cent of a leading Japanese electronics maker.

Not only in electronics, but in autos and a half-dozen other fields, American corporations are buying into Japanese corporations. This is their protection as imports of television sets and small cars increase at an astronomical rate. But this is no protection for the jobs of American workers, which is why the multinational spread causes such acute pain in labor's council chambers.

From both the State Department and the White House come ominous rumbles of a trade deficit with Japan up to $2 billion for 1971. And that will be reflected in the overall grade surplus, which is nearing the vanishing point. So the word is get tough. But it is hard to argue with the grim facts of the troubled American economy.

NAACP RESOLUTIONS ADOPTED AT 62D ANNUAL CONVENTION

Mr. HUMPHREY. Mr. President, recently it was my great pleasure to greet the delegates of the 62d annual convention of the National Association for the Advancement of Colored People, held in Minneapolis, Minn., on July 5–9, 1971.

My association with the NAACP over the years has been a source of great personal satisfaction. The outstanding work of this national organization has been of the highest importance in moving this Nation from promise toward fulfilment of equal justice and equal opportunities for all our people.

Through a continuing, reconciling, and uniting effort, the NAACP has challenged the conscience of America to wash this land clean of the stain of racial discrimination. Never satisfied with rhetoric and pronouncements, it has repeatedly called for specific actions at all levels of Government, in the private sector, and among its own membership to bring into reality the purpose and demand of its theme, "All Together—Now."

This effective strategy is clearly exemplified in the resolutions adopted at the 62d annual convention of the NAACP. Mr. President, I ask unanimous consent that the text of these resolutions be printed at this point in the RECORD.

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

NAACP 62D ANNUAL CONVENTION, RESOLUTIONS APPROVED BY THE CONVENTION AND ADOPTED

I. PREAMBLE

The theme "All Together—Now!" has not only defined a challenge to the 62d Annual NAACP Convention but has also set its mood. It is the summons on a proud and self-confident organization, renewed in strength and firm in conviction, for all men and women of good will to link arms and move ahead in genuine unity.

The turmoil, conflict, cross-purpose, and divided counsel of the past decade are coming to be seen in their true perspective: not as the blueprint for a future of violence and withdrawal, but as the understandable by-products of transition, of re-evaluation, and of regrouping of forces. Those who thought or claimed to see chaotic repudiation of the NAACP's historic mission are now learning that our people are not so easy to deceive or mislead.

There is a continuity in the organized action of men and women against evil, and that continuity breeds strength. It also requires of us that we not waste time, either in endless self-congratulation or in scorn for those whom we have proven wrong; they are our brothers and sisters, and their comradeship is needed and welcome. There is no better way of expressing continuity, reconciliation and togetherness in the NAACP mandate than by recalling the closing paragraph of the 1970 Preamble. We concluded our work in Cincinnati last year with these words: "We call together with us men and women of good will and serious intent from every walk of

life, of every color, of every faith and nationality. In the strength of unit, and in the rejection of despair, we shall hear no sound but victory."

II. EMERGENCY RESOLUTIONS

A. Equal Employment Opportunity Commission

The Hawkins-Reid bill (H.R. 1746) to strengthen the Equal Employment Opportunity Commission embodies concepts long supported by the NAACP: strong enforcement through the grant of cease and desist authority to EEOC; extension of coverage of the law to protect governmental employees; federal, state and local; and consolidation of enforcement of employment discrimination prohibitions in one agency by transferring to EEOC the functions of the Office of Federal Contract Compliance and the right to bring suits against patterns and practices of employment discrimination.

Be it resolved:

1. This Convention calls upon the House Rules Committee to favorably report the bill as reported by the House Committee on Education and Labor, and calls upon the House of Representatives to pass it without weakening amendments.

2. We call upon our delegates and membership to express their support for this bill to the members of the House Rules Committee and to all members of the House of Representatives.

B. South African sugar quotas

The NAACP has consistently opposed our government's support of the racist government of the Union of South Africa.

Legislation has passed the House of Representatives and is now pending before the Senate Finance Committee that would bolster the economic standing of the Union of South Africa by assigning to it sugar quotas.

Congressman Charles C. Diggs, Jr., Chairman of the Subcommittee on African Affairs of the House Foreign Affairs Committee, has led the Congressional opposition to this action that would give aid and support to this racist South African government.

Therefore, be it resolved:

1. This Convention vigorously opposes the allocation of these quotas to the Union of South Africa.

2. We call upon our delegates and all our membership to contact the members of the Senate, and in particular the members of the Senate Finance Committee to express opposition to the granting of those quotas.

3. We commend Congressman Diggs for his role in opposing our government's support of racism in this legislation.

C. School desegregation legislation

The Senate has passed legislation to authorize expenditure of $1.5 billion to aid school districts in implementing school desegregation plans, to solve the problem of racial isolation, and to promote quality integrated schools. This legislation contains elements of bills proposed by Senator Walter Mondale (D., Minnesota) and the Administration. It has wide bipartisan support. It would establish a broad, federally supported program to advance school desegregation.

Be it resolved:

1. This convention supports the Senate passed school desegregation bill and opposes any amendments designed to weaken it.

2. We call upon the House Subcommittee and the full Committee on Labor and Education to consider this bill without delay and to approve it without weakening amendments, and upon the House of Representatives to pass it.

3. We call upon our delegates and members to convey their expressions of support for this legislation to members of the subcommittee, the full committee and the membership of the House of Representatives.

D. Voter registration in Mississippi

Whereas more than thirty counties in Mississippi have required registration of all voters, and

Whereas, the NAACP Legal Department is convinced that this action is illegal under the 1965 Voting Rights Act, and

Whereas, potential registrants and persons conducting registration campaigns in Mississippi have been subjected to violence and other types of harassment, and

Whereas, the 26th Amendment was approved a few days prior to the closing of registration and registrars in many instances delayed, frustrated young people seeking to register and denied them registration, and

Whereas, registration books have been closed in Mississippi pursuant to state law, but it is still possible to continue registration if the Attorney General will authorize appointment of federal examiners under the Voting Rights Act,

Therefore be it resolved, This convention calls upon the Attorney General of the United States to authorize the appointment of voting examiners in all counties of Mississippi and to file suit to extend the time for registering.

E. Demand for desegregation action in Kalamazoo, Mich.

Whereas approximately three years ago the Michigan Civil Rights Commission analyzed the public school system of Kalamazoo, Michigan and determined the many iniquities particularly relevant to specifically black people, and

Whereas the Illinois Institute of Technology, at the request of the Kalamazzo School Board, made an indepth "Desegregation Proposal" of the Kalamazzo Public Schools (approved and adopted by the Kalamazoo School Board) that was considerably meaningful to the Black community of Kalamazoo, and

Whereas the "new" Kalamazoo School Board of July 6, 1971 decided to postpone consideration for implementation of the "Desegregation proposal" for or e year, and

Whereas we of the NAACP can no longer tolerate the mental crippling of particularly black children by iniquities of education as exist in Kalamazoo,

Let it be known that we of the NAACP propose the immediate implementation of direct action and consideration of litigation that will involve the Kalamazoo NAACP Branch, the Michigan NAACP State Conference, and the National Office of the NAACP.

F. General Mills Corporation

Whereas it has been observed that the Corporate Headquarters of General Mills in Minnesota has a small number of black employed actually 23 out of a total 1,600 or 1.3%, and

Whereas the General Mills Corporation has a total of about 16 thousand employees in its parent company and subsidiaries with a black employee percentage of 10.4, and

Whereas blacks throughout the nation purchase General Mills products, and

Whereas despite the presence of 23 million blacks in this country in addition to others, the Betty Crocker a composite picture of the All American homemaker is lily-white,

Region III express its dissatisfaction of the small number of blacks in the corporate headquarters in Minnesota and the general low profile of blacks in the employees of the company,

Therefore be it resolved that Region III leadership ask each branch to make a survey of the G.M. Corp. and Betty Crocker, concerning the above mentioned matters and ask the other Regions to do the same, and that these findings be reported to the entire Association through the CRISIS magazine.

G. Bi-centennial celebration

The announcement on Wednesday, July 7, to the effect that a Commission has been formed to plan the Celebration of the 200th Anniversary of the founding of the United States is of great significance to 23 million black Americans whose contributions to the growth and development of our great nation must be called to the attention of all who are involved in this historic occasion.

Therefore be it resolved by the 62nd Annual Convention that the National Office insure black participation and inclusion in the bicentennial and that the National Office establish a committee composed of its education department and historians throughout the country to ascertain this documentation and participation.

H. Shifting of mail from the large cities to the suburbs

Whereas, the unemployment rate of blacks in the larger cities of our nation has reached crisis proportions;

Whereas, the post offices of these cities furnish employment to a large segment of blacks and have been sources of economic stability to the inner cities;

Whereas, this area of employment is threatened by the planned removal of much of this mail to the suburbs by the United Postal Service;

Whereas, transportation to these facilities is expensive, difficult, and in some cases nonexistent in terms of public transportation;

Whereas, low and medium income housing is not available to blacks in many of these areas;

Therefore, Be it Resolved, that the NAACP in convention assembled, go on record as opposing this move and make opposition known to Post Master General Winton Blount, Congress and the President of the United States. Also, the National Alliance of Postal and Federal Employees and the National Association of Letter Carriers.

I. U.S. treaties with American Indians

We are deeply concerned about the national obligation to honor our treaties with other nations and peoples. We take note of the fact that the American Indian movement nationally faces opposition from the government of the United States which is not honoring the 389 Indians treaties made by the Congress of the United States and we recognize that American Indians have a right to insist upon performance of the obligation in these treaties, and we therefore place that 62nd National Convention on record supporting the American Indians in their legitimate demands.

J. South Africa

We re-affirm our opposition to the racist apartheid policy of South Africa, the most discriminatory policy in the world and call upon American industries with financial holdings in this nation, including General Motors, to use their influence to pressure South Africa into a recission of its racist policies or to withdraw their financial investments and franchise arrangements from that country. We note further the continued refusal of South Africa to admit American athletes of color such as Arthur Ashe, internationally known tennis star, although our nation continues to invite such sports stars as Gary Player in golf, and Cliff Drysdale in tennis and others who participate in lucrative contests and through their winnings are enabled to take home a considerable share of wealth.

In view of South Africa's continued promotion of segregated sports while black Americans are denied equal opporunity for admission to and participation in South Africa sports and native South Africans are likewise denied an opportunity to participate in international competition,

Therefore be it resolved that we call on our Branches to engage in peaceful protests against the invitation and participation of South Africans in American sports competition.

We call on our members to withhold eco-

nomic support from such companies doing business with the Union of South Africa where those companies do not accede to our request that they use their good offices to bring about a favorable change in the apartheid policies in South Africa.

III. CIVIL RIGHTS

A. Revenue sharing

Whereas, President Nixon has proposed a revenue sharing plan making United States funds available to states and cities without any Federal restrictions as to the use of these funds, and

Whereas, the practice of granting Federal funds for education and other purposes to states without any requirements as to how the funds are to be distributed and utilized has resulted in gross discrimination against Negro citizens in funds allotted to meet their needs, therefore be it

Resolved that the National Association for the Advancement of Colored People shall call upon the Congress to reject any revenue sharing plan which fails to provide workable safeguards against discrimination based on geography population and/or race in the distribution and utilization of public funds, and be it further

Resolved that the text of this resolution be sent to the leadership of both parties in both Houses of Congress and the President of the United States.

B. Representative William McCulloch

We note with deep regret that Congressman William McCulloch of Ohio, who is the ranking Republican member of the House Judiciary Committee, will not seek re-election in 1972.

We commend him for his consistently courageous and successful efforts to build bipartisan support for all civil rights laws enacted in the period from 1957 to 1970. We urge his colleagues to follow his example in working for the full equality of all America.

C. Withholding funds for state departments of police

Whereas funds for state police are augmented by Federal funds, and

Whereas many state departments of police are segregated and/or without affirmative action programs for desegregation,

Therefore be it resolved that the NAACP calls upon the Federal Department of Transportation to withhold funds for highway construction from any state until the highway patrol of such state is integrated.

Be it further resolved that our branches, youth and college chapters and state conferences support a policy of federal denial of funds to any state department of police which is not integrated, instituting legal suit, to accomplish this purpose, where necessary.

D. Police community relations

Whereas, there is an increasing deterioration in police community relations due in large part to unprovoked assaults and killings of citizens by police and by unjustified arrest, and

Whereas, police throughout the country have repeatedly demonstrated an appalling unfamiliarity with the bill of rights, and

Whereas, much of this can be traced to the failure to properly screen applicants for police work to assure that existence of antisocial and biased attitudes are not present in them, and the failure to properly train police officers in matters regarding constitutional rights and human relations, and

Whereas, the political exploitation of the widening cleavage between some communities and those charged with their protection is escalating the deterioration of relations between police and community in critical areas, and

Whereas, the Federal government is supplying large sums of money through the law enforcement Assistance Administration to the states for the improvement of law enforcement without adequate protections against the flagrant misuse thereof,

Therefore be it resolved that we call upon all our country's law enforcement agencies to establish comprehensive recruiting and testing procedures which would assure the selection of stable competent and unbiased officials.

Be it further resolved that a thorough understanding of the Bill of Rights be a requirement for police service, and

Be it further resolved that we call upon the law enforcement assistance administration to require that sufficient funds be allocated for human relations training for police departments to require strict adherence to all federal non-discriminatory guidelines and to insist on the inclusion of blacks and other minorities as community and other representatives, and

Be it further resolved that the law enforcement Assistance Administration mandate that out of the allocated funds a separate agency be established which is in no way dependent on or related to law enforcement agencies to prepare and administer the test and pass upon the qualifications of the applicants, and

Be it further resolved that the law enforcement officers who are members of the NAACP be asked to meet during 1971 for the purpose of determining how they can assist branches when called upon, regarding discrimination in police departments, recommendations for training programs of police officers, etc., and where problems exist between the police department and the community.

Be it finally resolved that we call upon all public officials and candidates for public office to denounce the exploitation of police community tensions for political purposes.

E. Administration of juvenile justice

Whereas, there has been increasing evidence throughout the United States that individuals who are legally defined as juveniles when confronted with the throes of the law are not accorded simple due process of law, equal protection of the law and in many instances not provided with any vehicle to vindicate themselves, including but not limited to the right to counsel, the right to bail, the right to a jury of their peers and the right to a speedy and public trial,

Whereas, we have received an abundance of evidence that juveniles are required to make unintelligent waivers of those diminutive rights which they have,

Whereas, the nation generally is placing increased responsibility upon those legally defined as juveniles both for their actions and results of their actions,

Whereas, there are enumerable individual Americans who are legally defined as juveniles today,

Whereas, the increasing evidence of mistreatment of juveniles by officials of the law is a blight on our legal character and cause for alarm among those who hold "law and order" dear, and

Whereas, the juvenile detention centers and jails have clearly demonstrated their incapacity to rehabilitate and reshape individuals,

Therefore be it resolved, that national priority be given to the correction of blatant inequities existing in the treatment of juveniles,

Be it further resolved, that the Executive, Judicial and Legislative branches of the Federal Government and State Government give immediate and special attention to the methods and procedures which are currently in use with respect to the treatment of juveniles who are involved in legal action against them.

Be it further resolved, that we call upon NAACP units both seniors and youth to investigate and monitor the treatment of juveniles as they are faced with the law and take any steps to rectify the existing inequities.

F. Angela Davis

We are appalled at the obvious effort to deny the presumption of innocence and thereby convict Miss Angela Davis of murder long before the first witness has been called. We are deeply concerned that the American judicial system provide a fair trial for a young, black American woman who admits to being a member of the Communist Party.

At this moment, we express no view as to her innocence or guilt simply because the evidence has not been presented. Miss Davis has not asked our help but we demand, and will take every lawful step available to us to guarantee that Miss Davis shall not be denied any of the safeguards of the American judicial system. We call on all other Americans, black and white, to join us in assuring a fair and impartial trial for Miss Davis.

IV. CONSUMER PROTECTION

A. Rights of the consumer

Congress must address itself to legislation to further enhance consumer protection. Whereas, that age-old expression, "Caveat emptor" ("Let the buyer beware") has no rightful place in even a "free" society; and

Whereas, in these United States, the wealthiest of nations, millions of citizens are still easy prey for merchants, businessmen, and loan sharks.

Therefore be it resolved, that we specifically call on the U.S. Congress to initiate and pass legislation which will:

(1) Make mandatory the listing of unit prices on multi-unit packages of consumer goods;

(2) Make mandatory the dating of perishable goods in order to safe-guard consumption;

(3) Outlay deficiency judgments;

(4) Provide that the language of warranties, contracts, etc., be couched in terms that the average citizen can understand; and

(5) Provide that the Office of Economic Opportunity continue the establishment and funding of credit unions in low income areas.

B. Consumer programs

Whereas, the 61st Annual Convention established a Branch Standing Committee on Consumer Protection by Constitutional Amendment.

Therefore be it resolved, that we urge our branches to develop consumer programs in order to assure both the protection and enforcement of consumer rights.

V. ECONOMIC ADVANCEMENT

Transportation

Since 1952 two hundred and fifty-eight transit systems in the United States have been abandoned. The poor particularly are victims of the decline of public transportation. Of all of those families with an income of less than $3,000 a year, only forty-six per cent own cars, a very low figure considering that many of the people live in areas where the car is the sole means of transportation.

The nation's present over-emphasis on the private automobile and highways as the primary means of transportation has resulted in a loss of equality in the movement of people, particularly the poor.

The Urban Mass Transit Administration of the Department of Transportation has a budget of four hundred million dollars while the Federal Highway Administration has a budget of over five and one half billion dollars. This is all part of a pattern of extensive subsidies for road construction, and minimal subsidies for mass transportation and transportation planning.

We affirm the right to mobility as a basic human right. We believe that everyone has a right to safe, efficient, economical comfortable, and clean transportation systems. We urge a national reevaluation of transportation policy at all levels of government and en-

courage citizens to become involved in the setting of this policy. In a country where eighty percent of the people live on one percent of the land space, public transportation is not only a right, it is a social necessity.

Black Entrepreneurship

Fifty percent of Black entrepreneurs involved in an economic venture have failed primarily due to lack of sufficient capital.

The majority of Black business are under programmed, under financed and under staffed mainly because of inadequate preparation. Therefore a serious plan of activity should be set up to obtain financial assistance.

Be it resolved that the NAACP use whatever means necessary to obtain this assistance through the establishments of organizations, foundations, etc. to provide grants in aids, training in management assist, and other resources to assist all Black businesses in their economic mergence in American life.

Be it further resolved that the NAACP support black trade organizations in their efforts to get the Federal Government to set aside a certain number of contracts for black-controlled businesses.

VI. EDUCATION

A. Basic policy statement

We again reaffirm the historic commitments of the NAACP to the elimination of racial segregation in all forms in public education—de jure, de factor, or combinations of both—based on the principle of the May 17, 1954 U.S. Supreme Court decision that racial segregation *per se* in public education is inherently discriminatory and unconstitutional.

At the same time, we recognize that the vast majority of Negro children continue to attend racially separate public schools maintaining low educational standards and low teacher-administrator expectations. The devastating educational damage has been documented over and over again. There is no choice, then, between the urgency of ending all forms of segregated education and the urgency of providing high educational standards and accountability of the schools for effectively teaching Negro children. Both objectives must be pursued vigorously.

We call upon the NAACP units in every part of the country to initiate now actions to achieve the basic objectives set forth here and in the standing Resolutions on Education adopted by the National NAACP conventions in 1968, 1969, and 1970.

B. School opening, September, 1971

We call upon all NAACP branches and youth councils in all parts of the country to monitor the opening of public schools in September, 1971, focusing on: (1) continuing segregation—de jure, de facto or both; (2) ineffective school desegregation plans; (3) segregation and discrimination within desegregated schools; (4) discrimination affecting black teachers and administrators; (5) racially biased curricula; (6) discriminatory student suspension practices.

We further call upon all NAACP units to initiate new community and legal actions wherever necessary to end these and other discriminatory school practices.

C. School desegregation, student teachers, administration and building sites

We demand that in all instances desegregation of administrative and teaching staffs accompany student desegregation and the reassignment, promotion, demotion, retention, or dismissal be determined not by the subjective judgment of school boards and school officials but on the basis of performance and objective tests free from racial bias. We further insist that principals or teachers who may have been demoted or dismissed due to reduction in staff should be rehired or restored to former levels of responsibility, as the case may be, before new personnel are engaged.

D. Accountability of the schools

The quality of education affecting Negro children, especially Negro children from poor families, has long been of deep concern. We have consistently rejected the concept of "the culturally disadvantaged" or "the culturally deprived" child when it has been offered as an excuse for the underachievement of Negro students or as an excuse for the failure of the schools to teach children. Instead, we have attempted to hold the public schools—school boards, administrators, counselors and teachers accountable for the academic achievements of their students.

We now urge all NAACP branches to promote this concept of accountability of the schools and to press for new school policies and practices to ensure administrator-teacher accountability for student performance, especially as expressed in student reading and speaking skills.

Whereas, it has been reasonably sustantiated that there is the nefarious practice on the part of teachers in integrated schools to pass black students who are slow learners, on and out to rid the school of such students,

Therefore, be it resolved that the NAACP go on record as deploring such practice and make it known to administrative agencies that such practices are crippling such students and that such practices be halted immediately.

E. The voucher plan

The voucher plan, whereby parents of all income levels may apply federally subsidized payments in the form of vouchers for the admission of their children to public schools or private schools of their choice, is now being funded on an experimental basis by the U.S. Office of Economic Opportunity. Despite value assurances that the voucher plans will not be used to further segregation, there is grave reason to fear that greater racial, ethnic, and socio-economic segregation will indeed result and that it will be a new dead-end for black and poor children.

We therefore reaffirm our opposition to the voucher plan and we call upon the local branches and the National Office and Local NAACP Branches to take necessary actions opposing the voucher plan.

F. Performance contracts

One of the current controversial issues in public education is performance contracts whereby the public schools contract a private firm to teach children and to be paid on the basis of student achievement. Subject to further experience, we support performance contracts on a limited, experimental basis in the belief that they may offer meaningful competition in the public schools for effectively teaching children, especially black children from poor families. We urge that performance contracts include a penalty provision for a premature termination.

G. Enforcement of P. L. 91–230

Whereas P. L. 91–230 (91st Congress) provides in its Title I for educational services to bring cultural enrichment and remedial and support services to students needing such services, and

Whereas, this provision of the law is being disregarded or violated in most school district throughout the nation, and

Whereas, millions of children are therefore deprived of services Congress intended to be supplied to them, and

Whereas, the present administration has not yet given unqualified and aggressive support to the enforcement of Title I of P. L. 91–230, and

Whereas, the further provisions of this law calling for maximization of parental and community involvement have too frequently been evaded or emasculated in operation, thus further tending to negate congressional intent, now therefore

Be it resolved that the Congress be urged to take immediate appropriate steps to insure compliance of Federal agencies, State and local governments and school and educational authorities at all levels with legislative intent, and

Be it further resolved that Federal funds be withheld from any school district which fails to comply forthwith to the provisions of Title I of Public Law 91–230.

H. Public library services to white academies

Whereas, many local communities are circumventing the intent of Congress and the meaning of the Constitution by establishing private academies for whites only in order to evade integration in the public schools, and

Whereas public libraries are, in many instances, providing books and services to these academies, therefore

Be it resolved that we commend the Black Caucus of the American Library Association for their efforts to end practices in public libraries and school libraries which are discriminatory, and call upon the American Library Association to act swiftly and vigorously on the findings of the ALA Black Caucus, and

Be it further resolved that the National Office call on all Federal and other public agencies to withdraw funds immediately from any public or school library which supplies books or services to all-white private academies.

I. Internal Revenue Service and tax-exemption of private academies

The National Office, acting on information received from NAACP branches, has called upon the Internal Revenue Service to investigate the tax exemption status of more than 100 newly established all white, private "academies" in nine southern states. We strongly urge the IRS to act swiftly on these complaints and on other possible violations of IRS policy of July, 1969 to withdraw federal tax-exemption from lily-white, private schools established to evade desegregation of the public schools.

J. Fair and equal representation on public library boards of trustees

Whereas, a fair and inherent right to fair and equal representation at the policy making level is a basic right of all citizens served by public libraries and

Whereas, equal and fair representation is not practiced in the appointment of citizens to represent the total community on State and local library boards of trustees, and

Whereas, since the public library is one of the important non-school agencies which contribute to the educational and informational needs of all citizens from pre-kindergarten to post-graduate, and since black and other minority Americans are in too many instances ignored, not included, and in too many instances are not appointed in sufficient number to represent a fair representation of the population be it hereby

Resolved that the National Association for the Advancement of Colored People vigorously supports fair and equal representation on boards of trustees of public libraries which will make for fair and equal representation of the total public served, in the composition of all public library boards, and that this communication be sent to all branches of the Association as stated policy and further, that the National Education Director communicate this position to all known state and local officials who are responsible for appointments to public library governing boards.

Be it further resolved that NAACP units urge use of political participation to achieve this goal.

K. "Black" English

Resolved that we support the following editorial in the CRISIS (April 1971) by taking specific action to have the course removed from Brooklyn College or any other college.

The new cult of blackness has spawned many astounding vagaries, most of them harmless. Some of them intriguing and others merely amusing. One which has recently gained a measure of academic and foundation recognition is not only sheer nonsense but also a cruel hoax, which, if allowed to go unchallenged, can cripple generations of black youngsters in their preparation to compete in the open market with their non-Negro peers.

The New York Times and the Daily News report that New York City's Brooklyn College has enrolled some 50 Negro students in a course in "black English"—taught as their native language by Mrs. Carol Reed, described by the News as a "young linguist who heads the language curriculum research project at Brooklyn College". The project is financed by a $64,000 Ford Foundation grant.

It appears that Miss Reed (and she is not alone in this fantasy) is trying to transform a venacular which is more regional than racial, i.e., more southern than Negro, into a full-fledged distant language which the college offers as a course. This language is merely the English of the undereducated with provincial variance in accent and structure from locale to locale throughout the English-speaking world. One might as well call the cockney of the London East Enders or the speech patterns of the Appalachian whites separate languages. The so-called black English is basically the same slovenly English spoken by the South's undereducated poor white population.

What our children need, and other disadvantaged American children as well—Indian, Spanish-speaking, Asian, Appalachian and immigrant Caucasian—is training in basic English which today is as nearly an international language as any in the world. To attempt to lock them into a provincial patois is to limit their opportunities in the world at large. Black children can master Oxonian English as well as any Wasp child of the English Midlands, but each has to be taught the language. No one is born speaking "black, cockney, pidgin, standard or white" English. Children learn to speak what they hear and are taught. Let our children have the opportunity and be encouraged, to learn the language which will best enable them to comprehend modern science and technology, equip them to communicate intelligently with other English-speaking people of all races, and to share in the exercise of national power.

Black parents throughout the nation should rise up in unanimous condemnation of this insidious conspiracy to cripple our children permanently. It is time to repudiate this black nonsense and to take appropriate actions against institutions which foster it in craven capitulation to the fantasies of the extreme black cultures and the pale and spineless sycophants.

Let the black voice of protest resound thunderously throughout the land.

VII. HOUSING

A. The national housing crisis

Whereas, the Congress of the United States has repeatedly affirmed the national policy of eliminating unsafe and unsanitary housing conditions for families of low-income and has also established "a national goal of a decent home and a suitable living environment for every American family."

Whereas, in the passage of the 1964 Civil Rights Act, Congress affirmed that "no person shall be denied the benefits of any federally assisted program on the ground of race, color or national origin."

Whereas, in the 1968 Civil Rights Act, Congress mandated that "it is the policy of the United States to provide against discrimination in the sale and rental of housing," and

Whereas, the Act further ordered that "all executive departments and agencies shall administer their programs and activities relating to housing and urban development in a manner affirmatively to further the purposes of fair housing."

Whereas, past and present housing policies and practices of national, state and local governments or the lack of policy, has either caused, supported or aggravated the crisis of our cities, the flight of industry to suburbia, the creation of segregated residential neighborhoods across the nation, as well as being the chief underlying cause of rioting and racial confrontation.

It is hereby resolved that:

1. The Federal government should undertake the development of housing and related facilities as a last resort where no other public agency or private developer is meeting the need in an area for low-and-moderate income housing.

2. The NAACP goes on record as encouraging federal programs of home ownership. This includes cooperative and condominium ownership of multi-family private and public housing.

3. The choices of home ownership or rental housing, of or city, suburban or country living cannot be limited by race, color, religion or national origin. Further, the constitutional rights of the poor must not be abridged nor denied in providing equal housing opportunities.

4. State and local public bodies should be prohibited from discriminating through legislative or administrative action against housing that is subsidized. We strongly urge that suits should be filed by interested parties, as well as the federal government, to enjoin such discrimination.

5. We strongly urge federal pre-emption of local zoning upon a finding of discriminatory intent or effect by the courts or the government.

6. We support the use of federal grants to municipal and public agencies to cover impact costs of providing educational, health and other services which result from the location of housing developments in an area.

B. Achieving a stabilized racial balance and preventing segregation in housing

It has been over three years since the Fair Housing Act of 1968 was signed into law. The U.S. Department of Housing and Urban Development has established a nation-wide program for compliance with the statute through education and conciliation. The Department of Justice has initiated lawsuits alleging patterns and practices of discrimination in the sale and rental of new and existing housing. Notwithstanding these and related efforts by state and local agencies, public and private, racial ghettos have continued uninterrupted expansion.

Patterns formed by years of racial discrimination must be changed if the objectives of fair housing are to be achieved. In the interest of achieving stable, integrated housing, there must be affirmative posture and positive planning by owners and managers of housing.

Now therefore be it resolved, we support issuance of regulations by the U.S. Department of Housing and Urban Development, the Veterans Administration and the Farmers Home Administration, that will permit the taking of race into account for the purpose of achieving increased housing opportunities for racial minorities, and

For the prevention of further racial segregation in federally-assisted housing developments of five or more units—provided, however, that integration plans to accomplish these objectives shall, in no way result in any unconstitutional refusal or denial of housing.

Developers and managers of housing developments must be required to submit plans of affirmative action for each proposed project. These plans must include programs and efforts providing in detail for specific steps that will assure equal housing opportunity keyed to the problems and needs of minority groups. When there are deficiencies, the determination of minimum goals and timetables for the prompt achievement of full and equal opportunity must be required as a condition of approval. The appropriate federal agency must establish standards, taking into account location, price range, number and size of units, and social and recreational facilities.

Branches and other units of the Association must be prepared to examine all plans proposing to establish goals of racial occupancy to assure that such plans will actually increase housing choice throughout metropolitan areas and will not serve to deny housing to members of minority groups.

C. Presidential policy on equal housing opportunity

Mr. Nixon on June 11, 1971, released his long-awaited Statement on Federal Policies Relative to Equal Housing Opportunity. Ostensibly its purpose was to clarify existing policies and provide direction to the nation (during his administration) to meet housing needs of the economically disadvantaged and racial minorities.

The Policy Statement contains an accurate history of racial discrimination in housing and its dehumanizing effects and a recitation of the laws-of-the-land, all of which indicated a complete understanding of the problem. On the other hand it contains limiting phrases such as:

"This administration will not attempt to impose federally assisted housing upon any community."

". . . individual local land-use policies are not appropriate for federal determination. . ."

"It is important to remember, however, that the terms 'poor' and 'black' are not interchangeable."

Solutions to the problems the President has so eloquently described will not be found if the limiting phrases are followed in the field of housing.

Since the President's message was announced, the Department of Justice has filed suits against certain discriminatory housing practices and the Department of Housing and Urban Development has proposed guidelines and procedures based on its interpretation of the policy stated by the Chief Executive. We will make a good faith effort to see that these actions of the Departments of Justice and Housing and Urban Development produce constructive results. However, we wish to make clear that NAACP has its own standards which we believe must be met.

Therefore be it resolved that:

1. The NAACP rejects the restrictions the President has unnecessarily placed upon the Executive Branch of Government. We call upon the President to adopt a new national policy supported by the full force of his moral leadership and utilizing all of the powers of his office to ensure open communities throughout this nation without regard to race, creed, color, religion or economic status.

2. In accordance with Executive Order 11063 and Title VIII of the 1968 Civil Rights Act, we call upon the President to immediately schedule a White House Conference on Equal Housing Opportunity.

Further in support of this call for action, we invite all other civil rights and fair housing organizations to join wth the NAACP in a united effort to convince the President and the nation that such a conference is urgently required to find solutions to the current dilemma facing our country.

3. We recognize that President Nixon possesses the most powerful single weapon in government—the power to withhold or cancel government contracts with municipalities and private firms. We call upon the President to make clear that he will not hesi-

tate to use this power to eliminate discrimination against needed subsidized housing because of race.

We demand the immediate cancellation of all such contracts in accordance with existing laws and executive orders, and the withholding of all federal subsidies and government guarantees.

D. Rights of housing tenants

Whereas, Public Law 91–609 Sec. 21 Sub. Section 1g, the U. S. Housing Act g 1937 as amended 1970 added the following "it is the sense of the Congress that no person should be barred from serving on the Board of Directors or similar governing body of a local Housing Agency, because of his tenancy in a low rent housing project," and

Whereas, subsequent HUD regulations have not opposed such policy and has in such principle issued HUD Administrative letter 7—095 subject creation of tenant advisory councils for guidance, leadership and services to tenants, and

Whereas, some 20 city housing authorities have publicly threatened to band together to thwart the HUD administrative directive in regard to development of tenant councils for the stated reason that such activity will ultimately lead to the selection of militant black tenants to Housing Boards,

Be it resolved that the resources of the NAACP be made available to housing tenants whose rights to representation, participation in policy and decision making in housing projects are abridged because of race or economic station.

VIII. HOSPITALS, HEALTH AND WELFARE

A. Welfare Reform

The NAACP believes that welfare reform is vital to the well being of our country and calls for:

1. Elimination of categories and establishment of a unified federally administered and federally financed system based solely on need (the job rights of state and city employees should be fully protected during the transition from state to federal administration.)

2. Benefit levels.

a. Minimum benefits for individuals and families beginning at the government-defined poverty level, with appropriate adjustments to meet variations in the cost of living;

b. Federal supplements to assure that benefits are maintained at least up to present assistance levels.

3. Protections as to both suitability and wage standards on all job or training programs. Wage rates should equal the federal or state minimum or the prevailing rate, whichever is higher.

4. Exemption of mothers of pre-school and school-aged children from all job or training requirements: establishment of day care centers with adequtae standards and other supplementary services to enable mothers who choose to accept employment to do so.

5. We expressly call attention to those governors and welfare executives who have announced or instituted across the board percentage cuts to establish welfare grants which will ultimately result in hunger, sickness and death of poor persons. We are particularly distressed about the policy change in New York State which has moved from a beacon of progress and activity in this regard to the leading example of the stated wrongdoing.

Therefore be it resolved, that this convention and its branches and its proper associated staff pay particular attention to the serious publicity of the mistreatment of the poor which are black, and to lend the resources of the Association for corrective action.

B. Sickle cell anemia

Whereas Sickle cell anemia is a major killer among students of the world.

Whereas little or no research has been made by government or private institutions to focus attention on the causes and cures of this dread disease, and

Whereas this disease primarily strikes the young who are the future of mankind,

Therefore be it resolved that the NAACP call on the federal government to assign the highest priority to the task of setting up a program of research and therapy which will attack and eradicate this killer.

C. Presidential veto of public works acceleration bill S. 575

The veto of Public Works Acceleration S 575, if allowed to stand, would kill a chance to give more than 400,000 unemployed Americans good jobs in building construction and related occupations. It would deprive communities all over the country of such badly-needed projects as waste treatment plants, water and sewer plants, and hospital and public health centers. We therefore call upon all members of Congress to override the President's veto when the matter comes up for vote next week.

D. Food program

Whereas food and money are available from the United States Department of Agriculture to undertake programs by non-profit groups to feed the poor, elderly and invalids, and

Whereas many of our poor, elderly and invalids are in need of nutritious meals and reside in black ghetto enclaves,

Whereas there exist in your local communities and branches equipment, facilities and personnel who could effectively implement such a program.

Be it resolved that this convention call upon NAACP units to become knowledgeable about the program by obtaining information from the national office NAACP and the Department of Agriculture to conduct feeding programs in their local communities.

E. Drugs

Whereas, the NAACP youth of the 62th Convention reaffirmed our stand on drug addiction in the Resolution on Drug Abuse passed by the 61st Convention in Cincinnati, Ohio, and

Whereas, there has not been sufficient study on marijuana and evidence to establish that marijuana is unharmful to the well-being of the individual, we feel that the youth cannot afford to experiment with unknown drugs,

Now therefore be it resolved that the Youth and College Division opposes the legalization of marijuana until the exact nature of its effect is known.

Be it further resolved that we commend the Medical Associations for taking strong positions against indiscriminate prescription of drugs which when used in excess can be harmful.

IX. INTERNAL AFFAIRS

A. Communications

The 62nd Annual Convention notes with concern a continuing problem of communications between professional staff and local NAACP units in the failure to keep NAACP units advised of staff visits and speaking engagements in local communities.

We call on the National, regional and state offices to apprise all units in advance of dates of visits and/or speaking engagements within the jurisdiction of the NAACP unit, whether NAACP engagement or not so that the nearest NAACP unit will be knowledgeable about staff's presence and mission.

We also call upon the individual volunteer units of the association to advise other NAACP units of official visitations into the jurisdictional area of another unit.

We call upon the Director of Branches to notify branch presidents of the names of the presidents and secretaries of branches within each region.

B. Drug abuse

Whereas, the pandemic proportions that drug abuse has assumed endangers and critically threatens the most valuable resource of this nation, our youth.

Whereas, there was no significant public outcry against the spread of drug abuse as long as it was confined to the poor and black communities; and

Whereas, it is clear that the traffic in illegal drugs could not exist and flourish to the extent that it does without the passive or active participation of law enforcement agencies; and

Whereas, the Federal Government has not taken any significant steps to halt the importation and smuggling of drugs into the country by using the resources available to it.

Now, therefore be it resolved, that the convention demands that the Federal Government bring into play all of its available resources to halt the importation of drugs into this country, including the steps already taken between the U.S. and Turkey; and

Be it further resolved, that the national office, recognizing the gravity of this menace engage the services of an expert as addition to the national office staff to disseminate information on available programs, materials and sources of funds, both public and private, to enable branches to set-up effective drug abuse programs in their communities, where no real program exists. This expert would also initiate and formulate additional programs and assist local branches and other units of the association in the implementation of these programs.

C. Publication & reporting procedure for further study resolutions

Whereas, the largest annual gathering of members of the Association takes place at the Annual Convention; and

Whereas, it is the constitutional right, indeed the responsibility of this body to determine the policy on which the programs of the Association are based as well as the procedures and rules under which the Association will function; and

Whereas, the very size of this body at times requires that details, clarification and review of items put before it be referred to the National Board as is provided for in our National Constitution (Blue Book); and

Whereas, the business of the Association can best be implemented at all levels when the membership is informed and aware:

Therefore be it now resolved, that as a matter of routine all resolutions passed at this and any future Annual Convention of the Association and then referred to the National Board or Committee for further study and/or review be published in the Crisis and then be reported to and at a plenary session of the following Annual Convention regardless of and in addition to any other gathering or meeting of the Association where it is reported or discussed.

National internship program for youth

Whereas, the annual influx of students and graduates into the labor market comes this year in the face of a national unemployment rate among youth of approximately 20%; and

Whereas, the unemployment rate of black youth exceeds this national average by far; and,

Whereas, this percentage reflects the impact of the lack of economic prosperity among this age group at the beginning of their future economic and productive development, and this percentage has a direct relationship to the unrest in our community; and,

Whereas, we deplore the national administration's lack of commitment in providing jobs for youth in face of the enormous unemployment rate,

Now therefore be it resolved that the NAACP Youth and College Division call upon the NAACP National Youth Work Committee

to sponsor a national internship program to acquaint high schol and college students with the new career opportunities in government and private industry which will give them practical experience in these careers and provide jobs as well.

NAACP special contribution fund

The 62nd Convention of the National Association for the Advancement of Colored People commends the Board of Trustees of the Special Contribution Fund and the National staff for effective work in augmenting the resources of the NAACP, and,

Recognizing that misunderstandings sometimes arise, particularly with reference to *tax exempt status* of a gift as it relates to a particular purpose.

We call upon the National Office to prepare and distribute to all NAACP units a comprehensive statement explaining the purposes and processes of the Special Contribution Fund, including the ways in which gifts intended for use within the framework of the Internal Revenue Service regulations may be made.

We also call upon the National office to set up some method for crediting branches for those funds so received.

X. PUBLIC RELATIONS

A. Branch program and activities

Whereas, programs and activities carried out by one branch or region may be of benefit to and may be used successfully by other branches or regions if the details were made known to them, and

Whereas, there is an urgent need to strengthen the membership rolls of all of our branches,

Be it resolved that all regions and local branches forward to the national office all news articles and feature stores of the region and branch published in local or regional papers and all copy carried on local radio and TV stations for the purpose of giving suggestions and ideas to other branches, creating a cohesiveness of program and strengthening of the various branches.

Be it further resolved that all local branches forward to the regional offices and/or to the national public relations department all published materials concerning branch in order that the director of branches or public relations department can evaluate it and distribute it to other branches for their information and use.

B. Guidelines for public service time

Whereas, there is a need among branches, particularly the smaller branches and youth councils, for guidelines on the development of an effective program of public relations, and

Whereas most branches would welcome suggestions on how to improve the relationship between the NAACP and the news media,

Whereas in many cities, radio stations and television stations are willing to make available public service time for NAACP branches, if suitable material is supplied them,

Be it resolved that the national public relations staff develop a comprehensive program and/or a set of guidelines for the use of ragional, state and branch offices.

Be it further resolved that such guidelines be directed particularly along such lines as will attract younger members of our communities to the NAACP, and that they be directed to young people at both college and secondary levels.

C. NAACP image

Whereas, the national staff, the regional office staffs, state conferences and local branches through the use of newsletters, news articles in the daily and weekly press throughout the country, through radio and television are endeavoring to keep the public well informed on the various activities of NAACP branches and members, and

Whereas, the image of the NAACP in the eyes of the general public over a long period of years has been reasonably good, and

Whereas, a perusal of weekly black newspapers around the country will give evidence to a large amount of space devoted regularly to the activities of the NAACP,

We therefore recommend the branches, states conferences and regional offices and national office staff for the good work that they are doing on very limited budgets and urge that they continue to keep the NAACP and its work and activities before the public through continued use of all printed and broadcast media.

CONSEQUENCES OF REPRESSION IN EAST PAKISTAN

Mr. SAXBE. Mr. President, the repression in East Pakistan is deeply alarming not only because of the senseless human slaughter but also because of the grave implications for the United States. At the moment we find ourselves on the same side with China in continuing arms shipments to Pakistan. Yet, only China can gain from this inharmonious relationship.

A Bengali recently asked, "The cradle of democracy America, and great revolutionary China are allies giving aid to the Pakistan army, which is supressing our freedom and slaughtering our people. Why is this?"

If West Pakistan successfully represses East Pakistan it will be indebted to China. These two totalitarian countries have much in common, both in callous regard toward human life and hatred toward democratic India. On the other hand if China can sustain West Pakistan's efforts over a long period of time, the leadership of the moderates will slip under Communist influence. By continuing to supply aid to the central Government of Pakistan, the United States is increasingly coming to be viewed as an enemy by the Bengali people.

The Government of Pakistan tells us that the refugees are welcome to return from India to East Pakistan and yet in today's New York Times we see refugees begging on their knees to be allowed to return to their villages, only to be sent to camps. If the Government of Pakistan is sincere in its avowed promises of safe passage home to the refugees, it must prove it.

Mr. President, I am discouraged that United States-India relations have reached a new low. India has not created the problem: It was dumped in its lap. India must be commended for its nonwar position. Yet I fear this nonwar position may not last very long. Guerrilla camps are springing up along the border where reportedly 30,000 Begalis are training to recapture their homeland. The guerrillas may provide the spark which would start a major war between the two countries. In the alternative the guerrilla force "Mukti Bahini" may be taken over by Communist elements that would be detrimental to the long-term interests of the United States.

Mr. President I ask unanimous consent to have some articles on Pakistan inserted in the RECORD.

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

[From the Wall Street Journal, July 27, 1971]

A NATION DIVIDED: EAST PAKISTAN IS SEEN GAINING INDEPENDENCE, BUT IT WILL TAKE YEARS; BENGALIS INCREASINGLY VIEW THE UNITED STATES AS THEIR ENEMY; LEARNING TO BE GUERRILLAS; WELL-FED ARMY, ILL-FED PEOPLE

(By Peter R. Kann)

DACCA, EAST PAKISTAN.—An independent East Pakistan seems to be one of those ideas whose time is coming.

Travels across the ravaged land and talks with military participants in the civil conflict, its innocent sufferers and its diplomatic observers leave the distinct impression that someday East Pakistan and West Pakistan will be separate legally as well as ideologically.

How soon Bengla Desh, or Bengal nation, comes to pass—and the diplomatic assessments tend to be in terms of years, not months—depends on many factors. These include the degree of support India is willing to give the liberation forces, the weight of economic pressures on West Pakistan, the severity of future famine in East Pakistan and perhaps the policies of America and other world powers.

For the moment, both the Pakistan Army and the Bengali independence movement seem to be overly optimistic about their capabilities and prospects. The army, currently running East Pakistan as a kind of reconquered colony, says everything is under control and is rapidly returning to normal. But all around is evidence of social chaos, economic collapse, public hostility, and gradually mounting guerrilla opposition.

GUERRILLA WARFARE AND PATIENCE

Bengali liberation forces still talk of massive offensives that will "liberate" the land as early as this fall, or of the Indian army coming to their aid, or of the Pakistan army simply tiring and going away. But the Pakistan army, tough and tenacious, seems determined to hold on here at all cost. The Indians, while aiding the Bengali resistance, seem anxious to avoid full-scale war. Many Bengalis don't seem to comprehend that guerrilla war, which they are beginning to wage with some effectiveness, is their only hope and that it requires much time and patience.

The fighting began March 25 with attacks by the Pakistan army on civilians in Dacca. The amount of blood that has been spilled in East Pakistan since then appears to rule out any sort of political compromise. Diplomats say that a minimum of 200,000 and perhaps as many as a million people have been killed in four months, most of them Bengali civilians slain by the Pakistan army. Six million refugees have fled to India, and millions more are displaced persons still hiding within East Pakistan.

In the view of nearly all observers here, much more blood will flow, many more villages will be destroyed and many more people will be uprooted before the conflict ends.

If the war does result in Bangla Desh, America may be in trouble. By continuing to supply aid—and particularly arms—to the central government of Pakistan, the U.S. is increasingly coming to be viewed as an enemy by the Bengali people. Moreover, the longer the Pakistan army is able to maintain its hold on East Pakistan, the more likely it is that the Bengali independence movement will slip under Communist influence.

A PROGRAM FOR INDIA

This is one of the worries that lead some Indian policy makers to favor war with Pakistan. The odds are still against a full-scale war, but artillery exchanges erupt daily along the border. Presidential adviser Henry Kissinger, during recent meetings with American officials in Islamabad, the national Pakistan capital located in the West, is said to have

called the odds for an Indo-Pakistani war better than one in three.

The scope of the Pakistan army's military problem here can be seen in a comparison with Vietnam. There, a million-man South Vietnamese army plus American troops and massive firepower must try to control a population of 17 million, many basically sympathetic to the government. Here, only 60,000 West Pakistani troops are trying to control a thoroughly hostile population of 75 million. East Pakistan, moreover, is surrounded on three sides by India, which is giving sanctuaries and supplies to the guerrillas. And the Pakistan army's supply routes from West Pakistan to the East must circumvent, by sea and air, 1,200 miles of India.

Of course, the Mukti Bahani, or liberation army, isn't the Vietcong. For one thing, the guerrillas aren't Communist. For another, they are not—or are not yet—very effective fighters. They have been at it for less than four months, and organization and discipline don't come naturally to most Bengalis.

LEARNING TO BE GUERRILLAS

But they are learning. In recent weeks they have been concentrating on disrupting the Pakistan army's lines of transportation; bridges are being dynamited and railroad tracks sabotaged. The key railroad line from Chittagong, East Pakistan's major port, to Dacca, its capital, has been put out of operation, and almost all supplies must move inland by riverboat. Electric power facilities in Dacca and elsewhere have been blasted. The guerrillas also are concentrating on assassinations of local people who collaborate with the army.

The Mukti Bahani enjoys some big advantages, though it is far from ready to benefit fully from them. Much of the land, outside the towns and off the main roads, is a vacuum that 60,000 soldiers can never hope to fill. At night the Pakistan army withdraws into military camps, but if and when the guerrillas learn how to use mortars and rockets, these camps could become traps rather than refuges.

The Pakistan army's crude and bloody tactics, while cowing most Bengalis, have been solidifying public support behind the independence movement and have left the Mukti Bahani with a sea of sympathizers in which to swim. A severe famine this fall or next, which Western economists consider likely, could possibly produce from the peasant sympathizers great waves of desperate and angry activists. "A nation with a well-fed army and an ill-fed people cannot survive," a Bengali professor says.

A clandestine meeting with a Mukti Bahani unit leader at a Moslem village deep inside East Pakistan provides some insight into guerrilla operations. It is early morning, and the leader is sitting in front of a peasant hut where he has been sleeping the past several nights. He is a former noncommissioned officer in the Pakistan army who, like almost all Bengali soldiers and policemen, joined the revolutionary movement in late March. (Some were subsequently killed, others fled to India.)

He leads a group of 37 men, armed mostly with old Lee-Enfield rifles. But they also have one or more light machine guns, grenades and dynamite. Some of the arms as well as the ammunition are supplied by India, to which this unit fled for several weeks in April. The unit isn't short of weapons or bullets, the leader says.

It doesn't receive any direct orders but reports on its operations by runner to higher Mukti Bahani headquarters near, or across, the Indian border. The unit depends for food and lodging on local villagers, some of whom are paid and others of whom make "voluntary contributions."

The unit has launched two attacks in this area in the past few weeks, one a raid on a police station in which 11 weapons were captured. It also blew up a bridge along the road. When Pakistan army troops reached the site, they were ambushed by another unit of Mukti Bahani. The Pakistan army is said to have suffered at least a dozen casualties. This 37-man unit hasn't had any casualties to date, nor have any of the men quit the unit.

The leader thinks the Mukti Bahani will soon win the war because the people are behind it and because, he says, 300,000 Bengalis are getting military training in India. The statement about public support is probably accurate. But the claim about military training, according to more reliable sources, is probably a tenfold exaggeration. And believing in quick victory is both naive and dangerous.

LITTLE REALISM ON THE OTHER SIDE

The Pakistan army, however, is hardly more realistic. A Pakistan general in Dacca flatly states that all guerrillas in the area where the Mukti Bahani leader and his unit are operating have been eliminated. The general says army casualties in all East Pakistan are averaging only five a day; diplomats estimate them at more like 50.

Army morale still seems to be generally high. But the conflict's initial stage, in which the army ruthlessly recaptured rebel-held towns in a spree of killing, looting and raping, has been over for three months, and the new stage of guerrilla warfare will be much more grueling. Many Pakistan soldiers came to East Pakistan thinking they would be here for only a month or two of combat, not as a semipermanent occupation army. The flat, marshy riceland of East Pakistan is misery to soldiers from the dry hills of West Pakistan. Scattered reports say that some West Pakistan military officers—including a senior navy commander and an air-force general—are opposing the army's brutal tactics and slaughter of the civilian population.

The Pakistan army, however, doesn't appear to be cracking under any present strain. To most of the military men this is a kind of holy war for the preservation of Pakistan and the purity of the moslem religion. And if Pakistan's president, Yahya Khan, comes under political pressure in West Pakistan, it is more likely to come from hawks calling for even tougher measures than from doves. "West Pakistan will let itself be drained before it gives East Pakistan up," a European diplomat in Dacca says.

To help control the Bengali population, the army has been setting up a network of peace committees superimposed upon the normal civil administration, which the army cannot fully rely on. Peace-committee members are drawn from East Pakistan's non-Bengali minority (called Biharis) and from the membership of small, conservative religious-political parties like the Moslem League and the Jamaat-I-Islami. The peace committees serve as agents for the army, informing on the civil administration as well as on the general populance. They are also in charge of confiscating and redistributing shops and lands from "enemies of the people," like Hindus and pro-independence Bengalis. The peace committees also recruit razikars, or armed vigilantes. Many of them are common criminals who have thrown their lot with the army. "Biharis, Bengali opportunists, louts and thugs"—that's the capsule definition offered by one diplomat.

While the general Bengali population is terrified—and terrorized—by these local army collaborators, the collaborators also live in fear.

Dozens of peace committeemen have been assassinated by Mukti Bahani or by Bengali neighbors. In one town a peace-committee official sleeps on the floor of his house with three razikars lying on each side of him. In another town the peace-committee chairman has paid $625 protection money to the Mukti Bahani to prevent, or postpone, assassination.

In one roadside village a peace committeeman who two days before had turned several Bengalis over to the army was routed out of his bed at night by Mukti Bahani. He was given an hour to say good-bye to his mother. Then a "people's court" was convened in his front yard with neighbors summoned as jurymen. He was convicted and executed, and his body was left in the road as a warning to other collaborators.

Then there was this encounter by two reporters with a small-town peace committee. The Mukti Bahani had made a small foray into the town the previous night, firing a few stray bullets, destroying a telephone at the railroad station and robbing the station safe of about $3.00. The attack could hardly have been less effectual.

But to listen to the peace committee it had been an epic assault. "Forty Mukti Bahani came armed with automatic weapons," the committee chairman, an elderly Bihari, says. A half-hour later the tale had escalated into an attack by 100 Mukti Bahani men carrying machine guns. "What could we do?" he asks. "The razikar have only four rifles, the army is stationed 10 miles away, maybe there will be more attacks." The committeemen know that they themselves are targets. Death shrouds have been left at night on their doorsteps as a sign that they are marked men.

Like the army, the peace committee blames all troubles on miscreants and goodas (criminals), Indian infiltrators and a few misguided individuals—all of whom are lumped together under the term "antielements." All townspeople support the army and the peace committee, these committeemen say. As they talk to the two reporters, several score townspeople stand around, silently listening.

The reporters leave, turning a corner out of sight of the committeemen. The townspeople follow and rush up to them.

"The man talking was a non-Bengali. . . . No one agrees with what he says. . . . The peace committee is a trap for the people . . . We cannot talk or we will be reported to the army. . . ."

The civil fighting has had calamitous economic effects. The immediate sufferers, of course, are the Bengalis, whose already desperately poor and overcrowded land has been rendered even poorer. Transportation is disrupted, commerce has collapsed, factories lie idle, public-works programs are at a standstill and crops go untended. One result, Western economists believe, could well be a severe famine late this year.

The rice crop will be affected because farmers have fled their paddies or fear to go out of their homes to tend the crop. Last year the food-grain harvest was 11.5 million tons; this year it will be no more than 9.5 million. East Pakistan's food-grain requirement is 13 million tons, and the deficit traditionally has been made up by imports, much of it through purchases for local currency of American surplus-food stocks. But now, because of the conflict, the distribution system can't handle the import load while the reduced crop makes the need greater.

One economist estimates that the distribution system would have to handle 300,000 tons of imports a month, whereas, even in normal times, it has never been able to carry more than half that amount. America already has stopped new food-grain shipments because rice is backed up on the docks of Chittagong. One reason, of course, is that to the Pakistan army administration, rice rates a lower priority than military supplies.

A LAND OF LITTLE HOPE

Even if famine can be averted both this fall and next, the economic punishment of this conflict will be felt for years, probably decades, and will cripple the land even if independence comes. In a sense it's like crippling a leukemia patient, for East Pakistan—with or without war—is a land of little hope.

Already, 75 million people are packed within its frontiers, and the population will double in 25 years. People will then be living more than 3,000 to the square mile, and no one knows what they will live on.

But the economic situation here is also serious for West Pakistan. The West has always treated East Pakistan as a kind of economic fiefdom, pocketing foreign exchange from the export of East Pakistan's raw materials like jute and tea while using East Pakistan as a captive market for low-quality West Pakistani finished goods.

The main East Pakistan export is jute. Last year the jute crop was seven million bales. This year, Western economists say, the maximum will be 5½ million. But with the trading and transportation systems disrupted, much of it may never reach the mills. Even then, the mills are barely functioning: Only 36% of the jute-mill output in June was only 20% of normal. Economists say if that situation continues for several more months, overseas jute buyers will begin turning to other suppliers.

Commerce is almost at a standstill in many areas. Most towns are reduced to a fraction of their former population; a majority of their people are dead, have fled to India or are hiding in the countryside. Retail trade in Dacca is only 35% of normal and in other towns considerably less. Even where shops are open, people have little money to spend and no inclination to spend it.

Western economists in Dacca say the economic crisis already is starting to spread to West Pakistan, where factory laborers are beginning to be laid off. West Pakastini goods that were sold in the captive market of East Pakistan aren't very competitive in other countries.

All this, plus the loss of East Pakistan tax revenues and the added costs of maintaining an army of occupation in East Pakistan, will have reduced Pakistan's foreign-exchange reserves to a critically low level by October, the economists here say. Whether foreign-aid donors will help bail out the Pakistan government remains to be seen.

America's aid program to Pakistan is in a state of considerable confusion, especially to the people here. Officials in Washington say economic aid is continuing to both West and East Pakistan on a case-by-case basis. But, in practice, this means the East is getting little help. The Nixon administration says it isn't granting any new military assistance to the central government of Pakistan. But goods contracted for prior to March 25 are still being sent, although the administration contends that these are generally sales of such things as communications equipment, not arms.

All this has left the Bengalis confused and angry, and it is awkward to be an American visitor in East Pakistan these days. Those few Bengalis who risk arrest by talking to a stranger invariably ask why America continues to ship supplies to the Pakistan army.

"We hear on Pakistan radio that two American ships are bringing ammunition to the army. But the Canadian people support our cause. We are grateful to the Canadian people," a teacher says, trying to be as polite as possible. "We understand that you must make money by selling guns to Pakistan, but please sell us rifles, too," a lawyer pleads.

A student says: "At Kent State you lost four students and the whole world protested. Here thousands of students have been killed by the army, but does the world care? You supply guns to the army. If we were European, you would care."

China, for short-term national reasons rather than long-term ideological ones, is the only other important power supporting Pakistan. "The cradle of democracy, America, and great revolutionary China are allies giving aid to the Pakistan army, which is suppressing our freedom and slaughtering our people. Why is this?" a college instructor asks.

During his meetings in Islamabad, Mr. Kissinger was pressed by some Dacca-based diplomats critical of America's friendly relations with the Pakistan government. Mr. Kissinger responded with a question. Would a change in American policy make East Pakistan independence likely in two years or five years rather than 10 years? There was no definitive answer. But whether Bangla Desh comes to pass in two, five, or 10 years, its citizens are likely to have long—and not very fond—memories of America's role in their revolutionary war.

[From the New York Times, July 27, 1971]

REBELS TELL EAST PAKISTANIS TO FLEE DACCA

(By Malcolm W. Browne)

DACCA, PAKISTAN, July 26.—Handbills prepared by Bengali separatist guerrillas appeared in Dacca today warning the population to begin evacuation of the city in preparation for a terrorist campaign against the Pakistani Army in East Pakistan.

The handbills were distributed in the Maghbazaz District of the city a few blocks from the International Hotel.

The warning, signed by the Mukti Bahini (Liberation Army), advised residents to move out by 6 P.M. local time.

The public was also warned that vehicular traffic, including taxis and rickshaws, should be off the streets at night from July 28 onward, and that the entire city should be evacuated after Aug. 1.

Bombs have exploded in Dacca every night for the last two weeks, and gunfire often accompanies the explosions. Detonations heard last night could not be immediately explained.

Actions have included the mining of roads in the outskirts of Dacca and bombing attacks against power stations, the city gas supply, homes of persons regarded by the guerrillas as enemies, army installations, bridges and communications.

ARMY REACTS SWIFTLY

Reaction by the Pakistani Army is generally rapid and forceful and there have been many arrests of suspects. There also is a steady flow of casualties, according to witnesses, although no estimates of numbers are available.

Army patrols move constantly through Dacca and its environs and military guards are stationed at most important buildings.

Despite this, guerrillas have caused considerable dislocation of essential services since their campaign began two weeks ago and have killed a number of persons.

The Mukti Bahini guerrillas are believed to have been trained in camps in India since March 25, when Pakistani troops attacked in East Pakistan to quell an autonomy movement.

The Pakistan Army is made up mainly of officers and troops from the Punjab in West Pakistan who speak Urdu. Many Bengalis regard these troops as outsiders and even foreigners.

[From the New York Times, July 27, 1971]

UNITED STATES-INDIA RELATIONS: A NEW LOW; NEW DELHI REGARDS AID TO PAKISTAN AS A BETRAYAL

(By Sydney H. Schanberg)

NEW DELHI, July 26.—"There's no place to go but up," said one pro-American Indian the other day, referring to the depths into which relations between India and the United States have recently plunged.

The newspaper disclosure last month that American arms shipments to Pakistan were continuing despite a previously announced embargo stung Indians as a personal betrayal. The disclosure came just as the Indian Foreign Minister, Swaran Singh, returned home from a Washington visit during which, he said, he had been assured by the State Department that no new arms would be sent to the Pakistani military regime.

Since then, scarcely a day has passed when the United States has not been vilified in Parliament and the press. The Government of Prime Minister Indira Ghandi—though rejecting Opposition party demands for refusal of United States aid, confiscation of American assets in India and recall of the Indian Ambassador in Washington—has repeatedly denounced the Nixon Administration in Parliament.

The Government charged again Monday that the supply of military assistance to the Pakistanis after March 25—the day Pakistan began her military offensive against the Bengali secession movement in East Pakistan—"amounts to condonation of genocide in Bangla Desh and encouragement to the continuation of atrocities by the military rulers of Pakistan."

"Bangla Desh," meaning "Bengal Nation," is the name adopted by the East Pakistani autonomy movement.

The continuance of shipments of military goods "also amounts," Foreign Minister Singh said, "to intervention on the side of the military rulers."

Further, Indian officials have drawn a pointed contrast between the United States policy and that of the Soviet Union. Moscow has stated that no Soviet arms have gone to Pakistan since April of last year.

Henry A. Kissinger's secret flight from Pakistan to Peking after a two-day visit in India has only exacerbated Indian-American relations. Indian officials and private citizens feel that Mr. Kissinger's short stopover in New Delhi—described as a fact-finding visit—was merely a "cover" and a "stage-prop" for his visit to Peking.

This view was buttressed by the White House acknowledgment that the timing of the Peking visit influenced the scheduling of the rest of the Kissinger trip—which included stops in South Vietnam, Thailand, India, Pakistan and France.

Moreover, since Pakistan maintained secrecy on Mr. Kissinger's movements, facilitated his flight to Peking and might have been instrumental in arranging his meeting with Premier Chou En-lai, Indian public opinion believes this may explain the continuance of United States military aid to Pakistan and the refusal of the Nixon Administration to issue a public denunciation of the military repression in East Pakistan.

PEKING ARMS AID REPORTED

Indian officials are also now drawing attention to the similarity of American and Chinese policy regarding the East Pakistani crisis. Peking has supported the Islamabad regime and is reportedly supplying sizable arms aid.

Washington's current tattered relations with New Delhi are a very tender subject at the United States Embassy here. Embassy officials are obviously unhappy, but they are not talking. Other Americans and United Nations officials, who clearly reflect the embassy mood, are not similarly inhibited.

"Our credibility will be zilch for some time," said one such American. 'This has set us back just as things were beginning to look up."

"It doesn't mean our relations are damaged for all time," said another, "but the longer the Bangla Desh thing drags on, the longer it will take us to come out from under."

The Indian resentment over the arms shipments is intense.

The East Pakistani upheaval—which has driven seven million Bengali refugees into India and raised the possibility of another Indian-Pakistani war—has revived for Indians all the searing images of the bloody religious rioting that accompanied the parti-

tion of the subcontinent in 1947 into Pakistan as a Moslem homeland and India as a secular but predominantly Hindu nation.

MORAL QUESTION SEEN

For the Indians, it has become a moral question of good versus evil—a Bengali people seeking freedom and a military regime suppressing them with bullets. The Americans, in the Indian mind, have lined up with evil.

"It's Armageddon to the Indians," said one American. "It wouldn't matter if the arms consisted of only one nut or one bolt or one armature for a weapon."

In this atmosphere, Washington's argument that the amount of the current arms aid is insignificant and that its continuation is necessary if the United States is to be able to exert any private leverage on Pakistan for a peaceful settlement in East Pakistan has made no impression on New Delhi.

With emotionalism high in India, a national debate is raging, largely in private circles over whether to go to war against Pakistan. But the debate is still mostly rhetorical and there is no war hysteria.

NO TOP OFFICIAL URGES WAR

While many in the Indian intelligentsia talk constantly of teaching the Pakistanis a lesson—and some even use the argument that a war would be less costly than supporting the millions of Bengali refugees—no one at the top in the Indian Government is recommending a war, and no war preparations are visible.

Still, with the prevailing tinder-box tension, officials acknowledge that war remains a real possibility.

Mrs. Gandhi is reported to view war as a last resort and has said her Government would not "embark on any adventurist policies." But both she and the Pakistani President, Gen. Agha Mohammad Yahya Khan, have declared that if a war were forced on them, they were fully prepared to fight.

INDIAN SHELLING REPORTED

KARACHI, PAKISTAN, July 26.—The Indian armed forces today shelled the town of Comilla on the eastern border of East Pakistan, killing several civilians and injuring many more, it was officially announced today in Islamabad, the capital of Pakistan.

[From the New York Times, July 27, 1971]

FOREIGN AID IMPROVED—AND DELAYED

The $3.4-billion foreign aid bill approved by the House Foreign Affairs Committee last week is inadequate and unbalanced but it is still an improvement over aid proposals belatedly submitted by the Administration in April.

The committee put aside a Presidential plan for breaking up the existing Agency for International Development into separate developmental loan and technical assistance institutions. By authorizing all aid categories for two years instead of one, the committee extended the life of A.I.D. and probably effectively shelved a potentially disruptive reorganization move at least until after next year's Presidential election.

The committee bill retains, however, an Administration proposal creating a coordinator of security assistance in the State Department. This should serve to strengthen the role of State in an area where the Pentagon has too often assumed foreign policy-making functions through its control over military assistance programs.

It is remarkable that no item was cut heavily and there were significant additions of $100 million for population programs and another $100 million for East Pakistan refugees. The committee did vote to suspend military assistance to Greece unless the President finds that it is vital to United States security interests and to ban economic aid for Pakistan pending a political accommodation and the resettlement of refugees there. These restrictions are clearly warranted by current conditions in those two countries.

The final authorization—$1.43 billion for development assistance and $2.01 billion for military assistance, including supporting assistance—clearly reflects the imbalance between economic and military aid in the United States program. It confirms the continuing retreat of this country from its initial leadership role in the international development effort, a retreat that has placed the United States close to the bottom of the list of donor nations in terms of the percentage of gross national product devoted to foreign economic assistance.

However, the Foreign Affairs Committee's action in sustaining the existing aid structure more or less intact and in supporting in general the Administration's funding requests does offer some hope that the low point has been reached. This token of Congressional sentiment should encourage the President to abandon his plan to dismantle the much-abused aid agency and to seek instead to strengthen and enlarge its vital role in helping to build a more stable and peaceful world.

An important facet of President Nixon's foreign aid policy, which in the past has received strong encouragement from some members of Congress, has been the effort to channel more American assistance through multilateral institutions such as the World Bank. The use of international aid agencies serves Mr. Nixon's objective of lowering the United States profile abroad while encouraging other advanced nations to share more fully the burden of promoting international development.

These aims cannot be achieved, however, if the United States is laggard in providing funds. Currently important United States contributions to the World Bank's International Development Association (IDA), the Inter-American Bank and the Asian Development Bank are bottled up in a House subcommittee.

While some nations already have voluntarily advanced their own contributions to IDA in order to keep it in business, further Congressional delay could seriously handicap the work of this vital soft-loan agency and might in time encourage other countries to back away from their commitments. Failure of the United States to fulfill its own commitments to the Inter-American and Asian Banks could have a serious adverse impact on American relations with countries in these two regions and on constructive development efforts which serve American as well as world interest.

[From the New York Times, July 24, 1971]

VAN DER HEIJDEN'S REPORT ON PAKISTAN

To the Editor:

Excerpts from the World Bank mission report published on July 13 show that some World Bank representatives have allowed themselves to be so duped by anti-Pakistan propagandists that they have stepped well outside the limits of their own professions and of the World Bank's nonpolitical charter and joined the ranks of these propagandists.

I am taking exception in particular to the exaggerations and distortions contained in Hendrik van Heijden's report on conditions in the western area of East Pakistan. He visited this area between May 30 and June 11. I visited most of the same area on June 12 and 13. In this time gap of a few days not even an army of construction workers could have given Jessore, Khulna and Phultala face lifts that would have hidden from a Bengali like me, who knows these towns well, the scars of devastation Mr. Heijden describes.

I can understand Mr. Heijden's difficulties in communicating through interpreters with Bengali-speaking people but I cannot overlook his visual inaccuracies. Reporting on Jessore, he says that more than 50 per cent of the shops have been destroyed without specifying whether he is talking about the whole town or of a part of it. The impression he leaves is that 50 per cent of Jessore's shops have been destroyed. This is absolutely untrue because on June 12 I saw scores of shops in various areas not only open but doing business. If Mr. Heijden is referring to a block of shops on the roadside, from the airport to the town, then I would fault his estimate by about half.

Mr. Heijden also says 20,000 people were killed in Jessore and he implies that this was part of the army's punitive action. No one knows exactly how many died in Jessore, but I was told by local Bengali political leaders that a reasonable estimate would be a few thousand, with non-Bengalis making up the larger proportion.

About Khulna Mr. Heijden is also off the mark. He says less than 7 per cent of the Platinum Jubilee jute mill's permanent labor force is back at work. Local political leaders and trade union leaders told me in Khulna that 80 per cent of the labor had returned.

I also visited Phultala shortly after Mr. Heijden saw its "bewildered" people. My impression certainly does not tally with Mr. Heijden's, who says Phultala's agricultural development has been set back by at least five years. I found the Phultala people purposeful and full of demands; the most persistent being that more paddy seed be rushed to the area so that not a single acre of land should remain fallow. I conveyed this demand to the authorities in a press statement published in Pakistan about a month ago.

For over six months now distortions about Pakistan are being projected as facts. Mr. Heijden's report, under the seal of the World Bank, will have a very uncalled-for, adverse reaction.

MAHMUD ALI,
Vice President, Pakistan Democratic Party.
DACCA, PAKISTAN, *July 14, 1971.*

[From the Washington Star, July 26, 1971]

DANGEROUS GAME: INDIA NURTURES PAKISTAN REBELS

(By Henry Bradsher)

CALCUTTA, INDIA.—India is deep into a dangerous game of supporting—in fact, of making possible—an effort to overthrow the rule of West Pakistan over East Pakistan.

While justifiably complaining about the immense financial burden of refugees from East Pakistan, India has also taken upon itself the burden of financing the exile "Bangla Desh" government of East Pakistan and its guerrilla force.

India is arming and training the guerrilla "Mukti Bahini" (Liberation Army) and providing it with sanctuaries along East Pakistan's borders. Sources vary on the size of the force being armed and trained. One of the best informed Indian sources says the plan is to have 20,000 well trained hard-core guerrillas supplemented by 10,000 or more militia supporters. The latter would spread clandestine propaganda in East Pakistan and occasionally toss bombs.

Much of the training in camps established along Pakistani borders is done by East Pakistan soldiers who escaped the crackdown by the army which is predominantly from the northwest frontier regions of West Pakistan. But the Indians have been needed to teach some things in which easterners are not trained, according to sources. There are at least four reasons for India's becoming so deeply involved in a neighbor's internal affairs.

One is hope that Mukti Bahini can force the Pakistan army to give up the eastern part of the divided country and leave Bangla Desh free so that 7 million refugees now

burdening India will return home. How realistic this hope is remains to be seen.

Another reason is the Bangla Desh exile government and Mukti Bahini have a conservative middle class outlook which India finds congenial. It fears that failure of this group, based on the Awami League party of East Pakistan, to amount an effective guerrilla challenge to the Pakistani army would mean growth of influence for the Pakistani Communist guerrillas. The third motive is simply sympathy with the Bengali people of East Pakistan. They are closely tied by culture and tradition to India's own 40 million Bengalis whereas various West Pakistani peoples are mostly distinct people from any major Indian group.

There also is the motive of traditional antagonism between India and Pakistan since the two countries were created out of British India in 1947. They have fought two wars since then and never have been good neighbors.

Off and on for years, reaching a peak almost a decade ago, Pakistan armed and trained Naga and Miz tribesmen from eastern India. They have conducted smoldering rebellions against the Indian government in hopes of obtaining independence.

Pakistan's objective seemed to be simply to create a nuisance for its enemy. There never was any prospect of Nagas or Mizos obtaining independence.

What India now is doing could be viewed as a reply in much stronger terms.

India has had some experience with this. In 1961–2 it mounted a guerrilla campaign of ousted Nepali democrats against Nepal's King Mahendra without success. Since its 1962 Himalayan war with China it has maintained a force of Tibetan guerrillas.

But now stakes are higher and so is the level of effort.

COULD REIGNITE KASHMIR

The Indian government realizes that the logical Pakistani reply to Mukti Bahani activities would be another effort to start a guerrilla war inside the Indian part of the disputed Kashmir state. It was such a Pakistani effort to wrest Kashmir away from India by guerrilla warfare that touched off the 1965 war between the two countries. The home ministry in New Delhi which is responsible for internal security has warned that trouble in Kashmir is likely. Its police forces and also the Indian army are strengthening defenses in Kashmir.

There has been a lot of speculation in both countries in recent months on the chances of war.

Some usually sober and responsible Indians have even advocated war with Pakistan to liberate East Pakistan and turn it over the friendly Bangaldesh government.

Calcutta's most important Bengali language newspaper asked Prime Minister Indira Gandhi in a front-page letter seven weeks ago: "Why can't you send in troops to end the humiliation of humanity, strangulation of democracy, shooting of unarmed people, and ravaging of women? Why not war? For fear of huge expenses?

"Aren't expenses on account of refugees double the amount needed for war?"

Supporting refugees is now costing India about $4½ million a day and the number of refugees is still growing. The 1965 war cost India roughly $525 million, according to advocates of action now. They contend another war would be cheaper than feeding refugees forever.

ARMY BELIEVED PREPARED

Well informed Indian sources say the Indian army has drawn up plans and made some preparatory moves for the invasion of East Pakistan and from other sources there are reports of army talk of not stopping short of total defeat of Pakistan if there is another war, unlike the inconclusive 1965 clash which United Nations pressure halted.

But those Indians in a position to know say military planning and moves are only a contingency effort in case Pakistan touches off a war. They say Mrs. Gandhi is firmly opposed to war.

Instead India will go on helping Mukti Bahini in hopes it can do the job.

PRESERVING THE SENATE'S AMENDMENT ON THE SUBVERSIVE ACTIVITIES CONTROL BOARD

Mr. ERVIN. Mr. President, last Friday I addressed a letter to each Senator on the matter of the Subversive Activities Control Board. The object of my concern is the possibility that the conference committee on H.R. 9272, the State, Justice, and Commerce appropriations bill, will not retain the amendment I proposed on July 19 prohibiting the use of any of the $450,000 appropriation to carry out the new duties which the President has purported to assign the Board by Executive order.

Senators will recall from the debate that the Justice Department, by the testimony of Robert Mardian, Assistant Attorney General for Internal Security, told the Senate Appropriations Committee on July 6 of the new powers the President proposed to give the Board. Naturally, he was not specific because the Executive order he was disclosing had not yet been issued, and was not issued for another 2 days.

The new Executive order purports to assign responsibility for the "Attorney General's subversives' list" to the Board. It does this despite the fact that the Internal Security Act of 1950, which created the Board, gives it different powers and duties.

When the chairman of the Appropriations Subcommittee (Mr. McCLELLAN) asked how the President could unilaterally change and amend statutes passed by Congress, Mr. Mardian said the President had "constitutional statutory powers." Senator McCLELLAN was dubious about the existence of this newly invented legislative power of the President. So am I. So was the Senate, which adopted my amendment 51 to 37.

Despite the fact that the Senate adopted my amendment repudiating this so-called Presidential "constitutional statutory power," the House may well not agree to the amendment, and there is the possibility that it will be deleted in conference. For that reason, I have written to each Senator seeking their support for sending back to conference any report which does not contain the Senate amendment.

The issue is quite clear. The Justice Department has invented yet another "inherent power" in the executive branch. This time it is the power to legislate. My copy of the Constitution says that all legislative power is given to Congress. The President has none. His responsibility is to "faithfully execute" the laws, not amend them as the Justice Department sees fit.

Each Senator takes an oath to support the Constitution. If we are to be true to that oath and to the Constitution, we must stand against any attempt by the Executive to usurp the functions assigned to the Congress.

We cannot mutely stand by and leave this issue to the courts. Our oath makes it our responsibility to decide constitutional issues of this kind. In this case our responsibility is doubly clear since the Justice Department has announced it will regard approval of the money bill as an express approval of this new doctrine of Presidential legislative power to amend statutes by Executive orders.

The offensiveness of this doctrine is heightened by the fact that the order in question was not published until 2 days after the Senate hearings and 10 days after the House passed the bill. The Justice Department apparently feels that Congress will be accepting in advance and in ignorance the exercise of Executive legislation merely by appropriating money.

Underlying this controversy is, of course, the issue of the Subversive Activities Control Board itself and the fact that it has done nothing with the $7,500,000 in funds it has spent these 20 years of its life. Unemployment is up and so is inflation. Yet, we give $36,000 a year to five men who do nothing to earn money.

Many of us, of course, would rather see the Board get paid for doing nothing than to see it try to carry out its functions. The idea of an official blacklist of Americans who express views the Government finds distasteful is repugnant to the Constitution. The first amendment guarantees free speech and free association. It is designed to make Americans intellectually, politically, and spiritually free.

That includes the right to express ideas no matter how unwise, how foolish, how outrageous. Americans have this right so long as they do not incite to violence or commit unlawful acts. Mere advocacy is protected by the Constitution even if it is displeasing to the Board or the Attorney General.

This Board is charged with blacklisting those who merely advocate. It also can blacklist those who are associated with groups that commit violence, even if the violence is committed by a small faction of the group and the person does not approve of these acts. "Sympathetic association," another sin, could encompass even nonmembers of these fringe political groups.

The Attorney General's list, now to be given to the Board for updating, is used to disqualify persons who seek employment in the Federal Government. Yet, even Federal employees have constitutional rights. The theory of this order is that the Justice Department can examine the thoughts and views of each American for their ideological purity because one day he may seek a job with the Government. Thousands of Americans have been denied employment and made to suffer economically, politically, and socially because of this official blacklist.

Many Senators, I know, disagree with my views on the constitutionality and need for the Subversive Activities Control Board. Yet, no Senator should permit an unconstitutional usurpation of

power by the executive branch to pass unchallenged. The 51 Senators who supported the amendment last week are divided on the first amendment issue, but not divided on the usurpation issue.

I urge the Senate conferees to stand by the Senate amendment. In the event that the amendment is not retained, I will oppose the conference report and move to instruct the conferees to insist on the new language. I hope that I will have the support of the Senate should this become necessary.

Mr. President, I ask unanimous consent that the letter I have addressed to Members of the Senate be reprinted in full in the RECORD. For the instruction of the Senate, I ask that the full transcript of the testimony by the Justice Department on this matter also be printed at this point.

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

U.S. SENATE, COMMITTEE ON THE JUDICIARY, SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS,
Washington, D.C., July 23, 1971.

DEAR SENATOR: I am writing to solicit your support to preserve the amendment to the State, Justice and Commerce appropriation bill which I proposed last Monday and which the Senate adopted 51–37. This amendment provides simply that the mere appropriation of money to the Subversive Activities Control Board shall not be taken as Congressional approval of the attempt to confer by Executive Order new powers not assigned to the Board in its legislation.

Over and above the very serious First Amendment issue represented, there is also the question of the President's power to alter the content of legislation duly enacted by Congress. Whatever one's views on the Board and the desirability of the Executive Order itself, it is clear to me that contrary to the assertion of the Justice Department, the President has no so-called "constitutional statutory powers." The Constitution gives all legislative powers to Congress, and none to the President.

The Senate amendment is now before the conference committee. I would appreciate your taking advantage of any opportunity you might have to express to the committee members your feelings on the necessity of retaining the amendment in conference. In the event that the Senate amendment is deleted, I intend to oppose the conference report. I hope that you will join in the fight to reject the report and return the bill to conference with instructions to preserve the Senate language.

Basic constitutional questions are involved, which should not be passed on before the Senate has a chance to consider them thoroughly. The new Executive Order purporting to expand the Board's power was not published until July 8, two days after Appropriation Committee hearings, and a full 10 days after the House initially passed the bill.

A vote against a conference report which does not contain the Senate amendment will manifest the devotion of the Senate to the Constitution which gives to Congress all legislative powers and none to the President. But it will not deny the President his right to submit legislation for the consideration of the Congress designed to accomplish what he thinks desirable in this field.

With kindest wishes.

Sincerely yours,

SAM J. ERVIN, JR.

STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATIONS FOR FISCAL 1972

Tuesday, July 6, 1971

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The Subcommittee met at 10:00 a.m., pursuant to recess, in room S–128, The Capitol, Senator John L. McClellan (chairman of the subcommittee) presiding.

Present: Senators McClellan, Ellender and Smith.

STATEMENT OF JOHN W. MAHAN, CHAIRMAN, ACCOMPANIED BY: BERNARD J. WATERS, GENERAL COUNSEL, MRS. MARGARETTE B. BURGESS, ADMINISTRATIVE OFFICER

Senator MCCLELLAN. The committee will please come to order.

This morning the committee will first consider the appropriations for the Subversive Activities Control Board.

The 1972 budget request was $467,000. The House allows $450,000, a reduction of $17,000 but an increase of $48,600 over the 1971 available funds.

The Board has advised that they are satisfied with the House allowance.

All right, Mr. Mahan, you may proceed with your justification of the 1972 fund requirements of the Board.

What do you want to tell us? You are satisfied. That is good news. How much do you want to reduce it over the House?

Mr. MAHAN. I don't think we can reduce it. Last year we were able to absorb about $17,000 in pay increases without asking for any more.

Senator MCCLELLAN. Tell us about this. We might as well get right down to the crux of it. You are going to have opposition to your appropriation. First tell us what you are doing and demonstrate the need for it.

Mr. MAHAN. First, the Attorney General, following the hearing last June, Mr. Chairman, sent two cases to us.

Senator MCCLELLAN. A little louder.

Mr. MAHAN. There are two Communist Front cases which have been sent to the Board, one is the Marxist case and the other is the Young Workers Liberation League. We are holding hearings on those two cases. Those are two cases that we have. Of course they have never done anything with the Dubois case, which is the third case we have had.

Senator MCCLELLAN. Dubois? Do you have that before you?

Mr. MAHAN. Yes. We have never held hearings on this because they declared that they went out of existence. When they went out of existence they formed the Young Workers Liberation League. That is the case we have been holding hearings on.

Senator MCCLELLAN. You are in effect holding hearings on both, aren't you?

Mr. MAHAN. That is correct.

Senator MCCLELLAN. The style of the case is not against Dubois but against its successor.

Mr. MAHAN. That is correct.

Senator MCCLELLAN. Let me ask you something. You have been holding hearings on these how long?

Mr. MAHAN. For the last six months.

Senator MCCLELLAN. When do you ever get through?

Mr. MAHAN. We get through when the Justice Department informs us that they have no further witnesses that we can use in those cases.

Senator MCCLELLAN. You have to wait on the Justice Department to supply your witnesses?

Mr. MAHAN. That is correct.

Senator MCCLELLAN. You mean the Board has no power to seek out witnesses?

Mr. MAHAN. No, the Justice Department has to bring the witnesses before the Board and they do it when they are ready to release an informer. When they are ready to release an informer we set a hearing for that particular person at a particular time.

Senator MCCLELLAN. You don't have enough work then to keep you busy all the time?

Mr. MAHAN. We can try more cases, Mr. Chairman.

Senator MCCLELLAN. What is the reason the Justice Department doesn't send you more?

Mr. MAHAN. That is a question that I am afraid you will have to ask the Attorney General.

Senator MCCLELLAN. I have always supported this Board and I think it can perform a great service if it has the cooperation of the Congress and the other agencies of Government. I think there is an area of interest there that should be looked after. What I don't understand, and what is going to determine whether this agency survives or not, is whether the Justice Department is going to give it the work to do.

Mr. MAHAN. That is correct.

Senator MCCLELLAN. I think we ought to find out why it is not giving you more work.

Make a note of that, Mr. Clerk, and let us find out. I want you to call down there and have somebody come up here and testify on this.

You are going to be under attack, there is no question about it. If you are not going to have anything to do, if they are not going to give you any work, there is no use keeping the Board. I think we are entitled to know why the Justice Department is not giving you more. If there is no more than what you have then there is a question of whether the Board is justified. I think we ought to get to the root of this thing and make a determination once and for all.

I have supported the Board, I will support it, because I think there is a job to be done but I don't think the job is being done as it should be done. If we can't get the cooperation from other agencies to get this job done, then we ought to find out why they are not cooperating and what the true picture is.

Mr. MAHAN. Mr. Chairman, as you know, the Board can't do anything until the Attorney General files a petition. He also brings in the witnesses and prosecutes the case.

Senator MCCLELLAN. It is like instituting the proceeding in court. They take the responsibility for instituting it and also for prosecuting it.

Mr. MAHAN. That is right. The Board hopes that they will send us a lot more cases. We think the disclosure to the American people of these dissident groups is healthy for the country, and necessary.

Senator MCCLELLAN. You say dissident groups. You certainly have reference to those that advocate violence and overthrow of the Government of the United States and anything like that, not because anybody dissents from the policies of Government?

Mr. MAHAN. No, sir. I meant only those who wish to overthrow the Government by force and violence.

Senator MCCLELLAN. How far are you along on these cases?

Mr. MAHAN. They told us that they had other witnesses and they would release them in the next month.

Senator MCCLELLAN. They have a problem too about when they release the witness, that witness is through. So far as any undercover work in the future.

Mr. MAHAN. That is correct. We have one witness who has been a member of the Communist Party for 25 years and they have released him. Another was a member for 17 years. We have young boys, we had one young boy in New York a month ago who voluntered to testify before the Board who had never been an undercover agent for the

FBI. That shocked them tremendously when they found out he wished to testify.

Senator McCLELLAN. Did he testify?

Mr. MAHAN. Yes, he did.

Senator McCLELLAN. Are these hearings all secret.

Mr. MAHAN. No, they are all public.

Senator McCLELLAN. All public hearings?

Mr. MAHAN. All public. The last one we had in New York when this young boy volunteered to testify, he also testified before a Congressional Committee, they created such a riot situation threatening the boy that it was necessary to even call the police to quell the disturbance.

Senator McCLELLAN. Do you have the power to put them under protection?

Mr. MAHAN. All we have is the power, when they do cause a riot situation, to ask the District Attorney, the district in the area we are in, for an indictment against them for that purpose.

Senator McCLELLAN. What about protective custody? I am talking about the person threatened.

Mr. MAHAN. The FBI protects them when they are undercover agents.

Senator McCLELLAN. Are there any questions?

Chairman ELLENDER. How many witnesses did you hear this year?

Mr. MAHAN. We have heard three so far in relation to these two cases.

Senator McCLELLAN. Only three?

Chairman ELLENDER. That is all you have done?

Mr. MAHAN. Two who were informants.

Chairman ELLENDER. What do you do the rest of the time?

Mr. MAHAN. The rest of the time——

Chairman ELLENDER. Sit around?

Mr. MAHAN. No. As the Senator knows, I have spent some time, as much as possible, in the House and Senate trying to correct the laws so they will work more efficiently and effectively. I give advice when they ask for it in an attempt to get this law through——

Chairman ELLENDER. That is not your job. You are doing that to kill time. You have heard only three witnesses in twelve months?

Mr. MAHAN. We do not have employment for our time, that is correct, Senator.

Chairman ELLENDER. What is the size of your Board?

Mr. MAHAN. There are five Presidential appointees and ten employees.

Chairman ELLENDER. Ten employees.

Mr. MAHAN. That is correct.

Chairman ELLENDER. These Board members get how much a year?

Mr. MAHAN. By law, $36,000.

Chairman ELLENDER. $36,000?

Mr. MAHAN. That is right.

Chairman ELLENDER. Couldn't maybe two do that instead of five?

Mr. MAHAN. All five do it, Senator.

Chairman ELLENDER. I know, but if you are not occupied it is just a waste of money and time.

Mr. MAHAN. They all want to be occupied.

Chairman ELLENDER. What is that?

Mr. MAHAN. They all wish to be occupied.

Chairman ELLENDER. I know they wish to.

Mr. Chairman, I don't see why we should continue this Board, frankly. I am beginning to think that Senator Proxmire was right.

Senator McCLELLAN. I have always supported it but the Administration and the Justice Department has got to be the aggressor and the moving power behind it. If it doesn't file the cases, make the charges, the Board can do nothing. Since we always have this controversy I am trying to get at the bottom of it.

Senator SMITH. Do I understand then that your Board is only a hearing committee under the direction of the Justice Department?

Mr. MAHAN. Not under the direction of the Justice Department, we are a quasi-judicial body. When the District Attorney brings the case and he prosecutes the case we are the hearing body for the case, that is correct.

Senator SMITH. The five membership of the Board is set up by law?

Mr. MAHAN. That is correct.

Senator SMITH. So if there is to be a change there has to be a change in the law.

Mr. MAHAN. That is correct.

Senator SMITH. What does the $16,000 cut do to you?

Mr. MAHAN. It was in travel. So it made no difference.

Senator SMITH. In travel.

Mr. MAHAN. That is correct.

Senator SMITH. Do you do a lot of travel?

Mr. MAHAN. No, not with the case load that we have. If we had the proper case load we would travel more, and we should. If the Attorney General gave us the cases the chairman has always told me I was welcome to come back here. I have not had to come back here. I wish I could have come back.

Senator SMITH. Is it any different now than it has been through the years?

Mr. MAHAN. I think it is better because the Attorney General gave us two front cases. That is the first time we have had a front case since——

Senator McCLELLAN. What kind of case?

Mr. MAHAN. Communist front case. That is the first time we have had a front case since back before Robert Kennedy was Attorney General. Before we had individual cases. The Circuit Court of Appeals ruled that it was against the First Amendment as it is now written. We have to amend the law to give us the authority to try individual cases again. I hope Congress does.

Senator McCLELLAN. Whom do you work with down in the Department of Justice?

Mr. MAHAN. Bob Mardian is the Assistant Attorney General in charge of Security.

Senator McCLELLAN. If we don't hear him today we will hear him later.

Chairman ELLENDER. Over how many days have you heard the three witnesses?

Mr. MAHAN. We have sat ten days in hearing.

Senator SMITH. Is that 1971 or the fiscal year?

Mr. MAHAN. This is the last 12 months.

Chairman ELLENDER. What would you do if you had cases? What could you do about it? Some kind of grand jury?

Mr. MAHAN. No, we are not a grand jury. Our purpose is to disclose to and inform the American people from witnesses what these conspiracies are all about, what these groups——

Chairman ELLENDER. Yours is simply to expose?

Mr. MAHAN. Expose and disclose.

Chairman ELLENDER. How do you disclose?

Mr. MAHAN. Disclosure through open trials and records.

Chairman ELLENDER. Do you try them?

Mr. MAHAN. We sit and issue the orders, yes, sir.

Chairman ELLENDER. Could you punish them?

Mr. MAHAN. No. Nobody goes to jail under this law.

Chairman ELLENDER. All you do then really is expose?

Mr. MAHAN. That is correct.

Chairman ELLENDER. Insofar as punishment is concerned, that is left to the courts?

Mr. MAHAN. Senator, the courts don't punish in this field unless they commit a criminal act. Of the 26 front cases we have heard in the history of the Board, there are only three who are still in existence. So the exposure has done away with the fronts that we heard the case on. So in my opinion I think the Board has been successful.

Senator McCLELLAN. Did the Dubois group disband because of expected exposure or apprehension?

Mr. MAHAN. The Dubois Club dissolved in my opinion——

Senator McCLELLAN. When you get after them they disbanded?

Mr. MAHAN. That is correct.

Senator McCLELLAN. But they went into another?

Mr. MAHAN. That is correct.

Senator McCLELLAN. Which you are now investigating?

Mr. MAHAN. That is correct.

Senator McCLELLAN. You can only proceed as the Department of Justice moves?

Mr. MAHAN. That is correct. It is a deterrence to these groups to start because once he files on them they usually go out of existence.

Senator McCLELLAN. Thank you very much.

Mr. MAHAN. Thank you, Mr. Chairman.

DEPARTMENT OF JUSTICE, STATEMENT OF ROBERT C. MARDIAN, ASSISTANT ATTORNEY GENERAL, INTERNAL SECURITY DIVISION, ACCOMPANIED BY: ROBERT L. KEUCH, CHIEF APPELLATE AND CIVIL LITIGATION, JAMES W. ZIGLAR, SPECIAL ASSISTANT TO THE ATTORNEY GENERAL, INTERNAL SECURITY DIVISION

Senator McCLELLAN. Mr. Mardian, whom do you have accompanying you?

Mr. MARDIAN. Robert Keuch and Mr. Ziglar of our staff.

Senator McCLELLAN. The question has come up here this morning that gave this committee some concern. We have had the Subversive Activities Control Board before us. They have five members of the Board down there drawing $36,000 a year. That is about $175 to $180 thousand, nearly $200,000.

I understand that they have had only two cases referred to them by the Justice Department since the Board was somewhat revitalized, since this Administration came in, I would say, because the other Administration had ceased to give the Board any business, to submit any cases to it.

Now, as we understand it, the Board cannot initiate cases. It is a hearing body. It conducts hearings on cases that the Justice Department refers to it. It can only proceed with those hearings as the Justice Department makes available to it the witnesses that it wants to present to substantiate the charges of subversion, and so forth.

Now, that Board is under attack, has been, and will be again, not only on the Senate floor, but in this committee before it gets on the Senate floor.

What has given us some concern, who have been supporting this Board, and who believe there is a need for it, is the lack of interest, or the lack of something on the part of the Justice Department, possibly a lack of business to refer to it. For some reason, this Board is not working. Now, their time is not being consumed, its usefulness is not being employed, if it is useful.

It comes right back to the Justice Department. We would like to have you comment on these things, and tell us what the real situation is, and what the prospects are in the future.

This is not criticism. This is trying to meet our responsibilities. We do not want to keep the Board and have people sit there and do nothing. If the Commission is not needed, we want to stop it now.

Mr. MARDIAN. Mr. Chairman, I first would like to apologize for lack of preparedness.

Senator McCLELLAN. I appreciate that. We are trying to move along with this. We will permit you to submit any supplemental statement after you have had time to weigh it.

I support the Board. In fact, I think there is a need for it, but it is not working, for some reason. Is it the fault of the Justice Department, or where is the fault? Why is it not functioning as it should?

Mr. MARDIAN. Let me say at the outset that one of the greatest deterrents to our sub-

mitting cases to the SACB has been the decision in the Boorda versus the SACB case, which largely inhibited hearings before that Board insofar as they relate to the designation of individuals who fall within the prescribed classifications.

Since the decision in Boorda, the activities of the SACB as well as the Internal Security Act of 1950 and Executive Order 10450, issued by the President of the United States, have been under intensive study, and I can inform the committee today that the President has signed an amendment to Executive Order 10450, in accordance with his constitutional statutory powers.

This amendment to 10450 amends Sections 8 and 12 of the Executive Order 10450 to permit the Attorney General to petition the Subversive Activities Control Board to conduct appropriate hearings to determine inter alia whether an organization is one which seeks to overthrow the Government of the United States, or any State or subdivision thereof, by unlawful means or unlawfully advocates the commission of acts of force or violence to deny others their rights under the Constitution or laws of the United States.

Senator McCLELLAN. To do what? To prevent others from violating the rights of others? We are getting into civil rights now.

Mr. MARDIAN. To deny others their rights under the Constitution or laws of the U.S. or of any State.

Senator McCLELLAN. Does that not get into purely a civil rights issue?

Mr. MARDIAN. No. It will permit, for instance, the Subversive Activities Control Board to investigate, upon petition of the Attorney General—

Senator McCLELLAN. It is not an investigating agency. I thought it was a hearing board.

Mr. MARDIAN. I am sorry.

To permit hearings of the Subversive Activities Control Board into activities presented by the Department of Justice for instance in connection with terrorist activities, which are on the increase in the U.S. today.

Senator McCLELLAN. Like bomb throwing?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. Threats?

Mr. MARDIAN. Yes, sir.

The amendment will serve a two-fold purpose. It will permit the SACB to hear these cases on petition of the Attorney General, and it will remove the fact-finding function of the Attorney General, which he now has, in designating subversives under 10450, and will thus separate the prosecutive and judicial functions which the Attorney General now has and place the judicial function in the SACB.

This will largely pertain—I should not say "largely," but will pertain to the existing unused authority of the Attorney General under 10450 with respect to personnel security in the U.S. Government.

Senator McCLELLAN. What does all of this mean? When was this Executive Order amended?

Mr. MARDIAN. The Executive Order was signed by the President within the past two days. I cannot tell you at this hour when it was signed.

Senator McCLELLAN. It has been signed in the last day or two, this amendment?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. In your interpretation of it, or your evaluation of that, maybe your assessment of it would be better terminology, does that mean that there will be more work for this Board to do?

Mr. MARDIAN. Yes, sir, there will be a great deal more work for the Board.

Senator McCLELLAN. Well, it has not had very much to do, and it will need a great deal more in relation to what it has now to justify it.

Mr. MARDIAN. It will undertake the function imposed by 10450 on the Attorney General, a function which has been unused I believe since 1956 in making determinations of the character described for personnel security reasons within the Government.

Senator McCLELLAN. You mean you can present evidence to this Board to make a determination about whether a man in Government, in a position in Government, is—

Mr. MARDIAN.—violating the proscribed elements now contained in Executive Order 10450.

Senator McCLELLAN. You cannot do that now?

Mr. MARDIAN. No, sir. Under Executive Order 10450, that entire function is reposed in the Attorney General.

Senator McCLELLAN. Do you have cases of that kind now to submit?

Mr. MARDIAN. At this point I would not like to give you a fixed number. I am not prepared, Senator.

Senator McCLELLAN I am not asking for figures. Do you have cases of that kind to submit?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. Did you so advise the President and counsel with him in getting that amendment to the Executive Order so that this Board might have jurisdiction of these cases?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN Is that one of the reasons why the President amended the Order?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. Can we have a copy of that for the record, that Executive Order?

Mr. MARDIAN. Yes. Within a matter of 24 hours the President will transmit to the Speaker of the House of Representatives in addition a proposed amendment to the Internal Security Act of 1950 which will in effect dovetail 10450 with the Internal Security Act, so that they can be construed together and will represent——

Senator McCLELLAN. Does the President have the power to issue this regulation? Is there any question about that?

Mr. MARDIAN. Not as to the Executive Order, no, sir.

Senator McCLELLAN. He does not have the power to issue the Executive Order?

Mr MARDIAN. He does have that power. I think that power is unquestioned with respect to the Executive Order.

Senator McCLELLAN. And the Board can operate under that Order, perform the functions that this Order provides?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. Without legislation?

Mr. MARDIAN. Yes, sir.

Senator McCLELLAN. Does the legislation creating the Board do that, give the President that power?

Mr. MARDIAN. There was testimony, I believe, before this committee last year with respect to the additional duties or functions which might be reposed in the SACB in connection with its appropriation hearing last year. It was in light of this testimony, I believe, that the appropriation was passed.

Chairman ELLENDER. The question is: can the President by Executive Order broaden the work of a Board created by Congress?

Senator McCLELLAN. Unless the statute, itself, authorizes it.

Chairman ELLENDER. That is what you are doing.

Mr. MARDIAN. The President is transmitting legislation to the Congress. It is my understanding, sir, that where the appropriate committee having jurisdiction is advised of the function, additional functions, which the Commission is granted, and the Congress acts upon that appropriation with that knowledge, that that, as in this case, the SACB would have the authority to engage in that type of hearing activity.

Chairman ELLENDER. Would it take congressional action of any kind?

Mr. MARDIAN. We will transmit, I believe tomorrow, additional amendments to the Internal Security Act of 1950.

Chairman ELLENDER. So that the Executive Order cannot become effective until Congress acts?

Mr. MARIDIAN. I think that if the Congress acts on the appropriation which is now pending for the SACB, with the knowledge that additional functions are to be given to the SACB, that, based upon custom, usage, and I think existing law, the SACB may upon petition of the Attorney General make recommendations to the Attorney General for additions to the list.

Senator McCLELLAN. I cannot follow you. Here this Commission exists by reason of a statute. The statute defines its functions, what it can do, and what it cannot do.

Now, as I understand the President's amendment, it would undertake to broaden that power beyond what the statute now prescribes.

Mr. MARDIAN. No.

Senator McCLELLAN. It does not? The statute may vest the President with certain powers, I do not know, we will have to check that, but unless it does, I do not see how the President by Executive Order can give to a Board created for one purpose by the Congress, with its powers and limitations prescribed, give to it a function which the Congress did not authorize.

Mr. MARDIAN. It does not propose to give it any additional powers, sir. It proposes that the Attorney General petition the SACB to conduct hearings in connection with the obligations of the Attorney General under Executive Order 10450, and make recommendations.

Senator McCLELLAN. Does this Board now have the power, under the statute, to conduct the kind of investigation that this Order would authorize?

Mr. MARDIAN. I believe it has the power to conduct identically this type of investigation.

Senator McCLELLAN. If it does, it is all right, but I suggest, then, with these questions that we are raising here, that the Department prepare and submit us a memorandum on it for the record. I think we had better do that, now.

Again, as one who believes here is a problem that ought to have attention, I would regret to see the Board abolished, unless it is not going to function, we are not going to use it, and the money is just being thrown away. I am apprehensive over the fact that there are many organizations, many groups, and so forth, too many, who are more or less subversive, and would be subversive. I just hate to see it abolished.

But if we are not going to use it, and if there is not the backlog of need for it that I think exists, the quicker we abolish it, the better it will be.

Mr. MARDIAN. That, of course, is a determination for the Congress.

Senator McCLELLAN. Yes, but we need facts upon which to act judiciously or wisely in the interest of our country. That is what we are looking for.

Chairman ELLENDER. We ought to have from you whether or not the President with an Executive Order can expand the duties of this commission which was created by a legislative Act. In my opinion, if you go beyond the Act creating that commission, you will be in trouble.

Mr. MARDIAN. We will prepare a legal memorandum for the committee, and we will do it as promptly as possible.

Chairman ELLENDER. Can you do it this week?

Mr. MARDIAN. I am sure we can do it this week.

I would like to make clear: nothing in the Executive Order purports to expand the authority of the SACB.

Senator McCLELLAN. It may have the au-

thority under the statute. I have not examined it. I want to clear that up.

One other thing. I want you to show, if you can, now, the need for the continuation of this Board.

Mr. MARDIAN. We will try to cover that.

Senator MCCLELLAN. Well, show it. Do you propose to let it sit there a year or two and do nothing?

Mr. MARDIAN. No, sir.

Chairman ELLENDER. Evidently we have. They have had three witnesses and 10 days work. These Board members are being paid $36,000 a year to warm seats only.

Senator MCCLELLAN. We had the Chairman of the Board right here this morning.

I have supported it because I felt there is a need for it. There either is no need, or if we are not going to use it, like the last Administration did not use it, let us find out, because it has to be settled and resolved on the basis of reality on the basis of facts. I am not prejudiced either way.

Very well. Thank you, sir.

OLDEST VISTA VOLUNTEER WORKING IN ST. LOUIS

Mr. EAGLETON. Mr. President, recently it came to my attention that the oldest VISTA volunteer, 90-year-old Edgar Slater, is serving in St. Louis.

Mr. Slater is assigned to the Voluntary Action Center, an agency funded by OEO and the Health and Welfare Council. VAC in turn has assigned him to the Older Adults Special Issues Society where he is supervising the remodeling of an old hotel into apartments for the elderly. Prior to his assignment in St. Louis, Mr. Slater served for 2 years as a VISTA volunteer on an Indian reservation in Montana.

There are thousands of older people like Mr. Slater who are not content to retire to a rocking chair and are anxious to use the skills and experience developed during their younger years.

I am hopeful that the new ACTION agency will give high priority to the development of additional service opportunities for older Americans.

Mr. President, I ask unanimous consent that there be printed in the RECORD an article about Edgar Slater, "Success Story: Tomorrow Is Another Day," from the June 1971, issue of the OEO publication "Opportunity."

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

TOMORROW IS ANOTHER DAY

Edgar Slater, at age 37, was too old to serve in World War I. Now at 90 years of age, he is too young to retire. He is currently serving his third year as the country's oldest VISTA Volunteer.

"I've led a fairly active life," said Slater, who was a self-taught mechanic before the turn of the century. Since then he has either taught or worked as an industrial engineer on everything from tractors to airplanes, mostly in the Midwest. "That's only half of it," he said. "Tomorrow is another day."

Today Slater is assigned to the Voluntary Action Center, VAC, in St. Louis, Mo., which is funded by OEO and the Health and Welfare Council, a private, non-profit agency. VAC, which was founded in early 1969 by ex-VISTA Richard Garbell, develops citizen volunteerism for anti-poverty programs, charities, hospitals and the Better Business Bureau. The center assigns about 2,000 volunteers a year to work at least a few hours a week for 250 programs.

Slater is delegated by VAC to the Older Adults Special Issues Society, OASIS, a private, non-profit corporation of senior citizens' clubs in the St. Louis metropolitan area. He is supervising the remodeling of ten floors in an old hotel to be used for apartment units leased at cost through OASIS to elderly people. Utilizing his engineering knowledge, Slater is drawing new blueprints for the floors and studying the electrical, air conditioning, plumbing and water systems for future renovation. Except for being hard of hearing, he is fit and functioning excellently on this monumental task.

Slater, whose hearing started to go when he was working on large bomber engines during World War II, has never had any serious physical disabilities, other than a few temporary ones due to accidents. "I've never known sickness, except for my stomach," he said. "It bothers me three times every day and the only cure is beef and potatoes."

Born on October 15, 1880, on a farm near Hiawatha, Kansas, Slater was "just a farm boy with a wonderful grandfather who was one of the old time millwrights. Now he would be called a structural engineer. He could build anything and he started teaching me his trade when I reached his knee. I grew up experimenting with his tools. That's where I got my lead," he said.

His grandfather drilled the importance of education into him. "Get as much schooling as you can get. You can carry it around without wearing your shoe soles out," he told young Slater, who had a rough time in those days carrying out this advice. "There was no such animal then as high school," said Slater, who studied mechanical engineering by mail order while repairing farm machinery in a small shop for six years to save money for college.

"From then on I fought my way up," said Slater, who finally got to the Armour Institute of Technology at the age of 24 in 1904. While studying engineering there, he was inspired to go into teaching by two instructors. "One was the head of the engineering department, an old grouch who rode me unmercifully," he said. "He didn't bother students who weren't working hard and one day I asked him why. 'Suppose I'd ever spend my breath on them? You can't teach a fellow who isn't interested,' he answered. That's a great point for a teacher."

After a couple of years at Armour, Slater had to quit college because of ill health in his family and go back to work in the repair shop. While home, he took time out to marry Rosa E. Mosser, a maid who worked for a customer of his. Slater, who fathered three sons, all but one of whom are still living, finally embarked on a long career in industrial education around 1908. He taught industrial arts at Lakewood High School in Cleveland, Ohio for three years before he was appointed supervisor of industrial education for the city's general public school system.

When World War I began in 1917, he registered for the draft, but was told he was too old to serve. Nevertheless, he registered again the following year and was sent to an Army training school at the University of Illinois as a visiting instructor. He spent about a year teaching "tools, math, whatever was needed," and then the week of Armistice Day he was transferred to Iowa State College to retrain wounded soldiers. He also taught at Texas A & M, South Dakota University and Kansas College in the training program, which ended in 1924.

He then taught drafting and mechanical engineering for five years at Iowa State College, where he finally received his AB degree in industrial education. In 1929, he left the college to become supervisor of apprenticeship training in engineering in seven factories in Dubuque, Iowa. "I worked with drop-outs and misfits," he recalled. "It gave me an opportunity to share in the development of a much needed phase in our educational system. It was very successful until the depression knocked out everything but the bare essentials in the factories."

In the spring of 1932, the apprenticeship training program was dropped and Slater was out of a job." For the next three years, he went from farm to farm, town to town, wherever he could find an odd job and earn an honest nickel. Fortunately, he owned a six-room duplex house which he and his son had built in Dubuque, Iowa, so at least he and his family had a roof over their heads.

He finally got a job in 1935 with the Oliver Tractor Company in Charles City, Iowa. At first he did everything from assembly line work to instructing new engineers at the plant, which built tractors from start to finish. He ended up as assistant to the chief designer and between them, they designed the first fully electrically equipped tractor ever produced.

Slater retired in the fall of 1939 because of his wife's ill health, but it didn't last long. His wife, who died ten years later, couldn't stand him "steaming around the house looking for things to do." She insisted that he find a job, and he ended up as an aircraft engineering instructor at Fairfax Aviation School the following spring.

"I didn't know too much about airplane engines," said Slater, who had never worked on aircraft. "But I had studied up on them since the Wright Brothers flew the first self-powered airplane at Kitty Hawk around 1903. I got along all right." In 1944, he went to Pratt & Whitney in Kansas City, where he was an instructor in the assembly and testing of large bomber engines until the end of World War II.

After the war, he worked nine years as a development engineer for a Kansas City manufacturer of blowers and other air moving equipment for mine and cooling towers. Here he developed a new method of forming certain parts of fans by explosion. Years before this, Slater was a boiler inspector for Iowa. He remembered seeing steel 5/8th of an inch thick wrapped around a three-inch bar after an accidental boiler explosion. By adapting this method to sheet metal, he devised a valuable manufacturing short cut for the company. "I wrote a thesis on this for my master's degree," he said. "But I didn't get it. One of the judges thought the method was too simple."

He retired again at age 74, but "couldn't take just loafing around." It was easy for Slater, who was "fairly well known in the manufacturing world," to find another job, this time designing and developing space heaters, tools and dies for the Ruhl Products Company in Dallas, Texas. He did this for two or three years, when an architect friend of his asked for his help on a construction project in a small mountain community in Puerto Rico.

"This was the first time I was directly involved in any kind of community service," said Slater, who spent a year helping to reconstruct a community center that "was full of so many mistakes, it wouldn't pass the building code in the area. I didn't learn Spanish, but I saw a good many things there while getting the center shipshape."

In 1959, Slater returned to Iowa where he did church work for four years. "I helped out wherever I was needed; lecturing, teaching the Bible, organizing church groups, whatever they wanted me to do. The poverty I saw in Puerto Rico may have had something to do with this. In any event I was serving a felt need," he said.

"It's been a great old life. I've done some interesting things, and it all came from a felt need," he continued. "What's wrong with the loafers in the country today is that they don't have it. I don't understand it, because to me the very fact of life itself is need. You feel it

first when you become conscious you are hungry. If you didn't chances are you'd never eat. Even the beasts have this, although they don't think of tomorrow in terms of yesterday. Only man can project his need for any distance."

Slater realized another felt need when he heard about VISTA in 1965. He figured his training and skills could be useful to others in need and became a Volunteer at age 85. His two years' service was mostly with Crow Indians on a reservation near Lodge Grass, Montana, where he taught tribal members "to make better wigwams."

"It was shameful the way some contractors skinned those Indians. You could pick apart some of the concrete work they did with a tooth pick," said Slater, who taught a group of Indians blueprint reading and home construction from the foundation up. "I made up a loose leaf text explaining how to build each piece of a five to seven room concrete and lumber house. I also showed them the way the 'cheapee' builder cuts corners and what results from this. Then I showed them the right way to make a building that will stand. They were building seven houses when I left in 1968."

Slater loafed around Kansas City for a couple of years before VISTA picked him up again and put him to work for OASIS in St. Louis. When he finishes directing the remodeling of the old hotel, he'll probably look forward to another demanding job. "I'm not dead yet," he said. "I know there is something now and something in the future I can do. After all, tomorrow is another day."

ERECTION OF A MONUMENT TO THE LATE L. MENDEL RIVERS

Mr. THURMOND. Mr. President, a movement has been started by admirers of the late Congressman L. Mendel Rivers to erect a monument in his honor in Charleston, S.C.

A distinguished group of citizens, headed by Gen. Mark W. Clark, president emeritus of the Citadel and one of the greatest generals our country has produced, is spearheading the drive to commission the preparation of the monument and raise funds to pay for it. Recently, all members of the South Carolina General Assembly signed a statement attesting to the greatness of our former congressional colleague. At the same time, each made a contribution to the monument fund, and I am pleased to join them in this worthy undertaking. Undoubtedly, many of Congressman Rivers' friends in the Senate and the House would like to contribute to this fund. Such gifts may be mailed to Rivers Monument, Charleston, S.C. 29401. A formal nationwide solicitation of gifts for the monument will be made later this summer.

Mr. President, General Clark has recently said—

We want all who admired this great American to have an opportunity to contribute to the monument.

It is to be a bust of Mr. Rivers on a substantial but simple pedestal. It will be the only monument in a small park in the heart of old Charleston.

Other members of the monument committee are Joseph J. Riley, vice chairman; Theodore S. Stern, secretary-treasurer; William Harold Butt; Edward Kronsberg; Delacy Shuman; Y. W. Scarborough F. Julian LeaMond; Richard E. Seabrook; Dr. John A. Hamrick; and Rear Adm. Herman Kossler.

Mr. President, I highly commend the movement to erect a monument to our late friend and colleague and urge support for it from Members of Congress and admirers and supporters throughout the Government. It is also fitting and proper that such a monument be erected to L. Mendel Rivers as I know of no person during my 17 years in the Senate who has contributed more to national defense than Congressman Rivers.

GOVERNMENT FINANCING OF PRIVATE ENTERPRISE

Mr. HART. Mr. President, pithy wisdom, captured in thoughts which have now become cliches, is worth pondering when measures like the pending bill are before the Senate. We are all familiar with thoughts like, "history repeats itself," and "the roots of the present lie deep in the past." For some reason the seed of wisdom contained in those thoughts often is not nurtured and put to good use. If it were otherwise, we would not be considering repeating a mistake Great Britain is now in the process of renouncing.

The British Government created an Industrial Reorganization Corporation, a government financed project with much the same purpose and authority as that proposed by the pending bill. The net result of interfering in the competitive process is documented in an article by the industrial editor of the Times of London, Maurice Corina. The article appeared in the business section of the New York Times for Sunday, July 25, 1971.

Mr. President, I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

It is my hope that the Members of the Senate and the House will read and study this article with care. It examines practical experience with an analogous proposal in Britain and clearly shows that socialism for the rich is not even in the best interests of the rich—let alone the free enterprise system and the bulk of society.

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

[From the New York Times, July 25, 1971]

HOW BRITAIN QUIT RESCUES

(By Maurice Corina)

LONDON.—Not so many weeks ago, John Davies, the British Government's first ministerial "overlord" for industry, found an official report in his "in" tray that must have caused a wry smile. A group of leading industrialists had made public its belief that companies should have continuing access to the Exchequer when the financial services of the City of London appeared inadequate.

The report was submitted at the same time that a Conservative Government was being forced to nationalize prestigious Rolls-Royce, Ltd., rescue the financially distressed British Steel Corporation and reorganize Liverpool's port authority. In between, Mr. Davies faced the collapse of a major insurance company and the dilemma of saving two big shipbuilding companies, Harland & Wolff and Upper Clyde Shipbuilders.

Most of the industrialists arguing that government aid ought to be available to private enterprise were old friends. Mr. Davies, named by Prime Minister Heath to high Cabinet office without any previous parliamentary experience, had upset them by killing the Industrial Reorganization Corporation, their golden goose. For five years the I.R.C. had apparently defied the natural laws of business by aiding ailing companies, often intervening in competitive situations.

Mr. Davies, Britain's Secretary of State for Trade and Industry, was keeping a Conservative pledge in ending the I.R.C., which had been started by a Labor Government. He believes passionately in the traditional concepts of marketplace competition. This is not surprising, for he was at one time managing director of Shell-Mex and British Petroleum and, before entering political life, director general of the Confederation of British industry.

Ailing companies, Mr. Davies said on assuming office, must manage without the aid from the Exchequer that sheltered them from the reality of tough competition.

The I.R.C.'s office was located discreetly among the clubs of Pall Mall, close to St. James's Park, where more than a few tycoons have no doubt paused to contemplate their business worries while strolling to their clubs, the Reform, the Royal Automobile or Oxford and Cambridge. Whether their companies were ailing or not, the records show that hundreds of directors of many well-known concerns could not resist stopping into the I.R.C. headquarters, where the staff had $360-million in Government funds to lend or invest.

The I.R.C. had a short but eventful life during which more than $240-million of the taxpayers' money was put into British industry. More than 90 individual company projects—many involving mergers in which the I.R.C. acted as a marriage broker—received aid from the corporation.

The I.R.C. was established to stimulate a fundamental reconstruction of British industry, supplementing the City's renowned merchant banking services and giving the Government a direct influence on company organization. The Labor Government did not want to advocate nationalization or to be seen extending state control beyond the bounds of electoral acceptance.

The I.R.C. was given a part-time board of top industrialists and paid executives who were able to use public funds at any time in reorganization projects. Former Prime Minister Harold Wilson's Cabinet cabal of industrial ministers gave the team its head. The team was to include such names as Lord Kearton of Courtaulds, Michael Clapham of Imperial Chemical Industries, Sir Maurice Bridgeman of British Petroleum, Sir Joseph Lockwood of Electric and Musical Industries and Lork Stokes of British Leyland. Others included Lord Goodman, a top lawyer, and the late Sir Leslie Cannon, former chief of the Power Workers Union.

Just to make sure the Government did not lose control, the big decisions had to be approved by appropriate ministers. Parliament also passed an industrial expansion act to enable the ministers to dabble in other reconstruction projects, such as funding three giant aluminum smelters.

There is no doubt the impact of the I.R.C. was profound. Direct state intervention enabled British Leyland to merge with the British Motor Corporation and the resulting B.L.M.C. still holds a $60-million unsecured public loan. Rootes Motors was taken over by the Chrysler Corporation, with the I.R.C. taking a share to remain as a watchdog.

Two mighty electrical combines, Associated Electrical Industries and English Electric, were in turn annexed with the I.R.C.'s support in complex take-over struggles mounted by Britain's General Electric Company, which was led by a brilliant accountant, Sir Arnold Weinstock. Sir Arnold subsequently hired I.R.C.'s first chief executive, Sir Ronald Grierson, for his own boardroom.

The I.R.C. cut across the work of other state agencies, including even the Monopolies Commission, whch seemed powerless to intervene as giant mergers resulted under

the corporation's interventionary policies. Companies stood in line to get funds often denied to them by their bankers or stock market situations.

Variety was the spice of the I.R.C.'s exhilarating life. Bowater and Reed Paper, two deadly rivals in the paper industry, got together to borrow $4.8-million for a joint mill project. Clarke Chapham obtained a similar unsecured loan to lubricate moves toward a merger of boiler makers. More than $21.6-million of government funds were used in a three-way merger of British ballbearing companies into Ransome Hoffman Pollard—a move that led to protests from Sweden and apprehension among American competitors.

Many of the great names of British industry can be found in the list of I.R.C. investments—Plessey, Joseph Lucas, the Weir Group, Qualitex, British Oxygen, British Nuclear Design and Construction, Brown Bayley and Allied Textiles.

Industries that felt the hand of I.R.C. influence in one form or another were numerous. Engineering of all kinds, pumps, machine tools, textiles, nuclear power, computers, cables, steel, electronics, fishing, mining, vehicles and paper are examples of the diversity.

A loan here or a merger there seemed enough to set off a chain reaction. British industry between 1966 and 1970 experienced a take-over and merger boom the likes of which had never been seen before in the country's long commercial history.

Businessmen never knew where intervention might come. Exchanges between companies and the I.R.C. staff at Pall Mall were frank and confidential. Quite often, managements seeking help would be turned away empty handed—and resentful. The feelings of industrialists about all this activity were mixed.

It will be some years before the results can be judged, but, meanwhile, the casualties of reorganization were leading to a general questioning of government intervention. Fears about monopoly behavior and other questions coincided with an event that might be seen as a turning point in the I.R.C.'s activities.

The I.R.C., the eyes of many in the City, began overstepping its authority when it decided to enter a normal stock market take-over struggle. An independent instrument company, George Kent, was publicly supported against the mighty Rank Organization, which had made a seemingly generous offer for a rather sleepy company, Cambridge Instrument.

A Rank take-over just did not suit the I.R.C.'s plans for a realignment of the electronic instrumentation industry. The involvement of the I.R.C., which had access to large sums of public money, in frustrating the normal forces of the marketplace was just too much for the City's financial community.

There was no doubt about the willingness of the corporation to get deeply enmeshed in complex situations. Indeed, at one point in the formation of an all-British ballbearing consortium, its chief executive flew to Sweden in an attempt to tell the Skefco organization, a rival threatening to disrupt the Ransome Hoffmann Pollard merger, to keep its nose out.

All this coincided with the Conservative party's search for a coherent industrial policy. One of the most interesting features of British politics has been the way in which the main parties have devoted so much attention to the need to modernize industry to withstand both American and European competition. The Labor party believed in direct intervention and now the Conservatives were proclaiming disengagement, urging that cold blasts of competition were the best forces for change. The I.R.C. was slated to be disbanded, which followed the Conservatives' and Mr. Heath's gaining power.

The final words of the I.R.C.'s board in its valedictory annual report sent to Mr. Davies were that the members "would not have agreed to serve the corporation if they had not considered it had an important role in promoting the efficiency of British industry and thus promoting the national interest." They added: "Nothing had occurred to cause them to alter their opinion."

By its mistakes and its enthusiasm, however, the I.R.C. put itself into a position where its being disbanded was inevitable. The brash ways of a team of young men recruited from merchant banks, journalism and other sources had created antagonisms and resistances that made constructive work difficult. While experienced industrialists served on the board, the groundwork and reports were the responsibility of the young I.R.C. tigers, who readily cut across City traditions and British industrial methods.

Yet, on the death of the I.R.C., there are now emerging doubts. Many of the mistakes had been overcome by the I.R.C. and businessmen now realized that spectacular business failures and the strain of a long period of tight finance had indicated that the City's services were not sufficient. As a result, efforts are now under way to see if the principle of deploying more public funds in private industry can be retained.

The crash of Rolls-Royce, which the I.R.C. could not prevent, and other recent shocks to the system have shown that government cannot always stand aside. The lesson of the I.R.C. in Britain is that there is still a requirement for a vehicle that under conditions of trust and confidence can create a bridge between public finance and industry. Some specialized institution is still needed to channel a proportion of the taxpayers' money into activities that do not show an immediate profit but which for reasons of overriding national interest are judged necessary.

Any successor operation will need to be conducted in professional and less flamboyant way to build up long-term confidence, provide independent advice and clearly identify with the objectives of the private sector. Industrialists have been appearing recently before a Parliamentary committee suggesting a new agency or perhaps reviving a little used authority called the Industrial Finance Corporation, which was set up after World War II by the Bank of England in association with the clearing banks.

Whatever is decided, one merchant bank, N. M. Rothschild & Sons, has gained from the I.R.C.'s dramatic intervention on the British business scene. Mr. Davies has given N. M. Rothschild the task of administering, on a commission basis, the investments and the dispersal of the I.R.C.'s huge portfolio of $277,440,000 in shares and loans. The fact that so much money had been committed is evidence enough that private industry felt the principle of access to public funds was acceptable.

THE FARM CREDIT ACT OF 1971

Mr. HATFIELD. Mr. President, the Committee on Agriculture and Forestry has approved and reported the Farm Credit Act of 1971, S. 1483, which I cosponsored.

The bill will greatly help the farmers of Oregon and the Northwest, and we are very grateful for the committee's interest in moving it to the floor of the Senate. It involves absolutely no appropriations or Government funds in any way, but rather offers the farmers an improved system for obtaining their own farm-loan funds. As approved by the committee, it is a strong bill, designed to help farmers while making a modest contribution in the area of rural development.

There is considerable interest in and support for this bill among farmers, farmer-cooperatives, farm organizations, and the members of the farm credit system. The bill was not written and submitted to Congress by the administration, but was the result of 2 years of study and consideration by members of the farm credit system. It has been carefully examined by the Committee on Agriculture and Forestry, under the leadership of the Senator from Georgia (Mr. TALMADGE), who introduced the bill. Now the ball is in our hands.

Mr. President, in the interest of helping one of the pillars of modern American agriculture, and to assure our farmers that we are deeply concerned about the terribly difficult burdens they are forced to bear, I urge that we take action on S. 1483 as soon as possible. It would be my hope that we can complete action on it before the August recess. It is a worthwhile measure, one in which I believe we can all take pride.

TRIBUTE TO THE JUNIOR CHAMBER OF COMMERCE OF GREENVILLE, S.C., FOR SPONSORING THE MISS SOUTH CAROLINA PAGEANT

Mr. THURMOND. Mr. President, one of the truly "big events" in my State of South Carolina is the annual Miss South Carolina Pageant. This pageant has become especially meaningful to me since my wife, the former Nancy Moore, was named Miss South Carolina a few years ago.

This year's pageant was another high success, thanks to the skillful promotion of the Junior Chamber of Commerce of Greenville, S.C., who sponsored the event this year. The Greenville Jaycees under the able direction of their president, Henry W. Davis, repeated the fine performance that has characterized them in recent years. I wish to commend them for their efforts.

It is no small honor to win this pageant. Not only is the winner entitled to represent South Carolina in the Miss America contest, but she receives a valuable scholarship and the opportunity for personal appearances throughout the State and much of the country.

This year's Miss South Carolina is Miss Pamela Ruth Inabinet of Columbia. This Columbia College student won over 55 other contestants and is already preparing to represent the Palmetto State in Atlantic City on September 8.

Mrs. Thurmond joins me in commending her and expressing to her our wishes for great success in the Miss America Pageant.

An account of her winning the South Carolina title appeared in the July 19 issue of the Greenville News of Greenville, S.C. The article also reflects the efforts of the sponsoring Greenville Jaycees.

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

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

[From the Greenville News, July 19, 1971]

STATE'S NEW QUEEN WILL BE BUSY, SHE WILL MISS COLLEGE ROOMMATES

(By Mike Bowen)

The girl who calls herself the "old maid" of the Miss South Carolina pageant is going to be very busy for the next few months.

Pamela Ruth Inabinet, a bright-eyed, 21-year-old Columbia College student majoring in drama, won the title of Miss South Carolina over 55 other contestants Saturday night and is already looking toward the Miss America pageant in Atlantic City Sept. 8.

"Of course," Pamela said, "the first question anyone asked Sunday morning was how I felt about winning. I can't explain it," she laughed. "I feel happy and stunned. It is like awakening from a dream and finding it is real."

She admitted that she would miss her college work for the year of her reign, but smiled and said, "Some of my friends there have already told me they would do my homework for me." Her greatest disappointment, she said, was that she would not be with her roommates for the coming year. "They are like sisters to me," Pamela explained.

Her ambition for the next year is to "represent South Carolina in a dignified manner in Atlantic City in keeping with the dignity of the state itself," the poised, green-eyed brunette said in a press conference following an awards breakfast for the contestants Sunday at Furman University.

For the Atlantic City competition, Pamela will select a wardrobe furnished by a $500 wardrobe scholarship from the S.C. Jaycees, sponsors of the state contest, and $500 from national sponsors.

Her first official appearance as Miss South Carolina will be at the Pageland Watermelon Festival, but most of the time between now and Sept. 8 will be devoted to preparations for her appearance in the Miss America Pageant.

She said she was undecided yet whether she will use the rhythem tap routine to "Puttin on the Ritz" which helped her win the South Carolina title.

"You work so hard for the Miss South Carolina crown," she said, "and after you get it, it is like starting all over again."

Looking beyond the next year, Pamela, who represented Columbia in the pageant, said there is no one waiting in the wings for her to finish her reign. "I don't have a boyfriend. I refer to myself as the old maid of the 1971 Miss South Carolina pageant," she smiled.

Her career plans include graduate study in dance, with the idea of teaching, particularly modern dance, on the college level when she finishes her education.

And she will be well qualified. She has studied ballet for 14 of her 21 years, tap dancing for 16 years and jazz and modern dancing for five years.

One of the more humorous moments in the awards banquet Sunday was the presentation to Pamela of a $135 scholarship for dancing lessons from a major national dance studio. But she gracefully said, "I have always wanted to study ballroom dancing. I am very excited about receiving this opportunity."

In addition to her mother and father, Mr. and Mrs. G. W. Inabinet Jr. of Swansea, she has a younger brother. "He is 11," she said, "and he was thrilled about me winning. He said he had a cheering section at the contest Saturday night."

Pamela and her parents were briefed Sunday on her schedule for the coming year, including her contract and official appearances as Miss South Carolina. She will be accompanied by a chaperone to all official functions where she will appear, but she was also told that she could date at any time except during the Miss America pageant and at any function where she appears officially as Miss South Carolina.

Glen Jeffcoat, business manager for Miss South Carolina, said the chaperones will be chosen from two or three women chosen by the queen and her hometown Jaycee chapter. There will be a chaperone chairman and the person to accompany her will be decided on for each individual appearance.

In addition to the $300 scholarship which she won in the Miss Columbia pageant and numerous scholarships and wardrobe allowances, sources with the Jaycees said that she can expect to receive from $10,000 to $12,000 from appearance money for her year as Miss South Carolina. Part of the money will be used for wardrobe items and to pay her expenses for the year. It was said Sunday that Claudia Turner, the 1971 Miss South Carolina, was able to almost triple this estimated income by virtue of her position as first runner-up in the Miss America pageant last year.

It appeared Sunday that Pamela Ruth Inabinet, 1972 Miss South Carolina, will not have a great deal of time for her hobbies of acting, sketching, cooking and writing poetry for at least a year.

THE PRESIDENT SHOULD HELP TO END THE RAILROAD STRIKE

Mr. CHURCH. Mr. President, today I call upon President Nixon to use the influence of his high office to help to achieve a settlement in the current railroad strike which has idled the Union Pacific Railroad in my State of Idaho, causing serious hardship to our farmers and livestock producers as well as our mining and lumber industries.

The President has available to him not only considerable powers, but also the moral influence of his office. I would hope that President Nixon would take a personal hand in helping to end this dispute.

I ask unanimous consent, Mr. President, that the text of a press release I intend to issue on this subject be printed in the RECORD.

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

FROM THE OFFICE OF SENATOR FRANK CHURCH

WASHINGTON, July 27.—Senator Frank Church today urged President Nixon to use "the influence of his high office" to help achieve a settlement in the rail strike which has brought the Union Pacific to a standstill in Idaho.

"This dispute is causing serious hardship to Idaho farmers and livestock producers, as well as to our mining and lumber industries," Church said.

"The railroads in this country run a national monopoly on shipments of vast amounts of farms products. Whenever rail service is interrupted in a state like ours, the general economy is threatened."

Noting that labor-management negotiations have failed to break the impass to date, Church called on President Nixon to directly intervene in the dispute in order to expedite a settlement.

"The President has available to him not only considerable powers, but also the moral influence of his office. I would hope that President Nixon would take a personal hand in this matter, utilizing his leadership to the fullest extent in helping to work out a settlement of this strike," Church said.

THE SOVIET INVASION OF CZECHOSLOVAKIA

Mr. PERCY. Mr. President, on August 21, freedom-loving peoples throughout the world will recall the Soviet invasion of Czechoslovakia 3 years ago. It will be a day of mourning for the loss of a limited amount of liberty and a day of prayer for national redemption.

We, in the United States, who have enjoyed our freedom without lapse since the birth of the Republic cannot fully appreciate the catastrophic consequences of a foreign invasion and continuing occupation. Yet I submit that the American people have an obligation to study what has befallen the Czechs and Slovaks, so that they can understand—really understand—the depressing situation in Czechoslovakia.

We cannot afford to be dilettantes about events in which national sovereignty is ignored and foreign domination is imposed. We must understand, at long last, what so many millions of our human brothers must endure in Czechoslovakia and other lands which are forcibly denied their rights of self-determination.

I call upon the Senate to take note of the third anniversary of the invasion of Czechoslovakia and in this way to promote public understanding of the tragic subjugation of the Czechs and Slovaks.

SENATOR MUSKIE'S PERSPECTIVE ON MAINE

Mr. EAGLETON. Mr. President, recently I placed in the RECORD a number of speeches by Senator MUSKIE regarding the problems we face as a nation. As an aid to those who might wish to make further reference to the Senator's views, I ask unanimous consent that a list of those speeches and the page numbers at which they appear in the CONGRESSIONAL RECORD be printed in the RECORD.

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

SPEECHES OF SENATOR MUSKIE

(NOTE.—Pages referred to appear in the RECORD of July 19, 1971, beginning at 25943 and ending at 25972.)

1. "Election Eve," Cape Elizabeth, Maine, November 2, 1970, p. 2.
2. "A Pilgrimage Home," Closing Remarks, Maine Senatorial Campaign 1970, Lewiston, Maine, November 1, 1970, p. 3.
3. "Vietnam: The Way Out," Connaissance Lecture, Univ. of Pa., Philadelphia, Pa., February 23, 1971, p. 4.
4. "To Restore America's Trust," Comments on the Pentagon Papers, Eugene Nickerson Testimonial Dinner, Garden City, New York, June 20, 1971, p. 5.
5. "A Job for Every Worker," Detroit Economic Club, Detroit, Mich., May 24, 1971, p. 6.
6. "The Forgotten American Farmer," Wisconsin State College, Stevens Point, Wisc., May 16, 1971, p. 7.
7. "A Coalition of Interests: Black and White Together," Chicago NAACP Dinner June 4, 1971, p. 8.
8. "Reflections on Death of Joetha Collier," Rivier College Commencement, Nashua, N.H., May 30, 1971, p. 9.
9. "The Fifth Freedom," Four Freedoms Award Dinner, New York City, May 20, 1971, p. 10.
10. "A Medical Bill of Rights," Albert Einstein College of Medicine, New York City, May 27, 1971, p. 11.
11. "Health Care for Older Americans: A Right, Not a Privilege," Opening Statement, Subcommittee on Health, Los Angeles, California, May 10, 1971, p. 13.
12. "Cities of Hope—A Chance for the New South," LQC Lamar Society, Atlanta, Georgia, April 30, 1971, p. 13.
13. "Rebuilding Urban Government,"

American Jewish Committee, New York City, May 14, 1971, p. 15.

14. "Revenue Sharing," House Ways and Means Committee, June 9, 1971, p. 16.

15. "Beyond Urban Survival," U.S. Conference of Mayors, Philadelphia, Pa., June 14, 1971, p. 17.

16. "A War Against Heroin," N.H. Bar Association, Bretton Woods, N.H., June 18, 1971, p. 19.

17. "Law and Order: Beyond the Code Word," Summary 1971, p. 20.

18. "The Right to Know and the Right to be Let Alone," National Magazine Editors Award Luncheon, New York City, April 26, 1971, p. 21.

19. "Arms Control: A Step Toward Survival," Town Meeting, World Affairs Council Meeting, Philadelphia, Pa., April 6, 1971, p. 22.

20. "A Strategy for Peace in Europe," U.S. Senate, May 18, 1971, p. 23.

21. "Israel's Survival and America's Security," Denver, Colorado, June 25, 1971, p. 24.

22. "The American Role in Africa's Future," African-American Dialogue, Lagos, Nigeria, March 8, 1971, p. 25.

23. "An Alliance for Survival," Conference on International Organization and the Human Environment, New York City, May 21, 1971, p. 27.

24. "Toward a More Democratic Party," Wisconsin State Democratic Convention, Madison, Wisconsin, June 19, 1971, p. 28.

25. "The Heritage of Maine," Narraguagus Regional High School Commencement, Harrington, Maine, June 11, 1971, p. 29.

THE FUTURE OF OUR AEROSPACE INDUSTRY

Mr. INOUYE. Mr. President, a few weeks ago, Congress—and the Senate—agonized over the fate of the supersonic transport program and, more specifically, the Boeing Co., and moved to kill the program. The result is well known to all of us, both in headlines and Labor Department statistics as unemployment in California and Washington skyrocket.

We have agonized over the future of the Lockheed Co., which is involved in a severe financial crisis; and, once again, unemployment is a frightening specter in the wings.

Now we appear to be training our guns on yet another of our major producers—the Grumman Co.—who, among other things, built the lunar module for the Apollo program and the F–14 fighter for the U.S. Navy.

I cannot help but wonder—with some uneasiness—who is going to be next.

The aerospace industry represents one of the largest and finest pools of scientific, technical, and managerial expertise to be found anywhere in the world. I think the industry's record of achievement, from such things as Lindbergh's Spirit of St. Louis to Jim Lovell's lunar module Aquarius, speaks for itself. In brief, I believe that any industry that has bridged the technological gap from man's first crude powered flight to interplanetary travel, in less than seven decades, has to be one of the most capable and dynamic industries ever developed.

As for potential—a far more important point—I believe that the widely diversified capabilities which exist in the industry today are ready for application to nearly every major problem we presently face—whether they be in the transportation, housing, ecological, defense, space, or management fields, if we have the foresight to apply them properly.

It is, in its collective ability, one of America's most precious resources, and yet the record is full of statistics which attest to the industry's decline. Sales fell off $5 billion between the end of 1968 and the end of 1970, and it is estimated that 1971 will see a further drop of nearly $2 billion.

Nearly 300,000 jobs were sacrificed in 1970, and it looks like another 65,000 to 70,000 skilled workers will be released before next December. The industry's unemployment picture is catastrophic—not only economically, but because it is also being forced to sacrifice a substantial percentage of the talented team of workers it has taken so long to organize and train—an important percentage of which may never return to the industry. This is bound to have a very detrimental effect upon our gross national product; upon our tax revenues; upon our ability to compete in foreign markets; and hence, upon our gold flow and balance of payments.

As chairman of the Subcommittee on Foreign Commerce, I find this most disturbing. We are talking of competing with foreign aerospace producers, but we appear to be preparing to do so by making sure that some of our finest aerospace companies go under. Somehow, I fail to see the logic in that sort of preparation.

Most of the attacks directed at the industry have come from those who are concerned with the cost of aerospace products rather than with the capabilities or performance of those products.

This concern over the cost of defense products underlies the most recent attack on the Navy's new F–14.

Grumman entered into that contract during the "hey-day" of Defense Secretary McNamara and—under the procurement system of that time—was compelled to agree to prices and delivery schedules 6 to 8 years in advance of production commitments by the Government.

Today, as we view the situation, one of the most important forecasts under which the contract was signed has changed drastically—that is, the estimated rate of inflation. Even the best economists of that time were unable to foresee the inflationary spiral we have been witnessing. As a result, the company has requested a restructured contract and adjustments in costs. How has the Government reacted? In essence, we have told Grumman that we think we can force them to fulfill the contract as it stands, even though we know we will be pushing them down another difficult financial path which in another 2 or 3 years could lead them to request financial assistance. In effect, we are telling them that we do not care—we want those airplanes. We should thank God that we have a defense producer like Grumman with the financial integrity and guts to put us on notice well in advance of any crisis.

Grumman, on its part, is saying that they want to be part of the defense team; that they want to produce our aircraft, but under a contract which recognizes the quality of the product and provides for the realities of our present-day economy.

Should we, the Government, knowingly try to force another American company into crisis without regard to its national contributions? We should be aware of the effect such action will have upon its thousands of employees and stockholders—and the indirect effects that will certainly impact our economy as more unemployment appears among its hundreds of associates in more than 40 States of the Union.

It seems to me that any American company which is doing a credible job for our Government is entitled to an opportunity to earn a fair and equitable profit from its endeavors; and that as a nation, we will be more than repaid in terms of continued employment; in increased tax revenues; increased gold flow; and, hence, a more stable economy. But—most important of all—we will benefit from the production of capable weapon systems for the defense of our country.

We have heard a great deal of talk from those who claim that a cheaper, smaller aircraft than the F–14 or F–15 will meet the present Soviet threat; and, that, as an alternative, the modification of the F–4 which was developed in 1955 will suffice to meet our current and projected needs. There is no more logic in that sort of approach than there would be in attempting to compete at Indianapolis in 1972 driving a 1955 automobile. The aerospace industry—and Grumman in particular—carefully planned for a far more advanced and capable answer to the threat in designing and developing the F–14 and F–15 and Grumman, in particular, is prepared to produce a fighter in the F–14 which offers twice the range and the combat performance of the latest model of the F–4.

Those who believe that yesterday's fighters will survive in the present-day environment of the Soviet's Foxbat are deluding themselves through their exaggerated concern with cost. That concern has also caused them to view the aerospace industry as the culprit to blame, and has resulted in a search for unreal solutions to very real problems.

Like most Americans, I cherish peace. However, unlike many of those who appear to be willing to sacrifice the capability of our defenses on altars of cost considerations, I am not yet ready to abrogate our Nation's security.

It is interesting to note that our Constitution charges Congress with the power to "provide for the common defense," among other things; and I find it somewhat ironic that we are trying to meet that responsibility by weakening a great industry, and providing our military with obsolete weaponry.

Although my remarks thus far undoubtedly give the impression that I am for the aerospace industry—right or wrong—that is certainly not my stand. I am speaking—as I stated at the start, in defense of what I believe is a most valuable national asset or resource—the capability of that industry.

Nor do I mean to imply that dollar costs are of no consequence in the pur-

chase of the industry's products. I believe, however, that dollar problems are "fixable" problems having solutions a great deal easier to find than the kind that will be required if the industry is destroyed.

Surely all of us realize that there is fault in the current situation on both sides of the Government/aerospace industry fence, and neither party can really claim that it has done its utmost to anticipate and rectify the problems that now confront us. By the same token, I refuse to believe that any of us are convinced that these problems cannot be solved through intelligent dialog, legislation, and revision of the kind of obsolete procurement procedures that have caused a large share of today's defense problems.

Now is the time for mature and statesmanlike action to be directed toward solution of the problems of our ailing aerospace industry. It has often been said that the politician looks forward to the next election, and the statesman to the next generation. It is the next generation, and those which will follow—with their unique, and certainly more complex problems—that we must also consider. And, while we ponder, we must, I believe, provide the means for this industry's survival. It may also mean our Nation's survival.

I ask that we embark on an all-out effort to solve the difficulties confronting us in this situation. Let us seek more constructive answers than those which currently range between annihilation and economic despair, and find ways in which we can protect and propagate the industry's technological resources which we do desperately need, while achieving the economically efficient levels at which we can continue to produce and advance.

In brief, let us concentrate our collective efforts on fixing the problem rather than in a continued, futile attempt to fix the blame.

U.S. CHAMBER OF COMMERCE STATEMENT ON ADVERTISING

Mr. McGOVERN. Mr. President, the national chamber of commerce recently released new guidelines for the Nation's advertisers which reflect the rising concern for the right of consumers to know more about the goods they are buying. The guidelines call for truthful, accurate, informative advertising, and recommend that advertisers have data available to substantiate their claims in response to queries by consumers. The chamber also suggested that advertisers act to provide more standardized consumer product information, stressing items relevant to consumer health and safety.

This statement by America's leading business association should encourage those who have been working to give the consumer an even break in the marketplace. Further, it demonstrates the reasonableness of the requirements that S. 1461, the Truth-in-Advertising Act, would establish for advertising. Intelligent businessmen all over the country are learning that providing consumers with information is worth the effort in order to avert the lack of trust in products which depresses sales.

But guidelines from the chamber of commerce will not by themselves achieve the open, complete system of disclosure of product information which consumers are demanding. Only enactment of the truth-in-advertising bill will insure the consumer the reliable information in advertising which the commercial world recognizes is necessary. I hope that, after hearings in the Senate Commerce Consumer Subcommittee, the Senate will speedily enact S. 1461.

I ask unanimous consent that the advertising statement of the chamber of commerce be printed in the RECORD.

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

NATIONAL CHAMBER PUSHES FOR INCORPORATION OF NEW GUIDELINES IN NATION'S ADVERTISING

WASHINGTON, July 11.—Adoption and adherence by all of the nation's advertisers to a five-point set of recommendations was urged today by the Chamber of Commerce of the United States.

Announcing a formal "Statement on Advertising" approved by the Board of Directors, the National Chamber said they called for the following:

1. Truthful, accurate, informative advertising, relevant to present standards of good taste and proper values.

2. Effective industry self-regulation systems permitted by law.

3. Data available to substantiate factual advertising claims prior to publication, and in response to reasonable inquiries.

4. Better consumer guidance through studies of standardized information systems.

5. Added emphasis on information relating to consumer health and safety.

Adoption of the Statement by the National Chamber's 63-man Board came on recommendation of its Consumer Affairs Committee, headed by William K. Eastham, executive vice president, S. C. Johnson & Son, Inc., Racine, Wisc.

The consumer has an inherent right to quality and integrity in the marketplace, the Chamber's Statement reiterates, and "when advertisers use tactics and appeals which impeach the good standing, repute and credibility of the business world," the consumer stands to lose just as the business community does.

Arch N. Booth, executive vice preident of the National Chamber, pledged action by the National Chamber to encourage adoption of and adherence to the Statement by the organization's more than 5 million underlying membership.

STATEMENT ON ADVERTISING

Advertising is a principal medium used by businessmen to communicate information about themselves, their products and services. It also serves to communicate the appropriate desirability of products in the many instances where consumers already have sufficient information. It is a major influence in shaping the public's image of business.

Moreover, advertising is the consumer's principal source of information about products and services. The business community and consumers alike are the losers when advertisers use tactics and appeals which impeach the good standing, repute and credibility of the business world. In this sense, advertising is a critical element in assuring the consumer's right to quality and integrity in the marketplace—which is so basic to the Business-Consumer Relations Code propounded in 1970 by the Chamber of Commerce of the United States.

In furtherance of this right and the Code, we offer the following propositions concerning advertising:

1. The National Chamber believes that advertising in the spirit of the consumer's right to quality and integrity in the marketplace will possess certain fundamental characteristics: truthfulness . . . accuracy . . . informativeness . . . and relevancy to contemporary standards of good taste and proper values.

2. The National Chamber supports the principle of an effective, voluntary industry system of self-regulation of advertising to achieve the above characteristics through vigorous efforts within the full scope permitted by law.

3. The National Chamber urges all advertisers to have on hand prior to publication appropriate substantiation of factual advertising and to make such substantiation voluntarily available in response to reasonable inquiries.

4. The National Chamber encourages increased business efforts to expand consumer product information. Serious consideration should be given to systems of standardized information in appropriate product categories to facilitate consumer comparisons of important product features. In addition, trade associations should undertake information programs designed to inform consumers of the factors and considerations to be taken into account in selecting products or services.

5. The National Chamber believes added emphasis should be given to information relating to consumer health and safety. Particularly important, we believe, is the development of new concepts in advertising which draw consumers' attention to cautionary instructions on the product label.

Advertising is a tool of incalculable value to our marketing system. It has contributed enormously to the nation's economic growth and prosperity . . . to increased aspirations for all Americans . . . and to the ability of an overwhelming and growing majority of consumers to share in the fruits of economic affluence.

Advertising is also the source of information most relied on by consumers to discover the existence of new products and services, to find out about the characteristics of the various wares offered in the marketplace, and to learn how and where those wares can be obtained. Advertising thus benefits consumers as much as business.

By taking the steps proposed here, industry groups and individual advertisers will have demonstrated anew their contributions to the further assurance of quality and integrity in the marketplace.

MARSHALL M. REDDISH

Mr. McGOVERN. Mr. President, many tragedies have resulted from this country's policy in Southeast Asia, but one of the most dismaying products of the Vietnam war has been the dissension engendered among our own citizens. Angry protesters against our policies have clashed time and again with those who feel that support for the Nation is the only proper attitude in wartime. Americans who have tasted the agony of seeing those they love fight and die for a devalued goal have grown embittered.

Marshall Reddish, a Denver attorney and former State commander of the American Legion, has responded to the strife tearing at this Nation by calling for an end to the war and a beginning of the task of reuniting America. We need the best efforts of men like Mr. Reddish to put an end to the carnage of Vietnam, to build anew a nation where principle and patriotism are one.

I ask unanimous consent that the article by Mr. Reddish, appearing in the Rocky Mountain News of May 1, 1971,

which addresses the problem of bringing together a divided country, be printed in the RECORD.

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

NO-WIN WAR CALLED VIOLATION OF SPIRIT

(By Marshall M. Reddish)

Demonstrators against the Vietnam war apparently agree with Hamlet, who thought that a play (demonstration?) might "catch the conscience of the king."

The Constitution of the United States gives everyone the right to assemble peacefully to petition for the redress of grievances. We must protect that right regardless of how distasteful we may think the cause for which the petition is made.

However, violent assembly and violence in petitioning are unconstitutional, illegal, and cannot be tolerated. No one may be allowed superior rights to infringe upon the rights of others just because he declares himself a revolutionary.

But let's not get sanctimonious. Let's not block our vision by wrapping ourselves in the folds of the American flag.

I know how easy it is, because I have done it, for veterans of wars previous to Korea and Vietnam to beat their breasts like the Pharisees and call attention to the guilt of the youth. We participated only in popular wars, the old type, the glamorous wars, where the entire country was mobilized in spirit.

KOREAN WAR BEGINNING

Beginning with the Korean War, we have permitted an assault upon the patriotism of our youth. In previous wars, the American people have had a declared intention to win, not to defend some inconsequential parallel of latitude, some highly doubtful and nonviable regime, not to get bogged down in a land war in Asia against the limitless Asian hordes.

It is a complete violation of the American spirit to force our youth to go through a sausage grinder of a war we say we are not trying to win. If we don't have the guts to win it, then let's have the courage to get out of it. What a refreshing of the American spirit would occur if we announced: We have done all we can afford to bring peace and freedom to Indochina. We are pulling out every one of our troops! If they are attacked while withdrawing, or you fail to release American prisoners, then we will take out one of your cities with hydrogen bombs, and if you don't cooperate in our withdrawal then we will take out another and another! We should have bands playing as our boys leave and when they arrive home.

But to return to sanctimony. Are peaceful demonstrators against the Vietnam War unpatriotic? Are the ladies at the bridge table unpatriotic when they say happily that their sons will not have go to Vietnam, because of flat feet, punctured eardrum, a nervous condition or college deferment? And are fathers patriotic when they carefully steer their sons into a noncombat situation in the National Guard or a military Reserve unit? Are the military services themselves patriotic when they persuade men to re-enlist and promise them they will be given noncombatant assignments?

Recently, I talked with an exceptionally fine young man from a family with a military heritage, a Reservist on active duty taking flight training. He said his record in training was good enough that he was allowed to choose his specialty. He plumped for prop-jets. Why? Because prop-jets are not used in Vietnam.

Are we patriotic when we permit a system of military induction which results in our fighting being done largely by the poor, the underprivileged, and the minorities?

I say, let's talk with these protesters. Let's find the ones who would be good citizens and good leaders if we would listen to them and show them that we really care, not just parrot patriotic cliches at them. Let's try to tell them that we understand their frustrations, that we know this is a lousy war, that we got into it with good democratic, American intentions, that we have tried to make a stand, within our lights, in defense of human freedom, that we think we have accomplished something, that we will not continue to tolerate the sacrifice of our youth to save our Asiatic face or any other type of face maintaining in which those not exposed to danger may safely indulge.

AMERICAN COMMITMENT

Let's tell them that we are getting the hell out, that they must believe that, that we are making a commitment of the American people to do that, and that we are thankful to them for fighting a thankless war.

After we have established a dialogue, let's explain why public disorder is so self-defeating, that it cannot be permitted, that the infringement of the civil rights of others just won't do. Let's tell them that they have caught, not the conscience of the King, but the conscience of the American people. Let's say to them that we are responsive to the young, the underprivileged and the minorities.

Perhaps we might even paraphrase William Jennings Bryan in his famous "Cross of Gold" speech. "We, the American people will no longer press down upon the brow of our youth this crown of thorns. We shall not crucify the American spirit to save face."

There will always be a struggle to be made for America and what it has meant to the world. Let's ask the peaceable demonstrators to join us.

RETIREMENT OF COL. JOSEPH O'LEARY

Mr. SCHWEIKER. Mr. President, at the end of this month, Col. Joseph E. O'Leary retires from the U.S. Army after 29 years of service. He began his Army career in 1942, after being graduated from Texas A. & M. University, where he had served as a major in the ROTC. Soon thereafter, he graduated first in his class at the infantry OCS and received his commission. Within 3 years, he had completed both the advanced infantry officers' course at Fort Benning and the command and general staff college course at Fort Leavenworth.

After serving with the 41st Infantry Division in the southern Philippines campaign, he was assigned to the 24th Infantry in Japan and served there 2 years as aide-de-camp to the commanding general. As a captain in Japan, he married Miss Rosemary Walker, daughter of Col. and Mrs. I. G. Walker, and is now the father of four children. One son, Joseph E. III, now serves as a first lieutenant with the 172d Infantry; the other, Michael, attends school in Alexandria. Daughter Terry married David Dittman, and now lives in Anchorage, Alaska, the mother of two children, Danny and Dana. Kathleen, a high school senior, is an employee of Senator MIKE GRAVEL.

After finishing his tour in Japan as a battalion commander in the 19th Infantry Regiment, Colonel O'Leary returned to the United States to instruct the junior ROTC program for the high schools of St. Joseph, Mo. The outbreak of the Korean war saw a return to combat duty, where he served as an adviser to the Korean Army for 2 years, participating in six campaigns with the 30th Regiment, and serving as director of the Korean Infantry Officer Candidate School. Following Korea, he spent 3 years at the Pentagon in the Office of the Assistant Chief of Staff G–2. In 1955, he moved to Paris, attached to the intelligence division of the Supreme Headquarters, Allied Powers Europe. Upon returning to the United States 3 years later, he served with distinction as an instructor at the Command and General Staff College, winning an award as outstanding instructor from Maj. Gen. Harrold K. Johnston.

Colonel O'Leary was again cited for his command of the 16th Infantry Division. His service with the 1st Division came during the reinforcement of U.S. troops in Western Europe and Berlin. In 1964, he received orders for Vietnam, where he became senior adviser to the province chief of Go Cong Province in the Mekong Delta. Again, his service was exemplary; after 8 months, Vietcong control of the area had been reduced from 95 to 60 percent. For this he received a citation from Gen. William Westmoreland. He was then assigned to Saigon, and again received a citation in the Office of J–3.

In 1966, he earned a masters degree in international relations from George Washington University. In July of 1967, he assumed command of the 172d Infantry Brigade at Fort Richardson, Alaska, and during 1967 and 1968 he served as the G–3 officer, operations, for Alaska. He received citations for outstanding performance in both capacities.

In July of 1969, he became the chief of the Senate liaison, Office of the Chief of the Legislative Division, and has served in that position since. After his resignation, he intends to remain in the Washington area as a consultant.

During his distinguished career, Colonel O'Leary was awarded the Legion of Merit with cluster, the Bronze Star, the Air Medal, the Army Commendation Medal, the American Campaign Medal, the Asiatic Pacific Campaign Medal, the Korean Service Medal, the Armed Forces Expeditionary Medal, the Combat Infantryman's Badge, the Republic of Korea Presidential Unit Citation Badge, the Chungmu Military Service Medal with Gold Star, the Distinguished Military Service Medal from the Korean Army, the Vietnamese Medal of Honor, first class, the Vietnam Service Medal, and the Vietnam Campaign Medal.

His record speaks for itself. For over a quarter of a century, Colonel O'Leary has served his country with dedication and distinction. I am sure the Army joins me in regretting his retirement, and in congratulating him on his service.

THE NEBRASKA AIR NATIONAL GUARD

Mr. CURTIS. Mr. President, a very important birthday was commemorated in the State of Nebraska recently. It was the 25th birthday of the Nebraska Air National Guard.

Some of the top officers of the Nebraska Air Guard, including the commander, Col. Fred H. Bailey, are in the Washington area this week participating in an aerospace education field trip and attending to other business.

It is thus fitting that we in the Senate salute this outstanding Air Guard unit and the service it has performed to the Nation as well as the State of Nebraska. It is a very outstanding unit which has won many awards.

To tell the story of the 25th birthday celebration and also to cite the awards and accomplishments of this organization, I read an editorial broadcast by radio station KFOR at Lincoln, Nebr., on July 17, 1971:

Twenty-five years of service to Nebraska citizens is the birthday being observed this weekend by the Nebraska Air National Guard. And it's quite a history. It began in 1943, 27 years ago with the wartime activation of the 401st Fighter Squadron in Massachusetts. The men won the distinguished unit citation the next year in Germany. Then it was inactivated, and reactivated in Nebraska in 1946 . . . the second Air National Guard in the Nation to receive federal recognition. Since that time the men from Nebraska have won many citations and honors for service and competitive action. In 1955 the Gwin Trophy as the 132nd Fighter Wing's outstanding Tactical Unit . . . the Wing Support Trophy also in 1955. The 10th Air Force Outstanding Unit Award in 1958 . . . the Winston P. Wilson Trophy as the Air National Guard's Outstanding Fighter Interceptor Unit in 1959, and again 4 straight years in the 60's. The Spaatz Trophy, the Ricks Trophy and others designating Nebraska's Air National Guard as one of the top in the Nation. Their frequent fly-overs remind Lincolnites of their outstanding readiness and extensive training that makes them one of the organizations of Lincoln of which we can all be very proud. KFOR congratulates the Nebraska Air National Guard, and thanks the men who have served us so well for 25 years.

AMERICAN-FATHERED VIETNAM WAR BABIES

Mr. MOSS. Mr. President, on June 15, I introduced a bill to provide for the care, housing, education, training, and adoption of American-fathered children in Vietnam—the child who is the offspring of an unwed Vietnamese mother and an American father. The bill has since been consponsored by 11 of my colleagues—Senators STEVENSON, HARTKE, RIBICOFF, CRANSTON, CASE, JAVITS, CHURCH, MONDALE, MUSKIE, HUMPHREY, and MAGNUSON.

In the last few weeks, the tragic circumstances of these Vietnam war babies has been the subject of a growing number of news stories and magazine commentaries. The most recent reference to them is contained in an article which appeared on the front page of the New York Times yesterday, July 26, indicating that the U.S. Embassy in Saigon has called the children's plight to the attention of the U.S. State Department. I ask unanimous consent that the New York Times article be printed in the RECORD.

I press again for early hearings on my bill (S. 2071) so that the Congress can begin to determine what America's responsibility is to these tragic young children, and what we should do to help them.

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

EMBASSY IN SAIGON CALLS BABIES OF GI'S A "SERIOUS CONCERN"

(By Tad Szulc)

WASHINGTON, July 25.—The United States Embassy in Saigon has informed the State Department that "responsibility for American-fathered illegitimate children" in South Vietnam "has become a matter of serious and continuing concern."

A major concern, it said, is the illegal but "lucrative" practice of allowing some of these children to be adopted in foreign countries without protection for them or their families.

The Embassy's message to the State Department on July 14 emphasized the problem of children of American black men and Vietnamese women, noting that "the black child may have a more difficult time growing up in Vietnam than other children, either in Vietnamese homes or orphanages."

The Embassy noted that "there is no accurate way to estimate how many illegitimate children in Vietnam" had been fathered by Americans or other foreigners. It said, however, that a recent survey found a total of 350 to 400 such children living in 122 orphanages throughout South Vietnam.

"The magnitude of children living with mothers or close relatives outside of institutions is more difficult to estimate," it added.

In a memorandum on July 9, the South Vietnamese Ministry of Social Welfare estimated that there were 10,000 to 15,000 "racially mixed children" living at home, mainly offspring of Americans.

The Embassy said it was encouraging the passage by South Vietnam of a "modern, up-to-date adoption law" that would allow children born out of wedlock to be adopted by persons in the United States while protecting "the rights of children and adopting families."

The present South Vietnamese policy on adoption, according to the Social Welfare Ministry, is that "if a racially mixed child is recognized and requested by his parents to be reared abroad, our Ministry sees no objection because it is not prohibited by the Vietnamese laws."

The Ministry said that "if the racially mixed orphan is not recognized by anybody, and in case a foreigner wants to adopt him, this man must process paperwork following current procedures and regulations."

According to the Embassy, however, "In practice the Government has acquiesced in permitting children to be adopted by foreigners usually through proxy arrangements with private Vietnamese lawyers working with Vietnamese orphanages."

"This has resulted," that "more than 100 children each year for the past two years may have been sent to the United States for adoption, most of them under private auspices."

THE VICE PRESIDENT AND BLACK LEADERS

Mr. MONDALE. Mr. President, I was saddened, as many Americans were, to read of the Vice President's recent attack on black leaders in this country.

That attack needs no extensive rebuttal here. It bears so little relationship to reality, and reveals such a shocking misunderstanding of the people now at work in black communities all over America.

But those words were not only an affront to the dignity of Americans. The Vice President's remarks were equally insulting to millions of Africans, and therefore in the long run damaging to the interests of the United States in Africa.

For in attacking the black leadership of the United States, the Vice President ironically chose to extol some of those leaders in Africa who least represent the future of that continent and the hopes of its peoples.

Emperor Haile Selassie may be a longtime client of the United States. But to the Ethiopian people, who must bear his retrograde authoritarian rule, he has long been an obstacle to social progress and authentic economic development. The Vice President may regard the Emperor as an effective ruler, but that would be a cruel joke to the students at Haile Selassie University who have known brutal repression, or the people of Eritrea who have suffered unspeakable atrocities at the hands of the Emperor's troops, or the terrorized democratic opposition in Ethiopia, who have long been deprived of any voice or role in the rule of their country.

The Vice President found much to praise in Col. Joseph Mobutu of the Congo. He seems to have forgotten the unsavory and undemocratic origins of this man's rule, the Sten-gun dictatorship with which he now runs the Congo, and the absence of any genuine democratic election in that country since the advent of his regime.

Then the Vice President lauded President Kenyatta of Kenya. Certainly Kenya has had better and more representative government than Ethiopia or the Congo. Jomo Kenyatta can claim a distinguished place in the history of African independence. But while age has now dimmed his leadership, he has held unyieldingly to power, and the record has been tarnished. Kenya has seen the grotesque irony of racism in reverse with the exclusion of Asian residents, the extra-legal imprisonment of political opposition, and undiminished political exploitation of tribal divisions—hardly examples to be followed.

The sad truth is that all of these men so glibly commended by the Vice President belong to Africa's autocratic past rather than its hopes for a freer and richer future.

It is regrettable, to say the least, that the Vice President ignored those African leaders truly worthy of emulation—Julius Nyerere of Tanzania, or Kenneth Kaunda of Zambia, or Sir Seretse Khama of Botswana.

Those men represent the future of the continent, and not its past.

Those leaders, in their commitment to progressive, democratic, nonviolent development, are truly models for people everywhere who seek genuine change.

Even so, I wonder if black Americans really have to look beyond our shores for examples to follow. Quite the opposite, a tradition built by Martin Luther King and Whitney Young and so many other giants seems to me worthy of admiration and imitation by Americans and our friends abroad.

We can only hope when this administration chooses again to comment on the quality of either black leadership in this country or leadership in black Africa that it will be better informed and more sensitive about both.

QUORUM CALL

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

The PRESIDING OFFICER (Mr. GRAVEL). The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

EXTENSION OF PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the period for the transaction of routine morning business be extended for an additional 5 minutes.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

ORDER FOR ADJOURNMENT UNTIL 9:30 A.M.

Mr. MANSFIELD. Mr. President, am I correct in stating that when the Senate adjourns tonight, it will adjourn to meet at 10 o'clock tomorrow morning—is that the present order?

The PRESIDING OFFICER. Ten-thirty a.m. is the present order.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stand in adjournment until the hour of 9:30 tomorrow morning.

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

EMERGENCY LOAN GUARANTEE ACT — UNANIMOUS CONSENT AGREEMENT ON STEVENSON AMENDMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a half hour on the pending amendment, the time to be equally divided between the distinguished Senator from Texas (Mr. TOWER) and the author of the amendment——

Mr. TOWER. Mr. President, would the distinguished majority leader amend that request and have the time on this side controlled by the chairman of the committee, the Senator from Alabama (Mr. SPARKMAN)?

Mr. MANSFIELD. Yes; I will change my request accordingly; and the other half of the 30 minutes to be under the control of the distinguished Senator from Illinois (Mr. STEVENSON).

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

Mr. PROXMIRE. Mr. President, will the Senator yield? Reserving the right to object—and I do not intend to object—I would like to clarify this matter. It means that we will not have a chance to vote on the Stevenson amendment today.

Mr. MANSFIELD. That is correct.

Mr. PROXMIRE. It means we will have to wait until tomorrow to vote on the Stevenson amendment.

Mr. MANSFIELD. That is correct.

Mr. PROXMIRE. It is my understanding that the author of the amendment is very anxious to proceed to a vote on his amendment. He was willing to have a vote on the amendment yesterday. He is willing to have a vote on his amendment any time this morning or today. But the vote has been put off until tomorrow because the opponents of the amendment want more time.

Mr. MANSFIELD. The Senator is correct when he says the Senator from Illinois wanted a vote yesterday, today, and is willing to vote tonight.

Mr. PROXMIRE. That is the position of the opponents of the bill. There has been no delay on their part, much less a filibuster. There have been no delays and no long quorum calls. I hope the RECORD will show that.

Mr. MANSFIELD. I am delighted to have that information. Depending on the outcome of the vote tomorrow, I would expect the Senate to expedite its work considerably.

Mr. TOWER. Mr. President, reserving the right to object, and I do not intend to object, I might note that the Senator from Texas is pleased to vote for cloture at any time on this matter. He trusts the Senator from Wisconsin has had a change of heart and that he will vote for cloture tomorrow.

Mr. PROXMIRE. Mr. President, may I briefly reply by saying I think there is a great difference between having a vote on cloture and having the opportunity to pick and choose when amendments will be voted upon. The vote has been put off for 48 hours on this particular amendment because the Senator from Texas is trying to rally his forces and trying to get the Senate to vote as he wants it to.

Mr. TOWER. Precisely.

Mr. PROXMIRE. When we get around to considering our amendments, we want an opportunity to discuss them. The Senator wants to invoke cloture and let the railroad go through, with no time to discuss those amendments. Once the Senate votes on the Stevenson amendment, the Senator would have us cut off debate so that Senators can have no explanation of the amendments when they come to vote on them.

Mr. TOWER. Mr. President, I shall not detain the Senate any longer by answering that statement, but I will answer it later.

Mr. MANSFIELD. Mr. President, to continue with my unanimous-consent request, the time to be equally divided between the manager of the bill and the author of the amendment, the time to begin at the hour of 10 o'clock, at the conclusion of the remarks by the distinguished Senator from Missouri (Mr. EAGLETON), and, of course, to put the Senate on notice, there will be a roll-call vote at the conclusion of that half hour, and there will be no motion to table.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none and it is so ordered.

The unanimous-consent agreement reads as follows:

Ordered further, That on Wednesday, July 28, 1971, at 10 a.m. debate on the pending amendment (No. 317) by the Senator from Illinois be limited to 30 minutes to be equally divided and controlled by the Senator from Illinois (Mr. STEVENSON) and the Senator from Alabama (Mr. SPARKMAN). Provided, That no motion to table shall be in order. (July 27, 1971.)

Mr. MANSFIELD. Mr. President, I think that is about it for the time being.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. PROXMIRE. Mr. President, it is my understanding that the unanimous consent agreement will not permit us to come to a vote on the Stevenson amendment until tomorrow morning. We have been prevented from proceeding to that part of the bill until that time because the opponents have decided they would not let us come to a vote yesterday or today.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, may we close the morning business?

The PRESIDING OFFICER. Is there further morning business? If not, the morning business is closed.

Mr. PROXMIRE. Mr. President, it was my understanding that the morning business had been closed. I beg the Chair's pardon.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the con-

my understanding that the morning business had been closed. I beg the Chair's major business enterprises.

Mr. PROXMIRE. Mr. President, as I was saying, it is too bad that the Senate cannot proceed to consider these other amendments, but that we have to delay the proceedings of the Senate in order to permit the opposition to marshall their forces and plan their strategy in opposing the Stevenson amendment, and to permit those who represent the interests of Lockheed to redouble their pressure on the Senate.

But I take this opportunity to tell the Senate what has happened in my State, because in my judgment it is unprecedented. I have been a Member of this body for 14 years, and never before has

there been a concerted effort to intimidate me, change my vote, or change my position on a measure by threatening to boycott the products of my State. That is exactly what is happening now, because of the fact that I have opposed this loan guarantee.

One aspect of this campaign of fear and intimidation has been a boycott of Wisconsin products organized by aerospace workers in California and Georgia. Lockheed Aircraft employees in these States have written to Wisconsin firms and have taken out ads in Wisconsin papers threatening a boycott of Wisconsin products unless I change my position on the Lockheed loan guarantee.

Mr. President, this is an extraordinary position. It is one thing if you are voting somehow to persecute people in a State, or to take some kind of action that would be against their rights. But this is intimidation in order to force this Senator—and I presume other Senators—to give Lockheed a loan guarantee, in effect a subsidy, as if they had a right to a subsidy or any group has a right to get a subsidy from our Government. It is a weird and strange position.

Mr. President, I have confidence the people of Wisconsin will not be swayed by the campaign of intimidation being waged by the aerospace workers. The people of Wisconsin as well as the people of California and Georgia are concerned about the Federal Government giving an unfair advantage to one company against its competitor by loan guarantees. They are concerned about what happens when big business is bailed out and saved from the consequences of their mistakes by the Federal Government.

For example, one attorney from Georgia wrote to me as follows:

I want you to know that all citizens of Georgia are definitely not in favor of our government guaranteeing a $250 million loan to Lockheed. Mostly it is only those that will receive a personal gain. If a vote could be taken I am sure a majority of Georgians are like I am, strongly and emphatically opposed to this dangerous precedent of our government granting welfare to a giant private corporation.

The letter continues:

I live within 25 miles of Lockheed's Marietta plant and I personally have known several employees there and I have personally heard most of them remark about the waste and mismanagement that went on there! . . . I beg with all my heart, as an interested taxpaying citizen, that you redouble your efforts to do all within your power to defeat this unwise move. . . . I just wish my two Senators were more like you in their thinking about the war and the military-industrial complex.

Now, Mr. President, I should like to read from an editorial that appeared recently in one of the outstanding newspapers in my State, the Racine Journal-Times. The editorial is entitled "State Is Target of Blackmail," and it reads as follows:

An ill-founded conspiracy by aerospace workers to boycott Wisconsin products is described in a letter to the editor being published today.

The boycott in western states is being used as a weapon against Sen. William Proxmire, a leader of the forces that shot down the Supersonic Transport boondoggle and an outspoken critic of waste in defense spending.

Some aerospace workers are telling the citizens of Wisconsin they will not buy this state's products until Proxmire either retreats from his position or is removed from office.

This is nothing but sheer blackmail. The citizens of Wisconsin have the right to vote for and select whom they want to represent them without financial pressures being exerted from outside the state.

Furthermore, Proxmire not only represents the people of Wisconsin, he is a United States senator who has a right and responsibility to take an active part in deciding all national issues without economic sanctions being applied to his constituency.

Neither Proxmire nor the people of Wisconsin should be intimidated by this shoddy attempt at blackmail.

Mr. President, the Wisconsin boycott is described as a spontaneous reaction by aerospace workers concerned about their jobs. However, there is some evidence that the boycott is really a callous and cynical attempt by the top management of Lockheed and its suppliers to save their own necks by exploiting the legitimate fears of their employees. For example, I have received mail indicating that the boycott material is being circulated by the management of a California company to their employees.

The top management of Lockheed needs a scapegoat to cover up their mistakes. How does the management of a large corporation explain to their thousands of employees that the company is on the brink of insolvency because of mismanagement. It is much easier to find a scapegoat, to point the finger at the Senator from Wisconsin and blame him for all of the companies' difficulties. Such an explanation diverts attention from those who are really responsible for the plight of the company—Lockheed's top management.

Mr. President, there is another reason for believing the Wisconsin boycott is being engineered by Lockheed's management. Many of the letters urging a Wisconsin boycott are coming from workers in the State of Georgia. These workers are concerned that a Lockheed bankruptcy will cost them their jobs. If such were the case, I can understand why they would be concerned.

But Mr. President, someone has badly misinformed the Georgia Lockheed workers about the consequences of bankruptcy. According to a table printed on page 28 of the hearing record, Lockheed shows 17,900 workers in the State of Georgia as of June 1, 1971. However none of these workers are working on the L–1011. I repeat—none of the 17,900 Lockheed workers in the State of Georgia are employed on the L–1011. These are not my estimates. These are not the Treasury's estimates. These are not some newspaper's estimates. These are Lockheed's own figures. Now it is true that there are 55 workers—not 55,000, not 5,500, not 550, but 55—employed by Lockheed's subcontractors in the State of Georgia working on the L–1011. However, these jobs are an infinitesimal part of the Georgia labor force.

I might point out, Mr. President, that the State of Wisconsin has 64 people working on the L–1011 for Lockheed subcontractors. Thus, Wisconsin has more to lose if the L–1011 is canceled than Georgia has, and there is not any question that if the Lockheed firm goes into bankruptcy, the only project that will be affected is the L–1011. We have been assured repeatedly by the top people in the Defense Department, including David Packard, that the Government has been protected in the event of bankruptcy, and its defense programs will continue and the jobs will not be lost.

So the L–1011 is the only labor issue here, and from that standpoint, as I say, Georgia will lose less employment than Wisconsin will lose. We will lose 64 jobs, and they will lose 55.

Mr. President, it is crucial to distinguish between L–1011 employment and defense employment at Lockheed. Only the L–1011 workers are potentially in danger of losing their jobs and there are good reasons for doubting this contention. But even accepting the argument that a Lockheed bankruptcy would spell the end of the L–1011, it is clear that practically no one in the State of Georgia would lose their job, other than Lockheed's top management.

The Under Secretary of Defense has assured the committee that all the Lockheed defense contractors would be continued under bankruptcy. The Secretary of the Treasury, a strong proponent of this legislation—an enthusiastic proponent—has also admitted that a bankruptcy would not terminate Lockheed's defense work.

Why, then, are the Georgia Lockheed workers so fearful about losing their jobs? I can only conclude that someone must be giving them false information.

That is not all, Mr. President. The Georgia workers were given wrong information about those who would be laid off if Lockheed went bankrupt. But what about the workers in California, where work on the L–1011 is done? Do they not have a legitimate reason for protesting the loss of their jobs?

Mr. President, I deeply sympathize with the plight of unemployed or potentially unemployed aerospace workers in California and elsewhere. Too many people are unemployed today.

However, Mr. President, once again, someone has been misinforming the California L–1011 workers. A Federal loan guarantee will not save their jobs. Here is why. If Lockheed does not get the guarantee and goes into bankruptcy, the trustees would take a close look at the L–1011 project.

If it were viable, if it would be a sound project, if it would go, the project would be continued. The project would be canceled only if the trustees determined that the L–1011 were commercially unviable—that future costs would exceed future revenues.

If the project is commercially unviable, if it will not sell, if it cannot return a profit, a Federal loan guarantee will not save jobs; it will only postpone the inevitable crash. Indeed, the loss of jobs will be much greater if an unviable project is permited to go ahead.

Thus, from the point of view of the average aerospace worker, there is no

benefit to be derived from a Federal loan guarantee. If the L–1011 is viable, a guarantee is unnecessary. If the L–1011 is unviable, a guarantee merely postpones, and indeed increases, the ultimate job loss.

But their are those who would benefit from a guarantee. If the L–1011 can be kept going for a year or two before being canceled, Lockheed might be able to avoid bankruptcy. Thus, even though 20,000 to 30,000 workers would then lose their jobs, the jobs of the top Lockheed executives would be safe. Also, the airlines who deposited $250 million on the L–1011 might be better off if the project can be kept alive for a year or so, in order to permit the recovery of their deposits. Also, the bank would be better off if Lockheed stayed alive, since they could collect on their outstanding loans of $400 million.

Thus, the guarantee will benefit the banks, the airlines, and the top executives of Lockheed. But it does nothing for the engineer, the technician, or the man in the assembly plant. It does nothing for the workers. All the arguments have been that this would save the jobs of the workers. Very little argument has been made that we ought to guarantee this loan to save the bankers or the Lockheed top management or the airlines. But they are the ones who would benefit.

Mr. President, is it possible that Lockheed's executives are trying to save their own necks by deliberately manipulating the fears of their employees? I have received letters from some Lockheed employees who say they were pressured by their supervisors to write letters to their Congressman in support of the loan guarantee. I have no idea how widespread this pressure has been. But it strikes me as somewhat odd that Lockheed's workers would go to such unusual lengths as organizing a Wisconsin boycott to protest my opposition to the loan guarantee when the workers receive practically no benefit from the guarantee. Someone must have misled them, Mr. President. I would not be at all surprised to find that it is the Lockheed management behind the Wisconsin boycott.

Mr. President, I sometimes wish that I were as influential and powerful as the backers of the Wisconsin boycott allege. They apparently believe that I alone can stop the loan guarantee bill from passing Congress. Actually, as every Senator knows, the loan guarantee bill will be defeated only if a majority of Senators are opposed to the guarantee. Does this mean that a boycott will be organized against their States?

I do not challenge the right of workers to organize a boycott, although I do resent the obvious attempt at intimidation. As almost everyone knows, threats and intimidation rarely work. I certainly will not be intimidated by the Wisconsin boycott, which has been notably ineffective in its objectives. As a matter of fact, I am even more determined to work against the Lockheed bailout, not because of anger or resentment, but because an important principle is at stake. A U.S. Senator should determine his position not on the basis of pressure or threats but on the basis of what he believes to be good for the country. Once a Senator begins to let threats and high-pressure tactics influence his position on important issues, we have lost a vital part of the democratic process.

I hope that other Senators will take note of the Wisconsin boycott, because an important principle is at stake. In a real sense, the issue now before the Senate transcends the Lockheed loan guarantee. The issue is whether high-pressure tactics such as boycotting the products of one State are to be permitted to influence the actions of the greatest deliberative body in the world.

Mr. President, this is not just something that one or two people who have unusual ideas thought of. This is an organized, well-financed campaign, involving ads in the newspapers of my State, ads that cost hundreds of dollars, involving scores and scores of letters to newspapers in Wisconsin. That is why I say that in a very real sense, the prestige of the Senate and Congress is at stake. Make no mistake—if the Lockheed bailout is approved, the same scare tactics and high pressure politics will be used on other legislation. Other Senators who take strong positions on controversial issues could find boycotts organized against the products of their States.

Those who criticize the cigarette industry might become the target of a boycott by tobacco workers. Those who take on the drug industry might find their homestate products being discriminated against by the employees of the drug companies. Other industries under congressional review, such as the oil industry, might be encouraged to organize similar boycotts. Where does it end?

Mr. President, I say the place to end it is right here, by defeating the Lockheed loan guarantee. Let us demonstrate once and for all that the U.S. Senate does not respond to unfair boycotts or similar scare tactics. Let us reject the Lockheed loan guarantee proposal.

I invite the attention of the Senate to one of the advertisements to which I referred. It reads:

AN OPEN LETTER TO THE CITIZENS OF WISCONSIN

DEAR CITIZENS: This letter is addressed to you by the workers of the aerospace industry. What you are about to read, you won't like. It grieves us that such a letter is necessary but we in the aerospace industry find no other recourse.

You the good citizens of Wisconsin have seen fit to elect Senator Proxmire as your representative. When you did, you started a chain of events that took food from our mouths and money from our pockets. Senator Proxmire has been instrumental in leading a movement against the industry, making the United States second to Europe and Russia in the production of international saleable products (aircraft), and has placed the entire aerospace industry in jeopardy across the United States.

We can understand that Wisconsin citizens would have minimum concern over this development as Wisconsin doesn't build airplanes, but you have a machine tool industry which is a major supplier to the aerospace industry. However, Mr. and Mrs. Citizen, thousands of aerospace workers are already walking the streets looking for jobs and are unable to buy Wisconsin products. We know of only one method of making you realize the seriousness of putting such a man in office and that is to have the citizens of Wisconsin share some of the effects of his action, that is, to reduce your income, because of the dogmatic position taken by Senator Proxmire.

There is now underway an active campaign throughout the aerospace industry in the various states to be selective in the items purchased by aerospace workers. Wisconsin products are being identified and to the degree possible, these products will remain on the shelves unsold. Your competitor's products will be bought in preference and where you have no competitors, we will do without. We are an estimated 1,000,000 persons strong and we intend to pursue this course of action until such a time as Senator Proxmire is either removed from office or has changed his position regarding the aerospace industry.

Then they say:

Following is a preliminary list of Wisconsin products Senator Proxmire is forcing us to stop buying. More will be added as they are identified:

1. All cheese and Dairy Products From Wisconsin.
2. Meats, Oscar Mayer.
3. Electric Controls, Cutler Hammer, Inc.
5. Beer, Pabst Brewing Co.
6. Beer, Schlitz.
7. Motorcycles, Harley-Davidson Mtr. Co.
8. Tools & Auto Testing, Snap-On Tools Corp.
9. Pressure Cookers, National Presto Industries.
10. Gas Engines and Automotive, Briggs & Stratton Corp.
11. Pens and Pencils, Parker Pen. Co.
12. Tractors and Hardware, Allis-Chalmers Mfg. Co.
13. Outboard Motors and Marine, Chrysler, Johnson, Evinrude and Mercury Outboards and Stern Drive Manufacturers.
14. Paper-Cellulose Products, Kimberly Clark.
15. Toys and Plastic Pools, Doughboy Industries.
16. Tape Recorders and Equipment, Telecom Inc.
17. Paper and Paper Products, Various Wisconsin Mfgrs.
18. Heavy Machinery for Industry, Kearney & Trecker Corp.
19. Automobiles, American Motors.[1]
20. Workman's Compensation Insurance, WAUSAU.
21. Plumbing and Kitchen Equipment, Kohler Co.
22. Ovens, Infratrol Oven Corp.
23. Any product with a Wisconsin label of origin.

Then it goes on to say:

Thousands of copies of this letter are being provided to aerospace workers and to merchants that normally handle your products (so they may see what to expect and why this move is necessary).

Wake Up Citizens of Wisconsin! Help us fight this battle and we'll come back to your products; some of your products are the finest in this country.

National Association for Preservation of American Aerospace Industry, P.O. Box 187, Marietta, Georgia 30060.

Mr. President, this kind of insulting intimidation should not only be beneath the dignity of the Senate but I am sure it is bound to be counterproductive. I have talked with a number of Senators and they agree with the observation of Mr. Greenspan when he appeared before the committee that, with the exception

[1] One of American Motors Autos a few years back was the SST model.

of the Lockheed management, the Lockheed banks, the Lockheed suppliers, the Lockheed customer airlines, no one else really supports this loan guarantee.

Mr. Greenspan is an active man, one of the top consultants of the administration, and widely conversant with the views of people in big business. He says that except for those with a vested interest in Lockheed no one is for the guarantee. The overwhelming majority of the people in this country, not just in my State, but in all the country, are against it.

I am convinced that if we could have a referendum in California this would be overwhelmingly defeated.

Certainly in Georgia, if they realized the fact that they have exactly 55 jobs at stake, which is less than we have in Wisconsin in the L–1011 program, the people of Georgia would be opposed to the guarantee. The people of Georgia would be opposed to the guarantee even if they felt they had many of their jobs at stake, if they had the opportunity to pass on it. There is an overwhelming sentiment in this country against bailing out big corporations. That has been recognized repeatedly.

Where we have a situation where the banks and the airlines are hiding behind the specter of unemployment, which I have already documented, there is no question about the fact that the workers will be hurt and not helped by the guarantee.

Mr. President, I want to say that I am not antiaerospace when I oppose the Lockheed bailout.

Here is what McDonnell Douglas says about it:

> The break-even points of the 747 and the DC–10 have been forced out years in time. The ability of the industry as a whole to gain sufficient earnings to launch the required future programs necessary to hold the traditional dominant United States position in commercial aircraft has been severely crippled.

Mr. President, let me emphasize that, because what I am talking about is the effect the approval of the Lockheed guarantee would have on the DC–10 and the 747:

> The break-even points of the 747 and the DC–10 have been forced out years in time. The ability of the industry as a whole to gain sufficient earnings to launch required future programs necessary to hold the traditional world position in commercial aircraft has been severely crippled.

To continue:

> The giant step towards heavy government subsidization or even nationalization has been set in motion by financially reckless Lockheed action.

Mr. President, I repeat, the reason I am making this point is that the last quotation is not what the Senator from Wisconsin says, it is not what some Wisconsin newspapers say. This is not someone outside the aerospace industry. This is what the aerospace industry itself says. I do not think we can say that Lockheed has more knowledge or competence in the area of aerospace than McDonnell Douglas or Boeing, and this is what McDonnell Douglas has said. They say that the aerospace industry will be severely crippled if this bill is passed, yet it is the workers in the so-called aerospace industry—actually a front for the management of the Lockheed Corp.—which has been boycotting Wisconsin products because I have had the temerity to stand up and oppose the guarantee.

Mr. President, the Milwaukee Journal has the justly esteemed reputation of being one of the outstanding newspapers in the country. It is repeatedly listed in the top 10 in America, not just because it is a successful newspaper but because of the thought and care that go into its editorials. The strongest part of the newspaper—and it has many strong features—is its editorial page. They have seven highly capable men who do nothing but write editorials. They travel and investigate. They know what they are talking about. It is a newspaper that wears no man's collar. It has been critical of labor, business, farmers, and other groups. It is a newspaper that calls it the way it sees it.

This is what this newspaper had to say about the boycott of Wisconsin products:

> The rationale behind the boycott of Wisconsin products, proclaimed in a recent ad in The Journal, is difficult to understand. Sponsored by disgruntled aerospace workers, its admitted aim is to punish the people of this state for electing Sen. Proxmire. The workers blame Proxmire and his opposition to the supersonic transport and federal help for the ailing Lockheed Co. for the industry's depression and resulting high unemployment.
>
> This is a simplistic approach to a complicated problem. The aerospace workers are not victims of Proxmire. They are victims of a nation whose priorities are changing. They are victims of an industry that pushed an environmentally questionable and uneconomic product in the SST and, in the instance of Lockheed, got into financial trouble much of its own making. Proxmire raised the issues, but would have gotten nowhere unless a majority of his colleagues in both houses of Congress agreed with him.
>
> Wishing away Wisconsin's senior senator will not end aerospace industry troubles or restore lost jobs. Neither will a boycott of Wisconsin products. It makes about as much sense as Wisconsinites boycotting goods from California because it got more defense contracts than this state. And if each state shunned another's products or built barriers against them because of passing grievances we would soon have a federal union that wouldn't work. It was just such a situation that caused the founding fathers to turn away from the Articles of Confederation and construct the present federal system.

Mr. President, a number of newspapers in my State have often very strongly opposed me.

One of them is the Marinette Daily Herald, a paper that is ably edited and has a solid reputation. The Marinette Daily Herald says:

> For at least the second time, and possibly oftener than that, California has been the source of boycott movements to try to force an issue. Earlier, Cesar Chavez promoted a nationwide boycott of table grapes to force growers to accept a union contract which many of the vineyard workers themselves did not want. Chavez eventually won a contract.
>
> Aerospace workers currently are trying to drum up a boycott of Wisconsin products to punish this state's voters for having elected Sen. William Proxmire to Congress. The reason: Proxmire vigorously exposed shoddy management and unreliable products of the aerospace industry in connection with federal contracts. He also opposed a proposed $250 million loan to Lockheed Corporation, contending that it would subsidize continuation of inefficient and extravagant management.
>
> It is obvious that aerospace workers are suffering from a slackening of defense contracts but this could have been expected long before it came. Industries in Marinette have had to adjust to a similar shift in emphasis in federal contracts. There is no denying that the impact on aerospace industries has been much more severe than it has been here. And there have been other factors in Lockheed's distress, for instance. One of these was bankruptcy of Rolls Royce Corporation in England, supplier of motors for one of Lockheed's most ambitious recent undertakings. An adjustment has been made by the British government which will permit Rolls to fill the Lockheed contract. There are other issues too, not related to Proxmire for which the aerospace workers should seek answers within the industry and perhaps in their own union organizations.
>
> Boycotts are more vicious than strike, if that is possible, in their heedless impact on companies and employes innocent of the grievance the boycott promoters profess. They could smirch the good name of a company and its product long after the boycott is lifted. In the case, such a result would be particularly unwarranted because the companies involved are not guilty of electing Proxmire and, in fact, many probably opposed him.

I think that is a particularly telling point. It is very hard to blame Wisconsin concerns, the top management of which, in many cases opposed me for reelection to the Senate. Yet, through no fault of theirs, their products are being boycotted because I happen to be a Senator from the State of Wisconsin.

The editorial continues:

> The boycott the aerospace workers proclaim is a blow at fellow unionists in Wisconsin, who probably more than any other group are responsible for keeping Proxmire in the Senate.
>
> *The Eagle-Star* has supported Proxmire only when it felt that he was serving his constituency well and in this instance it feels that he assisted in a necessary exposure of gross over-expansion of manufacturing costs and yet the industry found itself in distress as soon as brakes were applied to defense spending.
>
> As to whether the government should let Lockheed go down the drain in bankruptcy, that's an issue that deserves careful deliberation in view of the company's deep involvement in defense production. It might impair the country's defense posture if closing of the company's plants should scatter its important aggregation of scientists and technicians who have been working as a team on countless projects important to this country's security.

I think that we have laid that ghost to rest completely. There is not any question in the hearings, in the debate, and in the testimony of David Packard that the defense aspect of Lockheed Corp. would continue.

The editorial continues:

> If the government does help, however, it should insist on a thorough overhaul of the whole sprawling, extravagant Lockheed system.

Mr. President, I have one other editorial from the Fond du Lac Commonwealth-Reporter, a paper which has both opposed and supported me at various

times. It is a paper which by and large supports Republican candidates, although at various times it has supported Democratic candidates. It is a middle of the road paper. This editorial reads:

The more active members of the aerospace industry have mailed hundreds, perhaps thousands, of letters to newspapers, radio and TV stations, businessmen and industrialists throughout Wisconsin.

"What you are about to read," the letters say, "you won't like, it grieves us to present this letter but we in the aerospace industry find no other recourse."

They're angry at Sen. William Proxmire over his successful efforts to squelch the production of the U.S. supersonic transport (SST).

So they're boycotting products with Wisconsin labels, including Mercury outboards from Fond du Lac, beer from Milwaukee, Parker Pens from Janesville and many other items.

"Those of us who are still working find ourselves more and more resentful of the Wisconsin senator and naturally citizens who elected him," the coercive letters declare. "We know of only one method of making you realize the seriousness of putting such a man in office and that is to have the citizens of Wisconsin share some of the effects of his actions, that is to reduce your income as Sen. Proxmire has done to ours."

The letter continues: "We intend to pursue the course of action cited above until such time as Sen. Proxmire is either removed from office or has changed his position regarding the aerospace industry . . . Wake up citizens of Wisconsin! Turn Proxmire off or out, and we'll come back to your products."

We're quite certain Wisconsin residents are not easily intimidated and it appears that Sen. Proxmire will remain in office for a considerable time.

And the longer he's there, of course, the longer those aeropspace workers will have to get by without any of that famous Wisconsin cheese.

Mr. President, I am sure that there will only be a very few and, I hope, no aerospace workers who have to forgo that delight. The product is a joy to eat, especially if consumed in combination with Wisconsin beer.

Mr. TOWER. Mr. President, I want to say for the record that I went home last night and had a delicious wedge of Wisconsin cheese. I am not about to boycott it.

Mr. PROXMIRE. I thank the Senator from Texas. I think that there are few actions he has taken in the past weeks that are more worthy of commendation.

Mr. President, in all seriousness, the Senator from Texas is a fine Senator. He has led a very strong and vigorous fight. I only regret his action, because the Wisconsin cheese will give him more strength and vigor and ability to combat the Wisconsin Senator.

I am sure there is only a handful of people among the aerospace workers, management, or employees or management people in the banks that would be rescued by the pending bill who think they can intimidate the Senator from Wisconsin or his constituents by boycotting the products of his State.

I have taken time to go into this action, because I think it is extraordinary.

Instead of permitting this matter to be argued on its merits, these supporters of the bailout feel the way they can win is to intimidate and to threaten, to tell this Senator and the constituents who support him that as long as he has the temerity to take the position he takes on a controversial issue they are going to boycott products of his State.

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

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

MARKET FOR TRIJET AIRCRAFT

Mr. TOWER. Mr. President, Lockheed Aircraft Corp. in materials submitted to the committees considering the emergency loan guarantee legislation has estimated that in the coming decade there is a world market for 1,375 trijet aircraft. Of this number it is estimated that 775 will be basic trijet aircraft and another 600 will be long-range aircraft.

All available evidence on the market for the trijet would confirm Lockheed's estimates and if anything, Lockheed's estimates are on the conservative side. Mr. Floyd Hall, chairman of the board of Eastern Airlines testified before the Senate committee on June 14 that "he market for the trijet is so large that there should be no real doubt on this score. In the course of his testimony, Mr. Hall made the following remarks concerning the future market of the trijet:

In weighing whether Lockheed is to be enabled to go forward, it is very important to focus on the future market for the tri-jet. As I have said, it is an unusually versatile airplane with an unusually broad spectrum of applicability and pronounced cost advantages. It will move squarely into the top and middle ranges of our present fleet in terms of size by replacing both the DC–8s and our 75 original model 727s. The only 727s it will not tend to displace at least for a number of years, are the subsequently developed so-called long-bodied or "stretched" version of the 727. The tri-jet, because its flexibility makes its fleet "displacement capability" probably greater than any aircraft that has been built in years, will replace all of our large four-engine planes plus three-fourths of the medium-sized units in our fleet. Because this will probably apply to the fleets of a great many other airlines of the world, the potential sales of the wide-bodied tri-jet are very large indeed. We conclude that, by a considerable margin, it will be the predominant transport aircraft type that will be built during the next ten or perhaps fifteen years.

McDonnell Douglas' estimates for the trijet world market likewise fall in the range estimated by Lockheed. For example, for the period 1970 through 1980 McDonnell Douglas estimated last year that there is a market for the trijet of 1308[1] aircraft. Of this amount 490 would be represented by basic trijet aircraft; 442 would be long-range aircraft; and 376 would be stretch long-range aircraft. It is also significant to note that for the period 1981 through 1984 McDonnell Douglas estimates a market for an addition 314 aircraft consisting of 160 advanced medium-range trijets and 154 advanced long-range trijets. The advanced versions are simply modifications of earlier aircraft with higher engine thrust and modified airframes.

The Honorable John Volpe, Secretary of Transportation, in testimony prepared for the House Banking and Currency Committee on July 20 also spoke to the future market for the trijet aircraft. He noted for instance that in the decade ahead the FAA has forecasted a vigorous rate of growth in commercial air transportation. As the economic climate improves, scheduled revenue passenger miles carried by U.S. certified airlines are expected to increase by 3½ times in the next 10 years. Secretary Volpe also observed that for the period between 1971 and 1982 U.S. international traffic is expected to grow at an annual rate of almost 13 percent. Secretary Volpe stated that the projections clearly indicate—

The need for new large-capacity commercial transport aircraft—particularly those like the Lockheed Tristar L–1011—to meet the anticipated passenger demand, to help alleviate the resulting airways congestion and to provide a higher standard of safety, efficiency, and comfort for the public.

As to the market for trijet aircraft by U.S. air carriers, Secretary Volpe stated a recent FAA demand forecast showed a demand for trijets of about 760 aircraft. Lockheed's estimate with respect to this demand for both the basic and long-range trijet by U.S. carriers was 755. The FAA forecast would thus confirm Lockheed's projections on this market.

Closely related to the projected markets for the trijet is the consequences which would flow if Lockheed were permitted to fail and the market were left to one manufacturer. For purposes of illustration, if you take the market in the next decade to be 1,000 aircraft and the average price during that decade to be $20 million, you are talking about a $20 billion market—perhaps the largest single monopoly market in the world. The airlines, the Air Transport Association, Secretary Volpe, and others have expressed their concern with respect to the damaging effects on the competition in the industry which would result from the termination of the L–1011 program. Secretary Volpe had the following comment to make on this point in his testimony on July 20:

In connection with the projected forecasts for the wide-body jets, I wish to express concern over the damaging effects on competition within this industry which would result from the termination of the L–1011 program. I definitely feel that it would be in the public interest to preserve the L–1011 aircraft since its absence will reduce competition in the market for wide-body tri-jets—a domestic market that is estimated to exceed approximately $20 billion over the next ten years. Competition between manufacturers should prove desirable in terms of both cost and performance.

So the weight of evidence militates heavily against arguments raised in this Chamber that there is not an adequate market to keep more than one airframe manufacturer in business producing the trijet. It is anticipated that there will be great demand that will allow both

[1] This information appears in DAC C1–304–1901 long-range support document table 13 June 1970.

McDonnell Douglass and the Lockheed Corp. to flourish in that market for many years to come.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9270) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1972, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 4, 34, and 38 to the bill and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

The PRESIDING OFFICER. The Senator from California is recognized.

(The remarks of Mr. TUNNEY when he introduced S. 2349, dealing with voting rights, are printed in the RECORD under Statements on Introduced Bills and Joint Resolutions.)

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

The PRESIDING OFFICER. 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.

Mr. HARTKE. Mr. President, I am appalled that the Senate appears to be willing to embark this Nation, which we like to think is based on the principles of free and competitive enterprise, on a course of corporate welfare for those businesses which are able to combine bigness with failure. It is hard to believe that the Senate will dramatically reverse its policy toward corporate flops within just a few months. But if the Senate passes the Lockheed giveaway bill reversal of policy is precisely what will occur.

I want to remind the Senate of what we did with the Penn Central last year. The principles followed in drafting that legislation were basically two in number: any legislation should be severely limited in scope; and we did not wish to set a precedent of financial relief to failing businesses. Let me remind the Senate that the committee was extremely reluctant to approve any legislation. I submit, however, that if the Senate is now ready to put failing big corporations on welfare, we should follow the pattern used in that bill, the Emergency Rail Services Act of 1970. I firmly believe that the same principles used in that measure should be applied to Lockheed and its problems. After all, who can claim that Lockheed is any more important to the welfare of this country than the Penn Central?

Let us take a look at what was done with the Emergency Rail Services Act of 1970, Public Law 91–633.

First. Under the Emergency Rail Act, bankruptcy is a condition precedent.

Under the Lockheed Act, bankruptcy is not required.

The significance is simply this: Under the Rail Act, because bankruptcy is a prerequisite, the corporation is under the control of a Federal court. Consequently, the old management; that is, the management that probably created the problem, would reap no benefits. The company would be open to public scrutiny.

Need I remind my colleagues of the evidence of mismanagement, self-dealing, and ineptitude which led to the Penn Central's collapse? Little of this information came to light until after the railroad entered bankruptcy. Only then were the managers unable to cover their tracks. How can we know, how can the taxpayers know, how our assistance is being used unless the corporation is subject to the direction of a bankruptcy? How else can we be assured that Federal assistance is being used to advance the public's purposes?

The Lockheed bill, S. 2308, loses all the advantages of bankruptcy—a change in management, replacing those who have proven to be failures; a chance to dispose of unprofitable assets; and an opportunity to delay debt payments for a substantial period of time. Although S. 2308 allows the Emergency Loan Guarantee Board to require a management change, none is required, or, in the case of Lockheed, probable. To the extent that bankruptcy law is a tool for creating conditions for future profitable operation, S. 2308 inhibits economically sound reform, and what is worse, the taxpayer foots the bill.

Congress should not protect a company from the cleansing action of bankruptcy, we should welcome it.

Second. Under the Emergency Rail Act, an imminent threat to public welfare must be demonstrated.

Under the Lockheed bill, there must only be a finding of adverse and serious affect upon the economy or employment.

The difference is great. Under the Rail Act it is necessary to show that the public welfare would be endangered by cessation of essential transport services and the threat must be imminent. Termination of Penn Central services would be a blow to an entire 17-State region, America's industrial and population center. Services protected were those that were essential to that entire area. The Lockheed bill is concerned with very vaguely described adverse effects on the economy or employment. The closure of Lockheed would have a very limited effect on a rather small area.

Third. Under the Emergency Rail Act, there must be no other practical means of obtaining funds available, so that no loan is possible without a guarantee. But under the Lockheed bill, the provision is merely that credit is not otherwise available under reasonable terms or conditions.

The Penn Central had to show that no private lender would provide a loan at any rate, reasonable or not, without a Federal guarantee. The rail bill was described in the report as "a matter of last resort, not another means of financing corporate empires." In the Lockheed case we are apparently about to do precisely what we forbade the administration to do in the case of the Penn Central. The Federal Government can come to the rescue under S. 2308 with as little showing as the simple fact that interest rates are not reasonable or conditions are not reasonable. But when a company flops, why should private creditors be reasonable? More important, why should the U.S. Government be reasonable? But that is exactly what is called for in the next breath by S. 2308.

Fourth. Under the Emergency Rail Act, the United States is protected by requirements: first, that probably the asset value provides reasonable protection to the United States, and second, that the United States will receive the highest lien except for creditors of equipment purchases.

Contrast that to the Lockheed bill, under which the United States is protected by assurance that the company will be able to repay the loan and afford reasonable protection, secured by sufficient property to collateralize the loan fully.

In short, the United States will protect the financial failures which suffer from unreasonably poor financial condition from unreasonable rates but in return obtains as protection only reasonable assurance.

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

Mr. HARTKE. I am glad to yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Indiana for the statement he is making. It is most appropriate that he should speak on this matter, as I understand he is chairman of the Surface Transportation Subcommittee of the Senate Commerce Committee; is that correct?

Mr. HARTKE. That is correct.

Mr. PROXMIRE. And in that capacity, he had occasion to go into great detail on the recent difficulties of the Penn Central railroad, and their situation

Mr. HARTKE. No question about that. I might point out that if we had followed the administration's request, which was similiar to what is requested today, Mr. Wirtz, in his testimony, indicated that the taxpayers would have handed out $350 million in the Penn Central situation, and the net result would have been that they would still have been short exactly the same amount of money which we later authorized in the loan of some $100 million. Even though the money itself would have come from the taxpayers, all of the money would have gone to the creditors and the banks, so it was a bank bailout bill, just as the Lockheed bill is.

Mr. PROXMIRE. The original administration proposal with respect to Penn Central, as it turned out, based on our experience, would have been very costly to the taxpayers?

Mr. HARTKE. It would have cost the taxpayers at least $350 million, for which they would have gotten exactly nothing,

except to make the bankers happy. The original bill in that case was very similar to the administration draft of the Lockheed bill.

Mr. PROXMIRE. And in urging the passage of that Penn Central measure, the administration indicated there was little risk involved if Congress went ahead and provided that loan to the Penn Central Corp.; is that correct

Mr. HARTKE. They indicated there would be no risk. They came in and asked for the authority to guarantee loans on the basis of the simple fact that the transportation company was in dire need of cash at that time, and could not meet its bills. But there was no requirement for them to go into bankruptcy first; there was no requirement that management be changed; there was no requirement that the Government have a guarantee of its repayment; and there was no requirement in the original bill that outside financing must not be available from other sources.

As a matter of fact, the Penn Central in their situation went into bankruptcy, and since that time things have somewhat turned around. In fact, I have begun to hear good things about Penn Central.

Mr. PROXMIRE. So the judgment of the administration in the case of Penn Central was wrong?

Mr. HARTKE. It was not only wrong, it would have been disastrous. It would have cost us $350 million. The trustees have said it was wrong, and since we have seen them go into bankruptcy, there has come to light some of the self-serving dealing, the deception, and some rather unpleasant items concerning the management of Penn Central.

Mr. PROXMIRE. The Senator, as I understand him, is telling the Senate that if we adopt the administration proposal with respect to the Lockheed loan guarantee, we might very well be in the same position as we would have been if we had gone ahead with the Penn Central bailout?

Mr. HARTKE. I think we are in exactly the same position. But let me point out something rather significant, in totality:

Congress and the committee were rather reluctant to act, even under the severe conditions on Penn Central. If we are going to provide this type of assistance to Lockheed, I think we ought to repeal the Emergency Rail Service Act and provide the same type of loan to Penn Central. Why should that company be put through such a stiff wringer to make sure the public interest will be protected, if we will not require the same conditions of a corporation which does not affect to nearly the same degree the national interest?

Mr. PROXMIRE. Is it not also true that this bill as originally drafted goes far beyond the Penn Central, so far that even the Defense Department officials are concerned about it, because it provides a total fund of $2 billion, so that the Federal Reserve Board and the Treasury Department would be in a position to guarantee loans up to $250 million without any action taken by Congress or any congressional oversight, provided that those loans be made before October 1?

After October 1, Congress is given a veto power, though not an opportunity to act positively; but this is something that would not only relate to Lockheed, but could relate to many other large corporations, at great cost to the taxpayer.

Mr. HARTKE. The Senator states the case exactly right. I had hearings before the Service Transportation Subcommittee this morning, and Under Secretary Beggs of the Department of Transportation said it was possible that Penn Central could qualify as a potential borrower under the present Lockheed bill without the restrictions of the old act, and other railroads which are in a difficult financial situation are also potential borrowers under this law, without the same restrictions put on Penn Central; that the airlines were lining up right behind, and we might end up with the whole private sector of the American economy financed by the Government.

Mr. PROXMIRE. One aspect that troubled me very much as a member of the Banking Committee was that if we passed this bill, a number of ailing railroads might then go before this board under similar circumstances. Not Penn Central, necessarily; they might be one, but other railroads might go before them and be eligible for loans. Is that the impression of the Senator from Indiana?

Mr. HARTKE. Let me say to the Senator from Wisconsin, not only that, but they would not have to go into bankruptcy, as required of the Penn Central. All the other railroads could come in, and all they would need to show was that they needed some cash. There are about 15 major railroads in the United States today which are not considered in good financial condition.

Mr. PROXMIRE. Every one of the 15, it seems to me, would meet the very broad general criteria of the bill. The only requirement in the bill is to show that if the firm goes into bankruptcy there could be serious economic repercussions to the region. There would surely be serious economic repercussions if any one of those 15 major railroads went into bankruptcy, especially in a given region. Every one of them, I presume, would have a serious impact in the particular region in which it is located.

Mr. HARTKE. There is no question but that the Senator is exactly right. Under Secretary Beggs again this morning, when asked that question, said not only that it was possible, but that there was no reason why not, if they made application and made a proper showing. They would probably be in line to get such a loan.

Mr. PROXMIRE. I thank the Senator. I think his remarks are some of the most important we have had with reference to the necessity of providing more debate on this issue and a more critical examination of it, so that we can understand the full implications before we vote on it.

Mr. HARTKE. I thank the Senator from Wisconsin.

The U.S. taxpayer deserves nothing less than the best protection available. In the Rail Act the United States obtained the highest lien except for those creditors which made loans for the purchase of equipment necessary to provide service to the public. Why in the case of Lockheed must we settle for less? I should remind my colleagues that Congress in 1958 passed an act designed to help railroads purchase equipment and required—just as in the Lockheed bill—"reasonable assurance" that loans would be repaid. This did not in any way prevent defaults—there were several. I will talk about the experiences under that act in a later statement I intend to make upon this bill. Having a security interest will not necessarily guarantee full compensation—as any banker knows. Having to collect on the liquidation of specific security is not nearly as sound as being given a priority position as was given the United States in the Emergency Rail Act. In the latter event, the United States will be paid first ahead of nearly all others. But if Lockheed fails, the United States must get in line with all other creditors.

Fifth. Under the Emergency Rail Act, Federal assistance and other revenue required to be used to promote the continuation of essential transportation services.

Under the Lockheed bill no restrictions on use of funds.

If they wanted to use it for an expense account at the Waldorf Astoria, I would imagine there would be no reason why such a party could not be held in full swing.

Under the Rail Services Act, we restricted the moneys derived therefrom to the purpose of providing services of great importance to the public. Nothing in the Lockheed bill would prevent the management from squandering the money on any manner of ventures, some of which could possibly be adverse to the public's interest.

There are other differences in these measures worthy of note. For example, under the Rail Act the General Accounting Office is provided authority which would give Congress an independent evaluation of the corporation. For Lockheed we will be required to rely upon the Secretary of the Treasury and the Federal Reserve Board of Governors.

Congress should not be stampeded into counteracting the forces of the marketplace by artificially propping up a company which has found that it cannot function in the competitive world with others.

The result of the passage of the Lockheed bill could well be the extension of Government aid to all manner of businesses.

I was in Indiana this weekend and talked with farmers, and they are worried about the corn blight. I said to one farmer that I could see no reason why he should be denied a Government loan to take care of his corn blight while we give money to Lockheed to take care of their particular difficult situation.

The subsequent elimination of competition will bring the end of efficiency in business and will make service to the public inconsequential. Whenever a business can turn to the Government for help, management can avoid the hard decisions necessary to become a better competitor. I am afraid that this bailout

would do more to bring us close to socialism than any assistance we could possibly give to the poor or to the unemployed. To preserve our free enterprise system, we must refuse to protect this company from the tests of the marketplace.

Before ending this statement, I want to ask one question: Can the Penn Central qualify under this act? Because if it does not, it certainly should. If Congress has decided to make it easier for big business failures to tap the Federal Treasury than we made it in the Emergency Rail Act, then I think we should make sure that the Penn Central is covered. Penn Central, in my opinion, is much more important to this Nation than Lockheed—or, at least, it is no less important. The most one can say about the loss of Lockheed is that there might be some limited unemployment. There are certainly enough defense contractors and aerospace companies around to pick up the defense-oriented functions of Lockheed. In contrast, there is no adequate replacement for the Penn Central at the present time. The 17 States served by Penn Central would feel the effects of a shutdown immediately; shortages of coal—and therefore electricity—and other raw materials and food would be evident from the first.

I certainly hope that we do not pass this legislation; but if that is Congress' desire, let us include those corporations most vital to the functioning of this country. And let us improve the bill by requiring applicants first to be in bankruptcy, by requiring that there be an imminent threat to the public welfare, by requiring a finding that no other assistance is possible, by requiring that the interest of the U.S. taxpayers are adequately protected, and by requiring that assistance go toward the advancement of an important public purpose. The U.S. taxpayer deserves no less in return for his money.

But if that is not the will of Congress, then we ought to repeal the Rail Service Emergency Act and not make Penn Central do something that we will not require Lockheed to do.

Mr. PROXMIRE. Mr. President, I am today releasing the text of a letter to me from Adm. H. G. Rickover accusing the Lockheed Aircraft Corp. of grossly overstating a defense contract claim against the Government.

The letter from Admiral Rickover, which is in response to a written request for information about Lockheed's claims, also charges the firm with delaying submission of the claim for a year, threatening to stop work on the program unless its demands were met, and refusing to provide detailed cost breakdowns to substantiate individual items in the claim.

This case typifies Lockheed's arrogant attitude toward the Federal Government and the American taxpayer.

The original contract in this instance amounted to $11 million for the production of certain structural components needed in Admiral Rickover's nuclear propulsion program.

Under the contract, the Government was to deliver some material produced by other firms to Lockheed. Because of delays by the other firms the deliveries to Lockheed were late.

To compensate Lockheed for the late deliveries, it was agreed to increase the price of the Lockheed contract and a request was made for prompt substantiation from Lockheed so that a price adjustment could be made.

But Lockheed did not supply prompt substantiation for its claim. It delayed the submission of its claim for a year.

The claim it finally submitted amounted to $12 million over and above the $11-million contract. The claim, in other words, was more than 100 percent greater than the contract price.

Lockheed's delay had the effect of locking in the Government. By the time the claim was received it was too late for the Government to go elsewhere for completion of the contract within the available time.

To make matters worse, after withholding the details of the claim for a year, Lockheed then insisted on its prompt acceptance and it went so far as to threaten to stop working on the program unless the Government gave in to its demands.

Only Admiral Rickover's personal intercession prevented stoppage of the work, considered vital to the Nation's security.

Further complicating the Government's problem with the Lockheed claim was the refusal of the company to provide detailed cost breakdows to substantiate individual items in the claim, a task that would have been greatly facilitated had Lockheed not taken so long to submit it.

Lockheed commingled its costs in its books and records, making it virtually impossible for Government auditors to identify the charges fairly chargeable to the Government.

Ultimately, a 9-month exhaustive examination of Lockheed's inadequate financial records exposed the claim as grossly overstated by approximately 75 percent. In the process of settling it, 20 months and thousands of Government man-hours have been consumed so far.

While the sums of money involved here are not large by Lockheed or Pentagon standards, the situation does illustrate the small regard that this contractor has for the public interest and the taxpayers' dollars.

This claim should be seen within the context of Lockheed's total claims against the Government. The shipbuilding division of Lockheed alone now has about $160 million in claims pending against the Navy.

Claims that are unsubstantiated and overstated are simply cost overruns that a contractor is trying to pass along to the taxpayer.

I ask unanimous consent that the text of the letter from Admiral Rickover be printed in the RECORD.

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

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., July 21, 1971.

HON. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PROXMIRE: Your letter of July 9, 1971 referred to my recent testimony before the Joint Economic Committee concerning claims against the Government by defense contractors and asked me to advise you as to my experience with contract claims by the Lockheed Aircraft Corporation. You pointed out that, with Congress currently deliberating a loan guarantee for Lockheed, it is important for members of Congress to know whether the company has been reasonable and responsible in its dealings with the Government on matters such as contract claims.

As stated in your letter, Lockheed has filed a number of large claims against the Government on defense contracts. In addition to the C5A dispute, Lockheed's shipbuilding division has submitted claims totaling about $160 million. It is my understanding that the Navy considers Lockheed to be entitled to less than half the amount claimed. Since these claims do not involve nuclear powered ships, I have no first-hand knowledge of their details or validity, nor of the proposed settlements.

My own experience with Lockheed is limited. I have had only one production contract with Lockheed, and it resulted in a large claim. In 1968 the Knolls Atomic Power Laboratory placed a fixed-price type contract with Lockheed Propulsion Company to obtain certain structural components needed in my program. The contract was awarded to Lockheed based on competitive bids from four qualified firms. Under the terms of the contract, the Government was to furnish Lockheed certain materials which were being produced by other firms. However, some deliveries of material from these firms were late and some items did not meet all of the specification requirements.

The Knolls Atomic Power Laboratory agreed to increase the price of the Lockheed contract as a result of the late and deficient materials. The company was requested to provide a properly supported quotation so that the price adjustment could be promptly settled. Lockheed, however, delayed a year before submitting a complete quotation. The company then submitted a $12 million claim on this $11 million contract. Lockheed also requested that the contract be changed from a fixed-price type to a cost-type contract.

Delaying its quotation a year permitted Lockheed to see how it was going to make out in performing the contract before it settled on a price adjustment. By the time the price quotation was received, only Lockheed could complete the contract within the available time. This delay foreclosed the Government's option of cancelling the contract and procuring the equipment elsewhere.

After the claim was finally submitted, the company then insisted on its prompt acceptance. At one point the company even threatened to stop all work unless the Government agreed to the company's demands. Even though it had a DX rating—the Nation's highest defense priority—I had to intercede personally with the Chairman of Lockheed's Board of Directors to prevent stoppage of work.

The company's claim consisted of two large volumes of lengthy technical and legal arguments. It included not only costs attributable to Government-furnished materials but also claims for numerous additional items allegedly due Lockheed because of deficiencies in the contract specifications and the Government's acts or failures to act. All of Lockheed's manufacturing delays were attributed to late or faulty Government-furnished materials or to faulty specifications—none to the company's own performance, even though Lockheed was responsible for delays far greater than those due to Government-furnished materials.

Lockheed would not provide detailed cost breakdowns to substantiate individual items in the claim. It had commingled costs in its accounting records so that it was not possible to segregate those charges fairly attributable to the Government. Ultimately, because

of the company's inadequate financial records, it was necessary to base a settlement on engineering estimates and judgments of amounts due. Nine months of fact finding and negotiations revealed that Lockheed's claim was overstated by about 75 percent.

The Knolls Laboratory and Lockheed recently reached agreement on a contract price adjustment at an amount which the Laboratory considers equitable for the delay and additional work required of Lockheed. The settlement retains a fixed-price type contract with a maximum price to the Government. Overall, this settlement has taken over 20 months and required thousands of manhours of effort by the Government and the Knolls Atomic Power Laboratory.

This claim demonstrates how defense contractors can overstate claims by intermixing unwarranted charges with valid changes and claims. Since defense contractors are not presently required to segregate and account properly for costs on Government contracts, much effort is required in evaluating claims to determine which cost items are fairly allocable to the Government. In many cases it is not possible to determine the Government's proper share of a contractor's claim from the contractor's records. This situation obviously encourages excessive claims by defense contractors. That is why I stated in testimony before your Committee that defense contracts today are binding on the Government alone not on the contractor.

As I testified to your Committee, I believe we must make fundamental changes in our defense procurement practices if we are adequately to protect the Government against excessive and exorbitant contractor claims. I have already given several specific recommendations in this regard to your Committee.

I hope the information I have provided will be of assistance to you.

Respectfully,

H. G. RICKOVER.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7109) entitled "An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes."

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 9272) entitled "An act making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1972, and for other purposes,"; and agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. ROONEY of New York, Mr. SIKES, Mr. SLACK, Mr. SMITH of Iowa, Mr. FLYNT, Mr. MAHON, Mr. BOW, Mr. CEDERBERG, and Mr. ANDREWS of North Dakota were appointed managers of the conference on the part of the House.

AMENDMENT OF THE SUGAR ACT OF 1948

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senate proceed to the consideration of Calendar No. 296, H.R. 8866.

The PRESIDING OFFICER (Mr. TUNNEY). The bill will be stated by title.

The second assistant legislative clerk read as follows:

A bill (H.R. 8866) to amend and extend the provisions of the Sugar Act of 1948, as amended, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Sugar Act Amendments of 1971".

SEC. 2. Section 101 of the Sugar Act of 1948, as amended, is amended—

(1) by striking out "the Virgin Islands" in subsection (j);

(2) by amending subsection (o) to read as follows:

"(o) The term 'continental United States' means the States (except Hawaii) and the District of Columbia."; and

(3) by adding at the end thereof the following new subsection:

"(p) The term 'mainland cane sugar area' means the States of Florida and Louisiana."

SEC. 3. Section 201 of the Sugar Act of 1948, as amended, is amended to read as follows:

"ANNUAL ESTIMATE OF CONSUMPTION IN CONTINENTAL UNITED STATES

"SEC. 201. (a) The Secretary shall determine for each calendar year, beginning with 1972, the amount of sugar needed to meet the requirements of consumers in the continental United States and to attain the price objective set forth in subsection (b). Such determination shall be made during October of the year preceding the calendar year for which the determination is being made and at such other times thereafter as may be required to attain such price objective.

"(b) The price objective referred to in subsection (a) is a price for raw sugar which would maintain the same ratio between such price and the average of the farm prices paid index (1967=100) and the wholesale price index (1967=100) as the ratio that existed between (1) the simple average of the monthly price objective calculated for the period September 1, 1970, through August 31, 1971, under this section as in effect immediately prior to the date of enactment of the Sugar Act Amendments of 1971, and (2) the simple average of such two indexes for the same period.

"(c) For purposes of subsection (b)—

"(1) The term 'farm prices paid index' means the Index of Prices Paid by Farmers for Commodities and Services, including Interest, Taxes, and Farm Wage Rates, as published monthly by the Department of Agriculture.

"(2) The term 'wholesale price index' means such index as determined monthly by the Department of Labor."

SEC. 4. (a) Section 202(a) of the Sugar Act of 1948, as amended, is amended to read as follows:

"(a)(1) For domestic sugar-producing areas, by apportioning among such areas 6,910,000 short tons, raw value, as follows:

"Area:	*Short tons, raw value*
Domestic beet sugar	3,406,000
Mainland cane sugar	1,539,000
Hawaii	1,110,000
Puerto Rico	855,000
Total	6,910,000

"(2) To or from the sum of 4,945,000 short tons, raw value, of the quotas for the domestic beet sugar and mainland cane sugar areas there shall be added or deducted, as the case may be, an amount equal to 65 per centum of the amount by which the Secretary's determination of requirements of consumers in the continental United States pursuant to section 201 for the calendar year is greater than or less than 11,200,000 short tons, raw value. Such amount shall be apportioned between the domestic beet sugar area and the mainland cane sugar area on the basis of the quotas for such areas established under paragraph (1) of this subsection in effect immediately prior to the date of enactment of the Sugar Act Amendments of 1971.

"(3) Whenever the production of sugar in Hawaii or Puerto Rico in any year results in there being available for marketing in the continental United States in any year sugar in excess of the quota for such area for such year established under paragraph (1) of this subsection, the quota for the immediately following year established for such area under such paragraph shall be increased to the extent of such excess production, except that in no event shall the quota for Hawaii or Puerto Rico, as so increased, exceed the quota which would have been established for such area at the same level needed to meet the requirements of consumers under the provisions of this subsection in effect immediately prior to the date of enactment of the Sugar Act Amendments of 1962. Whenever sugar produced in Hawaii or Puerto Rico in any year is prevented from being marketed or brought into the continental United States in that year for reasons beyond the control of the producer or shipper of such sugar, the quota for the immediately following year established for such area under paragraph (1) of this subsection and the preceding sentence shall, within the limitations of the preceding sentence and section 207, be increased by an amount equal to (A) the amount of sugar so prevented from being marketed or brought into the continental United States, reduced by (B) the amount of such sugar which has been sold to any other nation instead of being held for marketing in the continental United States.

"(4) Beginning with 1973 or as soon thereafter as the quota or quotas can be used, there shall be established for any new continental cane sugar producing area or areas a quota or quotas of not to exceed a total for all such areas of 100,000 short tons, raw value, subject to the requirements of section 302 of this Act."

(b) Section 202(b) of such Act is amended to read as follows:

"(b) For the Republic of the Philippines, in the amount of 1,050,000 short tons, raw value."

(c) Section 202(c) of such Act is amended—

(1) by striking out paragraph (2);

(2) by amending paragraph (3) to read as follows:

"(3) For individual foreign countries other than the Republic of the Philippines, Ireland, and Bahamas, by prorating the amount of sugar determined under paragraph (1) of this subsection, less the amounts required to establish quotas as provided in paragraph (4) of this subsection for Ireland and Bahamas, among foreign countries on the following basis:

"(A) For countries in the Western Hemisphere:

"Country	*Per centum*
Cuba	50.00
Dominican Republic	8.85
Mexico	7.93
Brazil	7.75
Peru	5.26
West Indies	2.74
Ecuador	1.06
Costa Rica	.98
Argentina	.90
French West Indies	.86
Nicaragua	.86

"Country—Cont.	Per centum
Columbia	.82
Venezuela	.82
Guatemala	.80
El Salvador	.59
Panama	.54
Haiti	.41
British Honduras	.20
Honduras	.09
Bolivia	.08

"(B) For countries outside the Western Hemisphere:

"Country	Per centum
Australia	3.25
Republic of China	1.36
India	1.29
South Africa	.96
Fiji	.71
Mauritius	.29
Thailand	.24
Malagasy Republic	.15
Swaziland	.12
Southern Rhodesia	.12";

and

(3) by amending paragraph (4) to read as follows:

"(4) For Ireland, in the amount of 5,351 short tons, raw value, of sugar; and for Bahamas, in the amount of 10,000 short tons, raw value, of sugar. The quotas provided by this paragraph shall apply, in the case of each such country, for any calendar year only if the Secretary obtains such assurances from such country as he may deem appropriate prior to September 15 preceding such calendar year that the quota for such year will be filled with sugar produced in such country."

(d) Section 202(d) of such Act is amended—

(1) by striking out "that are members of the Organization of American States" in paragraph (1)(A)(ii);

(2) by striking out "quotas then in effect for such countries" in paragraph (1)(B) and inserting in lieu thereof "percentages stated therein";

(3) by striking out "the Bahama Islands, Bolivia, Honduras, and" in paragraph (3) and inserting in lieu thereof "Bahamas and";

(4) by striking out "August" and inserting in lieu thereof "June" in paragraph (4); and

(5) by striking out "1965" each place it appears in paragraph (6) and inserting in lieu thereof "1971".

(e) Section 202(e) of such Act is amended by inserting "or under section 408(c)" after "subsection (d)(1) of this section".

(f) Section 202(f) of such Act is amended to read as follows:

"(f) Whenever any quota is required to be reduced pursuant to subsection (e) or because of a reduction in the requirements of consumers under section 201 of this Act, and the amount of sugar imported from any country or marketed from any area at the time of such reduction exceeds the reduced quota, the amount of such excess shall, notwithstanding any other provision of this section, be charged to the quota established for such country or domestic area for the next succeeding calendar year. Sugar from any country which at the time of reduction in quota has not been imported but is covered by authorizations for importation issued by the Secretary no more than five days prior to the scheduled date of departure shown on the authorization shall be permitted to be entered and charged to the quota established for such country for the next succeeding calendar year."

(g) Section 202(g) of such Act is amended to read as follows:

"(g)(1) the Secretary is authorized to limit, on a quarterly basis only, the importation of sugar within the quota for any foreign country during the first quarter of 1972 if he determines that such limitation is necessary to achieve the objectives of the Act.

"(2) The Secretary is not authorized during the last three quarters of 1972 and the full year 1973, or in any year thereafter except as provided herein, to limit the importation of sugar within the quota for any foreign country through the use of limitations applied on other than a calendar year basis.

"(3) In order to attain on an annual average basis the price objective determined pursuant to the formula specified in section 201 of this Act, the Secretary shall make adjustments in the determination of requirements of consumers in accordance wih the following provisions: (i) the determination of requirements of consumers shall not be adjusted whenever the simple average of the prices of raw sugar for seven consecutive market days is less than 4 per centum above or below the average price objective so determined for the preceding two calendar months; (ii) the determination of requirements of consumers shall be adjusted to the extent necessary to attain such price objective whenever the simple average of prices of raw sugar for seven consecutive market days is 4 per centum or more above or below the average price objective so determined for the preceding two calendar months; and (iii) the determination of requirements of consumers for the current year shall not be reduced after November 30 of such year, but any required reduction shall instead be made in such determination for the following year. If in the twelve-month period ending October 31 of any year after 1972 the average price of raw sugar is less than 99 per centum of the price objective determined pursuant to the formula set forth in section 201 (except in the twelve-month period ending October 31, 1973—97 per centum) then, with respect to each subsequent calendar year, the Secretary is authorized after November 30 of the preceding year to limit, on a quarterly basis only, the importation of sugar within the quota of any foreign country during the first or second quarter, or both, of such subsequent year if he determines that such limitation is necessary to achieve the objectives of the Act.

"(4) The Secretary is not authorized to issue any regulation under this Act restricting the importation, shipment, or storage of sugar to one or more particular geographical areas.

"(5) The imposition of limitations on a quarterly basis under this subsection shall not operate to reduce the quantity of sugar permitted to be imported for any calendar year from any country below its quota for that year."

(h) Section 202 of such Act is amended by adding at the end thereof the following new subsection:

"(i)(1) In the case of any foreign country listed in subsection (c) which is permitted to supply sugar during any calendar year to a member of the European Economic Community under the common market production quota of such member, the proration of such country under subsection (c) for such year shall apply only if, prior to September 15 preceding such year, such country enters into an agreement with the Secretary providing that, in the event such country has a common market deficit for such year, it will pay to the United States, with respect to sugar imported from such country into the United States during such year (to the extent that the quality so imported does not exceed its common market deficit for such year) an amount equal to the amount, as determined by the Secretary, by which (A) the New York market price of United States quota raw sugar, duty-paid and delivered, exceeds (B) the sum of the world market price of raw sugar at the port of loading plus 1 cent per pound. If for any calendar year any such country fails to enter into such an agreement, the proration for such country shall be zero per centum and the prorations for the countries listed in paragraph (3)(A) of subsection (c) (other than any country whose proration is zero per centum) shall be increased on the basis of the percentages stated herein. If for any calendar year any such country fails to pay the amount required under such an agreement, the proration for such country for the following calendar year shall be zero per centum and the proration for the countries listed in paragraph (3)(A) of subsection (c) (other than any country whose proration is zero per centum) shall be increased on the basis of the percentages stated therein.

"(2) For purposes of paragraph (1), the common market deficit of any country for any year is the amount by which—

"(A) the total quantity of sugar supplied by it during such year to a member of the European Economic Community under the common marked production quota of such member, is less than

"(B) that quantity of sugar which is the same percentage of the common market production quota of such member for such year as the percentage which the quantity of sugar supplied by such country to such member under the common market production quota of such member during 1970 was of the common market production quota of such member for 1970."

SEC. 5. Section 204(a) of the Sugar Act of 1948, as amended, is amended—

(1) by striking out the first sentence and inserting in lieu thereof "The Secretary shall, at the time he makes his determination of requirements of consumers for each calendar year and on December 15 preceding each calendar year, and as often thereafter as the facts are ascertainable by him but in any event not less frequently than each sixty days after the beginning of each calendar year, determine whether, in view of the current inventories of sugar, the estimated production from the acreage of sugarcane or sugar beets planted, the normal marketings within a calendar year of new-crop sugar, and other pertinent factors, any area or country will not market the quota for such area or country.";

(2) by striking out "If" in the second sentence and inserting in lieu of thereof "Whenever" and by striking out "will be unable to" in such sentence and inserting in lieu thereof "will not";

(3) by amending the first proviso in the second sentence to read as follows: ": *Provided*, That any deficit resulting from the inability of a country which is a member of the Central American Common Market to fill its quota or its share of any deficit determined under the foregoing provisions of this subsection shall first be allocated to the other member countries on the basis of the quotas determined pursuant to section 202 for such countries:";

(4) by striking out "will be unable to" in the third, fifth, sixth, and eighth sentences and inserting in lieu thereof "will not";

(5) by striking out the tenth and eleventh sentences and inserting in lieu thereof the following: "In determining and allocating deficits the Secretary shall act to provide at all times throughout the calendar year the full distribution of the amount of sugar which he has determined to be needed under section 201 of this Act to meet the requirements of consumers.";

(6) by striking out the last sentence;

(7) by striking out "quotas then in effect" wherever it appears and inserting in lieu thereof "quotas determined pursuant to section 202"; and

(8) by striking out "47.22" wherever it appears and inserting in lieu thereof "40.04".

(b) Section 204 of the Sugar Act of 1948, as amended, is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding the foregoing pro-

visions of this section and section 211(c), if the Secretary determines that Hawaii or Puerto Rico will be unable to fill its quota established under section 203 for marketing for local consumption on a day-to-day basis, he shall allocate a total amount of sugar not in excess of such deficit to the domestic beet sugar area or the mainland cane sugar area, or both, to be filled by direct consumption or raw sugar, as he determines to be required for local consumption."

SEC. 6. Section 205(a) of the Sugar Act of 1948, as amended, is amended by striking out the third sentence and inserting in lieu thereof the following: "The Secretary is authorized in making such allotments, whenever there is involved any allotment that pertains to a new or substantially enlarged existing sugar beet processing facility serving a locality or localities which have received an acreage allotment under section 302(b)(3) or that pertains to a sugar beet processing facility described in section 302(b)(9), to take into consideration in lieu of or in addition to the foregoing factors of processing, past marketings and ability to market, the need for establishing an allotment which will permit such marketing of sugar as is necessary for reasonably efficient operation of any such sugar beet processing facility during each of the first three years of its operation."

SEC. 7. Section 206 of the Sugar Act of 1948, as amended, is amended—

(1) by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) If the Secretary determines that the prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico of any sugar-containing product or mixture of beet sugar molasses will substantially interfere with the attainment of the objectives of this Act, he may limit the quantity of such product, mixture, or beet sugar molasses to be imported or brought in from any country or area to a quantity which he determines will not so interfere: *Provided*, That the quantity to be imported or brought in from any country or area in any calendar year shall not be reduced below the average of the quantities of such product, mixture, or beet sugar molasses annually imported or brought in during such three-year period as he may select for which reliable data of the importation or bringing in of such product, mixture, or beet sugar molasses are available.

"(b) In the event the Secretary determines that the prospective importation or bringing into the continental United States, Hawaii, or Puerto Rico, of any sugar-containing product or mixture or beet sugar molasses will substantially interfere with the attainment of the objectives of this Act and there are no reliable data available of such importation or bringing in of such product, mixture, or beet sugar molasses for three consecutive years, he may limit the quantity of such product, mixture, or beet sugar molasses to be imported or brought in annually from any country or area to a quantity which the Secretary determines will not substantially interfere with the attainment of the objectives of the Act. In the case of a sugar-containing product or mixture, such quantity from any one country or area shall not be less than a quantity containing one hundred short tons, raw value of sugar or liquid sugar."; and

(2) by adding at the end thereof the following new subsection:

"(d) Notwithstanding the foregoing provisions of this section, the Secretary shall each year, beginning with the calendar year 1972, limit the quantity of sweetened chocolate classified under item 156.30 (relating to chocolate, sweetened in any form other than bars or blocks weighing ten pounds or more each) and items 157.10, 157.20, and 157.40 (relating to candy and other confectionery not specially provided for) of, part 10, schedule 1, of the Tariff Schedules of the United States in effect as of December 1970, or their equivalents in any subsequent revision thereof, which may be imported into the United States for consumption therein. The quantity to be so imported during any calendar year shall be determined in the fourth quarter of the preceding calendar year and the total amount thereof shall be equivalent to the larger of (i) the average quantity of the products entered for consumption under the foregoing items of the Tariff Schedules of the United States, or their equivalents in any subsequent revision thereof, for the three calendar years immediately preceding the year in which such quantity is determined or (ii) a quantity equal to 5 per centum of the amount of sweetened chocolate and confectionery of the same description of United States manufacture sold in the United States during the most recent calendar year for which data are available. The total quantity to be imported under this subsection may be allocated to countries on such basis as the Secretary determines to be fair and reasonable, taking into consideration the past importations or entries from such countries. For purposes of this subsection the Secretary shall accept statistical data of the United States Department of Commerce as to the quantity of sweetened chocolate and confectionery of the United States manufacture sold in the United States."

SEC. 8. Section 207 of the Sugar Act of 1948, as amended, is amended—

(1) by striking out "such year" in subsections (a) and (b) and inserting in lieu thereof "the preceding year"; and

(2) by striking out subsection (c).

SEC. 9. Section 209(a) of the Sugar Act of 1948, as amended, is amended by striking out "from Hawaii, Puerto Rico, the Virgin Islands, or foreign countries," and inserting in lieu thereof "from any foreign country or any other area outside the continental United States."

SEC. 10. Section 211(a) of the Sugar Act of 1948, as amended, is amended by striking out "continental United States" and inserting in lieu thereof "United States, including Puerto Rico,".

SEC. 11. Section 212 of the Sugar Act of 1948, as amended, is amended by striking out "sugar or" in clauses (1) and (2) and inserting in lieu thereof "direct consumption sugar or".

SEC. 12. Title II of the Sugar Act of 1948, as amended, is amended by adding at the end thereof the following new sections:

"LIMITATIONS ON FOREIGN COUNTRY QUOTAS

"SEC. 213. (a) Except as provided in subsection (b), the total quantity of sugar which may be prorated and allocated under this Act to any foreign country shall not exceed—

"(1) in the case of the Republic of the Philippines and Cuba, 1,500,000 short tons, raw value, and

"(2) in the case of any other country, 800,000 short tons, raw value.

"(b)(1) The provisions of subsection (a) shall not apply with respect to the quota for Cuba during any period during which such quota, or any part thereof, is withheld under section 202(d)(1)(A). During any year during which only a part of the quota for Cuba is withheld under such section, the total quantity of sugar (other than sugar described in subparagraphs (A), (B), and (C) of paragraph (2)) which may be imported from Cuba shall not exceed 1,500,000 short tons, raw value.

"(2) The provisions of subsection (a) shall not apply to—

"(A) sugar authorized to be imported under section 202(d)(2),

"(B) sugar apportioned under the fourth and seventh sentences of section 204(a), or

"(C) sugar allocated under section 607(b)(3).

"(c) If the total quantity of sugar which would (but for this section) be prorated under or allocated under this Act to any foreign country cannot be so prorated or allocated because of the application of this section, the remaining quantity shall be allocated under section 204(a), in the same manner as if the Secretary determined that such country would not fill such remaining quantity, to other countries to which such allocation can be made under this section.

"DETERMINATION OF WEIGHT OF IMPORTED SUGAR

"SEC. 214. (a) The determination for purposes of this Act of the weight of any shipment of sugar imported into the United States shall, except as provided in subsection (b), be made by a person who is not controlled, directly or indirectly, by the importer of such sugar.

"(b) In the case of any person who, on the date of the enactment of the Sugar Act Amendments of 1971, is engaged in weighing imported sugar and is controlled by a person engaged in importing sugar, subsection (a) shall not apply with respect to the determination by such person of the weight of sugar imported by such importer."

SEC. 13. (a) Section 302(b) of the Sugar Act of 1948, as amended, is amended—

(1) by adding at the end of paragraph (1) the following: "In establishing proportionate shares for farms in the mainland cane sugar area, the Secretary may establish separate State acreage allocations, may determine and administer the proportionate shares for farms in one State by a method different from that used in another State, may include in such State allocation an acreage reserve to compensate for anticipated unused proportionate shares, may make conditional allocations to farms from such reserve and establish conditions which must be met in order for such allocations to be final, may make an adjustment in a State's allocation in any year to compensate for a deficit or surplus in a prior year if the actual amount of unused proportionate shares in such State for such prior year was larger or smaller than such anticipated amount of unused proportionate shares, and, in establishing State allocations and farm proportionate shares, may use whatever prior crop year or years he considers equitable in his consideration of past production."

(2) by adding at the end of paragraph (2) the following: "The personal sugar beet production history of a farm operator who dies, or becomes incapacitated, shall accrue to the legal representative of his estate or to a member of his immediate family if such legal representative or family member continues within three years of such death or incapacity the customary sugar beet operations of the deceased or incapacitated operator. If in any year during this period sugar beets were not planted by such legal representative or member of the family, production history shall be credited to such year equal to the acreage last planted by the deceased or incapacitated farm operator.";

(3) by amending paragraph (3) to read as follows:

"(3) In order to make acreage available for growth and expansion of the beet sugar industry, the Secretary, in addition to protecting the interests of new and small producers by regulations generally similar to those heretofore promulgated by him pursuant to this Act, shall allocate as needed from the national sugar beet requirements established by him, during 1972, 1973, and 1974, the acreage required to yield not more than a total of 100,000 short tons, raw value, of sugar for localities to be served by new or substantially enlarged existing sugar beet processing facilities. Allocations shall be for a period of three years and limited for any one processing facility to the acreage required to yield a maximum of 50,000 short tons, raw value, of sugar and a minimum of 25,000 short tons, raw value, of sugar. The acreage

so allocated shall be distributed on a fair and reasonable basis to new and old sugar beet farms to the extent that it can be utilized without regard to any other acreage Secretary. At the time the Secretary allocates acreage for a new or substantially enlarged existing sugar beet processing facility for any year, which determination shall be made as far in advance of such year as practicable, such allocation shall thereby be committed to be in effect for the year in which production of sugar beets is scheduled to commence or to be substantially increased in the locality or localities determined by the Secretary to receive such acreage allocation for such year, such determination by the Secretary shall be final, and such commitment of acreage allocation shall be irrevocable upon issuance of such determination of the Secretary by publication in the Federal Register; except that if the Secretary finds in any case that the construction of new or the substantial enlargement of existing sugar beet processing facilities and the contracting for processing of sugar beets has not proceeded in substantial accordance with the representations made to him as a basis for his determination of acreage allocation, he shall revoke such determination in accordance with and upon publication in the Federal Register of such findings. In determining acreage allocations for a locality or localities serving new or substantially enlarged existing sugar beet facilities and whenever proposals are made to construct new or to substantially enlarge existing sugar beet processing facilities in two or more localities (where sugar beet production is proposed to be commenced or to be substantially increased in the same year), the Secretary shall base his determination and selection upon the firmness of capital commitment, the proven suitability of the area for growing sugar beets and the relative qualifications of localities and proposals under such criteria. If proportionate shares are in effect in either of the two years immediately following the year for which such initial acreage allocation is made in any locality, the Secretary shall adjust the initial allocation in the same proportion as the State's acreage is adjusted from its acreage of the year in which such initial allocation was made.";

(4) by amending paragraph (4) to read as follows:

"(4) The allocation of the national sugar beet acreage requirement to States for sugar beet production, as well as the acreage allocation for new or substantially enlarged existing sugar beet processing facilities, shall be determined by the Secretary after investigation and notice and opportunity for an informal public hearing.";

(5) by striking out "in any local producing area" in paragraph (5);

(6) by amending paragraph (9) to read as follows:

"(9) The Secretary is authorized to reserve from the national sugar beet acreage requirements established by him for the 1972, 1973, and 1974 crops of sugar beets the acreage required to yield 25,000 short tons of sugar, raw value, for any sugar beet processing facility which closed during 1970, if he is satisfied that such facility will resume operations and will be operated successfully and that the area which will serve such facility is suitable for growing sugar beets. The Secretary shall allocate the acreage provided for in this paragraph to farms on such basis as he determines necessary to accomplish the purposes for which such acreage is provided under this paragraph."; and

(7) by adding at the end of such subsection a new paragraph as follows:

"(10) The Secretary shall credit to the farm of any producer (or to the producer in a personal history State) who has lost a market for sugar beets as a result of (i) the closing of a sugar beet factory in any year after 1967; (ii) the complete discontinuance of contracting by a processor after 1970 in a State; or (iii) the discontinuance of contracting by a processor after 1970 in a substantial portion of a State in which the processor contracted a total of at least 2,000 acres of the 1970 crop of sugar beets, an acreage history (or production history) for each of the next three years equal to the average acreage planted on the farm (or by the producer) in the last three years of such factory's operation or processor's contracting, and any unused proportionate share shall not be transferred to other farms (or producers)."

(b) Section 302(c) of such Act is amended to read as follows:

"(c) In order to enable any new cane sugar producing area to fill the quota to be established for such area under section 202 (a)(4), the Secretary shall allocate an acreage which he determines is necessary to enable the area to meet its quota and provide a normal carryover inventory. Such acreage shall be fairly and equitably distributed to farms on the basis of land, labor, and equipment available for the production of sugarcane, and the soil and other physical factors affecting the production of sugarcane. The acreage allocation for any year shall be made as far in advance of such year as practicable, and the commitment of such acreage to the area shall be irrevocable upon issuance of such determination by publication thereof in the Federal Register, except that, if the Secretary finds in any case that construction of sugarcane facilities and the contracting for processing of sugarcane has not proceeded in substantial accordance with the representation made to him as a basis for his determination of distribution of acreage, he shall revoke such determination in accordance with and upon publication in the Federal Register of such findings. In making his determination for the establishment of a quota and the allocation of the acreage required in connection with such quota, the Secretary shall base such determination upon the firmness of capital commitment and the suitability of the area for growing sugarcane and, where two or more areas are involved, the relative qualification of such areas under such criteria. If proportionate shares are in effect in such area in the two years immediately following the year for which the sugarcane acreage allocation is committed for any area, the total acreage of proportionate shares established for farms in such area in each such two years, shall not be less than the larger of the acreage committed to such area or the acreage which the Secretary determines to be required to enable the area to fill its quota and provide for a normal carryover inventory."

SEC. 14. Section 303 of the Sugar Act of 1948, as amended, is amended by striking out "which cause such damage to all or a substantial part of the crop of sugar beets or sugarcane in the same factory district (as established by the Secretary), county, parish, municipality, or local producing areas,".

SEC. 15. Section 307 of the Sugar Act of 1948, as amended, is amended by striking out "Puerto Rico, and the Virgin Islands" and inserting in lieu thereof "and Puerto Rico".

SEC. 16. Section 404 of the Sugar Act of 1948, as amended, is amended by inserting before the period at the end of the first sentence the following: "and, except as provided in sections 205 and 306, to review any regulation issued pursuant to this Act in accordance with chapter 7 of title 5, United States Code".

SEC. 17. Section 408(c) of the Sugar Act of 1948, as amended, is amended to read as follows:

"(c) In any case in which a nation or a political subdivision thereof has, on or after January 1, 1961, and before July 21, 1971, (1) nationalized, expropriated, or otherwise seized the ownership or control of the property or business enterprise owned or controlled by United States citizens or any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens or (2) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this Act) not imposed or enforced with respect to the property or business enterprise of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States or (3) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this Act), or has taken other actions, which have the effect of nationalizing, expropriating or otherwise seizing ownership or control of such property or business enterprise or (4) violated the provisions of any bilateral or multilateral international agreement to which the United States is a party, designed to protect such property or business enterprise so owned or controlled, and has failed within six months following the taking of action in any of the above categories to take appropriate and adequate steps to remedy such situation and to discharge its obligations under international law toward such citizen or entity, including the prompt payment to the owner or owners of such property or business enterprise so nationalized, expropriated or otherwise seized or to provide relief from such taxes, exactions, conditions or breaches of such international agreements, as the case may be, or to arrange, with the agreement of the parties concerned, for submitting the question in dispute to arbitration of conciliation in accordance with procedures under which final and binding decision or settlement will be reached and full payment or arrangements with the owners for such payment made within twelve months following such submission, the President may withhold or suspend all or any part of the quota under this Act of such nation, and with respect to any part of such quota not so withheld or suspended, the President shall, under such terms and conditions as he may prescribe, cause to be levied and collected at the port of entry an impost on any or all sugar sought to be imported into the United States from such nation in an amount not to exceed $20 per ton, such moneys to be covered into the Treasury of the United States into a special trust fund, and he shall use such fund to make payment of claims arising on or after January 1, 1961, and before July 21, 1971, as a result of such nationalization, expropriation, or other type seizure or action set forth herein, except that if such nation participates in the quota for the West Indies, the President may suspend a portion of the quota for the West Indies which is not in excess of the quantity imported from that nation during the preceding year, until he is satisfied that appropriate steps are being taken, and with respect to any part of such portion not so suspended, he shall cause to be levied and collected an impost in an amount not to exceed $20 per ton on any or all sugar sought to be imported into the United States from such nation for the payment of claims as provided herein. Any quantity so withheld or suspended shall be allocated under section 202(d)(1)(B) of this Act. With respect to any action taken during 1961 in any of the categories set forth in this

subsection, the requirements of this subsection relating to levying and collecting an import shall apply only if the President so determines."

SEC. 18. (a) Section 412 of the Sugar Act of 1948, as amended, is amended to read as follows:

"TERMINATION

"SEC. 412. The powers vested in the Secretary under this Act shall terminate on December 31, 1974, or on March 31 of the year of termination of the tax imposed by section 4501(a) of the Internal Revenue Code of 1954, whichever is the earlier date, except that the Secretary shall have power to make payments under title III—

"(1) under programs applicable to the crop year 1974 and previous crop years, if the powers vested in the Secretary otherwise terminate on December 31, 1974, or

"(2) under programs applicable to the crop years preceding the calendar year in which the tax imposed under section 4501(a) of the Internal Revenue Code of 1954 terminates, if the powers vested in the Secretary otherwise terminate before December 31, 1974."

(b) Section 4501(b) of the Internal Revenue Code of 1954 (relating to termination of tax on manufactured sugar) is amended by striking out "June 30, 1972" each place it appears therein and inserting in lieu thereof "June 30, 1975, or June 30 of the first year commencing after the effective date of any law limiting payments under title III of the Sugar Act of 1948, as amended, whichever is the earlier date".

SEC. 19. The Sugar Act of 1948, as amended, is amended by adding at the end thereof a new title as follows:

"TITLE VI—TERMINATION AND SUSPENSION OF QUOTAS OF COUNTRIES WHICH CONFISCATE PROPERTY OF UNITED STATES CITIZENS

"DEFINITIONS

"SEC. 601. For purposes of this title—

"(1) The term 'Commission' means the United States Tariff Commission.

"(2) The term 'United States person' means (A) a citizen of the United States and (B) a corporation, partnership, or association which is controlled and is substantially owned, directly or indirectly, by one or more United States citizens.

"(3) Each country in the West Indies which imported sugar into the United States during 1971 under the quota for the West Indies shall be treated as a separate foreign country listed in section 202(a)(3)(A), and the proration of each such country under such section shall be determined by the Secretary on the basis of past importations of sugar and such other factors as he deems appropriate.

"VIOLATIONS BY FOREIGN COUNTRIES

"SEC. 602. For purposes of this title, a foreign country listed in section 202(c) shall be considered to be in violation of the provisions of this section if, after July 20, 1971, such country, or any political subdivision thereof—

"(1) nationalizes, expropriates, or otherwise seizes ownership or control of property or a business enterprise owned or controlled by one or more United States persons,

"(2) imposes upon or enforces against property or a business enterprise so owned or controlled discriminatory (A) taxes or other exactions, or (B) restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quotas provided by this Act) not imposed or enforced with respect to the property or business enterprises of a like nature owned or operated by its own nationals or the nationals of countries other than the United States.

"(3) takes any action described in paragraph (2), or takes any other action, which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property or a business enterprise so owned or controlled, or

"(4) violates the provisions of any bilateral or multilateral international agreement to which the United States is a party, designed to protect property or business enterprise so owned or controlled,

unless, within six months thereafter, such country takes appropriate and adequate steps to remedy such situation and to discharge its obligations under international law to the United States person or persons involved by (A) the prompt payment of adequate compensation for the property or business enterprise so nationalized, expropriated, or otherwise seized, (B) relief from such taxes, exactions, conditions, or breaches of such international agreements, as the case may be, or (C) arranging, with the agreement of the parties concerned, for submitting the question in dispute to arbitration or conciliation in accordance with procedures under which final and binding decision or settlement will be reached and full payment or arrangements for payment will be made within twelve months following such submission.

"DETERMINATION OF VIOLATIONS

"SEC. 603. (a) Upon—

"(1) the filing of a petition by one or more United States persons alleging that, with respect to property or a business enterprise owned or controlled by such person or persons, a foreign country listed in section 202(c) has violated the provisions of section 602, or

"(2) the receipt of a resolution adopted by the Committee on Agriculture of the House of Representatives or the Committee on Finance of the Senate setting forth information with respect to an alleged violation of the provisions of section 602 by a foreign country listed in section 202(c),

the Commission shall immediately conduct a complete and thorough investigation to determine whether or not there has been a violation of such provisions by the foreign country. A petition filed under paragraph (1) shall set forth complete information with respect to the alleged violation, including the value of the property or business enterprise which is the subject of the alleged violation and the amount of compensation, if any, paid or offered by the foreign country. The determination of the Commission under this subsection shall be made within six months after the date on which the petition is filed or the resolution is received, as the case may be, and shall be published in the Federal Register as soon as possible after being made.

"(b) If, with respect to any petition or resolution under subsection (a), the Commission determines that the foreign country has violated the provisions of section 602, the quota of such country under title II shall (unless such quota has been terminated by this section) terminate on the 90th day after the date of publication of such determination, unless the Commission determines and publishes in the Federal Register, prior to such 90th day, that such violation has ceased.

"(c) If, with respect to any petition or resolution under subsection (a), the Commission is unable to make a determination within six months after the date on which such petition is filed or such resolution is received that the foreign country has or has not violated the provisions of section 602, it shall, on or before the last day of such six-month period, publish such fact in the Federal Register, together with the reasons for its inability to make such determination. Effective on the day after such publication, the quota of the foreign country under title II shall (unless such quota has been terminated by this section) be suspended and shall remain suspended (1) for the remainder of the calendar year in which such day occurs and (2) for each calendar year thereafter which begins before the Commission makes and publishes a final determination under subsection (a).

"(d) The Commission shall give priority to investigations conducted by it under this section, and in conducting such investigations the Commission shall afford all interested persons an opportunity to present evidence and give testimony. Determinations by the Commission under this section shall not be subject to review.

"DETERMINATIONS OF ADEQUATE COMPENSATION

"SEC. 604. (a) In any case in which there has been a determination under section 603 that a foreign country has violated the provisions of section 602, the Commission shall, at the time of making such determination or as soon thereafter as possible, further determine the amount due United States persons to provide adequate compensation for such violation. The Commission shall certify the amount so determined to the Secretary of the Treasury, unless the Commission determines and publishes in the Federal Register under section 603(b) that such violation has ceased.

"(b) The determination of adequate compensation under subsection (a) shall be made in each case by the members of the Commission who voted in such case for a determination that the foreign country had violated the provisions of section 602, and the determination of such members shall be considered to be the determination of the Commission.

"(c) For purposes of this section, all interested persons shall be afforded an opportunity to present evidence and give testimony with respect to the amount of compensation due United States persons. Determinations by the Commission under this section shall not be subject to review.

"ESTABLISHMENT OF SPECIAL FUND; PAYMENTS OF COMPSENSATION

"SEC. 605. (a) There is established in the Treasury of the United States a special fund to be known as the Sugar Act Fund (hereinafter referred to as the 'Fund').

"(b) All fees received by the Secretary pursuant to agreements entered into under section 607(c) shall be deposited in the Fund, except that, in the case of agreements entered into with respect to prorations of a suspended quota, fees received pursuant to such agreements for sugar imported during the first 90 days of the period of suspension of the quota shall be deposited in the general fund of the Treasury. A separate account within the Fund shall be maintained with respect to each foreign country whose quota is prorated under section 607(a).

"(c) The Secretary of the Treasury is authorized and directed to pay, out of the Fund, the amounts of compensation certified by the Commission to be due to United States persons under section 604. Such amounts shall be charged to the account of the foreign country determined to owe such compensation and in the event the moneys in such account are insufficient to pay the compensation due to all such United States persons, payments shall be made on a pro rata basis as determined by the Secretary of the Treasury.

"(d) In the case of fees received under agreements entered into under section 607(c) with respect to prorations of a suspended quota, if the Commission determines that the foreign country whose quota was suspended has not violated the provisions of section 602, the Secretary of the Treasury shall transfer all such fees from the Fund to the general fund of the Treasury upon the conclusion of the period of suspension of such quota.

"(e) Any moneys in the Fund not needed to make payments under subsection (c) shall be invested by the Secretary of the Treasury in the same manner as moneys in the Highway Trust Fund.

"ASSISTANCE BY OTHER AGENCIES

"SEC. 606. Each department, agency, and instrumentality of the executive branch of the Government, including independent agencies, is authorized and directed to furnish to the Commission, upon request made by the Commission, such information and other assistance as the Commission deems necessary to carry out the duties and functions imposed on it by sections 603 and 604.

"PRORATION OF TERMINATED AND SUSPENDED QUOTAS

"SEC. 607. (a) Subject to the provisions of subsection (c) and of section 213, whenever the quota of any foreign country listed in section 202(c) is terminated or suspended by section 603, such quota shall, if such country is listed in paragraph (3)(A) of such section, be prorated to the other countries listed in such paragraph on the basis of the percentages stated in such paragraph; if such country is listed in paragraph (3)(B) of such section, be prorated to the other countries listed in such paragraph on the basis of the percentages stated in such paragraph; and if such country is listed in paragraph (1) or (4) of such section, be prorated to the countries listed in paragraph (3) of such section on the basis of the percentages stated in such paragraph.

"(b)(1) In the event that any country listed in paragraph (3)(A) of section 202 fails to enter into an agreement under subsection (c) with respect to the total quantity prorated to it under subsection (a), such deficit shall, subject to the provisions of subsection (c) and of section 213, be further prorated to the other countries listed in such paragraph on the basis of the percentages stated in such paragraph; and if the countries listed in such paragraph do not enter into agreements under subsection (c) with respect to the total amount of such deficit, the remainder of such deficit shall be prorated to the countries listed in paragraphs (3)(B) of such section on the basis of the percentages stated in such paragraph.

"(2) In the event that any country listed in paragraph (3)(B) of section 202(c) fails to enter into any agreement under subsection (c) with respect to the total quantity prorated to it under subsection (a), such deficit shall, subject to the provisions of subsection (c) and of section 213, be further prorated to the other countries listed in such paragraph on the basis of the percentages stated in such paragraph; and if the countries listed in such paragraph do not enter into agreements under subsection (c) with respect to the total amount of such deficit, the remainder of such deficit shall be prorated to the countries listed in paragraph (3)(A) of such section on the basis of the percentages stated in such paragraph.

"(3) If, after the application of paragraphs (1) and (2) of this subsection, agreements under subsection (c) have not been entered into with respect to the total quantity of the deficit of any country, the remainder of such deficit shall be allocated in such amounts as the Secretary may determine to foreign countries which enter into an agreement under subsection (c) with respect to the amount so allocated.

"(c) A proration or allocation shall be made to a foreign country under subsection (a) or (b) only if the foreign country agrees that there will be paid to the Secretary a fee, determined at the time of importation of sugar under such proration or allocation, equal to one-half of the amount by which (1) the New York market price of United States quota raw sugar, duty-paid and delivered, exceeds (2) the sum of the world market price of raw sugar at the port of loading plus one cent per pound.

"(d) For purposes of this section—

"(1) the quota of any foreign country for the calendar year in which such quota is first terminated or suspended by section 603 shall be treated as being that portion of such quota which is unfilled on the first day of such termination or suspension;

"(2) if the quota of a foreign country is terminated by section 603 while such quota is suspended by such section, no proration of such quota shall be made under subsections (a) and (b) for the calendar year in which the date of termination occurs; and

"(3) in prorating under subsections (a) and (b) the quota of any foreign country whose quota is terminated or suspended by section 603, the percentage stated in section 202(c)(3) for any other foreign country whose quota has been terminated by section 603 shall be treated as being zero per centum, and the percentage stated in section 202(c)(3) for any other foreign country whose quota is suspended by section 603 shall, during the period of suspension, be treated as being zero per centum.

"(e) In case the quota for Cuba is terminated or suspended by section 603 during the period during which such quota is withheld under section 202(d)(1)(A)—

"(1) the provisions of the preceding subsections shall not apply, and

"(2) a quantity of sugar equal to such quota shall be prorated each year in the manner provided by clauses (i) and (ii) of section 202(d)(1)(A)."

SEC. 20. The provisions of this Act shall become effective on January 1, 1972, except that the amendments made by sections 3, 4, and 5 of this Act shall become effective on the date of enactment of this Act for purposes of actions relating to 1972 and subsequent years, and the amendment made by section 19 shall become effective on July 21, 1971.

The PRESIDING OFFICER. Under the previous unanimous-consent agreement, the time for debate on this bill is limited.

Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that no time be taken out of the bill for that purpose.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

PRIVILEGE OF THE FLOOR

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that Mr. Andrew Carl Schuman be permitted the privilege of the floor during the debate on the so-called sugar bill and during rollcall votes thereon.

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

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, with reference to debate on the bill, the time in opposition thereto be controlled by the distinguished Senator from Oklahoma (Mr. HARRIS).

This has been discussed with the distinguished senior Senator from Utah (Mr. BENNETT), and he approves of the request.

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 and I ask unanimous consent that the time consumed not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. LONG. Mr. President, H.R. 8866 would extend the Sugar Act for an additional 3-year period. The committee bill, like the House bill, would make certain changes in the act to increase domestic sugar production and would base foreign quotas primarily on performance and capacity to serve the U.S. market in times of need.

Before getting into the details of what the committee did with respect to this legislation, I think it is important to explain our sugar program and to dispel the myths that have developed with rsepect to it. First of all, let me say that the sugar program has worked very well since 1934. It has not only protected the welfare of the U.S. sugar industry, but has also provided U.S. consumers with ample sugar at reasonable and stable prices.

BASIC AIMS OF U.S. SUGAR PROGRAM AND HOW IT WORKS

Let me say that the U.S. sugar program is not unique in its objective. The governments of nearly every sugar-producing country—both importers and exporters—exercise controls over the production, refining, marketing, and importing of sugar. As a matter of fact, sugar is the most thoroughly regulated commodity in the world.

The U.S. Sugar Act has six major features:

First. The quantity of sugar needed to maintain adequate supplies at reasonable prices for U.S. consumers is determined for each year by the Secretary of Agriculture.

Second. This yearly sugar requirement is divided among specified domestic and foreign producing areas through quotas assigned to each.

Third. Within domestic quotas, allotments are established for domestic processors, when needed, in order to keep sugar marketing channels on an orderly basis.

Fourth. Domestic farm production is limited, as needed, within acreage provided to produce the sugar needed to meet domestic quotas and maintain inventories.

Fifth. Payments are made to growers to augment farm income. These payments are financed out of the general funds of the Treasury. However, it should be noted that this program more than supports itself: sugar taxes—an excise tax of ½ cents per pound on all sugar

marketed—provide funds for the Treasury which more than offset the costs of the program. In fact, over the life of the program the funds collected exceed the sugar program expenditures by $634 million.

Sixth. Under the Sugar Act, payments and benefits are equitably divided among sugarbeet and sugarcane growers, farmworkers and processors.

Under the program established in 1934, farm income has increased from an average of $2,300 a year to over $23,000 a year; workers' real wages, in terms of purchasing power are up 450 percent and minimum wage rates are 1,200 percent higher, while the consumer is paying only about 7 cents more per pound for sugar than he or she paid in 1934.

I ask unanimous consent to have printed in the RECORD, after the completion of my remarks, excerpts from the committee report describing the sugar program from the standpoint of the industry, the farmer, the worker, and the consumer.

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

(See exhibit 1.)

CONSUMER EFFECTS

Mr. LONG. Mr. President, world sugar production prices are extremely volatile. They fluctuate widely and, like other primary commodities, they depend on such sensitive, and uncontrollable, factors as favorable weather conditions.

In relation to other foods, the price of sugar in the United States has actually declined over a period of years. The price of sugar is now lower than it was during the 1860's and 1870's and the years immediately following World War I. In relation to 1957–59, the retail price of sugar has increased by only 11 percent, while all foods have increased by 32 percent.

Consumers in the United States enjoy lower prices than the consumers in most countries of the world. For example, as of January 1971, the retail price of sugar in the United States was 13.4 cents per pound. In Italy, the retail price was 18.4 cents; in Japan, 18.4 cents; in Western Germany, 17.7 cents; and in Sweden, 14.8 cents. The U.S. price is lower than the average price paid by all importing countries, and also lower than the average prices paid by consumers in both importing and exporting countries.

INDUSTRY PROFILE

Now, let me turn to our domestic sugar industry. It is unlikely that any significant amount of sugar would be grown in the Continental United States if American producers had to compete in the open world market with sugar produced with cheap tropical labor or under subsidy in other countries. That is an economic fact of life. However, for defense and strategy reasons, it has long been the policy of the United States to promote, within our own country, the ability to produce a substantial portion of our sugar requirements. As a result of our long-established sugar program, about 28,000 domestic farms produce sugarcane or sugar beets and in doing so, utilize about $1.25 billion of invested capital annually. Sugar produces employment for about 150,000 farm workers and many others who work in the 58 beet sugar factories, the 92 raw cane sugar mills, and the 28 refineries who convert sugar crops into refined sugar. Sugar beets are produced in 24 States from Maine to California, while sugarcane is grown only in three States, Louisiana, Florida, and Hawaii. The State of Hawaii is importantly dependent on the production of sugar for its income and hence—education, health, and other services.

LABOR STANDARDS

Under our sugar program the average income per farm from sugar crops has grown from $2,300 to more than $23,000 in a 30-year period. Sugar laborers have profited substantially, also. Under the 1966 amendments to the Fair Labor Standards Act, field workers in the production of sugar crops are the only agriculture workers covered by minimum wage legislation. The Jones-Costigen Act of 1934 first extended wage protection to workers, and successive enactments have continued this feature. As a result, levels of living and working conditions have steadily improved and present minimum wage rates under the Sugar Act are more than 1,200 percent over what they were when the act was originated. This has outstripped the increase of food and clothing, the increase in producers' income, and the increase in the consumer price index over this period. I know there is the allegation that sugar workers within the United States and other countries are exploited and live under conditions that are not desirable. However, as far as the United States is concerned, the facts indicate that their standard of living has improved remarkably under the program.

THE MAIN FEATURES OF COMMITTEE BILL

Now, let me get to the specific features of this bill. First, the committee bill agreed with the House in transferring 300,000 tons of the present Puerto Rican and Virgin Island quota allotments to domestic cane growers. The domestic cane area has the capacity to greatly increase its production, while Puerto Rican production is declining sharply, and the Virgin Islands have ceased sugar production altogether. The administration, the Comptroller General of the United States, as well as all interested parties—including the domestic beet industry—support this transfer to the domestic cane area. I might note that this transfer not only will allow the domestic area to fill more of its statutory entitlement, but also will improve our balance of payments by a minimum of $47 million a year.

CRITERIA FOR ALLOCATING FOREIGN QUOTAS

With respect to the allocation of foreign quotas, the committee adopted a procedure which generally would base the allocations on the performance of these countries in shipping sugar to the United States during the years of the last extension of the act; that is, 1966 to 1970. The result of this formula is to allocate a higher percentage share to countries in the Western Hemisphere as is shown in table 7 of the committee report. In this respect, let me say that the Caribbean countries offer the best source of foreign supplies for the United States not only because of their proximity, but also because of climate and other factors. These countries have the capacity to supply us with sugar in good times and in bad. In fact, this has been the case particularly since shipments from Cuba were effectively suspended after the Castro regime took over.

All other Latin American countries will receive their present act quota distribution, less whatever percentage shortfall they incurred over the previous 5 years. Let me say that this will not necessarily involve a cutback because most of these countries have not been able to ship us the sugar they have been assigned under the previous act.

With respect to countries in the Eastern Hemisphere, the committee allocation formula provided them with quotas based on their 5-year average exports.

The Philippines quota was established at 1.3 million tons, which is substantially equal to what that country shipped us in 1970. The quota allotment for the Philippines is nearly 25 percent of all foreign quotas, and is substantially higher than the 890,000-ton quota provided in our treaty obligations to the Philippines. Moreover, if we had given the Philippines the formula provided for all other countries in the Eastern Hemisphere, the Philippines' quota would only have been 1,171,000 tons. The committee, acting on the advice of the executive, allocated the Philippines 40 percent of all deficits which, in addition to a statutory quota of 1,050,000 tons, gives the Philippines a total quota for 1972 of 1.3 million tons.

Besides the Philippines, the only exception to the Committee formula was Venezuela. Venezuela received an increase of 32,000 tons above its 5-year average imports, in order to make that country's quota more comparable to other countries in the hemisphere. This action is in consonance with the intent of Congress as specified in the Statement of Managers accompanying the 1965 Conference Report on the Sugar Act which had requested the President to increase Venezuela's entitlements up to that comparable to other countries in the vicinity. The executive did not allocate the deficits intended by Congress, and so the committee determined that Venezuela should receive this statutory increase.

THE SOUTH AFRICAN ISSUE

Let me now turn to the question of South Africa, which is a highly emotional issue and which will be voted on by the Senate. My statement is not intended to defend the internal political system of many other countries who supply us with sugar and who steal American property, or impound our fishing vessels, or who fail to provide for the needs of their own people. If we were to base our sugar program on whether we like or dislike the internal policy of the Government of any particular supplying country, it would create havoc with the program. There are governments throughout the world who are unresponsive to the needs of their people, but this is not the stuff on which international trade is based.

Let me point out some facts, however, with respect to the South Africa sugar

industry. First of all, it is entirely privately owned, with no connection to the South African Government. Second, it has fulfilled its sugar obligation under the act and demonstrated an ability to supply its quota and furnish additional sugar on demand. Third, two-thirds of the benefits of sugar quota in the United States are paid to South Africa cane growers and are distributed equally to all growers irrespective of color. Fourth, the United States has a favorable balance of trade with South Africa of $275 million per year, and South Africa buys and pays for over $70 million worth of agriculture products annually. South Africa's total imports in 1970 from the United States exceed $560 million as against exports of $288 million to the United States. I find it somewhat ironic that some of the same people who are interested in expanding trade with Romania or China, in order to encourage these countries to liberalize their political structure, are calling for an embargo on South Africa. South Africa's economy is dependent on gold, not sugar, and I have not heard of anyone who wants to embargo South Africa's gold sales to the West because of apartheid. Finally, we would not be punishing South Africa by denying them a sugar quota, and certainly we would not change the internal structure of that country. The net result might be to sharply reduce the income of 4,398 black growers of sugar in South Africa, who depend importantly on our market.

The theory of our committee bill is performance, not politics. On that basis, and on the basis of other equally objective criteria, South Africa deserves a continuation of the quota we gave them. Nonetheless, I think the Senate should vote on it and decide whether proven performance should be overridden because a Senator does not like their policy with regard to other matters.

EXPROPRIATION AMENDMENT

Finally, let me explain the committee's new approach to the matter of expropriation without payment of compensation. First, it is an accepted principle in international law that when you seize the private property of another person you must pay for it. Any sovereign has the right to take property for the common good, but it also has the obligation to pay the owner the fair value of the property taken. If the payment issue is in dispute, it could be arbitrated by an independent third party. This is well understood under the eminent domain doctrine, as well as the principles of international law.

The committee feels strongly that a quota privilege should not be enjoyed by those countries who expropriate U.S. property and fail to pay U.S. citizens adequate compensation. Since 1962, the law has given the President direction to suspend quotas for countries who fail to pay U.S. citizens adequate compensation for the property they have taken. Unfortunately, the law has not been faithfully administered because the Department of State always finds "foreign policy considerations" to supersede considerations of law, commercial equity, and reciprocity.

As a result of the inadequacy of present law, the committee has adapted a new procedure under which U.S. persons whose property has been expropriated would have an opportunity to bring a case to an independent agency of the Government—the U.S. Tariff Commission—after sufficient time has elapsed to make it abundantly clear that the negotiation and arbitration procedures of current law do not work. The Tariff Commission would investigate the claim and reach a decision within 6 months. If the decision were positive; that is, that there was an expropriation without the payment of adequate compensation, the offending country's quota would terminate within 90 days and be reallocated to other nations within the hemisphere subject to a fee provision, which I shall shortly describe. If the Tariff Commission determines that it was not expropriated without adequate compensation, the case would be closed.

If the Commission could not reach a decision within 6 months, it would continue its investigation but the country's quota would be temporarily suspended, and reallocated to other nations within that hemisphere subject to the fee provision. This should encourage the Commission to reach prompt findings and settle the matter one way or another within the statutory period and avoid the foot-dragging and procrastination which has married the record of the Executive in faithfully carrying out the intent of Congress under the previous act.

The fee provision would work as follows: That amount of sugar which has been reallocated would be subject to a fee equal to one-half of the difference between the U.S. domestic sugar price and the world market price. This fee would be placed in a special fund and generally would be used to pay compensation to those persons whose property has been expropriated. In other words, those countries which pick up this additional sugar would receive half the benefit that they would normally receive in the premium U.S. market, and the aggrieved parties would receive the other half.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an article entitled "U.S. Taking Second Look at Seizures by Latins," which was written by Jeremiah O'Leary.

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

(See exhibit 2.)

Mr. LONG. Mr. President, this concludes my remarks on the committee's action with respect to our sugar program. I think it is a well-balanced bill, which should be approved by the Senate. I ask unanimous consent to include in the RECORD tables 1 and 2 of the committee report which detail the domestic and foreign quota allocations.

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

(See exhibits 3 and 4.)

EXHIBIT 1

GENERAL STATEMENT

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

A. Operation of the Sugar Act

The Sugar Act of 1948 is designed to protect the welfare of the domestic sugar industry, to provide adequate supplies of sugar for consumers at fair prices, and to promote international trade. These three objectives are achieved through the adjustment of the supplies of sugar that may be marketed in the United States.

It is unlikely that a significant amount of sugar would be grown in the continental United States if American producers had to compete on the open world market with sugar produced with cheap tropical labor or under subsidy in other countries.

Therefore, for many years, it has been the policy of the U.S. Government—for defense and strategic reasons—to promote within the United States the ability to produce a substantial portion of our sugar requirements. Sugar is a vital food needed by American consumers, the supply of which worldwide has been alternately scarce or in surplus.

Until 1934 protection was afforded to our sugar producers solely through the tariff. The tariff (formerly 2.5 cents per pound but now 0.625 cent per pound) did assist the domestic producers, but it still left them exposed to price fluctuations of the world sugar market. Moreover, it increased the price of sugar to consumers without assuring them adequate foreign sources of supply.

A quota system which prorated domestic consumption among producers in the United States and a number of foreign countries was enacted into law in 1934. This quota was revised in 1937 and again in the Sugar Act of 1948.

A tax of 0.53 cent per pound is imposed on all sugar manufactured in, or imported into, the United States. Payments from the proceeds of this tax are made to domestic producers of sugarcane or sugar beets at a rate which ranges from 80 cents per hundredweight of recoverable sugar produced on small farms to as little as 30 cents per hundredweight of production in excess of 30,000 tons on large farms. To qualify for payments under the program, producers must comply with production restrictions, pay fair wages to workers, and not employ child labor and. if they are also processors, pay fair prices for sugarcane or sugar beets. Revenue from the tax on sugar has exceeded payments to domestic growers during each of the years under the program. Since 1937 the excess has totaled about $634 million.

Payments are made with respect to a farm as defined by the Secretary in accordance with criteria contained in the Act. Small producing units receive payments at a rate substantially higher than the tax assessed on their sugar, while large producers receive payments at a rate less than the tax assessed against their sugar. Because of the economies of scale, there are more instances of large farms being combined into still larger ones than there are of attempts to reorganize large ones into several small ones as a means of qualifying for a higher rate of payment. Thus, the payment scale-down provisions continue to have the desired effect of granting additional benefits to small producers.

Also, the Sugar Act payments provide a convenient means of assuring compliance, and in turn of assuring that the benefits of the program are shared by workers, farmers and manufacturers.

There is no price fixing in the program, but the U.S. price in the market place is kept within a desirable range by the management of supply in the operation of the law of supply and demand. The Secretary of Agriculture is authorized to determine how much sugar will be needed to meet continental U.S. requirements during each calendar year. The determination is made late in one year for the following year and may be revised as the needs change This determination establishes the quantity of sugar that may be marketed in the United States during the year.

After the Secretary has determined overall requirements, domestic and specified foreign producing areas supplying the United States

with sugar are assigned quotas in accordance with the provisions of the act. The bill, as reported, preserves the objective of the Sugar Act of 1948, as amended, and strengthens the program by recognizing recent changes in the sugar situation and adapting the Act accordingly.

The Sugar Act has fostered increased sugar consumption while maintaining reasonable prices for American consumers. Under the program, consumption has increased from 6.6 million tons in 1934 to an estimated 11.6 million tons in 1970. Per capita consumption in the United States is three times the per capita consumption around the world. American consumers enjoy lower prices for sugar than consumers in most nations that do not produce their entire sugar needs. On January 1, 1971, the retail price of a pound of sugar in the United States averaged 13.4 cents. In Italy the retail price was 18.6 cents, Japan 18.4 cents, United Kingdom 9.1 cents, West Germany 17.7 cents, Sweden 14.8 cents, and Denmark 14.5 cents.

As can be seen in Figure 1, the index for the refined price for sugar since 1934, when the present sugar program began, has generally stayed below the general food price index, and, has been generally lower and more stable than sugar prices before the present program was initiated.

B. THE UNITED STATES SUGAR INDUSTRY

About 28,000 domestic farms produce sugarcane or sugar beets and in so doing utilize about $1.25 billion[1] of investment in land, equipment and growing crops. In addition to the farmers, about 150,000 farmworkers are required, mostly on a seasonal basis, to cultivate and harvest the cane and beets.

In 1969, 59 beet sugar factories and 92 raw cane sugar mills converted sugar crops into refined beet sugar and raw cane sugar, while 28 refiners converted raw cane sugar into refined sugar. These plants, in which about $1.4 billion is invested employed about 52,000 people.

Housewives and food processing concerns spend about $2.2 billion annually for sugar.

Sugar beets are produced in 24 States; the most important are California, Idaho, Colorado, Minnesota, North Dakota, Michigan, Nebraska, Montana, Wyoming, and Washington. Sugarcane is grown in a number of Southeastern and South Central States, but only Louisiana and Florida produce cane for the manufacture of sugar. The small quantity of cane produced in the other States is used to make sugarcane sirup. Sugarcane is also grown for sugar on the four largest islands of Hawaii and along the four coasts of Puerto Rico.

C. FARMERS

Growers' gross income per ton of sugar beets or sugarcane has increased substantially since the sugar program began in 1934. This is due in part to the addition of the Sugar Act payment and in large part to generally higher price levels. To some extent it also reflects an increase in the growers' share of sugar market returns.

Gross returns to growers per ton of sugar beets or sugarcane are dependent upon sugar prices, the quality of their beets or cane, and Sugar Act payments. Molasses prices also have a bearing and in some cases, beet pulp prices.

Processors generally have operated profitably and in some areas have passed on a higher proportion of total sugar sales returns to growers. This, they have been able to do because of improvements in manufacturing and marketing efficiency. In addition, the fair price determinations issued under sugar legislation have assured growers an equitable share of the returns from sugar and primary byproducts and have bolstered their bargaining position. In contrast to many other foods, the farmer is now receiving a larger percentage of the sugar sales dollar than he did prior to 1940.

As population has increased, the sugar market has also grown and domestic growers have received their share. Concurrently, technological developments have inevitably required larger production units. While the volume of domestically produced sugar (excluding the Philippines) expanded from about 4.1 million tons of sugar annually in the 3 years 1937–39 to 6.1 million tons in 1969, the production per farm in terms of recoverable sugar increased from about 55 tons to 210 tons (table 3). Average income per farm from sugar crops grew from $2,300 to more than $23,000 (table 4).

TABLE 3.—NUMBER OF SUGAR BEET AND SUGARCANE FARMS, TOTAL SUGAR PRODUCTION AND AVERAGE SUGAR PRODUCTION PER FARM BY AREAS, 1937–39 AND 1967–69

Areas	Farms number	Sugar production (1,000 short tons, raw value)	Sugar production per farm (tons)
1937–39 average:			
Beet area	53,700	1,646	30.7
Mainland cane	10,568	517	48.9
Hawaii	48	960	200,00.0
Puerto Rico	10,750	982	91.3
Total	75,066	4,105	54.7
1967–69 average:			
Beet area	18,590	3,017	162.2
Mainland cane	2,084	1,242	596.0
Hawaii	538	1,202	2,234.0
Puerto Rico	7,693	649	84.4
Total	28,905	6,110	211.4

Source: Vol. II, Sugar Statistics and Related Data, issued by A.S.C.S., U.S. Department of Agriculture.

TABLE 4.—NUMBER OF SUGARBEET AND SUGARCANE FARMS, TOTAL GROWER RETURNS FROM BEETS AND CANE AND AVERAGE INCOME PER FARM FROM SUGAR CROPS, BY AREAS, 1937–39 AND 1967–69

Areas	Farms number	Grower returns (thousands)	Average return per farm
1937–39 averages:			
Beet area	53,700	$70,674	$1,316
Mainland cane	10,568	22,969	2,173
Hawaii	48	37,453	780,271
Puerto Rico	10,750	41,833	3,891
Total	75,066	172,929	2,304
1967–69 average:			
Beet area	18,590	370,332	19,921
Mainland cane	2,084	137,702	66,076
Hawaii	538	106,130	197,268
Puerto Rico	7,693	69,288	9,007
Total	28,905	683,452	23,645

D. LABOR

Until the 1966 amendments to the Fair Labor Standards Act, fieldworkers employed in the production of sugar crops were the only agricultural workers covered by minimum wage legislation. The Jones-Costigan Act (1934) first extended wage protection to workers and successive sugar legislation has continued this feature. As a result, the levels of living and working conditions of fieldworkers have steadily improved, until present minimum wage rates under the Sugar Act are more than 1,200 percent of the low 1934 level which was typical for agricultural workers at that time (figure 2). (Not printed in the RECORD.) Increases in the cost of living have taken place in the intervening years but even after these are taken into account, workers' real wages, in terms of purchasing power, are about 450 percent of the 1934 rates.

It is also noteworthy that workers' hourly earnings have increased at about five times the rates of increase for either sugar prices or returns to farmers per ton of sugar crops. This has been made possible by the substantial productivity gains achieved by the sugar industry during the years of the sugar program. In recent years, workers' actual earnings have tended to exceed in somewhat greater degree, the Sugar Act minimums. Wage rates are set by collective bargaining agreements in the offshore sugarcane areas of Hawaii and Puerto Rico and also by the Commonwealth Minimum Wage Board in Puerto Rico. With the exception of Puerto Rico, both the Sugar Act minimum wage rates and actual earnings for sugar workers in all domestic areas exceed the mainland minimum rates for agricultural workers covered under the Fair Labor Standards Amendments of 1966.

While Workers' real earnings have been improving, similar advances have been made in their working conditions. Harvesting operations in the sugarbeet area are now completely mechanized and about two-thirds of the sugarcane crop is mechanically harvested. Although some hand labor is employed during the cultivation period in the beet area, mechanical aids and herbicides have made the workers' tasks easier. Hand labor in the planting and cultivating of sugarcane has largely given way to mechanical planters and cultivators, and to herbicides that keep the fields weed free. Workers have benefited from increased earnings at tasks requiring diminishing amounts of strenuous hand labor.

E. CONSUMERS

In relation to other foods, the price of sugar in the United States has declined greatly over a long span of years. After falling sharply in the 20 years immediately following the War Between the States, the price of sugar remained at moderately low levels except for the inflationary period following World War I. Since 1940 the index of the prices of all foods has been increasing at a rate greater than the price of sugar. This situation continues. For instance, in 1969, the index of the retail price of all foods was 125 percent of the 1957–59 average, while the retail price of sugar (12.4 cents per pound) was only 111 percent of the 1957–59 average price of 11.2 cents per pound (table 5).

TABLE 5.—COMPARISON OF RETAIL SUGAR PRICES AND CONSUMERS PRICE INDEX FOR FOOD ITEMS, 1955–70

	Retail sugar prices (cents per pound)	Consumer price index-food (1957–59=100)
Year:		
1955	10.42	94.0
1956	10.57	94.7
1957	11.03	97.8
1958	11.26	101.9
1959	11.43	100.3
1960	11.63	101.4
1961	11.77	102.6
1962	11.70	103.6
1963	13.58	105.1
1964	12.81	106.4
1965	11.80	108.8
1966	12.04	114.2
1967	12.19	115.2
1968	12.18	119.3
1969	12.40	125.5
1970	[1] 12.93	[1] 132.4

[1] Average through November.
Source: Bureau of Labor Statistics.

A comparison of retail prices for sugar in the United States with those in other countries for which such information is available is shown in table 6. Prices in the United States are about equal to the average for the other net importing countries and somewhat higher than the average for the net exporting countries. If price information were available for all countries, it is likely that U.S. prices would be well below the world average. The U.S.S.R. consumes more than a third of the sugar not covered by the table and it is known that sugar prices there are several times higher than ours.

[1] At book value. Replacement cost would be substantially greater.

TABLE 6. RETAIL PRICE OF SUGAR FOR SELECTED NET IMPORTING AND EXPORTING COUNTRIES ARRANGED IN DESCENDING ORDER OF TOTAL SUGAR CONSUMPTION AS OF JAN. 1, 1966, 1967, AND 1968 AND REPRESENTATIVE PRICES FOR 1969 AND 1970

[U.S. cents per pound]

	1966	1967	1968	1969	1970	Most recent— Date	Most recent— Price
Net importing countries:							
United States	11.8	12.2	12.2	12.2	13.0	May 1971	13.5
United Kingdom	9.5	9.3	8.5	8.8	9.0	January 1971	9.1
West Germany	13.9	14.0	(1)	13.7	14.7		
Japan	17.0	15.6	16.1	16.4	16.4	January 1971	18.4
Italy	17.4	17.1	17.1	(1)	17.7	do	18.6
Canada	8.8	8.1	8.9	8.8	11.0	June 1970	11.9
Netherlands	14.4	14.7	15.6	16.8	14.7		
Yogoslavia	9.5	9.5	(1)	(1)	10.1	May 1971	10.2
Pakistan	17.2	13.9	17.9	17.8	(1)	October 1970	22.5
Sweden	12.7	13.6	13.0	13.0	13.7	May 1971	14.8
Switzerland	8.9	8.1	9.3	9.1	9.9	do	14.2
Importers simple average	12.8	12.4	13.2	13.0	13.0		14.8
Net exporting countries:							
Brazil	7.8	6.6	6.4	(1)			
India	12.0	7.9	10.1	10.0	10.0	May 1971	12.2
France	12.6	13.1	(1)	(1)	12.4		
Mexico	5.6	5.6	(1)	5.6	8.4	May 1971	8.4
South Africa	7.0	8.4	(1)	10.9	9.8		
Australia	10.2	10.0	11.7	11.7	11.7		
Belgium	14.4	16.7	15.5	(1)	17.2		
Peru	6.1	6.1	6.7	5.8	13.0		
Taiwan (China)	10.8	13.2	11.5	13.0	13.6		
Austria	11.9	11.9	11.9	12.2	12.4	May 1971	14.5
Exporters simple average	9.8	10.0	10.5	9.9	12.1		11.7
Simple average, both	11.4	11.2	12.0	11.6	12.6		14.0

[1] Not available.

Source: International Sugar Council Year Book except for most recent data.

An outstanding feature of the U.S. sugar program is the price stability it has brought to our domestic sugar market. There are fluctuations and a gradual upward price movement but the fluctuations are within a rather narrow range—reducing uncertainties and inventory problems for consumers. Industrial users of sugar need not carry excessive sugar stocks as a hedge against a sudden large price rise, nor do they fear that the value of the working stocks they have on hand will suddenly shrink. Furthermore, with respect to sugar they can budget their raw material costs with considerable confidence. Similarly, the American housewife can reach for sugar on her grocer's shelf knowing not only that it will be there but also that the cost will continue to be a negligible item in the family food budget. Both the industrial user and the housewife know that the price of sugar in the United States is not only stable, but also reasonable by any fair standard of measurement.

THE COMMITTEE AMENDMENT

The bill as amended by the Committee on Finance retains many of the important features of previous legislation and of the House bill. It provides a balanced approach to the needs of all groups affected by the Sugar Act: consumers, domestic producers, foreign suppliers, and the sugar refining industry.

A. Consumer protection

Particular attention has been devoted to the interests of consumers. First, the mainland cane producing area, with a demonstrated ability to supply more sugar, would be given a larger quota, thus assuring consumers of an adequate supply of sugar available within the country. Second, quotas would continue to be allocated to foreign countries generally on the basis of their demonstrated willingness and ability to service our market under the most trying circumstances and even in the face of financial sacrifice, and on their performance in delivering sugar to the United States over the period of the existing Act, i.e. 1966–1970. The committee believes that this method of allocating quotas is the best means of assuring the needed level of imports not only when the United States is a premium price market but also in the exceptional periods when higher prices could be obtained by selling on the world market to other countries. By fixing the bulk of foreign quotas on performance rather than other subjective criteria, the committee is convinced that our consumers are afforded the greatest possible protection in the event of future sugar catastrophes. Exporting countries would be encouraged to continue to service our market at all times because nonperformance in any year would be grounds for reducing their quota in future years.

The committee concurred with the House amendments changing the price objective for raw sugar (important because of its role in the consumption estimate which governs the quantity of sugar which may be marketed each year) from one based solely on changes in the index of prices paid by farmers to one which also recognizes changes in the wholesale price index. Under this new "corridor" mechanism formula, contained in both the House bill and the Committee amendment, whenever the actual price departs by more than 4 percent from the formula price, the Secretary would be required to raise or lower his determination of the requirements of consumers for sugar. This process would be the major tool for relating the seasonal flow of sugar supplies to the demands of the market. The Secretary could not limit the importation of quota sugar by quarters (as he does under present law) after the first quarter of 1972 unless the actual price fell below 99 percent of the formula price in 1974 or thereafter or below 97 percent in 1973. In that case, he could employ quarterly limitations in the first two quarters of subsequent years.

EXHIBIT 2

U.S. TAKING SECOND LOOK AT SEIZURES BY LATINS

(By Jeremiah O'Leary)

The wave of nationalizations against American investments in Latin America has prompted the United States to begin a re-examination of its governmental politics in regard to the property seizures, according to Assistant Secretary of State for Inter-American Affairs Charles A. Meyer.

In a rare on-the-record interview with two newsmen, made public this weekend, Meyer said:

"It seems perfectly equitable to me that at some point in this balance the United States should pause for a moment and write its rules of the game because the developing nations are looking to us for their cake while they eat it. And as each nation has it own political life, so each nation has its own political pressures and counter-pressures.

"The Latin American nations in the main have said that they cannot afford reciprocity. I disagree with that thesis, because reciprocity is not a question of us taking in this day and age the financial life blood out of Latin America, if we ever did. What I think we must recognize is that as a community of nations economic interchange is a balance. Everybody has to be served somehow. It cannot all be one way."

Meyers said understandable questions have been raised as to where "our interests begin and end in relationship to Latin American initiatives or the developing nations' thrust for a larger share of the development of their own resources, economic nationalism."

REEXAMINING RULES

"What we are going through in Washington is a re-examination of how best to arrive at our rules of the game in concert with the rules that Latin America believes important to them," Meyer said.

He recalled that President Nixon in 1969 urged the Latins to write their rules of the game in the search for economic identity and indicated the U.S. is now doing the same in the light of subsequent events.

His remarks were couched in diplomatic, often philosophical language, but Meyer's words left little doubt that the U.S. government is now involved in rethinking its posture in regard to the nationalization fever.

In the past three years, Peru and Bolivia have nationalized U.S.-owned oil properties, Chile is steadily nationalizing all major industries including those of three U.S. copper companies, and Guyana has nationalized a Canadian bauxite company.

LOAN BLOCKS DENIED

Meyer denied that the Treasury Department has acted to block projects in the World Bank and Inter-American Development Bank for countries that have been involved in nationalizations.

The U.S. abstains in the case of a Bolivian gas line loan and on a loan to Guyana for a seawall but Meyer pointed out abstention is not opposition. "If it had been opposition the outcome would have been different," he added.

The Treasury, as watchdog over U.S. resources, is saying to itself "What should a constructive attitude be towards the threat to our corporate assets or what should the formula be that would enable both interested parties to amicably arrange a transfer of ownership?", Meyer said.

But beyond divulging that the U.S. is taking a new look at cases of Latin American nationalizations. Meyer gave no hint as to what the new U.S. "rules of the game" might be. The main thrust of his words was that the present Latin-imposed rules are not satisfactory and that the U.S. may be forced into some new guidelines of its own.

The U.S. has a number of economic weapons available, including withholding of aid, loans or grants, curtailing military sales, the manipulation of commodity quotas including sugar and other tactics it could use if the expropriations continue.

In general, the U.S. up to now has used almost total restraint. Meyer seemed to be saying this cannot go on much longer.

INVASIONS RULED OUT

Meyer declared, "We are doing our level best to be responsive to Latin initiatives, to Latin American identity, and to balance the Latin American objective with our own dignity. At no point, can I see these objectives with our own dignity. . . . degree that would require the use of U.S. troops. That is an era which I believe is behind us."

In answer to a question, Meyer said he thought there would be no repetition of the Dominican intervention in Latin America short of a declared war on a pronounced threat to American lives. Not even in Panama, he added.

EXHIBIT 3

TABLE 1.—SUGAR QUOTAS, DOMESTIC PRODUCING AREAS

[Short tons, raw value]

Area	Present law	House bill	Finance Committee bill
Domestic beet sugar	3,406,333	3,406,000	3,406,000
Mainland cane sugar	1,238,657	1,539,000	1,539,000
Hawaii	1,110,000	1,110,000	1,110,000
Puerto Rico	1,140,000	855,000	855,000
Virgin Islands	15,000	0	0
Total	6,910,000	6,910,000	6,910,000

EXHIBIT 4

TABLE 2.—COMPARISON OF SUGAR QUOTA DISTRIBUTIONS, PRESENT LAW, 5-YEAR AVERAGE, HOUSE BILL AND SENATE FINANCE COMMITTEE BILL

[In short tons, raw value]

Production area	Quota distribution under present act [1] (1)	5-year average (1966–70) quota charges (2)	House version of H.R. 8866 [2] (3)	Finance Committee bill [3] (4)	Finance Committee bill compared to House bill (5)
Domestic beet area	3,406,333	3,143,611	3,406,000	3,406,000	0
Mainland cane area	1,538,667	1,190,031	1,539,000	1,539,000	0
Hawaii	1,110,000	1,189,956	1,110,000	1,110,000	0
Puerto Rico	355,000	522,816	355,000	230,000	−125,000
Virgin Islands	0	1,081	0	0	0
Total domestic areas	6,410,000	6,047,495	6,410,000	6,285,000	−125,000
Philippines	1,362,120	1,171,110	1,314,020	1,300,264	−13,756
Mexico	557,748	590,894	537,545	[4] 690,894	53,349
Dominican Republic	545,481	659,874	525,737	[4] 659,874	134,137
Brazil	545,481	577,905	525,737	[4] 577,905	52,168
Peru	435,087	407,802	418,982	[5] 391,839	−27,143
West Indies [6]	188,777	204,520	192,251	[4] 204,520	12,269
Ecuador	79,370	83,744	80,774	[5] 79,084	−1,690
French West Indies	59,384	63,868	0	[4] 63,868	63,868
Argentina	67,102	71,055	76,050	[5] 67,062	−8,988
Costa Rica	64,217	71,110	65,185	[4] 71,110	5,925
Nicaragua	64,217	53,512	65,185	[4] 64,217	−968
Colombia	57,723	61,047	73,688	[4] 61,047	−12,641
Guatemala	54,115	59,835	55,265	[4] 59,835	4,570
Panama	40,406	32,835	41,567	[4] 40,406	−1,161
El Salvador	39,682	43,964	40,151	[4] 43,964	3,813
Haiti	30,305	24,262	30,704	[4] 30,305	−399
Venezuela	27,419	29,026	36,845	[7] 61,026	24,181
British Honduras	13,752	14,874	33,527	[4] 14,874	−18,663
Bolivia	6,494	6,568	17,005	[5] 6,193	−10,812
Honduras	6,494	5,734	17,005	[4] 6,494	−10,511
Bahamas	10,000	3,999	33,537	[4] 10,000	−23,537
Paraguay	0	0	15,116	0	−15,116
Australia	203,785	196,162	206,025	[8] 196,162	−9,863
Republic of China	84,910	81,734	85,844	[8] 81,734	−4,110
India	81,514	77,973	82,494	[8] 77,973	−4,521
South Africa	60,003	57,745	60,300	[8] 57,745	−2,555
Fiji Islands	44,719	43,034	44,806	[8] 43,034	−1,772
Thailand	18,681	14,152	18,844	[8] 14,152	−4,692
Mauritius	18,681	17,761	30,150	[8] 17,761	−12,389
Malagasy Republic	9,623	9,223	15,075	[8] 9,223	−5,582
Swaziland	7,359	7,084	30,150	[8] 7,084	−23,066
Malawi	0	0	0	0	0
Uganda	0	0	15,075	0	−15,075
Ireland	5,351	5,351	5,351	[8] 5,351	0
Total foreign	4,790,000	4,747,766	4,790,000	4,915,000	−125,000
Total	11,200,000	10,795,261	11,200,000	11,200,000	0

[1] Assuming requirements of 11,200 tons and 300,000 tons of Puerto Rican quota transferred to the domestic cane area and domestic deficits of 500,000 tons.

[2] In 1973 at a consumption estimate of 11,200,000 tons and with deficits of 500,000 tons, the quota for Panama would be increased to 62,947 tons and a quota would be established for Malawi of 15,000 tons. Quotas for other countries except the Philippines would be reduced prorata to accommodate those changes.

[3] Assuming requirements of 11,200,000 tons, Philippine basic quota of 1,050,000 tons; domestic area deficits of 625,000 tons shared 40.04 percent (250,264 tons) to Philippines and balance to Western Hemisphere countries.

[4] Caribbean Area: Higher of 5-year average imports or present act quota distribution.

[5] Other Latin countries: Persent act quota distribution, less 5-year average percent shortfall.

[6] The West Indies include the following countries: Guyana, Jamaica, Trinidad-Tobago, Barbados and the island of St. Kitts.

[7] Venezuela: 5-year average imports plus 32,000 tons.

[8] Eastern Hemisphere: 5-year average imports.

Mr. LONG. Mr. President, I ask unanimous consent that the committee amendment be agreed to, and that the bill, as amended, be considered as original text for the purpose of further amendment.

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

Mr. MANSFIELD. Mr. President, would the Senator yield for a few questions?

Mr. LONG. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, it is my understanding that the House committee reported and recommended the current statutory quota for the Philippines—1,126,020 tons—but the Senate committee recommends 1,050,000 tons. Which of these two figures is correct?

Mr. LONG. The committee bill figure is 1,050,000 tons. We proceeded, however, to give the Philippines a larger allocation of deficits than is provided by the House bill so as to make to the Philippines quota 1,300,264 tons.

Mr. MANSFIELD. On this basis, does the cut inflicted by the committee down to 1,050,000 tons for the Philippine quota represent the largest cut that has been made against any foreign producer both in absolute terms and in percentages?

Mr. LONG. May I say we do not feel we have made any cut at all. The Philippines have not been delivering this amount of sugar. What has happened is that there has been a big deficit in the quota of Puerto Rico, and the Philippines had the first right to fill that Puerto Rican deficit. They have not been filling it, so it has been going over to the Western Hemisphere, where the countries of the New World have been filling it in this hemisphere. So we started with that in the domestic area. Everyone seemed to think that they are entitled to supply 300,000 tons more. That comes off the Philippine quota. If we try to allocate enough sugar to satisfy everybody, we will never do it. Once we get beyond the United States, there is not enough sugar produced to satisfy everybody, so nobody can be perfectly happy.

So with what can be made available, we have done the best we could. We think that includes the Philippines, which is very close to what they actually shipped last year. Last year they shipped 1,362,000 tons even though they were entitled to ship a great deal more to us because of the Puerto Rican deficit. This year we are providing 1,300,000 tons, which is only a slight bit below—only one-half of 1 percent below—what they actually shipped last year.

Mr. MANSFIELD. 1,300,000, even?

Mr. LONG. Almost that; 1,362,400.

Mr. MANSFIELD. It is my understanding that the Philippine import quotas to this country in 1971 were set at 1,503,000, but the chairman of the committee says they could not fulfill that requirement.

Mr. LONG. They have not been able to fulfill the deficits that have been allocated to them in the past. They have indicated they will be able to fulfill it. If they fulfill it all, it will be that amount.

Mr. MANSFIELD. Is that the only difficulty in its past performance which calls for the 1,300,000 tons this year?

Mr. LONG. These quotas are based on performance, yes.

Mr. MANSFIELD. The reason I asked the question is that the Philippines, of course, is a republic to which we have

a special relationship and obligation. Our two nations are closely tied by treaty and agreements. It is entitled to a preferential basis, and I believe in 1974 a new status may well go into existence because of the lapse or termination of our treaty encompassed in the so-called Laurel-Langley agreements.

Mr. LONG. We have fixed a quota well in excess of the treaty figures. We would like to do more for the Philippines, but, may I say, in fairness, the same thing would be true of our Latin American neighbors. They have done the best they could to help us with difficult problems throughout the years. I think it can well be said that, from an objective point of view—looking at it from a foreign point of view—we actually do better by the Philippines than we do by any other country as provided in this measure.

Mr. MANSFIELD. I raised this question because of the closeness of the ties, which go back a half a century, between this country and the Philippines. Because of difficulties at the present time it should be given as much consideration as possible, in my opinion, so that it might be assisted in overcoming these difficulties and achieving a degree of economic stability as it is striving to do. As I understand it the Philippines have had built a number of new sugar centrals over the past 5 years, the capacity of which would far exceed the 1.3 million allowance.

Mr. LONG. I was aware of the Senator's views about this matter. May I say that is reflected in the bill when we provide for the Philippines a lot more than it would ordinarily be entitled to on the basis on which we are allocating sugar quotas to other countries. We are considering that argument and that factor in putting the Philippine quota this high.

May I say also that it is my understanding that there is an effort by the Japanese to invest money in the Philippines, and there are impediments in the laws of the Philippines, just as there are impediments in the laws of Japan with respect to the United States investing money there. But if they can do that, the Philippines should be able to find a market for sugar in that country as well as the United States.

Mr. MANSFIELD. I thank the Senator and express the hope that any differences between the House and Senate view of the Philippine quota will be worked out equitably.

If I may raise a question about another close friend and neighbor, what is the status of the quota for Mexico under this bill?

Mr. LONG. Mexico would have a quota of 598,874 tons. That is its 5-year average of deliveries to the United States, and that is considerably higher than the House bill provides.

May I say that if we were going to depart from what we thought was an equitable formula, I for one would favor advocating more to Mexico, because Mexico is a reliable ally and has common ties with us.

Mr. MANSFIELD. I agree with the great importance which the Senator attaches to Mexican-United States ties. I want to see those ties preserved and strengthened to that end. I certainly am in accord with Mexico's equitable consideration in the provisions of the sugar quota, both as set forth by the Senate Finance Committee and the House Committee on Agriculture.

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

Mr. LONG. I yield.

Mr. AIKEN. Now that we are talking about neighbors, I occasionally get word from one of our small neighbors, the Island of Haiti. I understand that under existing law, and in the bill passed by the House, there is a provision whereby, if circumstances come right, their quota could be increased somewhat, assuming other countries were not using their full quota; but the Senate committee has stricken out that proviso. I do not know whether this authority to reallocate quotas was vested with the President or the Secretary but I would like to know why this change in the House bill was made.

Mr. LONG. The House bill, as a matter of fact, provides that the amount would be discretionary with the President; the Senate bill provides that the allocation would be by formula. But the matter will be in conference between the two Houses.

Mr. AIKEN. And will it be given consideration in conference?

Mr. LONG. Yes.

Mr. AIKEN. But the Senate bill provides and continues the same quota as they have had before?

Mr. LONG. I believe so.

Mr. AIKEN. It is 0.41 percent; not a large amount.

Mr. LONG. The quota now is 2 million tons a year; they are virtually identical.

Mr. AIKEN. Yes. I was just thinking of a small neighbor that is in need much of the time.

Mr. LONG. I thank the Senator.

Mr. BENNETT. Mr. President, how much time remains to the proponents on the bill itself?

The PRESIDING OFFICER. Six minutes.

Mr. BENNETT. Mr. President, I offer an amendment on page 28, line 14, of the bill, to change the quota in the domestic beet sugar program from 3,406,000 to 3,407,000.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 28, line 14, following the words "domestic beet sugar," strike out "3,406,000" and insert in lieu thereof "3,407,000."

Mr. BENNETT. Mr. President, obviously I have offered the amendment to provide an opportunity to make a statement on behalf of the minority. I intend to withdraw the amendment when the time expires.

Mr. President, I concur wholeheartedly with the remarks of the distinguished chairman of the Finance Committee with respect to the committee's action on this bill, and I want to focus my remarks on two aspects of the bill which will receive considerable attention.

The first deals with the allocation of quotas and the second deals with the expropriation amendment adopted by committee.

ALLOCATION OF QUOTAS

With respect to the allocation of domestic quotas, the committee bill is identical to the House bill. Under both the committee bill and the House bill, the present statutory allocation to the domestic beet and cane areas is maintained at 62 percent of the requirements of the continental United States. The committee bill, like the House bill, would allocate 65 percent of the total market growth above 11.2 million tons to domestic areas; 47.67 percent to the domestic beet sugar area, and 17.33 percent to the mainland cane sugar area. The remaining 35 percent of market growth above 11.2 million tons would, as in the past, be assigned to the quotas of foreign countries. In recent years, because of the decline in the Puerto Rican industry, the domestic areas were able to supply only about 55 percent of our needs. All of the Puerto Rican deficits have been assigned to the foreign countries.

The House was advised that the Puerto Rican deficit would be 800,000 tons this year; in preparing their bill they assumed a deficit of the same size for 1972. The Finance Committee was later informed by the Assistant Secretary of Agriculture that the Puerto Rican deficit would be at least 925,000 tons this year and we assumed the higher deficit would be repeated again next year—625,000 tons of this deficit has been allocated to foreign nations, and in addition 285,000 tons of the Puerto Rican quota—where production has declined—and the 15,000-ton quota for the Virgin Islands—where production has been discontinued—have been allocated to the mainland cane area.

Thus, the committee agreed with the administration recommendation and the House bill in the allocation of 300,000 tons of the Puerto Rican and Virgin Island quotas permanently to the domestic cane area.

This transfer was agreed to not only by the administration, but by all segments of the sugar industry.

The committee bill would also give the Secretary of Agriculture authority to increase acreage up to 100,000 tons for the beet sugar area for localities where new processing facilities are constructed or existing facilities expanded.

BALANCE IN PROGRAM

Mr. President, there is a balance in the program between all parties affected. The domestic beet and sugar industries are each allocated their fair share of quotas under the committee bill. The committee report explains quite clearly how the benefits of this legislation inure to the consumer, and the worker, as well as the producer, the farmer, and the housewife. The chairman has recited these benefits in his statement, I want to elaborate on, but not repeat, what he has said.

For those of you who are concerned about the welfare of sugar workers, let me refer to chart 2 on page 11 of the committee report which shows that minimum wage rates under the Sugar Act have increased by 1,200 percent and real wages in terms of purchasing power are up by 450 percent over the 1934 rates. Workers' hourly earnings have increased to about five times the rate of increase for either sugar prices or returns to

farmers per ton of sugar. Working conditions have also improved. The harvesting operations of the sugar beet area are now completely mechanized and about two-thirds of the sugarcane crop is mechanically harvested. Hand labor in the planting and cultivating of sugarcane has largely given way to mechanized planters and cultivators. Workers have benefited from the increased earnings at tasks requiring diminishing amounts of hard labor.

The consumer has also benefited from the program. Tables on pages 12 and 13 of the committee report and the chart on page 7 show that the retail price of sugar has been very stable and has increased by much less than the retail price of all foods. Table 6 on page 13 shows that the retail prices in the United States are lower than the average retail prices for other importing countries and lower for the overall average of all importing and exporting countries.

In short, Mr. President, this program has worked well—much better than the tariff scheme which existed prior to 1934, which exposed both our domestic producers and consumers to wild price fluctuations on the world sugar market. I shall never forget that in 1920, the price of sugar in the United States was above 25 cents a pound.

FOREIGN QUOTAS

Let me now turn to the committee's allocations of foreign quotas. The committee bill, as indicated by the chairman, would allocate foreign quotas primarily on the basis of performance during the extension of the previous act; that is, 1966 through 1970. Within this general framework, the committee determined that the Caribbean countries which had served this market well as a secure source of supplies, offer the best assurances of dependent performance in the future. Hence, in the case of Caribbean countries, including Brazil—which for sugar marketing purposes is considered a Caribbean country—foreign quotas would be allocated on the basis of the higher of (a) their average annual shipments during the 5-year period 1966–70 or (b) what they would have received under existing law after adjustments in the domestic quotas, if existing law had been extended. Other Latin American countries—Peru, Ecuador, Argentina, and Bolivia—would receive their present act quota distribution less the 5-year average percentage shortfall. These countries are not as fertile a source of sugar as are the Caribbean countries, and, in fact, most of them have not been able to supply the sugar that they have been entitled to supply under existing law.

With respect to all other countries, except Venezuela and the Philippines, the quotas would be allocated on the basis of each country's 5-year average shipments. Recognizing the special place of the Philippines in our sugar market, and at the urging of the administration, the committee worked out a plan to bring the Philippine quota up to a level of 1.3 million tons, substantially equal to last year's shipments. The chairman has already commented on this in his colloquy with the majority leader, as well as on the Venezuelan quota.

At this point, Mr. President, I should like to inform the Senate that we had a particularly difficult problem this year, because we had about 450,000 fewer tons to allocate abroad.

Under our system, the Secretary, in 1971, had estimated a consumption quota of 12,600,000 tons. This new bill returns to reality, with a consumption quota of 11,200,000 tons—400,000 tons less of quota sugar to allocate. Sixty-five percent of this sugar came to the domestic producers.

This amount was all available last year to the foreign producers, so we had to readjust their quotas to absorb this general technical shortfall.

Mr. LONG. Mr. President, will the Senator yield at that point on my time, or on the time in opposition?

Mr. BENNETT. I yield.

Mr. LONG. If the Senator will permit me to say so, what has happened was that in view of the fact that we needed to be able to provide additional quota for the United States itself——

Mr. BENNETT. That is right.

Mr. LONG. We would have to reduce the foreign purchases, on an overall basis.

Mr. BENNETT. I appreciate the chairman's reminding me of that 300,000 tons, and I shall try my explanation again.

We reduced the total quota available to foreign countries by 300,000 tons in order to bring that to the mainland. Then we have 400,000 tons shortfall in the consumption estimate, one-third of which would have gone to foreign countries. That is 150,000 tons. Adding the 300,000 and the 150,000, we had to take 450,000 tons out of the sugar available for foreign allocation.

We ran into the problem of the Philippines, and by reestimating the shortfall in Puerto Rico, we were able to get additional tonnage, which we gave to the Philippines to bring them up to the 1.3 million tons.

Mr. LONG. Mr. President, if the Senator will permit me to say it, again after yielding on time allotted to me on the amendment, I wish to congratulate the Senator from Utah for his statesmanship in working out this measure. He has been the architect of the solution to the more controversial parts of the quota system, and if I do say so, he has done a good job of suggesting how it might be worked out. I know of no criticism of the way the committee worked out this difficult problem, with the possible exception of the fact that we will simply have to meet the emotional issue involved in South Africa.

But, aside from that, It seems to me that everybody feels, and I think they are right in feeling, that this matter has been worked out as equitably and as best we could. That does not mean that we are going to accede to any special plea of any particular country, but overall, I believe it has been worked out as well as it could be worked out; and that is due in large measure to the statesmanship of the Senator from Utah. I congratulate him for the magnificent contribution he has made in working out this difficult piece of legislation.

Mr. BENNETT. I appreciate the words of the chairman very much.

I hope that the formula we have worked out will stand up both in the Senate and in conference. Rather than try to respond to the pressure from representatives from all these countries, we tried to develop a formula which could be applied and on which we could stand, so that our approach was impersonal and did not reflect the feelings of any member of the committee toward any particular country.

May I inquire, Mr. President, how much time I have remaining?

The PRESIDING OFFICER. The Senator has 5 minutes remaining.

Mr. LONG. I will yield the Senator my time, if he wishes.

MAXIMUM LIMITATION

Mr. BENNETT. Let me comment briefly on the maximum limitation on ceilings provided by the bill. Under the committee, there are ceilings set on what each supplying country can export to the United States. In the case of the Philippines—and the Cuban reserve—the limitation was established at 1.5 million tons. In the case of all other suppliers, the limitation was 800,000 tons. The committee established these limitations in order to avoid having the United States again become dependent on any one country for a disproportionate share of its imports, as we were once dependent on Cuba. This was done in recognition of the fact that a country's sugar crop would be easily destroyed either by drought or hurricane, or, as in the case of Cuba, be denied to us completely for political reasons, and that too great a dependence on any single nation might hurt our consumers rather than help them.

THE CUBAN RESERVE

One other major change from the House bill is with respect to the Cuban reserve. Under existing law, 50 percent of all imported sugar from a foreign country other than the Philippines and the Bahamas comes from a temporary allocation to foreign countries of the so-called "Cuban Reserve" which is now close to 1.6 million tons. This amount has been reserved for Cuba in the event it should again join the family of free and friendly nations. The House bill would have reduced the Cuban reserve by more than one-half and thereby reallocate 761,861 tons of sugar. The committee wanted to retain the full flexibility which is provided in the existing law with respect to the Cuban reserve. We, therefore, preserved that section of the law which does preserve all reserves. This action will have no effect on the actual quotas given to foreign nations, but they would be sharing in the Cuban reserve temporarily on a year-by-year basis by virtue of a formula provision in the bill rather than by definite quotas provided them in law.

EXPROPRIATION PROCEDURE

The chairman has given a full explanation of the committee's expropriation amendment. It should serve notice on countries that if they wish to ex-

propriate U.S. property they must pay adequate compensation within the reasonable amount of time or face the loss of their sugar quota in the United States.

Undoubtedly, Mr. President, there is an element of foreign aid in the sugar quota. Under normal conditions, a foreign country selling sugar to us could gain a benefit as high as $60 a ton more than they could receive if they had to dispose of that sugar on the world market. Given this fact, access to our market should be enjoyed by countries who respect the recognized principle of international and domestic law that a sovereign must pay adequate compensation for the properties it has seized. We recognize that there can be a disagreement with respect to the question of adequate compensation, and the committee bill allows, in effect, up to 24 months for that question to be settled. Under existing provisions, there is a total of 18 months in the foreign country—6 months for negotiation and 12 months for binding arbitration. The committee bill would provide an additional 6 months for the Tariff Commission to investigate. If the parties cannot settle the issue within 24 months then the committee felt, and our bill so provides, that the country's quota should be suspended until the question is settled. This should be enough pressure on the two parties concerned to reach a solution to the problem through the negotiation.

Other actions the committee took are supplemented fully in the report of the committee. I recommend that report and the charts in it to the Senate for an education as to how our sugar program works and how the committee amendment affects it.

SOUTH AFRICAN QUOTA

Let me say a word about the South African quota, which I know is a highly emotional issue. The committee voted twice on a motion to strike the South African quotas from the bill and both times it was defeated by a rather substantial margin. I think the main reason for the committee's decision has nothing to do with the internal policy of the South African Government but on the basic fact that South Africa has been a secure source of sugar for the United States when we needed it. If we were to establish quotas on the basis of what we thought about the internal affairs of each country, we would have a gigantic mess on our hands. Under that criterion, we might want to embargo Brazilian sugar, Peruvian sugar, Irish sugar, or the sugar from any other country whose policy from time to time we might not agree with; or where the current government was involved in a domestic conflict.

I do not believe we can change the internal policy of the South African Government by denying them a sugar quota any more than Rhodesia's internal policy has been changed by a boycott in the United Nations, or our suspension of its sugar quota. In fact, I might note that the net effect of the Rhodesia boycott was to force us to buy magnesium chrome, a vital material, and uranium, a strategic material, from the Soviet Union rather than Rhodesia, which is a rather strange result.

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

Mr. BENNETT. I am happy to yield. I do not have much time.

Mr. AIKEN. I wonder if the Senator is aware that since Rhodesia has been mandated as far as we were concerned, their production of chromium and other semiprecious metals has increased, and they have no trouble in selling them; and the Senator's guess as to where they sell them is just as good as mine.

Mr. BENNETT. I appreciate that addition to my comments.

Mr. President, I ask unanimous consent to have printed in the RECORD an article by Virginia Prewett, a noted newspaper writer on Latin American subjects. She discusses the committee's bill.

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

SOLUTION FOR SUGAR QUOTAS

(By Virginia Prewett)

The Senate Finance Committee, after prolonged soul-searching over how to award foreign quotas under our new Sugar Act, has come up with a solution that is fair and eminently rational.

It happens to favor our Latin American trading partners, but this is part of its common sense. The quota system is supposed to assure the U.S. consumer a sugar supply that is steady and reliable. Latin American suppliers, mostly nearby, have proved to be so.

As did the House, the Senate committee shifted 300,000 tons from Puerto Rico's 925,000-ton deficit to domestic producers. Latin Americans will lose this, but losses will be proportionately distributed and deficits already in view will do much to replace the loss.

FORMULA FOR QUOTAS

For Caribbean countries, the Senate committee created basic quotas that were the higher of (1) the five-year average of each country's exports to us or (2) its quota under the expiring bill. Brazil and El Salvador are counted as "Caribbean" countries.

Argentina, Bolivia, Ecuador and Peru were given basic quotas equal to the average of their shipments to us during the past five years. Peru was the big loser, by 44,000 tons. An amendment cutting Peru out altogether—because it has seized U.S. properties—lost by only one vote.

The Senate solution sweeps away all the eyebrow raising special treatment found in the House bill, except for a boost for Venezuela. This will probably be cut on the Senate floor.

Paraguay, which has no quota, loses one granted by the House. Argentina, British Honduras, Honduras and the Bahamas lose House boosts.

REPRISAL FOR PROPERTIES

The Dominican Republic has deep House cuts restored, with a little over, but lost other preferential treatment. Mexico, Brazil, Costa Rica, the West Indies, Colombia, Guatemala and El Salvador got slight increases on their basic quotas. Nicaragua, Bolivia, Haiti and Panama will keep present quotas, with Panama losing a House increase set for 1973. Argentina loses a big House increase.

Like the House, the Senate committee got tough with countries that seize U.S.-owned properties and do not pay for them. Its bill would allow U.S. citizens who have thus lost properties—or even the House and Senate committees that write sugar legislation—to petition the U.S. Tariff Commission to investigate their complaint. If after six months of study, the Commission finds the complaint is justified, this will nullify the offending country's sugar quota.

When the lost quota is distributed among other countries, up to $20 a ton will be skimmed off for a fund out of which to pay for the expropriated properties.

The bill still has to pass the full Senate and be reconciled with House legislation. Its sponsors hope for action before the Congressional recess.

Mr. BENNETT. I also ask unanimous consent to have printed in the RECORD an article by another Latin American expert, Mr. Jeremiah O'Leary, on the question of expropriation.

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

U.S. TAKING SECOND LOOK AT SEIZURES BY LATINS

(By Jeremiah O'Leary)

The wave of nationalizations against American investments in Latin America has prompted the United States to begin a reexamination of its governmental policies in regard to the property seizures, according to Assistant Secretary of State for Inter-American Affairs Charles A. Meyer.

In a rare on-the-record interview with two newsmen, made public this weekend, Meyer said:

"It seems perfectly equitable to me that at some point in this balance the United States should pause for a moment and write its rules of the game because the developing nations are looking to us for their cake while they eat it. And as each nation has it own political life, so each nation has its own political pressures and counter-pressures.

"The Latin American nations in the main have said that they cannot afford a reciprocity. I disagree with that thesis, because reciprocity is not a question of us taking in this day and age the financial life blood out of Latin America, if we ever did. What I think we must recognize is that as a community of nations economic interchange is a balance. Everybody has to be served somehow. It cannot all be one way."

Meyers said understandable questions have been raised as to where "our interests begin and end in relationship to Latin American initiatives or the developing nation's thrust for a larger share of the development of their own resources, economic nationalism."

REEXAMINING RULES

"What we are going through in Washington is a re-examination of how best to arrive at our rules of the game in concert with the rules that Latin America believes important to them," Meyer said.

He recalled that President Nixon in 1969 urged the Latins to write their rules of the game in the search for economic identity and indicated the U.S. is now doing the same in the light of subsequent events.

His remarks were couched in diplomatic, often philosophical language, but Meyer's words left little doubt that the U.S. government is now involved in rethinking its posture in regard to the nationalization fever.

In the past three years, Peru and Bolivia have nationalized U.S.-owned oil properties, Chile is steadily nationalizing all major industries including those of three U.S. copper companies, and Guyana has nationalized a Canadian bauxite company.

LOAN BLOCKS DENIED

Meyer denied that the Treasury Department has acted to block projects in the World Bank and Inter-American Development Bank for countries that have been involved in nationalizations.

The U.S. abstains in the case of a Bolivian gas line loan and on a loan to Guyana for a seawall but Meyer pointed out abstention is not opposition. "If it had been opposition the outcome would have been different," he added.

The Treasury, as watchdog over U.S. resources, is saying to itself "What should a constructive attitude be towards the threat to our corporate assets or what should the formula be that would enable both interested parties to amicably arrange a transfer of ownership?", Meyer said.

But beyond divulging that the U.S. is taking a new look at cases of Latin American nationalizations, Meyer gave no hint as to what the new U.S. "rules of the game" might be. The main thrust of his words was that the present Latin-imposed rules are not satisfactory and that the U.S. may be forced into some new guidelines of its own.

The U.S. has a number of economic weapons available, including withholding of aid, loans or grants, curtailing military sales, the manipulation of commodity quotas including sugar and other tactics it could use if the expropriations continue.

In general, the U.S. up to now has used almost total restraint. Meyer seemed to be saying this cannot go on much longer.

INVASIONS RULED OUT

Meyer declared, "We are doing our level best to be responsive to Latin initiatives, to Latin American identity, and to balance the Latin American objective with our own dignity. At no point can I see these * * * degree that would require the use of U.S. troops. That is an era which I believe is behind us."

In answer to a question, Meyer said he thought there would be no repetition of the Dominican intervention in Latin America short of a declared war on a pronounced threat to American lives. Not even in Panama, he added.

Mr. BENNETT. I read from Miss Prewett's article:

The Senate Finance Committee, after prolonged soul-searching over how to award foreign quotas under our new Sugar Act, has come up with a solution that is fair and eminently rational.

It happens to favor our Latin American trading partners, but this is part of its common sense.

Mr. President, Miss Prewett is correct. The bill does reflect a commonsense approach to the distribution of quotas favoring our Latin American trade partners and should be approved by the full committee.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LONG. I yield the Senator 5 minutes.

The PRESIDING OFFICER. Ten minutes remain.

Mr. LONG. I yield the Senator 5 minutes of the time allotted to me on his amendment.

The PRESIDING OFFICER. This Senator has already yielded that time.

Mr. LONG. How much time do I have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. LONG. I yield the Senator 5 minutes of the time remaining to me on the amendment.

Mr. BENNETT. I shall not use that time, but I should like to put in the RECORD at this point some interesting figures about the South African sugar situation.

This came to the chairman in a letter signed by Philip R. MacKnight, representing the South African Sugar Association. He says in the letter:

The importance to Black growers of SASA's continued participation in the United States sugar program has been emphasized recently by Chief Gatsha Buthelezi, the chief executive officer of the Zululand Territorial Authority.

In a statement released after a meeting of the United Nations on July 17 of this year, Chief Buthelezi said:

"More than half the Zulus' agricultural income from the growing of sugar cane. Any reduction in the demand for sugar would automatically affect their economic position.

"On the other hand, we are hopeful that with the further expansion of the sugar industry, my people will benefit."

Some figures on the extent to which the black citizens of South Africa participate in the sugar program.

The number of black cane growers who produce 500 tons a year has doubled in the 5-year period, 1965–70.

There are 4,398 independent black growers, 1,877 Indian growers, and 2,194 white growers. Thus, in general, the blacks in South Africa are growing approximately half the sugar and are, therefore, contributing half the American quota.

If we cut it off, we will be injuring the very people that emotionally we want to help.

Mr. CURTIS. Mr. President, will the Senator from Louisiana yield?

The PRESIDING OFFICER (Mr. BROCK). Does the Senator from Utah withdraw his amendment?

Mr. LONG. I yield my remaining time to the distinguished Senator from Nebraska on the Bennett amendment.

Mr. BENNETT. Mr. President, what is the time situation. I do not want to withdraw the amendment and cut the chairman out of it.

The PRESIDING OFFICER. The Senator from Louisiana has 6 minutes remaining.

Mr. CURTIS. Mr. President, will the Senator from Louisiana yield me 6 minutes?

Mr. LONG. I yield my remaining 6 minutes to the Senator from Nebraska on the amendment.

Mr. BENNETT. I understand that, but my inquiry is is that time on the amendment or on the bill?

The PRESIDING OFFICER. On the amendment.

Mr. BENNETT. I thank the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 6 minutes.

Mr. CURTIS. Mr. President, I rise in support of the bill as reported by the committee. Before commenting, permit me to express my appreciation to Chairman LONG and the ranking minority member on the committee, the Senator from Utah (Mr. BENNETT), for their leadership and dedication that made this bill possible.

So far as the domestic sugar industry is concerned, the bill amounts to an extension of the present act.

Our basic sugar law is a good law. The consumers have always had a supply of sugar. The retail price of sugar has been reasonable. It has not risen as fast as the general price level in the country.

I can remember, years ago, when the United States experienced a shortage of sugar and we were at the mercy of foreign producers. Sugar retailed in some places in the United States for 3 pounds for $1.

As I say, this had been a good program. It has been a good program from the standpoint of the farmers who produce sugar beets and the same is true with reference to the producers of sugar cane. By that I do not mean that they are not entitled ot some improvement. I think that an increase in the price of sugar and a further increase in the price of beets would be well justified; but, at any rate, it is perhaps the best agricultural program we have. It has made a profit for the farmers.

In order to adjust in an orderly way the markets from all sources from which we get sugar, there is a process tax applied to sugar. The user of sugar pays it. That carries the expense of operating the program. There has always been a beet center. Over a period of years, substantial sums have been lent to contractors because of the Sugar Act, with reference to foreign quotas. I believe that one of the basic reasons for assigning a definite quota to an individual foreign country is for the purpose of providing an orderly sytsem of marketing in this country and providing a system that is not disruptive to the economy of the country from which the sugar comes.

I do not regard the application of a specific quota to a foreign country as giving that foreign country any vested right or any claim to a vested right, either now or in the future.

As long as we have agricultural problems in the United States, and as long as we have problems of overabundance and controlling surpluses, we should not adopt a policy that would restrain the production of any product in the United States where we do not produce our full needs. Therefore, we should look forward to increasing the domestic allocation of our total needs in the years that lie ahead.

I am happy that a substantial increase goes to cane producers in the bill. I am also pleased that there is a provision for a reserve of 100,000 tons of beet sugar for opening up new areas, or for expansion where they have an existing pattern.

There are many problems to increasing our production of sugar. It depends upon climate. It depends upon the areas. It depends upon the advances we make in technology and in the improvements of the seed, as well as the advances we make in controlling plant diseases, and many other things.

Also, the sugarbeet factory is an expensive factory. Perhaps it costs upwards of $20 million to construct a factory of the size that would be economically feasible. But we should not give the impression to any country—and they are all friendly countries—that by passage of this bill we are saying to a foreign country, "You own or have a vested right in a certain portion of our sugar market." That is not the case. In all probability, they will be able to sell us sugar for a long time to come, but basically we should reserve the right to increase the domestic portion at any time.

Mr. BENNETT. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. HARRIS. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment as follows:

On page 28, line 15, strike the figure "4,945,000" and insert in lieu thereof the figure "5,000,000".

Mr. HARRIS. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 10 minutes.

Mr. HARRIS. Mr. President, in order to conserve the time which I control in opposition to the bill, I am offering this amendment so that I may make, as has been done by the proponents of the bill, a beginning statement of my objections to the bill and the amendments which I hope will be adopted by the Senate before the bill is finally voted on. I do not intend to press this amendment seriously.

Mr. LONG. Mr. President, will the Senator from Oklahoma yield?

Mr. HARRIS. I am happy to yield to the Senator from Louisiana.

Mr. LONG. I completely agree with the Senator from Oklahoma that he finds it necessary to do this in order to protect his parliamentary rights. I would like to suggest, in view of the fact that the manager of the bill has already used 24 minutes in explaining the bill, that we merely extend the time on the bill so that instead of having 1 hour each to a side that there be 2 hours each to a side, and then we would not be required to resort to parliamentary amendments that we do not intend to insist upon, in order to explain the bill as well as to speak in opposition to it. And I certainly have no objection to that.

UNANIMOUS-CONSENT AGREEMENT

Mr. LONG. Mr. President, I ask unanimous consent that the time on the bill be extended by 1 hour, to be equally divided.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HARRIS. Mr. President, I withdraw my amendment and ask unanimous consent that I may keep my right to the floor.

The PRESIDING OFFICER. The amendment is withdrawn. Without objection, the Senator's request is agreed to.

Mr. HARRIS. Mr. President, I now yield myself 15 minutes under the time allotted in opposition to the bill.

The purpose of the committee bill, as has been stated by the distinguished chairman and members of the committee is to extend and amend the specific provisions of a sugar policy dating back to 1934. The bill does not question the fundamental assumptions of our past sugar policies. I am convinced that such questioning is necessary.

Mr. President, so far as I can tell, despite the well intentioned work that has been done on the bill—and there has been a great deal of work done on the bill by the committee, by the chairman, and others—there is no basic rationale, no rhyme nor reason, for our present sugar policy.

When pressed in questioning before the Senate Finance Committee, administration officials conceded that historical precedent alone is responsible for the present course we are pursuing. This is simply not reason enough to continue a policy which:

First, in the name of protecting our domestic sugar industry procures all of our sugar from foreign suppliers at an artificially high price, well above the world market price, and which also gives direct Government subsidies to domestic producers;

Second, embodies a major, yet unsupervised foreign aid program;

Third, rewards with a valuable subsidy a nation like South Africa; and

Fourth, disregards its expressed aims of insuring that benefits to quota nations filter down to their sugar workers, and which neglects the sugar workers in our own country.

Mr. President, we are launching a frontal assault on this entire bill. Amendments will be offered by various Senators, amendments in which I join, to accomplish this purpose.

Our present sugar policy is so archaic and unwieldy that my first inclination is to scrap it in its entirety and begin anew. And undertaking of this magnitude, at the present time is not, however, feasible. This does not mean that we must, as provided in the committee bill, commit ourselves to a 3-year extension of the existing Sugar Act. There are several positive steps that we can take right away with a view toward establishing a comprehensive U.S. sugar policy for the future.

I recommend first of all that the Senate adopt an amendment, which will be offered first by the distinguished Senator from Arkansas (Mr. FULBRIGHT) and myself, to extend the current act for only 1 year, during which time a body of specialists in foreign affairs, developing economies, farm policy, consumer needs, and labor conditions could investigate the Sugar Act, measure its impact, and propose alternatives to the present system.

Any study group proposal should include operating guidelines calling for investigation of the following:

Minimum wage structures and fringe benefits programs of current and prospective quota nations, with investigation into how these structures and programs are actually administered;

Impact, in detailed breakdown, of the premium dollar on the industry and society of current and prospective quota nations, including whether continuation of the quota to a particular nation perpetuates a regressive sugar economy;

Alternatives to the current Sugar Act system of allocating quotas;

Impact of the Sugar Act and its quotas on the foreign policy of the United States and of participating nations toward the Republic of Cuba; and

The necessity and advisability of quotas to developed nations.

The sugar quota received by a nation is a form of foreign aid. The House Committee on Agriculture has made this clear by listing the following criterion as a standard for the development of foreign quotas:

Extent to which the benefits of participation in this market are shared by factories and larger land owners with farmers and workers together with other socio-economic policies in the quota countries.

The Finance Committee issued a press release dated June 10, 1971, stating:

Senator Long advised all representatives of foreign nations to include in their written testimony indications of how, and the extent to which the benefits of participation in the U.S. sugar program flow through to the working man and serve to improve the standard of living in the nation involved.

Lastly, the Comptroller General's report to the Congress of October 23, 1969, states:

Commodity trade assistance—a form of foreign aid linked to imports of specific commodities—is provided by the United States Sugar Act. . . .

Unfortunately, the supervision of this foreign aid program is at best haphazard. By subjecting the Sugar Act to a comprehensive review we can at least provide some regulation to its foreign aid aspect if indeed we don't separate it altogether from what should probably be only a commercial agreement.

Regardless of whether the Senate adopts this amendment, which I feel is the key to meaningful reform of the Sugar Act, we should still adopt several amendments in the interim so as to correct the gross inequities presently contained in the Sugar Act.

The first of these additional amendments will be an amendment offered by the distinguished Senator from Massachusetts (Mr. KENNEDY), the distinguished Senator from Connecticut (Mr. RIBICOFF), and myself in regard to South Africa. We will recommend that the Senate delete from the bill the figure of 57,745 short tons of sugar representing the quota and prorations for South Africa.

The Government of South Africa has been condemned by the entire world community for its abominable practice of apartheid. The United Nations has called this policy a crime against humanity.

The United States, intentionally or not, is bestowing upon that nation a mark of our special favor in the form of a sugar quota. The most basic considerations of humanity and decency require that we show positive disapproval of the law and official policy of a nation that denies equality to the majority of its citizens because of their skin color.

Moreover, South Africa fails to meet three of the six criteria devised in standards for the development of foreign quotas.

The first criterion, calling for "friendly government-to-government relations" has been consistently violated by South African discrimination against American citizens, including Members of Congress.

Second, South Africa violates the criterion calling for consideration of the "need of the country for a premium priced market in the United States." The facts show that South Africa, which is designated as a developed country by the Agency for International Development, has a thriving economy that relies on

sugar for only 2.5 percent of its total exports.

Last, South Africa flagrantly violates the criterion calling for consideration of the extent to which benefits from the sugar quota filter down to the workers of the quota nation.

According to figures for 1969, the average daily wage for all unskilled and semiskilled African laborers is $1.67 per day or $41.75 per month. This figure is $62 less per month than the poverty datum line of $103 per month set by Africans by the Johannesburg Associated Chambers of Commerce. Obviously, the U.S. sugar quota is no bonanza for African sugar workers.

American prestige in the world has never been the result of its military might, the strength of its arms. Rather, it is our moral example, the degree to which we will live up to our professed belief in the innate worth and value of every human being, that will cause us to have influence with others. We cannot without serious consequence continue to condemn the policies of South Africa on the one hand, and on the other favor that nation with a special and valuable subsidy.

Further, I will recommend that the Senate adopt an amendment granting the President the discretionary authority to levy an impost on all sugar imported into the United States under the quota of any nation in which the benefits of participation in the Sugar Act are determined not to be accruing in a substantial degree to those persons engaged in the sugar-producing industry of that foreign nation. The money collected would be placed in the Treasury of the United States under a special trust fund to be used for the financing of USAID projects beneficial to the interests of those engaged in the sugar-producing industry of the nation upon which such an impost is levied.

As long as we maintain a sugar policy constituting an enormous source of foreign aid, we have a responsibility to see that our aid reaches those people for whom it is intended.

These people are not millionaire sugar plantation owners. They are the workers who are all too often forced to work under subhuman conditions.

We cannot on the one hand complain about competition in our domestic market by foreign industries which we complain are paying their workers substandard wages, and on the other hand have a continuation of this kind of foreign aid program through this sugar subsidy without doing something or trying to do something about bringing up the standards and wages of foreign workers who are involved in this particular industry.

A statement presented before the Finance Committee this month by Prof. Joseph A. Page of the Georgetown University Law Center documents the nature of this problem with respect to the Brazilian sugar industry. Professor Page, who has had the opportunity to observe at first hand the sugar industry of Northeastern Brazil and its impact on the millions of peasants living and working there, spoke of "poverty, hunger, disease, and ignorance" as the main characteristics of life in the sugar zone. He spoke of an infant mortality rate during the first year of life estimated at 60 percent, of a nutrition study whose director has charged that "lack of proper nourishment during early years is producing a legion of mentally retarded human beings in the northeast."

He then described the sugar industry in northeastern Brazil that, with Government collusion, has "consistently demonstrated its incapacity and/or unwillingness to modernize and reform itself" in a way that would alleviate the monstrous working and living conditions of the Brazilian peasants. Only by the subsidy they receive under the Sugar Act, charges Professor Page, can the industry profitably continue "to produce sugar inefficiently, and at great human cost."

With our collusion we continue the present system without requiring some conditions so that this subsidy will get down to the workers in the sugar industry.

Lastly, the Senator from Illinois and I and others will recommend that the Senate adopt two amendments to the Sugar Act concerning our domestic sugar policy.

The first of these amendments was introduced in the Senate by the chairman of the Subcommittee on Migratory Labor, Senator STEVENSON. It would provide for several additions to the list of conditions under which a domestic sugar producer is eligible to receive Government payments. The additions are:

That the "fair and reasonable" wages provided for in the act shall constitute a decent minimum hourly wage:

That the housing for sugar workers and their dependents shall satisfy the applicable State or Federal housing and sanitation requirements, whichever are more stringent;

That the grower shall not employ nonresident alien farmworkers in his sugar beet or sugarcane operations; and

That the grower shall not have discharged or in any other manner discriminated against any employee involved in the filing of a complaint concerning the above conditions.

We have ignored long enough the miserable conditions that exist among the workers in our own backyard.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. HARRIS. Mr. President, I yield myself an additional 5 minutes.

A 1970 survey in Louisiana by the national sharecroppers fund documents some of the conditions and abuses found in the mainland sugar industry:

First. The average family of six earned $2,635 annually as of January, 1970, which is below the national poverty level.

Second. Seventy-six percent of the households surveyed had only outdoor sanitation facilities; 52 percent had only cold water inside; 62 percent had holes or gaps in the walls; and 50 percent had leaky roofs.

Third. Seventy-six percent of the households surveyed who had no company help in paying for medical expenses while 37 percent had at least one chronically ill family member.

That such conditions exist in the United States today is inexcusable. The State of Hawaii has proven that it is possible for the industry to provide decent wages and working conditions. In Hawaii, sugar workers are paid the highest agricultural wages in the world, plus fringe benefits that include paid vacations and holidays, pensions, health insurance, unemployment compensation, and workmen's compensation. It is unfortunate that the mainland sugar industry requires us to spell out in specific legislation that it follow the example of the Hawaiian industry.

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

Mr. HARRIS. I yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I may say to the Senator that I would be happy to vote for any increase in wages that the cane producers of Louisiana can pay and still compete with the cane producers of Hawaii, where they have a much longer growing season and have a more favorable climate. But I would be voting my people out of jobs if I voted for the Senator's amendment. I would be doing them a great disservice. I would love to pay them more. Is the Senator aware of the fact that we have minimum wages for sugarcane and sugar beet production, and those are the only minimum wages set by the Secretary of Agriculture? It has resulted in a 1,200-percent increase in the wages paid. I ask the Senator if that is not substantial progress when the figure is increased 1,200 percent. As indicated on page 10 of the committee report, increases in the cost of living have taken place, but even after these are taken into account, workers' real wages, in terms of purchasing power, are about 450 percent of the 1934 rates.

That is progress, is it not?

Mr. HARRIS. It is not enough progress. May I say, with all respect to the chairman of the Committee on Finance, on which committee I am pleased to serve with the distinguished Senator from Louisiana, that the argument that if we improve and bring up to some decent standard the working conditions and salaries of these particular workers, we will put them out of jobs, is an argument which always has been made and rejected every time we have had before us any legislation to improve the standards and wages of any employee.

I support the efforts—I have in the past and I do now—of the distinguished Senator from New Jersey (Mr. WILLIAMS) to provide much more decent standards of wages and working conditions for agriculture workers generally; and I hope we may yet pass comprehensive legislation, but we have a chance to do so and to take steps in the right direction in regard to these particular workers. I think we should do that because those who employ them, both growers and refiners of sugar, are enjoying, at the expense of the American consumer and the American housewife, a Federal subsidy and, therefore, we must do in this bill what we can do.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. HARRIS. I am glad to yield to the distinguished Senator from Louisiana.

Mr. LONG. Oklahoma is not a sugar-producing State. Would the Senator be

willing to modify his amendment to place an equal burden on all farm employees so his farmers would bear the same burden of the employers in Louisiana, or does he want to take care of Louisiana, but not Oklahoma?

Mr. HARRIS. The Senator is right. If he will join me as a cosponsor of the Williams amendment to provide decent wages for all agricultural workers that are covered in that amendment, perhaps that should be the approach. If the Senator will join me in that amendment, I will offer it, if the Senator from Illinois, the principal sponsor of this amendment, would agree.

Mr. LONG. If the Senator will so modify his amendment, I will be happy to join him in the modified amendment, with the understanding that on the final vote on the amendment I will vote against it; but if this amendment is going to be agreed to, I would like to see the same concern given to others as to the Louisiana cane producers, because the result of this amendment is that it is not going to result in giving people jobs; it is going to result in people losing jobs. If we are going to do this for Louisiana, we should do it for Oklahoma. Much as I love Oklahoma, I love Louisiana more. I think we should do the same thing for both. This amendment proceeds on the theory that we are voting for better paying jobs, when, in reality, if we are going to do this sort of thing to Louisiana, where it will hurt our employers and workers alike, I urge that the same thing be done for Oklahoma.

Mr. HARRIS. As I understood the Senator from Louisiana, he thinks it would be fair to extend this amendment to affect similarly all agricultural workers, but, even though it is fair, he will vote against it.

Mr. LONG. I think it would be a lot fairer. Instead of imposing the burden on just the Louisiana employers, when it is not going to do any more than help put the workers out of a job, we ought to do the same thing to the producers of other commodities.

Mr. HARRIS. Will the Senator join me in pursuing that?

Mr. LONG. I will join in his modifying his amendment to do equal justice, but the Senator, with all his good intentions, is going to do something that is going to do harm. The Senator from Louisiana would have to vote to save him from his own folly when it comes to a vote on the amendment, even though I would join with him in providing equal justice.

Mr. HARRIS. The Senate is involved in a more basic question. The American dream, what we say to the American people, is that what we want them to do is provide for their own welfare by their own work. Then we turn right around and condemn millions of Americans to a life which, despite full-time work, they are working as hard as they can work, still does not enable them to provide a decent income and a decent life for themselves and their families.

With the sugar bill we give a subsidy, at the cost of the American housewives and consumers, to sugar producers and refiners so that workers will continue to be employed at substandard wages. Then we are urged to come back with H.R. 1, on which we are starting hearings today in the Finance Committee, under this Administration's recommendations, to supplement what they earn out of the Federal Treasury.

Instead of allowing the people, by their own efforts, earn enough to have a decent life, we come the other way and legislate welfare in order that they may have a decent life, and do it out of the Federal Treasury.

That is not the right way to go about it. I hope the Senator will agree with me.

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

Mr. HARRIS. I yield.

Mr. LONG. While there appears to be a difference in philosophy as between the two of us, our objective is the same, but we differ on how to go about it.

Mr. HARRIS. I would rather have a fellow earn his way. Had not the Senator rather that a fellow pay his own way and earn wages at a level that will provide him a decent income, rather than earn a substandard wage and then, under the administration's bill, have to get welfare for the additional necessary amount to do that?

Mr. LONG. That is not what we are talking about.

Mr. HARRIS. That is exactly what we are talking about.

Mr. LONG. Will the Senator yield to me to explain the difference between what we are talking about? The choice has to be made between two hard answers: Do you subsidize a low-paying job and help him make more, or do you put a man out of a job and put him entirely on welfare? The impression I get from the Senator's approach is that we should put the man on welfare, on the theory that it would not be a better thing to keep the man on the job, and, if need be, add something to his earnings. He would approach it on the basis that first we are going to put him out of a job and put him on welfare. It seems to me it would be better if we subsidized the man's earnings that he is presently making on the job, rather than put him out of a job and put him on welfare entirely.

Mr. HARRIS. I could not disagree more with the Senator's suggestion. What the Senator wants to do is tax the American consumer and housewife twice. He wants first to tax the American consumer and housewife——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HARRIS. I yield myself an additional 5 minutes.

He wants first to tax the American consumer and housewife by legislating a price for sugar above the regular market price, which will mostly go into the pockets of the producers and refiners and not trickle down, as it should, to more decent wages for the farm and other workers, and then, again, he would tax the American housewife and consumer another time by a tax to pay for the welfare program to make up for the salary that the farmworker needs for a decent income.

That is not the way to go about it. That philosophy is in direct contradiction to every action ever taken by this Congress to set minimum wages and coverage. They ought to be made broader if we really mean what we say about people being encouraged and having a right to have a decent life by their own efforts.

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

Mr. HARRIS. Will the Senator yield himself time on his time, out of the time on the bill?

Mr. LONG. I will ask a question on my time, and the Senator can answer on his time, if the Senator will yield.

Mr. HARRIS. Yes.

Mr. LONG. We already have a bill and a law that directs the Secretary to fix wages at what the Secretary determines to be fair and reasonable after investigation and adequate notice and opportunity for a hearing. That is with regard to sugar producers. It does not apply with regard to workers producing cotton, corn, wheat, or other commodities.

It would seem to the Senator from Louisiana that before we apply this proposal to the sugar industry, which is already paying a minimum wage determined to be fair and reasonable by the Secretary of Agriculture, we ought to at least make other industries do what the sugar people are doing, pay as much as they can in terms of wages. The Senator is proceeding in the other direction. He picks out one industry that is already abiding by the minimum wage, and would impose on those employers a burden most of them cannot carry, and continue to leave exempt the other farm laborers who are not being paid a minimum wage.

Fairness and justice would seem to me to require cotton producers and other producers in Oklahoma and other States to raise their wages before a producer who already is paying a minimum wage is forced to pay an even higher minimum wage.

Mr. HARRIS. I will answer the Senator on my own time. I think we ought to have a bill requiring fair minimum standards of pay and working conditions for all agricultural workers, as is provided in the Williams' amendment, which I support. The Senate Finance Committee does not have jurisdiction over that bill. It does have jurisdiction over the sugar quota and subsidy system measure that is before the Senate.

I would be willing to join in making the Williams bill apply here and to all agricultural workers generally. But here we have before us the sugar industry, and I think we ought to move on that because we have jurisdiction over it, and then move on the rest when we can.

I am disappointed that the Senator from Louisiana is satisfied that it would be fairer to modify the amendment to so provide, but that he still would vote against it.

When I was a small boy, my family and I followed the cotton harvest as migrant workers. In West Texas we lived in abandoned houses and outside. The whole family picked cotton for a living. Later in my youth, we followed the wheat harvest to North Dakota. I was involved

in that work nine summers in a row; my parents longer than that. I know firsthand, because of that experience in my own family and also because of the knowledge I have gained in public office, that all over the country the conditions of the people who earn a living working as migratory laborers and many farm laborers generally are a scandal and an outrage. That ought not to be allowed to continue in this country while we talk about the need for people to provide for their own livelihood through their own efforts. The amendment which will be offered by the distinguished Senator from Illinois, which I support, will be a large step toward rectifying that immoral condition.

In conclusion, Mr. President, of the opening remarks against this bill as reported by the committee, the amendments which we shall propose, and which I hope the Senate will see fit to add to the committee bill, would go a long way toward the reform of our sugar policy. They would not remedy immediately every inequity in that policy. What I am suggesting is that the Senate change the most glaring inequities presently contained in the Sugar Act, and at the same time create the proper framework necessary for a total revision of the U.S. sugar policy.

Mr. INOUYE. Mr. President, I rise today to express my support for H.R. 8866, the Sugar Act Amendments of 1971. I would like to commend my colleagues on the Finance Committee for the long hours they have spent in consideration of this legislation. My awareness of the complexities of this measure enables me to readily imagine the agony involved in the consideration of this bill.

The balanced structure of the sugar program is so highly sensitive that an alteration at any one point necessitates a further change in order to reestablish the original equilibrium. I call your attention to the allocation of foreign quotas to illustrate this point. It is virtually impossible to work out a division of this fixed amount of tonnage which will completely satisfy every member of the committee. The process of arriving at an acceptable compromise is long and unpleasant. Again, I wish to commend the committee members for their diligent effort to report a bill which would simultaneously preserve the mechanism of the U.S. sugar program and satisfy the Members of the Senate.

Although I am not in complete agreement with every provision of the Senate bill, I am aware that the Senate floor is not the appropriate place to surgically amend the measure. However, there is a matter which I believe deserves special consideration—the Philippine quota. I do hope that this matter will be considered in conference with the House. I would like to share with the Senate a copy of a letter which I sent to Chairman LONG expressing my feelings on the allocation of the quota for the Philippines. I ask unanimous consent to have the letter printed in the RECORD.

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

JUNE 24, 1971.

Hon. RUSSELL B. LONG,
Chairman, Finance Committe,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Because of the extreme importance of sugar to the people and the economy of the State of Hawaii, I have made every effort to familiarize myself with the intricacies and complexities of the United States Sugar Program. I am, therefore, aware of its contribution to the success of the domestic sugar industry and its importance in relation to the foreign sugar producing nations which participate in the program. It is this knowledge and understanding which prompts me to urge you to reconsider the quota allocation for the Philippines as provided in H.R. 8866. Clearly the Philippines bear an unproportionate share of the burden of quota reductions received by the five major supplying countries. Enactment of H.R. 8866 would reduce the Philippine quota by approximately 12.6% (190,000 tons) while the remaining four major suppliers receive a percentage cut of only 9.6%. Although the basic quota for the Philippines under section 202 of the Act remains unchanged the following provisions of H.R. 8866 would result in a total quota and deficit proration allocation of 1,314,018 tons as opposed to the 1,503,703 ton quota which they would receive under the present act at an estimated consumption level of 11.2 million tons:

1. The percentage rate for deficit reallocation for the Philippines is reduced from 47.22% to 37.60%.

2. The Philippines are excluded from the reallocation of 750,000 tons of the Cuban reserve to foreign producers.

3. The Philippines are denied any participation in the growth of the United States Market.

Review of both the past and present history leads me to believe that we are doing this nation an injustice by depriving them of the opportunity to continue at least their present rate of participation in the US sugar market.

Historically speaking, the United States and the Philippines have enjoyed close ties and friendly relationships. The Filipino people fought by our side in WW II and in my judgment have never been properly compensated for the loss of human lives and property that they suffered during this conflict. I am convinced that we have never properly shown these people our appreciation for the losses they incurred on our behalf.

Economically speaking, the Philippine sugar industry was virtually destroyed during WW II. The record of the recovery and revitalization of the sugar industry in this country is unquestionably admirable. At the end of WW II, the Philippines were operating only 5 mills and producing only 13,000 tons of sugar. In contrast, the crop now being harvested is approximately 2.3 million tons. When the recovery program is fully activated, Philippine sugar mills will be able to produce 3 million tons of sugar. This record is undoubtedly commendable. It is also evidence to counter any argument that the Philippine quota should be decreased because of a recent failure to fulfill their allocation. A period of severe and abnormal droughts and typhoons from October of 1967 to May of 1969 naturally resulted in a substantial decrease in crop yields. Consequently, the Islands were unable to fulfill their entire quota for 1969. The ensuing course of action was to credit a late October 1969 sugar shipment to the quota for that year, resulting in a recorded deficit for 1970. Considering both the past record of the Philippines in supplying us with sugar and the current production and shipping facilities in the area, I find it hard to convince myself that a series of natural disasters should serve as adequate rationale for a quota reduction for this supplier which would reduce their foreign exchange earnings by approximately $30 million and would put 40,000 people out of work.

I also call your attention to the fact that the Philippines more than adequately meet the five criteria for consideration of foreign quota allocation set forth by Chairman Poage of the House Agricultural Committee. After careful study of the above facts, I am convinced that a revision of H.R. 8866 to provide the Philippines with a quota which is at least equal to their current share, would be in the best interests of both the Philippines and the United States. I respectfully request your serious consideration of my comments and urge you to take action to rectify the inequity which exists in H.R. 8866 with regard to the Philippines.

Sincerely,

DANIEL K. INOUYE,
U.S. Senator.

Mr. INOUYE. Mr. President, as Senators are aware the sugar program has recently been attacked as an unnecessary burden on the American consumer and an unfair bonus for both foreign and domestic sugar producers who participate in the program. I believe that both these criticisms are unfair and unfounded and are the result of a superficial rather than an in-depth evaluation of the policy. The U.S. sugar program grew out of the realization that our country needed an assured supply of this essential commodity at a reasonable price. After several unsuccessful attempts to produce this result through both a tariff on imported sugar and a bounty to domestic producers, the Congress passed the Jones-Costigan Sugar Act of 1934. These essential features of the sugar program as it exists today are based on the 1934 act. The balance I referred to previously is the key concept in the Sugar Act. It is essential to both the operation of the program and to a proper understanding of how it works. The program operates on two main mechanisms: First, the determination and regulation of the needed supply of sugar and second, the operation of the tax-payment provisions. An explanation of the operation of both of these features clarifies what seems to be a misunderstanding of the sugar program and thereby invalidates the current criticisms of the policy.

The purpose of the Sugar Act is to assure a stable supply of sugar at a reasonable price. This goal is achieved by an application of the principle of supply and demand in the following manner:

In October of each year, the Secretary of Agriculture determines the approximate amount of sugar that will be consumed in the United States in the forthcoming year. Through a formulated allocation procedure, each individual foreign country and domestic grower participating in the program is assigned to supply a certain portion of the needed amount. Because the supply of sugar is regulated to conform to the approximated consumer demand, the price of sugar remains stable and reasonable. Contrary to recent criticisms, the American consumer pays consistently less for sugar than we would without a controlled program. The Senate Finance Committee report states that in 1969, the index of the retail price of all foods was 125 percent of the 1957–59 average, while the retail price of sugar—12.4 cents per

pound—was only 111 percent of the 1957–59 average price of 11.2 cents per pound. In 1968, the average work-time needed to purchase one pound of sugar at the retail price of 12.2 cents per pound was 2.4 minutes. Therefore, assuming that the average American consumes 100 pounds of sugar annually, the wages he receives from about 4 hours of work will enable him to buy a year's supply of sugar. Clearly, the sugar program relieves the American consumer of the burden of high-priced sugar.

One further consideration which is overlooked by those who claim that the sugar program creates an unnecessarily high price for this commodity is that 75 percent of the sugar consumed in the United States is purchased by the industrial users. Critics seem to ignore the significance of an assured supply and stable price of sugar for this group. If the availability of sugar was constantly in question and the price widely fluctuating, these companies would not be able to operate either efficiently or effectively. The consumer who attacks the sugar program should consider the market which would result if these manufacturers could not depend on an adequate and consistent supply of sugar. The American housewife would feel an infinitely larger "burden" if the wide range of products manufactured by this group were subjected to a manufacturing process regulated by and geared to an unpredictable supply of sugar.

The second mechanism, the tax-payment plan, has also been on the firing line in recent months. I have noticed that the opponent's attack is always aimed at the payment rather than the tax. Although, they denounce the compliance payments as unnecessary support of large companies, they seem to have no objection to the excise tax that is paid by these large sugar producers.

This indicates to me that the principle and the workings of the plan are not understood. The mechanism operates as follows: The sugar industry pays an excise tax of 50 cents on every 100 pounds of sugar it produces. The revenue from this tax goes into the General Treasury, but is then returned to the producer who complies with certain regulations which are set forth in the act. The tax payment provision of the Sugar Act is unique and cannot be compared to any other agricultural support program. Not only is the program self-supporting but it actually contributes to the Treasury. Over the life of the Sugar Act, the revenues from the tax have exceeded the payments to the growers by $630 million. The House Agriculture Committee report on H.R. 8866 estimated that the operation of the program during the next 3 years will generate between $78 and $83 million of revenue to the U.S. Treasury. It must be understood that the tax and the payments are directly related and dependent upon each other. Consideration of one aspect alone results in a distorted view of the operation of the plan. Along the same lines, any alteration in either part of this duality without a corresponding change in the other would prohibit successful functioning of the entire program. Most importantly, in fairness to the large producers it should be noted that, although the tax is the same for large and small, the formula favors the small growers as to the payments. For example, in 1969 the largest sugar company in Hawaii, Hawaiian Commercial & Sugar Co., received the largest payment amounting to $1,275,231. That company also paid a tax of $1,925,301. Therefore, the tax payment exceeded the conditional payment by $650,000.

Due to the difference in the size of farms, the average payment in the beet sugar area is approximately 80 cents per hundredweight of sugar, while the average rate of payment in Hawaii is 44 cents per hundredweight of sugar; therefore, for the small beet grower the payment exceeds the tax by 30 cents, but for the large grower in Hawaii the tax exceeds payment by 6 cents.

As one of my colleagues has pointed out, the sugar industry in Hawaii is an example of the successful application and operation of the two mechanisms in the Sugar Act. This industry provides employment for approximately 10,000 people in Hawaii and contributes $200 million annually to the economy of the State. The workers receive an average hourly wage of $3.03 plus approximately $1.25 in fringe benefits, making them the highest paid agricultural workers in the world. Clearly the sugar program is of vital importance to the people and the economy of Hawaii and consequently, I am eager to see that the program continues to operate effectively. However, my support of this measure is a result of conviction that the policy is good not only for Hawaii but for the Nation as a whole.

Sugar is an essential commodity. We must be able to acquire sufficient amounts when needed without expending outrageous sums. The domestic sugar industry is a healthy industry providing hundreds of thousands of Americans with employment and generating billions of dollars which help to insure a viable national economy.

Mr. President, in view of the above considerations, I reiterate my support of H.R. 8866 and urge the Senate to take the appropriate action to insure the continuance of the U.S. sugar program.

Mr. YOUNG. Mr. President, first, I want to commend the chairman of the Senate Finance Committee and all of its members for the hard work and long hours they put in on this legislation to extend the Sugar Act of 1948. This is very complex legislation involving not only our domestic producers—both beet and cane—but the interests of many foreign governments as well.

The interest in sugar beet production in my area is extremely high, and there is a great need for alternative crops for our farmers to grow. With this very great interest, I deeply regret that the allocation necessary for new processing plants could not be higher than 100,000 tons. We desperately need more.

When extra production of sugar in recent years was needed, the Red River Valley area of North Dakota and Minnesota was one area where the growers expanded their sugar beet acreage. The 100,000 ton allocation for new plants provided in the Senate bill will be helpful. I am hopeful and feel sure that it will go to those areas that can best grow sugar beets and areas which have a proven interest and ability in raising this crop.

No area of the country is more ideally suited to sugar beet production than the Red River Valley. With its highly productive soils, favorable weather, and the production know-how and desire of the farmers, this is an ideal area for the expansion of sugar beet production.

As I have already indicated, there is a need for alternative crops for our farmers. We still face a problem of surplus grain producing capacity in this country. In areas such as the Red River Valley of North Dakota and Minnesota, the common practice is for sugar beets to be produced on land which was laid idle by summer following the previous year. This results in 2 acres being taken out of the production of other crops for each acre devoted to sugar beets. The sugar program not only provides a means of improving farm income, but it is of tremendous assistance as well in relieving the pressure of overproduction on the prices of other crops.

The Red River Valley has a proven history of sugar beet production. There are presently four processing plants serving the area and there are several groups of farmers and interested businessmen who have organized in an effort to establish additional processing capacity in the region. More sugar beet production and more sugar beet refineries is one of the best answers to stopping the exodus from farming areas to the big cities.

Mr. President, in closing I would like to point out the importance of the Sugar Act to the entire Nation. Sugar is so important a basic food that its ready availability at reasonable cost must be assured. The price stability provided by under the Sugar Act assures the housewife that sugar will be readily available on her grocer's shelf when she needs it. It also assures the industrial user of sugar that supplies will be readily available. This relieves him of having to carry large inventories to guard against shortages or sudden price fluctuations which could adversely affect his operation. This, in turn, lends stability to the pricing of his finished product—an additional benefit to the consumer.

Mr. TOWER. Mr. President, as we consider the proposed piece of legislation, H.R. 8866, I am hopeful that my esteemed colleagues will bear in mind the purpose of the Sugar Act of 1971; namely, that the intent of the bill is to assure our Nation of a healthy and competitive domestic sugar industry and an adequate sugar supply for consumers at a reasonable price.

The Sugar Act has in the past created a healthy situation in the sugar industry and fostered increased domestic sugar consumption at a reasonable price. Records indicate that sugar consumption has increased over 5 million tons in 36 years and that American consumers use three times as much sugar as our foreign counterparts, but at a price lower than most other nations. There are 28,000 domestic farms producing sugarcane or sugar beets which employ about 150,-

000 farmworkers. In 1969 there were 59 beet sugar factories and 92 raw sugarcane mills which refine raw sugar. These mills employ about 52,000 people and represent an investment in excess of $1.4 billion. The expenditure of sugar by housewives and processing concerns is in excess of $2.2 billion annually. Sugarbeets are produced in 24 States, but few States produce sugarcane for the manufacture of sugar. Most of the raw cane production is used for sugarcane syrup.

In Texas, as in many agricultural States, farmers are looking for additional cash crops. This new act includes a provision for an increase of domestic sugarcane allotments. My home State has a tremendous agricultural diversity with the capability of producing both food and fiber in abundant quantity. One of the most productive regions is the Rio Grande Valley. Based on a detailed study conducted by F. C. Shaffer & Associates, Inc., it was determined that the Lower Rio Grande Valley would be an excellent area for raw sugarcane production. At present, the United States is importing over 6,400,000 tons of cane sugar from offshore sources, of which 4,790,000 tons are supplied by foreign countries. Only 1,538,667 tons of cane sugar are produced in the mainland cane areas of Florida and Louisiana at present. I believe the Valley in Texas can produce the raw sugarcane needed for domestic consumption to fill the proposed 100,000 ton allotment. Although Texas did not share in the Sugar Limitation Act of 1934, the people of the Valley are eager to participate and would be proud to be a dependable source of raw sugarcane production.

I urge passage of the Sugar Act Amendments of 1971 as presented to the Senate today.

Mr. FULBRIGHT. Mr. President, I send an amendment to the desk, and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. FULBRIGHT. I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Does the Senator request unanimous consent that the amendments be considered en bloc?

Mr. FULBRIGHT. Yes, I ask unanimous consent that the amendments be considered en bloc. I also ask unanimous consent that further reading of the amendment be dispensed with. I shall explain it, and it is very simple.

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

Mr. FULBRIGHT'S amendments are as follows:

On page 56, in lines 1, 7, 9, and 14, strike out "1974" and insert "1972".

On page 56, line 19, strike out "1975" and insert "1973".

At the end of the bill insert the following new section:

"SEC. 21. The President shall promptly appoint a Commission on which members from the public shall constitute a majority, and the chairman of which shall be a public member, and which shall include a body of specialists in foreign affairs, developing economies, farm policy, and labor conditions, to report back to the President no later than April 1, 1972, the recommendations of the Commission for establishing a United States sugar policy for both domestic beet and cane sugar and foreign source sugar, which recommendations shall include (1) the minimum price support necessary to provide the appropriate amount of sugar from domestic sources; (2) alternative methods of securing sugar from foreign sources, and (3) procedures to assure, to the maximum extent feasible, the stability of sugar prices to the public. The President shall, no later than May 1, 1972, submit such report to the Congress together with such recommendations as he may wish to make concerning such report."

Mr. FULBRIGHT. Mr. President, I yield myself 10 minutes.

This is a very simple amendment. It limits the extension to 1 year instead of 3 years, and then the new section 21 provides for the President to appoint a commission, of which members from the public will constitute a majority, to do the following: Report back by April 1, 1972, the report to include: First, the minimum price support necessary to provide an appropriate amount of sugar from domestic sources; second, alternative methods of securing sugar from foreign sources; and third, procedures to assure, to the maximum extent feasible, the stability of sugar prices to the public.

Mr. President, I have offered similar amendments to this bill before. One amendment, I recall, in 1965, came within five votes of passing.

This amendment, in contrast to my previous efforts, is not designed in any way to affect the domestic industry. I am quite willing to vote to support the domestic industry in an appropriate fashion, not unlike that applied to other agricultural commodities.

But there is another aspect of this bill which I think is very objectionable, one which has been true of these bills all along. This is its impact on our foreign policy and our relations with other countries, especially those in Latin America.

This bill, in effect, is part of the foreign aid program, but it is without the usual guidelines. It is not reviewed, of course, by the Committee on Foreign Relations. The Senator from Oklahoma stated a moment ago that the Committee on Labor and Public Welfare should have something to say about wages. In this case, I think the foreign aid aspects and foreign relations aspects are very important.

In 1969, the Comptroller General made a report. I shall read just a few sentences of a digest of his report to Congress. He says:

This review was undertaken to measure the magnitude of the foreign aid provided through the operations of the U.S. Sugar Act.

Again:

GAO estimates that U.S. sugar assistance averaged between $290 million and $340 million a year during 1965 to 1967. Inclusion of sugar assistance would increase reported total U.S. foreign economic aid by 7 to 9 percent during this period. Sugar assistance at that time was given to 31 countries. No explicit attention is paid to the use that recipient countries make of sugar assistance, despite its large magnitude. Only to the extent that sugar aid decreases traditional aid requirements is sugar aid taken into account by the Agency for International Development and the State Department.

In the case of sugar, GAO recommends that AID and the State Department, in concert with the Department of Agriculture, prepare annual estimates of the amount of such aid received by each less developed country, and comprehensive plans for utilizing the aid for development purposes in each recipient less developed country. The estimates and plans should then serve as a basis for negotiating with recipient less developed countries on the uses which they make of such aid.

In short, the GAO—and I totally agree with them—says it is perfectly obvious that this assistance is a part of foreign aid, although it does not come to any committee with jurisdiction over foreign relations or foreign aid. It is in the Finance Committee, I assume, solely because it involves an excise tax, over which, of course, the Finance Committee does have jurisdiction.

The aspect of this which I object to, and which I think creates a very bad impression on foreign countries, relates to the allocation of quotas for foreign countries. This has been what I believe to be a national scandal for a long time. The procedure that is used, I think, is objectionable. It has created an impression on many foreign countries that Congress is for sale. The lobbyists who are employed by foreign countries to obtain quotas obviously must impress upon their employers the fact that they, the lobbyists, are the decisive element in the allocation of the quotas.

The lobbyists' fees have been published; and I shall ask unanimous consent to have printed in the RECORD the report from the National Journal containing these figures. These figures are obtained from the House Agriculture Committee and the Justice Department.

These lobbyists, if they abide by the law, of course, have to register with the Department of Justice, and they are supposed to report what fees they are paid, so it is not a matter of privacy, but is public material, although it is often not readily available.

The fees for various countries range from a low, I believe, of $5,000 a year for a very small place like Martinique, up to $180,000 a year for a country like Brazil, and they vary all the way in between. There are some contingencies, and also some of the arrangements provide for expenses. The lobbyists are supposed to report what those are, although they often are very lax in the details which they report.

But I am not so much interested in simply the amounts as such; everyone can read this information for himself. The effect is to create the impression, as I say, on Latin American countries, especially the poorer countries, that Congress is for sale; that if they come here and pay enough, they can get a quota. I have had ambassadors come to me and say, in the course of their conversations, that they did not get a quota, or their quota was cut, and they believed it was because they did not employ a lobbyist and pay him enough to properly influence the powers that make the allocation.

I realize that all the Members of both

Houses resent the implications of this kind of talk, but it is a fact and not a rumor.

Let me call to the attention of the Senate a recent article published in the Washington Post on June 4 of this year. I might say such articles have appeared every year since I have been in the Senate, whenever the Sugar Act is up for consideration. Again I emphasize that this has nothing to do with the domestic industry. It involves the question of the allocation of foreign quotas. This article is by Mr. Rosenfeld, and there have been many similar articles in past years. I ask unanimous consent to have the article printed in the RECORD.

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

THE SUGAR ACT: A MISUSED TOOL OF AMERICAN DIPLOMACY

(By Stephen S. Rosenfeld)

No single piece of "domestic" legislation may have a more substantial and a more corrupting impact on our foreign relations than the Sugar Act, under which the Congress secretly and arbitrarily allots to some three dozen foreign governments quotas in the immense and immensely profitable American sugar market. The three-year extension of the act reported out of the House Agriculture Committee this week confirms this sad fact.

In 1970 foreign producers supplied 5.2 million tons of raw sugar (out of 11.6 million we consumed), earning some $700 million, of which $250–$300 million was over and above what that sugar would have brought on the world market, if it could have been sold there at all. The basis of the quarter-billion dollar premium is that, to assure American cane and sugar beet growers a "fair" price and to protect them from import competition, Congress limits the amount of sugar that can be marketed. Sixty per cent plus is reserved for domestic producers, the rest for foreign.

The premium, the General Accounting Office said in 1969, is really foreign aid—it's in dollars, moreover, not in aid's usual form of chits to purchase American goods. It urged State and AID to start reviewing foreign economic activities financed by the premium, as those agencies review activities financed by conventional aid. But the agencies, and the foreign governments, have balked, and the inward-looking agriculture committees which write the Sugar Act have not made a point of it.

Perversely, Congress, though declining to use the premium feature as a development lever, has regularly itched to use sugar quotas as a political club. In foreign policy terms, this is the difference between imperialism and enlightened self-interest. The House bill, fortunately, marks some advance. It removes a previous automatic penalty against quota countries seizing American private property and, while loading up the quiver with sanctions, it gives the President discretion in shooting them. An especially offensive effort of W. R. Grace Co. to have Congress intervene in its pending dispute with Peru lost out.

It remains so that the United States, committed to reform in many of its aid policies, wields its sugar policy in a way to prop up what is often a socially backward local sugar industry. For instance, in the Philippines—at 1.3 million tons, the largest foreign quota holder—a vicious contract labor system for cane cutters erodes the legal minimum wage, itself deplorably low. This is documented in the latest issue of Solidarity, an English-language Manila monthly.

"The sugar quota," States Solidarity editor F. Sionil Jose in a 'Memo to the United States Congress,' "has not worked for the country; it has not even worked for the workers in it. It has, instead, been the source of exploitation, of the entrenchment in political and economic power of a few men known for their irresponsibility and their disregard for the aspirations of the Filipino people." If Congress will not earmark part of the sugar receipts for social projects, Jose argues, then it ought to end the Philippines' quota.

By contrast, John A. O'Donnell, Manila's sugar lobbyist, urged the House Agriculture Committee to raise his client's quota. "The future of the Philippines is largely in your hands," he declared, going on to report that among the laws protecting sugar workers was one assuring a minimum wage of 4.75 pesos a day—about 75 cents at the official exchange rate. Solidarity says workers actually draw as little as 1.5 pesos—equivalent to less than a quarter.

Here, of course, is the most conspicuous aspect of Sugar Act corruption. The spectacle of highly paid lobbyists—many of them former legislators and Agriculture Department aides—trying to parlay influence into quotas is one of Washington's most familiar political eyesores. The lobbyists, however, are hardly to blame. The Congress is: first of all for maintaining a price-support system which makes it so profitable for foreigners to sell in our market; then by regulating the system through the retrograde protectionist device of country quotas; and finally by failing to establish any standards, reasonable or otherwise, for allocation of quotas.

"It is an unfortunate fact," the State Department's witness, Julius Katz, told the House committee, "that an increase in someone's quota share must be at the expense of someone else's share. Were there some objective standard or formula by which quotas could be allocated, we would be spared the task of choosing among many worthy claims. Unfortunately, however, there is no such . . ."

The cause of the diplomat's lament is precisely the source of the politician's power: At their own discretion a small group of congressmen can make sugar-quota decisions involving annually hundreds of millions of dollars. Little wonder that rumors of venality swarm around each new allocation of quotas.

Such is the grasp in which powerful political and economic interests hold sugar policy, it is doubtful that anything less than a major assault on the system could succeed. But the administration, like its predecessors, was in no mood for that kind of battle this year, and the relatively painless and stable price any individual housewife pays for sugar works against formation of an important consumer constituency, one worthy, say, of a presidential candidate's courting. Nor can any impulse for change be expected to come from foreign beneficiaries.

Representative Paul Findley (R–Ill.) put forth in committee a series of reform proposals—to let the Executive Branch, which dispenses other kinds of aid, dispense this kind too; to require foreign governments to spend part of the sugar premium on social projects; to reduce the premium paid "foreign" producers (as was the case in Cuba, "foreign" producers are often American corporations). But Findley is the first to concede he failed.

Mr. FULBRIGHT. I shall read part of the article:

No single piece of "domestic" legislation may have a more substantial and a more corrupting impact on our foreign relations than the Sugar Act, under which the Congress secretly and arbitrarily allots to some three dozen foreign governments quotas in the immense and immensely profitable American sugar market.

* * * * *

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Mr. President, I ask unanimous consent that another article from the Washington Post of May 30, dealing with the same subject, be printed in the RECORD.

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

SUGAR ACT: GROWER PROP OR CONSUMER SWINDLE?

(By Spencer Rich)

In the past few months, lobbyists for 38 foreign nations and thousands of American producers have trekked up to the House Agriculture Committee to plead for slices of one of the sweetest pies in American agriculture—the protected U.S. sugar market, where a seller can get nearly twice as much for raw sugar as on the world market.

The roster of lobbyists testifying before the committee, which is expected to vote out a three-year extension of the basic Sugar Act on Wednesday, reads like an old boys' club of ex-federal officials.

Harold D. Cooley, who represents Thailand at $15,000 a year and Liberia at $10,000, is a former chairman of the Agriculture Committee who himself presided over sugar legislation for 16 years. Thomas H. Kuchel (Colombia at $200 an hour) was Senate GOP Whip.

DeVier Pierson (Mauritius at $25,000 a year) was a White House aide under Lyndon Johnson. Thomas Hale Boggs Jr. (Central America at $36,000 to $50,000) worked at various government jobs, ran for Congress and is the son of the House Majority Leader. Charles H. Brown (Fiji at $2,000 a month) is a former Missouri congressman.

James H. Marshall, spokesman for the united front of all segments of the domestic sugar industry, headed the Agriculture Department's sugar division for three years. Horace Godfrey, registered as a lobbyist for the American and Florida Sugar Cane Leagues, was administrator of the department's agricultural stabilization agency, which includes the sugar program, from 1961 to 1968.

However, from the consumer's point of view, the real question isn't whether one lobbyist beats out another in which has become, since passage of the basic Sugar Act 37 years ago, a periodic struggle for legally guaranteed shares of the market.

The real question is whether the whole Sugar Act is actually a giant swindle costing the American consumer at least $500 million extra a year for sugar, as some critics claim, or whether it is—as supporters contend—a reasonable system for boosting the incomes of American sugar growers while guaranteeing an adequate sugar supply at moderate prices.

The Sugar Act, in its present general structure, was first enacted in 1934 and has been renewed or rewritten periodically without changing its basic scheme.

Essentially, the act is a device to protect the domestic sugar growers, totaling about

30,000 on the mainland, Hawaii and Puerto Rico, from being wiped out by low-cost imports. Each year, the Agriculture Department imposes strict limits on total marketings of raw sugar in the United States, with the goal of returning a "fair" price to domestic growers.

These limits keep the U.S. price for raw sugar at nearly all times substantially above the world sugar price—the former is now about 8 cents a pound, the latter about 4 cents. After counting shipping and tariff fees, the spread or "premium" is about 3 cents.

At the same time, the Sugar Act reserves about 60 per cent of the marketings for domestic producers, with specific quotas assigned to the sugar beet industry of the Western states, to cane growers in Louisiana and Florida, and to Hawaii, Puerto Rico and the Virgin Islands.

The remaining two-fifths of the U.S. market is assigned to foreign nations, with each getting a statutory quota from Congress. Cuba was once the main offshore supplier, but its quota has been temporarily redivided among other foreign nations until U.S.-Cuba relations improve. (The division of the market is based on raw sugar, before refining.)

"If the Sugar Act were terminated, the United States would be flooded with cheap foreign sugar from the world. It would drive these men out of business. The industry in the United States would be wrecked," Rep. Bob Berglund, Democrat from beet-growing Minnesota, told a witness at the committee hearings.

KEEN COMPETITION

With the supply limitations tending to sustain a relatively high price in the United States, producers from low-cost tropical countries can do extremely well—provided they can get a quota. So competition for quotas is very keen.

In 1970, foreign producers supplied about 5.2 million tons of raw sugar to the U.S. market out of an 11.6-million-ton total. With the "quota premium" at about 3 cents a pound ($60 a ton), the foreign producers pocketed about $300 million more than if they had sold at the world market price.

These economic facts were reflected in the hearings before the Agriculture Committee. Cooley asked that Liberia, now with no quota, get 50,000 tons (quota premium: $3 million), that Thailand be boosted from about 18,000 tons to 100,000. Sheldon Z. Kaplan, lobbyist for Paraguay, with no quota, asked for 20,000; ditto Blake T. Franklin for Bolivia.

Arthur L. Quinn, who with his son represents four countries, asked a doubling of Panama's quota to 75,000 tons and a substantial boost for Ecuador. Ireland, now with slightly more than 5,000 tons said hopefully that it could supply 25,000 soon. John A. D'Donnell, longtime Philippine spokesman at $3,750 a month plus bonuses, asked for a boost from 1.3 million tons to nearly 108 million. Australia, which shipped about 200,000 in 1970, said it could easily supply 400,000. Uganda sought 40,000 (from zero).

SIMILAR RING

The lobbyists' pleas all had a similar ring: Panama is deserving because it has "an excellent climate for U.S. investments" and "has never expropriated any property," and it needs the foreign exchange. Filipino farmers and laborers "need the income." Central America shares "in no other premium market" and needs the dollars. "Argentina does need the U.S. premium sugar market."

The domestic U.S. industry, for its part, successfully demanded that 300,000 tons of the Puerto Rican quota, now temporarily being filled by foreign countries because Puerto Rican production has fallen, be permanently transferred to Florida and Louisiana.

This takes 300,000 tons away from foreign producers who have been supplying it for several years—chiefly the Dominican Republic, Mexico, Brazil, Peru and the Philippines. All the losers are complaining.

Critics of the Sugar Act are fond of calculating that, if the United States lowered the import barriers and let all sugar enter at the world market price, the saving to the consumer would be enormous—approximately $60 per ton on 10 to 11 million tons, or at least $600 million. They call the act simply a handout to domestic industry, with benefits also for foreign quota suppliers.

But producer groups and defenders of the act say this is ridiculous. For one thing, said a spokesman for the U.S. Cane Sugar Refiners, the world market price is misleading. About 90 per cent of all the free world's sugar is marketed through special arrangements like the Sugar Act, and only the remaining 7 to 8 million tons a year goes onto the "world market." This, the defenders contend, is marginal sugar which few want and its price is correspondingly depressed. If the United States had to buy all its sugar overseas, they say, the world price would quickly rise and wipe out much of the putative saving.

CURRENT SYSTEM

The biggest argument for defenders of the Sugar Act, however, is that the current system, by maintaining a substantial domestic capacity and making the market attractive to foreign suppliers, guarantees a steady, uninterrupted supply at a not-unreasonable price.

Without these incentives, they argue, the United States would be at the mercy of a fluctuating world supply. Some members of the Industrial Sugar Users Group—which buys 75 per cent of all the sugar for use in soft drinks, baking, etc. (the rest ends up on your table)—have suggested taking the risk of ending the current system and depending on overseas suppliers. But they always withdraw when faced with (1) the assured-supply argument; (2) the realization that sugar growers and refiners simply have too much political clout in Congress for the system to be dismantled.

WHOLESALE PRICE

There is a strong counter-school of thought among some economists. Although the U.S. sugar producers asked for a 6-year continuation of the act, the Nixon administration agreed to only half that. In internal debate, strong voices within the administration and the Agriculture Department argued that, contrary to the contentions of the sugar industry, the nation might do well if the act were gradually dismantled or substantially modified to reduce the wholesale price.

Their reasoning: With removal of most import barriers, many high-cost U.S. producers, especially in the beet market, would be wiped out. But the Florida-Louisiana cane industry probably could survive and meet the competition, supplying perhaps 3 million tons a year.

Meantime, many foreign suppliers would boost production in order to sell in this country (Australia wasted 200,000 tons in 1970 for want of a market). Britain's entry into the sugar-growing European Common Market might make a large supply available in a few years from Commonwealth nations now selling to Britain. The world price would rise, but not nearly to the present supported U.S. level. Consumers would save a vast amount.

The House Agriculture Committee clearly is in no mood to heed such arguments. When Richard Frank, representing the Consumers Association of the District of Columbia, told the committee "consumers pay millions of dollars more for sugar than they would without a program," he was unmercifully ragged by two members. They kept asking who authorized him to speak for the group, whether the group had voted to approve his statement, and similar challenges not put to any other witness.

One issue could produce diplomatic fireworks. The committee voted to let the Foreign Claims Settlement Commission impose a $20-a-ton fee on sugar imports from any nation against which Americans had claims because of expropriation.

This was aimed squarely at Peru, which has seized not only U.S. tuna boats but also W. R. Grace Co. sugar plantations valued at $25 million. The State Department opposed this penalty provision, arguing "fish and sugar do not mix," but the committee tentatively voted 14 to 13 not to delete it.

Another issue involves the act's direct subsidy payments to sugar growers. The payments totalled $90.1 million in 1969. These subsidies are more than offset to the Treasury by a half-cent a pound excise tax on all raw sugar, domestic and foreign, marketed in the United States. Moreover, the direct-payment subsidy is peanuts compared to the price subsidy realized through the quota system.

Mr. FULBRIGHT. I agree that I am not bringing any news to the Members of the Senate, but since there are only, I think, 10 of them present, I do not suppose it makes a great deal of difference. But, in any case, I, for one, feel that this is very detrimental to the foreign relations of this country.

The PRESIDING OFFICER. The Senator's 10 minutes have expired.

Mr. FULBRIGHT. I yield myself 5 additional minutes.

Recently in the Appropriations Committee we were going over various programs which our country supports designed to improve our relations with other countries. Among others, there is the USIA, our principal propaganda agency, costing some $180 million plus. There is the Peace Corps, this year asking, I believe, for $82 or $83 million. There is Radio Free Europe and Radio Liberty that run about $36 million. There is the educational and cultural exchange program for which the Senate approved the amount of $42 million, less, of course, $4 million of excess currency, so it would come to about $38 million. But that has not been approved in conference. I do not know how much will be approved, but it is in the neighborhood of $35 to $40 million. All of this is spent to improve our relations.

One of the members of the Appropriations Committee said that in spite of all that we do, it seems that our relations are at the lowest ebb in our history; and one of the things that contributes to the low ebb of our stature in the eyes of other countries is just such business as this allocation of quotas, which they believe are bought and sold just as one buys wheat or cotton or a bushel of apples. One can see that these contingent fees, the fees related to how much a country gets, leads them to believe this. Whether or not this is true does not matter so much as the impression and the belief of the countries with whom we do business and with whom we try to establish good relations. It is what they believe that is important. Certainly I do not believe that anyone can contest the fact that, on its face, it is a very questionable looking procedure.

Therefore, the main purpose of my amendment is to extend the bill for 1 year, as it is, and ask the President to

appoint a commission. It will be entirely in the President's discretion to appoint a commission composed, of course, of public members—I am assuming that many of them will be interested in the sugar industry, and I have no complaint about that; I expect them to come up with a plan for alternative ways of dealing with the foreign market for sugar. Whether or not we should buy it on the world market and discontinue altogether, or change the method of allocation, is for the commission to recommend. I am not trying to lay down all the rules. I do not pretend to have all the answers. The only thing of which I am convinced is that the present method of allocation as it has grown up over the years is bad for the interests of this country.

There are other amendments dealing with such things as the cost, and so forth. The fact that it costs the consumers a great deal of money is separate from the matter that I am particularly interested in today and in which the Foreign Relations Committee has a legitimate interest.

I have tried to fashion this amendment in the most acceptable way that I could, giving the administration an opportunity to come up with a better way to deal with foreign quotas.

The President has taken the initiative in recent weeks, of which I thoroughly approve, in his apparent change of attitude toward China and I think that the Senate should support the President by trying to enact measures which would support him in improving our relations with the other members of the international community.

We have a great deal to gain and nothing to lose by this action. How the administration would adjust the quotas is left to the discretion of the Commission.

The President would be expected to make a report next May as to the findings of the Commission. In the light of these findings, Congress could then work its will, I believe, with a better perspective in dealing with the various foreign producers.

It has been suggested by others more competent than I that only 48 percent or 52 percent of the world's sugar production is on the free world market, where the price has been very low in the past, and that practically all this sugar is allocated on a quota basis, the same as ours. Other countries have their own reasons for adopting programs of preferential treatment, particularly the British. I think that that is a result of their colonial experience. I believe that the French program was also conducted on a preferential treatment basis toward certain producers.

But our sugar program is a form of foreign aid, and it is most disreputable. It reflects poorly on us more so than any other part of our foreign aid program. I am bound to confess that our regular foreign aid program has many unfavorable features, although it has never been charged that foreign aid funds are allocated in accordance with the skills of legal lobbies. No doubt some lobbyists may have some influence; but it is not blatant, it is not obvious. I personally think it is of a minimum nature, if it exists at all. I do not know that any of the lobbyists are employed for the express purpose of getting an allocation of any AID program. There are many other considerations. There are large organizations that oversee that program, and on the whole it has been relatively free from corruption or suspicion of corruption at any time.

Mr. President, I reserve the remainder of my time.

Mr. LONG. Mr. President, one thing about which the Senator from Arkansas has been consistent is that he has always been against this Nation producing any sugar at all. I can recall that when I first came to the Senate, we used to attend meetings of rice producers. My good friend from Arkansas would make a speech in which he would say that we should not produce any sugar in the United States, that we should produce rice and sell rice to Cuba and that Cuba should produce sugar and sell their sugar here. Had we bought the Senator's argument when Castro took over Cuba, this country would have been in one serious bind for a period of time, because we would have had no sugar to rely upon until we could find someone to sell us the sugar that we had been buying from Cuba. We would have been in desperate shape, having to pay through the nose to buy sugar, if, indeed, we could get any at all. But, fortunately, we did not have to rely upon Cuba for all our foreign sugar, because we had our own sugar industry that was doing that for us.

Mr. FULBRIGHT. Will the Senator from Louisiana yield for an observation?

Mr. LONG. I yield.

Mr. FULBRIGHT. The Senator is misstating my position. I do not object to a domestic program. I state that now. I stated it before. It is only the way, particularly the allocation of foreign quotas that I——

Mr. LONG. Does the Senator's amendment refer only to foreign quotas?

Mr. FULBRIGHT. That is the only purpose, to give a year in which the Commission——

Mr. LONG. Would the Senator be willing to modify his amendment so that it is a 1-year bill on foreign quotas and a 3-year bill on domestic quotas?

Mr. FULBRIGHT. If the Senator would accept the amendment.

Mr. LONG. I am not sure I could accept it, but I could accept the modification.

Mr. FULBRIGHT. Then there is no point in doing that if the Senator continues to object to it. But that is the only purpose of it, to enable the President to find a better and a different way to allocate the foreign quotas. The only objection I have, I say to the Senator, is his stating that I am against our raising sugar, which is a complete misstatement of fact. That is all I wish to make clear.

I have never taken a position that the sugar growers of Louisiana should not grow cane sugar. I have always said from the beginning, for 20 years, that I would support a program or support a subsidy, if that is what they want, in cotton, rice, or any other program. The Senator has to admit that he is unable to cite any time that I have said that people in America should never grow sugar.

Mr. LONG. Let me see if I can remind the Senator when we went down to the Shoreham Hotel to talk to the rice producers. I made a speech then and so did the Senator. That was some years back. He said to the rice producers—this was before Cuba went Communist—I ask the Senator to move his memory back a few years ago—but the Senator's view was that we could not get the Cubans to produce enough sugar, so Cuba should sell us sugar and we should produce rice to sell to Cuba. That made good sense from a strict cost point of view.

If the Senator would modify his amendment to say that this is a 1-year act as far as foreign quotas are concerned, but a 3-year act as far as domestic producers are concerned, this Senator would be looking on this matter as a matter of no great cause for alarm. But I view it as a great cause for concern when the Senator makes it a 1-year act to apply to everyone.

If we are planting sugarcane in Louisiana, Florida, or Hawaii, it is planted on a 3-year basis——

Mr. FULBRIGHT. I know all about that. I know a great deal about sugarcane. But I have always taken the position and if the Senator is fair about it, he will go back to the date he is talking about, when the Louisiana sugar producers were originally cane sugar producers, as well as in Florida and Hawaii. What they did, under the impact of the bill, somehow, was to manufacture an artificial beet sugar industry that originally did not amount to anything but is now quite large. I am perfectly willing that, because I know I have to, and I do not wish in any way to disturb——

Mr. LONG. Mr. President, how much time do I have remaining on the amendment?

Mr. FULBRIGHT. The Senator has lots of time—30 minutes.

Mr. BENNETT. No, 15 minutes.

The PRESIDING OFFICER (Mr BROCK). Twenty-two minutes remain to the Senator from Louisiana.

Mr. LONG. Mr. President, I yield 1 more minute to the Senator from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 1 minute.

Mr. FULBRIGHT. I just want to get the record straight, that the Senator is misstating my position. I have said always that the cane sugar growers in Louisiana, Hawaii, and Florida are legitimate, as are the cotton growers in the delta, but at that time, and the Senator is going back many years, because we used to sell their rice to Cuba—this was before Castro—and when the only way they paid for rice was to sell us sugar. That was about half the foreign market in sugarcane—500 million tons as I recall—I cannot remember all of the figures—but the point was that it was subsidized because the beet sugar growers were going out of business and the rice growers were already in business in a legitimate business at that time and they were not subsidized anything like the

sugar beet people were. That was an old story. But the Senator is quite mistaken in saying that I do not think anyone should grow sugar in the United States.

Mr. LONG. Mr. President, I regret that I cannot yield to the Senator from Arkansas any further on my time, but will be glad to yield to him on his time.

Mr. FULBRIGHT. Do not misstate the facts and I will not ask the Senator to yield further.

Mr. LONG. Mr. President, my recollection of the Senator's position was that we should not produce sugar in this country, period——

Mr. FULBRIGHT. That is a misstatement.

Mr. LONG. That is my recollection of it. In both our States, we had both beet producers and we had cotton producers at that time.

Every acre of land in Louisiana which produces sugar is also capable of producing rice. As the Senator suggested back at that time, and if we had followed the Senator's advice, we would have been in a bad position, even if we had only beet producers, because Cuba went Communist and we could not look to them for sugar. We had to rely on someone else for sugar and, fortunately, we got it. There was a worldwide sugar shortage at that time, and this Nation would have been in very bad shape indeed had we not had our domestic industry.

The Senator has mentioned lobbyists. If he wants to suggest there is corruption in the handling of sugar quotas I do not know why he would want to insist on having it every year rather than on a once every 3-year basis——

Mr. FULBRIGHT. I do not want it every year. Just the 1 year for the study.

Mr. LONG. Let me point out that the sugar lobbyists have had less of an impact on this bill in the Finance Committee than any time in the knowledge of this Senator. This bill is based on the performance of the foreign country in providing us with sugar. Measured against this standard, the lobbyists were pitifully ineffective.

Here is a list of lobbyists—Mr. Kuchel, Mr. Boggs, and Mr. Cooley—they are all fine men, I have nothing against them. Mr. Cooley got zero in the House and zero in the Senate for his efforts. Mr. Kuchel served in the Senate here, as we all know, and he did not get anywhere. We gave his country the same 5-year average we gave the others, although he could make the equitable argument that during some of those years they did not have sugar and it should not be counted against them.

So far as the Central American countries are concerned, as represented by Mr. Boggs—and he is an honorable man—his clients got the same consideration as every other country in the Caribbean area.

I do not know how we could have treated them more fairly or more equitably than we have done.

I am not here to pass judgment on the House of Representatives. They do the best they can.

On the question of the Sugar Act being misused, the most misused provision is the fact that we have in the bill a provision on expropriation which has never been invoked in the 9 years it has been in the statute, despite numerous examples of confiscation in various countries in Latin America.

The most misused section is the fact that for 9 years we have had in the bill a provision to pay for expropriation of property where they lose sugar. We cannot get the administration to enforce that. We are trying to modify the judgment on this matter.

As I have said, in Louisiana and in Florida and in Hawaii, when we plant sugar, we plant for at least 2 or 3 years, because it does not pay to plant from year to year. We grow and we cut. We grow and we cut and we grow again. If we cannot do that for 3 years in Louisiana, then we do not go into the business at all, but stay out of it.

Even in Latin America, we ask them to produce for the American market, and we want to rely on it. It does not pay to produce sugar for the world market—only 10 percent on that basis it involves distress sugar which has no market to go to. If they can not sell it in the U.S. market or under some other trade arrangement, they would be poorly advised to plant sugar to begin with.

Here is why the administration wants a 3-year bill.

I read from what Mr. Palmby, Assistant Secretary, had to say:

> We favor this relatively short extension in view of changes in the world sugar economy which are likely to occur during that period. Recently, the United Kingdom and the Commonwealth sugar producing countries accepted the terms which in their understanding would be offered them with respect to sugar upon entry by the United Kingdom into the European Community. Additionally, the International Sugar Agreement expires at the end of 1973 and negotiations looking toward extension of the agreement will probably occur that year.

Mr. President, as I have said, when one looks at all the problems involved in guaranteeing a source of supply that is constant and when one undertakes to make sure that they will be solvent and in sound financial condition, that the farmers will be in sound financial condition, and that the saw mills will be in a position to make their investments, it makes no sense to put this bill upon a 1-year basis.

Mr. President, no one in the administration recommended that. So far as the studies are concerned, the President could always authorize a study or the Senator from Arkansas, with his Committee on Foreign Relations, could study this matter any time they wanted to. They have adequate funds.

Mr. BENNETT. Mr. President, how much time remains to the opponents of the amendment?

The PRESIDING OFFICER. The Senator from Louisiana has 15 minutes remaining.

Mr. LONG. Mr. President, I yield 5 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, there are two things about the amendment that I would like to comment on. I represent a beet producing State, and therefore the beet industry. Over the years when the Sugar Act has come up for renewal, the Senator from Arkansas has attacked the beet industry which, he said, was a hothouse industry and there was no economic reason for it.

In 1934 when the Sugar Act was passed, the cane industry produced 268,000 tons, and the beet industry produced 1,262,000 tons. It was the cane industry that was the infant. It has grown up under this program. The beet industry stood on its own feet before this program went into effect.

The other thing I would like to comment on—and I do it in kindliness—while the Senator from Arkansas is chairman of the Foreign Relations Committee, he is also a member of the Finance Committee. He shares with us the responsibility of finding ways in which to distribute these foreign quotas. Unfortunately, he was not able to get to the committee meetings when we were developing a formula on which the quotas were to be distributed.

By implication, he has attacked the integrity of the members of the committee, implying that we have responded to some kind of an improper influence exercised by people who profited by their contacts with us.

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

Mr. BENNETT. I yield 1 minute to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, the Senator is quite wrong. I said that I do not believe that any member of the committee has responded to any pressure. However, I do know that the lobbyists are all highly paid, as I have already mentioned. I will not go over that again. They receive as high as $180,000 a year to represent one country. They have made their clients believe that it is their function here to influence Members.

Otherwise, there is no explanation as to why they are paid such exorbitant fees and contingent fees.

We have gone over this matter before. This is a long story. I have been on this committee and offered a similar proposal in 1965. The committee rejected it. The committee was perfectly within its rights to reject it by a vote of 9 to 3. In the Senate, it lost by 5 votes. I think there is an implication.

Mr. BENNETT. Mr. President, I do not think there is an implication. How would that be an implication?

Mr. FULBRIGHT. The implication is that foreigners believe it and actually follow the practice.

Mr. BENNETT. Mr. President, if the Senator from Arkansas had been at the committee deliberations this time, he would have discovered, as the chairman has explained, that this was worked out as a formula with no attention being paid to any lobbyist acting in a supervising relationship, as a lobbyist, with foreign countries. We are acting in a responsible manner in the committee. And I personally resent the implication that because a man gets $180,000 a year from some country, that somehow makes any member, including the Senator from Arkansas, venal.

Mr. LONG. Mr. President, would the Senator yield?

Mr. BENNETT. I yield.

Mr. LONG. Mr. President, it might support the 2-year argument when I state that in some years a country has made out poorly—particularly in the House, I regret to say—because it appeared that they had no lobbyist. I recall some years ago that one particular country felt that it had no need for a lobbyist because the administration had recommended that it receive 60,000 tons. They got 2,000 in the House. In the Senate they got 60,000 tons as recommended in the administration's recommendation.

If a foreign country hires a lobbyist, for the most part they should do so on an hourly basis or a flat rate basis, and not on a contingent fee basis. Frankly, I would advise any country to put their man on pay by the hour or on a flat fee and not on a contingency basis. But that is their relationship. It is something over which we have very little control.

May I say that probably the most pursuasive lobbyists, according to the article put in the RECORD, cannot give assurance that their country will get anything.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. HARRIS. Mr. President, I am pleased to be a cosponsor of this amendment which I introduced in the Senate committee. In my earlier remarks I touched upon this particular aspect and how I think the bill might be improved. I believe this amendment offers a very basic way to improve this bill.

The last time the Sugar Act was before the Senate, I was not then a member of the Senate Finance Committee. I did not focus my attention on the issue in any detail. I must say that I then found it to be a terribly confusing subject. Since that time, I became a member of the Senate Finance Committee. I am now not only confused by the subject, but I am also bewildered by it. I believe the whole sugar policy in this country is a mess. I believe that we ought to extend it for only 1 year and have a body of experts recommend a complete overhaul of it. I will touch on only one issue involved in this amendment at this time because I talked about this matter earlier. That concerns the programing of the premium sugar dollars into the hands of the foreign workers.

The current method of insuring some benefit to the foreign sugar worker through congressional quota criteria is at best haphazard. A striking example of this system at work is presented by the case of South Africa. In 1962, the registered agent for the South African sugar industry stated that the farms producing sugar cane were divided between 5,000 "nonwhite" and 1,500 "European extraction" operators.

In 1965, the same individual stated that:

> There are 3,689 Negro, 2,144 white, and 1,820 Indian independent sugar cane growers in the industry who produce over three-fourths of the cane.

In 1962 and 1965, these statements went unchallenged. No breakdown as to percent of production was requested and none was volunteered. In 1965, no questions were asked of this individual by either House or Senate Members. Not until this year did a concerned Congressman, CHARLES DIGGS of Michigan, obtain a breakdown of these figures to show that Africans and Indians produce only 7.9 percent of South Africa's cane and receive little, if any, of the benefit of U.S. premium dollar.

The pattern of the past was also broken by Professor Joseph Page's testimony regarding the plight of the Northeast Brazilian sugar worker and my own questioning of that country's registered agent. Unfortunately that was the extent of this particular Congressional criteria in this year's hearings. No other registered agent was questioned or challenged regarding statements made with reference to benefits of quota participation accruing to workers. Each registered agent, in his oral or prepared testimony, carefully described a worker's paradise in his client country. Fringe benefits abound; housing, medical care, hospitals, education, social security, paid-up pension plans, retirement plans. One can only speculate how a recently returned Peace Corps Volunteer might comment on these glowing generalities.

The working conditions described in the statements of these registered agents just do not match the conditions of a developing nation.

I believe that if the American consumer and housewife are going to continue to have to pay extra for a subsidy to the sugar industry at home and abroad, it is time we place this policy under much greater scrutiny and on a much sounder basis.

Therefore, I am pleased to be a cosponsor of the amendment to extend this act for 1 year—and not 3 years—to provide for that kind of analysis and study.

Mr. LONG. Mr. President, I yield 1 minute to the Senator from Utah.

Mr. BENNETT. Mr. President, I have been very much interested in listening to the remarks of the Senator from Oklahoma. I do not known under what law the United States can enforce its labor standards on a foreign country. I do not know how we can help the poor peasants of northern Brazil by taking away the sugar which is their livelihood.

It seems to me that is a kind of Pyrrhic victory for those people. We may satisfy the ego of an American who comes before us to describe their plight, but if the sugar quota is taken away these people have no jobs and no income.

Mr. HARRIS. Mr. President, would the Senator yield to me for 1 minute?

Mr. FULBRIGHT. My time is committed. The Senator may take the time on the bill.

Mr. HARRIS. I yield myself 1 minute on the bill.

Mr. MANSFIELD. Just a moment. Mr. President, who has control of time on the bill?

The PRESIDING OFFICER. The time on the bill is controlled by the Senator from Louisiana and the Senator from Oklahoma.

Mr. HARRIS. Mr. President, I yield myself 1 minute on the bill. I would say to the Senator from Utah what I have said to the Senator from Louisiana. It is suggested we must not interfere at all in improving conditions, working standards, or pay for workers at home or anywhere else in the world or it will put them out of work. We never would have adopted any minimum working standards or minimum salaries for workers in this country under that argument. That is an argument which has long since been discarded by Congress.

If we are going to complain about low-paid workers producing goods or products that come here to compete with the goods and products of our higher-paid workers, it seems to me we cannot turn around, then, and take the other side of the argument and oppose assuming any responsibility to help bring up the standards and the pay of those workers competing with ours.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HARRIS. I yield myself 1 minute on the bill.

We do have a responsibility here. We are charging the American consumer and the American housewife extra money for what we pay Brazil and for what we pay the Philippines and other countries around the world, including South Africa, for sugar. This is a foreign aid bill; it is a significant foreign aid bill; yet under the committee recommendation we would assume no responsibility whatsoever to try to help the downtrodden people and workers in the countries aided. We clearly have a responsibility to do so, since it is the money of the consumer and the housewife that is involved in granting this special benefit and favor to the countries involved.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. PERCY. Mr. President, I would like to speak in favor of the amendment of the distinguished Senator from Arkansas. We had a party in Boston over tea a couple of hundred years ago, and I maintain we have a picnic in Washington every few years over sugar. There is no question that one of the strongest lobbies in Washington is the sugar lobby, and there is no question that very large fees are paid to substantial and reputable law firms to go in and plead the cases of countries for their sugar quotas. There is no question that there is a great deal of pressure behind protecting the domestic producer as well.

As I calculate in simple arithmetic, if we consume 22.4 billion pounds of sugar per year in the United States, and we impose a tax per pound of $.0053, that comes to about $118 million in taxes the consumer pays; and if we impose a tariff, as we do, that adds about $140 million. The consumer, in effect, because a tariff always raises the consumer price, is paying $258 million in order to give $90 million to the domestic producer. In

addition it is a very onerous tax because it is a very regressive tax; it is a tax most heavily felt by low income families where a high proportion of the family budget goes for food.

I know it could be said that the Senator from Illinois, without a single sugar field in his State, is opposing this because he has no vested interest involved. Certainly, the Senator from Louisiana, before whom I testified on tariffs and quotas for 25 years, I guess, knows the consistency of my position; even when the issue was related to the photographic market I have consistently maintained that quota protection hits the consumer too hard and is no basic solution to our import and export problems.

There is however an Illinois interest involved—the confectionery business. We are among the largest if not the largest producer, among the States, of candy and confectionery goods in the country.

It used to be that one could take the subway and take a deep breath and know that he was on the South Side because of our stock yards, or go out north of the Loop and take a deep breath as he went by the Holloway Candy Co., and know he was in the confectionery manufacturing area. We have famous names elsewhere in the State such as the Heath Co. in Robinson, Ill.

Mr. President, one of the many objections I have to the bill before us today is the quota on confectionery items, or candies, contained in section 7.

Despite my many constituents in the confectionery business, and despite having spoken at their fine convention, this little measure to presumably protect their industry what I could call the "anti-sweet-tooth-amendment," is to me unacceptable and an unnecessary devise contrary to our long time foreign economic trade policy. In this bill the Committee on Finance adopted an amendment which would provide a quota on confectionery products beginning in 1972.

The quota would be the larger of either: first, the average quantity of sweetened chocolate and confections in each tariff classification affected which have been imported into the United States in the 3 prior years or second, 5 percent of the amount of sweetened chocolate and confections in each tariff classification affected which were sold in the United States during the most recent year for which reliable data are available.

What is good for the goose is good for the gander. If the confectioners, the candy manufacturers, can have an absolute quota so imports can go no higher than 5 percent, let us then give it to steel, let us then give it to electronics, let us give it to any other industry in my State who wants an absolute quota to protect their domestic market. Let us go back in history and restore a higher protective tariff on cameras, so we can go back into the camera business and sell them at higher prices to the American consumer.

I find this candy quota totally unwarranted on strictly economic grounds as well as on grounds of sound international economic policy.

I mention it simply because the whole idea of the bill is wrong. We ought not to extend it for more than a year and we ought to study it so that we can work ourselves out of this whole arrangement somehow.

The committee justifies the need for this quota on the "fear that foreign manufacturers, with respect to confections for export, have access to world market price sugar and to cheaper peanuts, dairy products, and so forth, which are not available to U.S. producers at low prices because of import restrictions and domestic price support programs."

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

Mr. PERCY. I would be happy to yield.

Mr. LONG. I will yield the Senator 1 minute.

If the Senator finds the candy quota that objectionable, if he will offer an amendment to strike it out of the bill, I will be glad to vote for it.

Mr. PERCY. I am delighted to have such reassurances. I think it would save time to get this provision out in conference however. It would save the time of the Senate at a later hour. The principle is clear, however, and I think the eloquence of my distinguished colleague would be persuasive in conference and I would hope the administration would accept such a provision.

The committee is saying that because of the sugar quotas already contained in this bill, U.S. candy producers are forced to use higher priced U.S. sugar, thus making U.S. candy more expensive than it would be otherwise. Therefore, the committee argues, because we are artificially restricting sugar imports, which hurts the candy people, we should now restrict candy imports. Why not go the opposite direction and free up sugar rather than restrict candy? What the committee is actually and categorically admitting in this report is that the Sugar Act makes the U.S. consumer pay a higher price for sugar than he would if he could buy at world market prices.

In any event, the confectionery industry is healthy today. It has enjoyed 15 consecutive years of growth in sales. An article from the Commerce Department publication, Commerce Today, of July 26 states:

> In 1970, the confectionery industry shipped 3,933 million pounds of candy, less than one per cent below the 1969 total but greater than in any previous year. The value of the 1970 shipments was $1,906 million, an all-time record and two per cent greater than in 1969.

Imports of foreign candies in the 1962–69 period supplied only 2.3 to 4 percent of confectionery consumption. The ratio of imports to domestic U.S. consumption was 3.4 percent in 1969. These figures are overstated because they include the value of imported raw materials, such as nuts and chocolate.

At the same time, as in other dynamic American industries, the U.S. candy manufacturers have supplemented their own lines by themselves importing substantial quantities of candy, perhaps as much as one-half of total imports.

Those elements in the domestic candy industry that seek a quota have pointed out that raw material costs are lower for foreign manufacturers. This is, of course, the reason why we find this provision attached to an omnibus sugar quota bill. The U.S. sugar quota increases the cost of sucrose to the domestic candy industry. In this connection, it is only fair to point out that the candy industry has ready access to cheaper, U.S.-produced sources of dextrose, corn, and sorghum sweetener supplies.

Nonetheless, the higher costs of sugar imported into the United States as a result of the quota we are considering today, is a major reason for this candy quota. I submit, however, that the constantly moderate, if not insignificant level of imports in relation to domestic consumption, is adequate demonstration that these foreign costs are not substantially lower.

In fact, the evidence seems to indicate that any advantage foreign suppliers have in ingredient costs is more than offset by the cost of exporting and a total labor cost disadvantage. I understand that the U.S. candy industry is very highly productive—more than four times as efficient as foreign producers.

This factor is reflected in the costs of foreign candy sold in U.S. markets. It is generally higher-priced than U.S. candy; many of us in this body are familiar with the specially packaged, unique candies from Switzerland, Italy, Germany, Holland, and England that appear in our specialty stores. These are high cost, specialty candies. They are not directly competitive with American-made candies. When they do become a major market factor, and develop a market large enough to justify mass production by American manufacturers, the production is transferred to the United States, through imitation by a U.S. producer, direct investment by the foreign supplier, or a joint venture.

Mr. President, the Bureau of Domestic Commerce of the U.S. Commerce Department has nothing but glowing predictions for the future of the U.S. confectionary industry. In 1971 candy shipments are expected to reach $2 billion, 5 percent above the 1970 total value, a record high. There is every indication that this is a healthy, competitive industry, that does not need the protection of a quota, even though its product costs are marginally increased by the increased cost of one ingredient, sugar.

I suggest that the appropriate course is not to add yet another artificial limitation on the operation of the marketplace through a candy quota. Instead, a more appropriate course would be to move away from the sugar quota and toward lower consumer prices for sugar in the U.S. markets, thus eliminating the source and the cause of any unfair advantage the confectionery industry experiences in its raw material sales. For this reason, and for others I have cited above, I intend to vote against the sugar quota, and urge my colleagues to do likewise.

I ask unanimous consent that the article entitled "U.S. Candy Sales on the Way Up" be included in the RECORD at this point.

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

[From Commerce Today, July 26, 1971]

U.S. CANDY SALES ON THE WAY UP

The average American's sweet tooth is expected to boost the value of candy shipments by the American confectionery industry to nearly $2 billion in 1971, an all-time high. This would be five percent above the value of shipments in 1970.

Commerce's Bureau of Domestic Commerce reports that the average American did not eat quite as much candy in 1970 as he did in the two previous years. But he ate 35 percent more in 1970 than in 1927. And he paid a bit more for his candy in 1970 than in any previous year.

The per capita consumption of candy in 1970 was 19.9 pounds as compared with 20.2 pounds in 1969 and 20.3 pounds in 1968. But except for these two years the 1970 per capita consumption was the highest since the all-time record of 20.5 pounds established in 1944. And it compared with 14.7 pounds in 1927, when the annual report on the confectionery industry began.

In 1970, the confectionery, industry shipped 3,933 million pounds of candy, less than one percent below the 1969 total but greater than in any previous year. The value of the 1970 shipments was $1,906 million, an all-time record and two percent greater than in 1969.

The Bureau of Domestic Commerce says the following factors are expected to contribute to an increase in 1971 over 1970:

A greater shift to larger-sized and higher-priced candy bars, sales of which in 1970 were 13 percent above the previous year.

Introduction of new products wrapped in new packaging materials.

Renovation and modernization of production facilities with increased emphasis on quality control.

Concentration by managements on reducing costs.

Favorable market factors of population growth and higher income levels.

Aside from candy bars priced at ten cents or higher, packaged goods retailing at 50 to 99 cents a pound accounted for the greatest increase in sales in 1970.

ALL-TIME RECORD

The average value per pounds of candy sold by manufacturers and wholesalers in 1970 was 48.5 cents, an all-time record nearly 28 percent above 1960's average value.

To produce the candy shipped in 1970, the industry spent $733 million for ingredients, which accounted for 38.5 cents of each sales dollar. Ingredients for which higher prices were paid than in 1969 included 1.3 billion pounds of sugar, 872 million pounds of corn syrup, 337 million pounds of chocolate coatings, 234 million pounds of nuts and peanuts, 30 million pounds of cocoanut meat, and a substantial quantity of milk and milk products. Corn syrup prices were up 15 percent because of short supply due to an insect-damaged corn crop. Cocoa beans, cocoa butter, and cocoa powder were down.

—Bureau of Domestic Commerce

Mr. BENNETT. Mr. President, the Senator from Illinois did a little arithmetic, but he came out with the wrong answer. Under the Sugar Act we collected in 1969 $119 million and paid back as payments to the farmers who produced the sugar $90 million. So the net income to the taxpayers on the tax was $20 million.

This is a program to benefit the farmers who produce it in the United States, and it is supported by a tax on the product they produce, but it does not come directly out of the Treasury. In fact, there was a residue, as I said, in 1969 of $20 million, which stays in the Treasury.

Mr. PERCY. Mr. President, may I have half a minute to answer that?

Mr. BENNETT. I yield.

Mr. PERCY. I was not implying that this cost the Treasury anything; I am saying it costs the consumer that much, because the consumer ultimately pays the tax. The consumer pays the import duty also, because every time an import duty is imposed, prices are jacked up at least by the amount of that duty.

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Arkansas has 5 minutes; the Senator from Louisiana has 6 minutes.

Mr. FONG. Mr. President, will the Senator from Louisiana yield me 2 minutes?

Mr. LONG. I yield 2 minutes to the Senator from Hawaii.

Mr. FONG. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Arkansas.

In answer to the statements made by the distinguished Senator from Illinois, I want to say that the consumer is getting a very good deal because of the Sugar Act. Japan obtains most of its sugar from the sugar dumped on the world market where prices are normally depressed, and yet as of January 1 this year, the people of Japan were paying over 18 cents a pound for sugar, whereas the American public was paying only 13 cents. West Germans were paying 17.7 cents, Italians 18.6 cents, and Swedish and Danish citizens 14.8 and 14.5 cents, respectively.

In addition to paying a low price for sugar, the American consumer is benefiting because the sugar program provides a net gain of approximately $13 million to $22 million per year into the Treasury of the United States.

If this amendment should be adopted to limit the operation of the bill to 1 year's duration, I am afraid that our growers in Hawaii will be very, very anxious. They will not know whether the provisions of the Sugar Act will continue beyond that time.

The growing of sugarcane in Hawaii takes 2 years, and every 2 years one-half of our crop is harvested. When that crop is harvested, the land is irrigated. Then there is a ratoon crop. There may be three- or four-ratoon crops. It takes 6 to 8 years for the crop to be completely plowed under and another crop planted.

So if we limit this bill to 1 year, I am afraid it will put our producers in Hawaii, who produce one-sixth of the total American production, in a very untenable position. Therefore I rise in opposition to the amendment.

Mr. FULBRIGHT. Mr. President, I yield myself 3 minutes.

I want to say again to the Senator from Utah that I certainly did not imply that he has deceived us about anything. His position has been clear. It would be absurd to infer otherwise. I referred to the gentleman who represents the Philippines and was registered under the Foreign Agents Registration Act. In the first place, he had distributed various sums to Members of Congress sent to him by the Philippine sugar industry.

This is a foreign aid bill. Take South Africa, which is going to be dealt with later. Why should we give South Africa foreign aid? It does not get it from any other source. On economic grounds alone, she is very well off. We ought to be getting aid from her, rather than giving her aid.

Take Venezuela. We do not give Venezuela any aid that I know of, certainly not under the aid program. She has the highest income of any country in South America. She is the principal supplier of petroleum to this country and is doing very well. We have sent her technical assistance, but it is a relatively minor type of activity.

Take Fiji. The sugar there, unless things have changed, belongs to Australia. I know the ownership used to be with Australia, and I think it still is. I notice the Australians have a lobbyist. It says, "on a fee to be rendered," which is an indefinite amount, on the official list. It is ridiculous to be giving Australia assistance. We might as well have Japan on our list and give Japan aid.

This is what is wrong with having an aid program that is part of a sugar bill. There is no design in it.

Take Mauritius. As far as I know, we have no aid program for Mauritius. The only reason Mauritius gets a sugar quota is that it has a good lobby.

Take Mexico. We have not given Mexico any aid for many years, because Mexico does very well. Mexico took the position a long time ago that she did not want to be one of our satellites as far as aid goes. I like the Mexicans. I like to do business with them.

But this is an aid program. That is what it is. Mexico can handle its own affairs. It handles them much better than some other people.

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

Mr. FULBRIGHT. Not on my time.

Mr. LONG. On my time.

Mr. FULBRIGHT. I yield.

Mr. LONG. The Senator said he knew of no reason why we should send anything to Mauritius. The Finance Committee did reduce the quota for Mauritius, because we wanted to apply our formula uniformly to all countries. We cut Mauritius from 30,000, one of the highest, to 17,000. But even so, the State Department and the Department of Defense then used their best influence to keep the amount for Mauritius high, because they felt that because of the strategic location of that country and what has happened politically in that area, it was one place where we should save that quota.

Mr. FULBRIGHT. This only emphasizes how distorted the bill is. What is it doing in the Finance Committee if it is so important to foreign affairs? Why does the bill not come to the Foreign Relations Committee? It has no business being in the Finance Committee if there is some ulterior motive concerning Mauritius.

Mr. LONG. May I answer the Senator's question?

Mr. FULBRIGHT. On the Senator's time. This is all on the Senator's time.

Mr. LONG. We did not do any of the sorts of things the Senator has in mind. We did not take foreign policy ques-

tions into consideration; we put the countries on a performance basis; we allow all countries quotas on that basis of performance without taking any other consideration into mind. That is a good reason why the bill should be in the Committee on Finance.

Mr. FULBRIGHT. According to the report, the committee allowed Mauritius 30,000 tons in the current quota.

Mr. LONG. The Senator is referring to the House bill. If he will look at the article he has referred to, he will see that it refers to the House bill. In the Senate committee, we looked at what the countries actually delivered to us and what they were entitled to deliver under existing law.

Mr. FULBRIGHT. I notice that the Fiji Islands have a quota of 44,000 tons. I have looked into this more thoroughly. The Fiji Islands belong to Australia.

Mr. LONG. That quota was cut by 1,700 tons.

Mr. FULBRIGHT. That is still giving them sugar. Why should we be giving a subsidy to the Australians? The Australians are so much better off than the United States in all their financial activities. Australia is booming. We should not be giving Australia a subsidy.

Mr. LONG. We allotted quotas based on average deliveries from those countries. That includes the amount of sugar they were delivering when they were losing money as well as when they were making money.

Mr. FULBRIGHT. I want to reiterate—and I am speaking on my own time—that what I object to is the procedure by which the allocations are made. It has nothing to do with the integrity of the individual members of the Committee on Finance.

That has nothing whatever to do with it. This is a most unusual way to allocate foreign aid.

Again, I wish to reiterate the Senator from Louisiana is entirely wrong in saying I do not want anybody in America to grow sugar. My amendment would not disturb this bill.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. FULBRIGHT. Mr. President, I reserve the remainder of my time.

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

Mr. LONG. Mr. President, how much time do I have?

The PRESIDING OFFICER. One minute.

Mr. LONG. I only have 1 minute left. I yield it to the Senator from Hawaii.

Mr. INOUYE. I have listened to my colleagues suggest that the housewives and the consumers of the United States have been subsidizing foreign suppliers. However, we fail to recall that in the years 1962, 1963, and 1964, when the world price of sugar was much higher than the American price, we were able to receive consistent and constant supplies from these suppliers. As a result, the American housewife and consumer were able to appreciate and benefit from a constant level of pricing.

The major purpose of the Sugar act has been to provide our consumer an adequate supply at the lowest rate possible, and as a result of the operations of the Sugar act, this has been possible. Today the average American worker has to work about 4 hours during the period of 1 year to obtain his annual supply of sugar. I think this is not a major burden on any consumer of the United States, to set aside 4 hours during his 1-year working period to supply his annual need for sugar.

Mr. FULBRIGHT. How much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. FULBRIGHT. Mr. President, I would reiterate the statement of the Senator from Hawaii, but you could say the same thing about nearly any program, if you take a big country and take it bit by bit.

We have a big foreign aid bill. The House of Representatives has reported $3.4 billion in foreign aid. This bill, as estimated by the GAO, represents an additional $300 to $400 million in foreign aid. When you put it all together, it is a lot more than 4 hours. All I am saying is that in this kind of bill the foreign aspects are allocated on the wrong principle.

As a matter of fact, I would think—though I am not trying to determine that in my amendment; I leave it up to the commission—that we ought to purchase the foreign sugar—and this has nothing to do with Hawaii—on the world market. It would not affect Hawaii.

I would favor a program to support sugar in the domestic market, just as we do other products, and we are supporting a great many, as we know. I have no objection to that. I am perfectly reconciled to the beet sugar industry, as I am to any other industry. Now that it has been under these programs, it would be foolish to try to change it in any case, and I have no objection to that.

But the foreign policy aspect of jobbing out these quotas is very bad for the reputation of the United States and for the Congress itself. It is on that basis that I think this ought to be reevaluated. I think we ought to put it up to the administration to have a study made of this through an independent commission, to find an alternative way to make these allocations.

Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the National Journal of June 12, 1971.

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

REPRESENTATIVES OF THE SUGAR INTERESTS

The House Agriculture Committee traditionally has barred foreign nations from testifying on behalf of their governments or their sugar industries during consideration of sugar legislation. The Senate Finance Committee generally has followed the same policy.

Thus, the foreign sugar interests have hired American citizens to represent them.

The sugar industry lobbyist, like others come to that profession, must be a man who seems to know his way around, especially on Capitol Hill. Almost always, he is a lawyer; often he is a former elected official or an ex-bureaucrat. He is inevitably a man with friends.

Foreign interests: Among these representing foreign sugar interests this year is former Sen. (1951–69) Thomas H. Kuchel of California, who was the Senate Republican Whip. He is representing Colombia. Fiji's sugar industry is represented by former Rep. (1957–61) Charles H. Brown, D-Mo. Edward L. Merrigan, a law partner of former Sen. (1951–69) George Smathers, represents the Venezuelan sugar industry. W. DeVier Pierson, who was the White House contact with the Agriculture Department on sugar matters as special counsel to President Johnson (1967–69), represents the sugar industry of Mauritius. Thomas Hale Boggs Jr., son of House Majority Leader Hale Boggs of Louisiana, appeared before the House committee on behalf of the Central American Sugar Council.

Sheldon Z. Kaplan, who was once a staff member of the House Foreign Affairs Committee, appeared on behalf of the sugar industry of Paraguay. Arthur Lee Quinn, who, with his father, Arthur L. Quinn, represents the sugar interests of Ecuador, the West Indies and British Honduras, was an attorney in the office of the general counsel at the Agriculture Department (1961–63).

None can rival in past influence over sugar legislation the lobbyist this year for Thailand and Liberia, former Rep. (1934–66) Harold D. Cooley, D-N.C., who was elected to the House the year the Jones-Costigan Sugar Act (48 Stat. 670) was passed and who was defeated a year after the last sugar legislation Congress has considered was approved.

Cooley was chairman of the House Agriculture Committee for a total of 16 years (1949–53; 1955–66).

Domestic interests: Some of the men who speak for the domestic sugar industry also have strategic government experience.

James H. Marshall, president of the California and Hawaiian Sugar Company of San Francisco, who spoke for all segments of the domestic sugar industry in three separate appearances before the House committee this year, was assistant director (1942–46) and subsequently director (1946–48) of the Sugar Division in the Agriculture Department before going into the sugar industry.

Horace D. Godfrey, who was administrator of the Agricultural Stabilization and Conservation Service in the Kennedy and Johnson Administrations (1961–69), is the Washington representative of the American Sugar Cane League, the organization of Louisiana and Florida cane growers.

John C. Bagwell, general counsel of the Agriculture Department in the Kennedy-Johnson years (1961–69), is vice president and Washington representative of the Hawaiian Sugar Planters Association.

Robert H. Shields, president and general counsel of the United States Beet Sugar Association, concluded his career at the Agriculture Department in 1946 as the department's solicitor. He was also president and director of the Commodity Credit Corporation.

Irvin A. Hoff, president of the U.S. Cane Sugar Refiners Association, was administrative assistant to Sen. Warren G. Magnuson, D-Wash., from 1947 to 1960.

This table lists the representatives of foreign interests concerned with sugar legislation. All of those listed, except Hugh C. Laughlin, are registered with the Justice Department, as required by the Foreign Affairs Registration Act of 1938, as amended (22 USC 611 *et seq.*).

Laughlin is not registered because he represents a U.S. firm, Owens-Illinois Inc., which owns Bahamas Agricultural Industries Ltd., operator of the Bahamian sugar estates.

References to quotas are in tons; the last column lists quotas as contained in the bill approved by the House on June 10 (HR 8866).

AGENTS, FEE, AND QUOTA INFORMATION

Country and agents	Fee	Current quota [1]	Quota requested	H.R. 8866 quota [2]
Argentina:				
William R. Joyce	$1,000 a month	70,772	150,000	75,394
Alejandro Orfila	do			
Australia: Robert C. Barnard (Cleary, Gottlieb, Steen, & Hamilton)	$8,179.87 for 1969 services	203,785	400,000	203,785
Bahamas: Hugh C. Laughlin (Owens-Illinois Inc.)		10,000	40,000	33,173
Bolivia: Blake T. Franklin (Coudert Brothers)	$10,000 a year	6,850	20,000	16,612
Brazil: Albert S. Nemir (A. S. Nemir Associates)	$180,000 a year	575,312	[3] 700,000	519,909
British Honduras: Arthur L. Quinn, Arthur Lee Quinn	$10,000 a year	14,539	50,000–55,000	33,173
Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua): Thomas Hale Boggs Jr. (Patton, Blow, Verrill, Brand & Boggs—Central American Sugar Council).	$35,000–$50,000 a year ($65,158.31 in 1970)	241,232	600,000	240,195
Colombia: Thomas H. Kuchel (Wyman, Bautzer, Finell, Rothman & Kuchel)	$2,400 a month ($200 an hour for Kuchel; $100 for others in firm).	60,880	[3] 124,000	72,650
Costa Rica: Dina Dellale	$15,000	67,728	110,000	64,607
Dominican Republic: James N. Juliana (James N. Juliana Association, Inc.)	$1,500 a month	575,312	700,000	519,909
Ecuador: Arthur L. Quinn, Arthur Lee Quinn	$25,000 a year	83,710	125,000	79,852
Fiji Islands: Charles H. Brown	$2,000 a month plus expenses	44,719	100,000	44,719
French West Indies (Guadeloupe and Martinique):				
Walter S. Surrey (Surrey, Karasik & Green)	$12,500 a year	62,782	[4]	0
Albert M. Prosterman & Associates	$5,000 a year			
Great Britain: David P. Houlihan (Daniels & Houlihan)	$18,000 a year		[5]	
Haiti: Philip F. King	Expenses only	31,962	45,000	30,489
India: Michael P. Daniels (Daniels & Houlihan)	$25,000 a year	81,514	150,000	81,514
Ireland: George Bronz	No record	5,351	25,000	5,351
Liberia: Harold D. Cooley	$10,000 plus $1,000 a month	0	50,000	0
Malagasy Republic (Madagascar):				
Walter S. Surrey (Surrey, Karasik & Green)	$25,000–$50,000 a year	9,623	45,000–50,000	15,000
Albert M. Prosterman & Association	$8,400 a year			
Malawi: Jerry Collier Trippe	$15,000 a year	0	20,000	[6] 15,000
Mauritius: W. DeVier Pierson (Sharon, Pierson & Semmes)	$25,000 a year	18,681	100,000	30,000
Mexico: Dennis O'Rourke (Sutton & O'Rourke)	$48,000 a year	588,249	[3] 672,000	531,603
Panama: Arthur L. Quinn, Arthur Lee Quinn	$18,000 a year	42,616	75,000	62,947
Paraguay: Sheldon Z. Kaplan	$500 a month	0	20,000	15,079
Peru: Edwin H. Seeger (Prather, Levenberg, Seeger, Doolittle, Farmer & Ewing)	$15,000 a year	458,881	[4]	414,691
Philippines: John A. O'Donnell (Philippine Sugar Institute)	$3,750 a month	1,503,780	1,680,000	1,314,018
Republic of China: George C. Pendleton (Culbertson, Pendleton & Pendleton)	$600 a month	84,910	[3] 85,000	84,910
South Africa: John R. Mahoney (Casey, Lane & Mittendorf)	$48,573.03 in 1970	60,003	[7]	60,003
Swaziland: Justice M. Chambers	$20,000 a year plus expenses	7,359	30,000	30,000
Thailand: Harold D. Cooley	$10,000 plus $5,000 on enactment of sugar bill	18,681	100,000	18,681
Uganda: Andreas F. Lowenfeld (Fox, Flynn & Melamed)	$16,000 a year	0	[7]	15,000
Venezuela: Edward L. Merrigan (Smathers & Merrigan)	$50,000 a year	28,918	50,000	36,417
West Indies: Arthur L. Quinn, Arthur Lee Quinn	$35,000 a year	199,579	400,000	189,926

[1] 1971 quotas computed on basis of total sugar consumption of 11,200,000 tons.
[2] Total quotas for 1972, assuming a total consumption of 11,200,000 tons, following formulas in the House bill.
[3] Approximately.
[4] Requested quotas that would yield approximately the same percentage of the foreign share of the U.S. market as under the current statute; no tonnage specified.
[5] Sought no quota; opposed confectionery quota.
[6] Malawi quota effective in 1973.
[7] Not specified.

Sources: Justice Department; House Agriculture Committee.

SUGAR QUOTA REQUESTS AND AGENTS

Country [1]	Agent	Fee [2]
Argentina	William R. Joyce, Jr., Alejandro Orfila	$1,000 per month, $12,000 per year.
Australia	Robert C. Barnard, Cleary, Gottlieb, Steen & Hamilton	Bills for services.
Bahamas	Hugh C. Laughlin	No amount listed.[3]
Bolivia	Blake Franklin, Coudert Bros.	$10,000 per year.
Brazil	Albert S. Nemir, A.S. Nemir Associates	$180,000 per year.
British Honduras	Arthur L. Quinn, Arthur Lee Quinn	$10,000 per year.[3]
Central America	Thomas H. Boggs, Jr., Patton, Blow, Verrill, Brand & Boggs	$36,000 to $50,000 per year.
Colombia	Tom Kuchel	$200 per hour (in last 6-month period reported $13,156).
Costa Rica	Dina Dellale	$15,000 per year.
Dominican Republic	James N. Juliana, James N. Juliana Associates, Inc.	$3,000 per month.
Ecuador	Arthur L. Quinn, Arthur Lee Quinn	$25,000 per year.[3]
England	Daniels & Houlihan	$18,000 per year.
Guadeloupe, Martinique	Walter S. Surrey, Surrey, Karasik, Greene & Hill	$12,500 per year.
Fiji	Charles H. Brown	$2,000 per month.
Haiti	Philip F. King	Expenses only.
India	Michael P. Daniels, Daniels, Daniels & Houlihan	$25,000 per year.
Ireland	George W. Bronz	Bills for expenses.
Liberia	Harold D. Cooley	$10,000 fee plus $1,000 per month.
Malagasy Republic (Madagascar)	Walter S. Surrey, Surrey, Karasik, Greene & Hill	$25,000 per year.
Malawi	Jerry Collier Trippe	$15,000 per year.
Mauritius	W. DeVier Pierson, Sharon, Pierson & Semmes	$25,000 per year.
Mexico	Dennis O'Rourke, Sutton & O'Rourke	$4,000 per month.
Panama	Arthur L. Quinn, Arthur Lee Quinn	$18,000 per year.[3]
Paraguay	Sheldon Z. Kaplan	$500 per month.
Peru	Prather, Levenberg, Seeger, Doolittle, Farmer & Ewing	$15,000 per year.[4]
Philippines	John A. O'Donnell	$3,750 per month (does not include bonuses in recognition of services. Last reported bonus was $6,000).
Republic of China	George C. Pendleton, Culbertson, Pendleton & Pendleton	$600 per month.
South Africa	John Mahoney, Casey, Lane & Mittendorf	$20–$65 per hour (reported $48,573 receipts for past year).
Swaziland	Justice M. Chambers	$20,000 per year.
Thailand	Harold D. Cooley, former Assistant Legal Adviser in State Department	$15,000 per year.
Uganda	Andreas F. Lowenfeld, Fox, Flynn & Melamed	$16,000 per year.
Venezuela	Edward L. Merrigan, Smathers & Merrigan	$50,000 per year.[3]
West Indies	Arthur L. Quinn, Arthur Lee Quinn	$35,000 per year.[3]

[1] Includes private and Government interests.
[2] Fee includes expenses.
[3] Laughlin is not listed as a foreign agent because he represents a U.S.-owned firm. No amount was listed under his lobby registration with the House Clerk.
[4] From lobby registration filed with House Clerk.

Source: Foreign agents' registrations, Justice Department.

The PRESIDING OFFICER (Mr. BROCK). The Senator's time has expired. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from Arkansas (Mr. FULBRIGHT). 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) 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) 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 Connecticut (Mr. WEICKER) is detained on official business.

The Senator from Tennessee (Mr. BAKER) is necessarily absent.

The result was announced—yeas 25, nays 70, as follows:

[No. 165 Leg.]

YEAS—25

Brooke	Hartke	Percy
Buckley	Hatfield	Proxmire
Cannon	Hughes	Ribicoff
Case	Javits	Roth
Ervin	Kennedy	Schweiker
Fulbright	Mathias	Stevenson
Gravel	McGovern	Taft
Harris	Nelson	
Hart	Pell	

NAYS—70

Aiken	Eastland	Mondale
Allen	Ellender	Montoya
Allott	Fannin	Moss
Anderson	Fong	Muskie
Beall	Gambrell	Packwood
Bellmon	Goldwater	Pearson
Bennett	Griffin	Prouty
Bentsen	Gurney	Randolph
Bible	Hansen	Saxbe
Boggs	Hollings	Scott
Brock	Hruska	Smith
Burdick	Humphrey	Sparkman
Byrd, Va.	Inouye	Spong
Byrd, W. Va.	Jackson	Stennis
Chiles	Jordan, N.C.	Stevens
Church	Jordan, Idaho	Symington
Cook	Long	Talmadge
Cooper	Magnuson	Thurmond
Cotton	Mansfield	Tower
Cranston	McClellan	Tunney
Curtis	McGee	Williams
Dole	McIntyre	Young
Dominick	Metcalf	
Eagleton	Miller	

NOT VOTING—5

Baker	Mundt	Weicker
Bayh	Pastore	

So Mr. FULBRIGHT's amendment was rejected.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER (Mr. CHILES). The Senator from Massachusetts is recognized.

Mr. MANSFIELD. Mr. President, if the Senator from Massachusetts will yield, just to let me say for the information of the Senate, it is the hope of the joint leadership that we will be able to finish the bill this evening, so this announcement is made to put Senators on notice.

AMENDMENT NO. 198

Mr. KENNEDY. Mr. President, I call up my amendment No. 198 and I would like to revise it in accordance with the technical changes required in accordance with the way the bill was reported from the committee. The amendment that was introduced and submitted to the full Committee on Finance on June 17 was in accordance with the bill reported by the House. My request at this time is to make the technical changes in my amendment to conform with the language in the pending bill.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Massachusetts will be so modified.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will report the modified amendment.

The assistant legislative clerk read the modified amendment as follows:

On page 31, in the matter following line 1, strike out the following:

"South Africa ..... .96"

On page 31, immediately before line 5, insert the following:

"(C) The proration for the countries named in paragraph (B) shall be increased by apportioning an additional .96 per centum to such countries on the basis of the percentages stated in such paragraph."

The PRESIDING OFFICER. The Chair inquires of the Senator from Massachusetts if this is the so-called South African amendment on which 3 hours is to be set aside?

Mr. KENNEDY. The Presiding Officer is correct.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 10 minutes.

Mr. KENNEDY. Mr. President, this amendment was offered on behalf of myself, Senators BAYH, BROOKE, CASE, COOPER, CRANSTON, HART, JAVITS, MCGOVERN, MONDALE, MUSKIE, PELL, STEVENSON, TUNNEY, and WILLIAMS. They are listed as cosponsors of the amendment.

Mr. President, for the benefit of the membership, as I understand it, there is a 3-hour limitation on the amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. And the time is to be evenly divided.

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. Mr. President, I would not expect that the proponents of the measure would take a very long time to speak, I will make my opening remarks and some of the cosponsors of the measure have indicated that they would like to make some remarks. Then we hope to get to an early vote on the pending amendment.

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

Mr. KENNEDY. I yield.

Mr. LONG. I join the Senator in that hope. I would hope that for the convenience of the Senate we could surrender back some time. However, I hope that it would be a mutual proposition.

Mr. KENNEDY. That will be fine.

The PRESIDING OFFICER. Would the Senator from Massachusetts ask unanimous consent that the amendments be considered en bloc?

Mr. KENNEDY. I ask unanimous consent that the amendments be considered en bloc.

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

Mr. KENNEDY. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. KENNEDY. Mr. President, this amendment is known as the South African amendment. It involves an issue that has been before the House of Representatives and the Senate for several months.

Other Senators have introduced similar amendments at different times. The South Africa amendment was discussed in the Finance Committee, but it was rejected in that committee by a vote of 9 to 6. We will now have an opportunity on the Senate floor to consider the amendment and to give all Senators an opportunity to express their concern about this critical moral and economic issue.

Basically, my amendment would eliminate the sugar quota for South Africa. The amendment is as simple and fundamental as that.

It does so, Mr. President, for three specific reasons. However, I think the most powerful reason is to avoid having the American taxpayers' funds go to private companies or corporations in South Africa and eventually be paid in benefits to the South African Government.

Mr. President, the apartheid policy practiced there is repugnant to all that we in this country believe in. But, in addition to the question of whether we agree on the practice of apartheid, there are three fundamental reasons why the amendment should be supported on the floor.

First of all, South Africa is not a developing country. As I understand it, one of the stated and underlying reasons for the sugar quota is to provide at least some assistance to developing nations around the world.

Mr. BYRD of West Virginia. Mr. President, may we have a little better order in the Senate?

The PRESIDING OFFICER. The Senator is correct. The Senate will be in order. The Senator from Massachusetts may proceed.

Mr. KENNEDY. Mr. President, South Africa is not a developing nation of the world. It has an economic system which is on a sound basis.

South Africa has one of the most lucrative kind of advantages any country could be provided by reason of being allocated a sugar quota. So, if our policy under the Sugar Act is to help and assist developing nations of the world, we must realize at the outset that South Africa does not fall within that category.

Second, if one of our reasons in support of a sugar bill is the hope that any of the profit that will go to any of the countries participating in the sugar quota would go to benefit the workers in that country, we can easily see that the benefits do not trickle down to those who are doing the hard work in South Africa.

I noticed in the comments made by the chairman of the Finance Committee the indication that the benefits from the sugar quota go to South Africans, black as well as white, evenly. However, that is only to the extent that any black farmers are going to be able to derive any benefits at all from the sugar quota itself.

We know that there are some four thousand different black South African farmers that even have small plots of ground on which they are able to grow some type of sugar cane.

It is completely unreasonable to suggest that we are awarding this quota as part of an even-handed policy when we are really giving a very significant sugar quota to big South Africa sugar compa-

nies, but only a minuscule amount goes to the small grower.

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

Mr. KENNEDY. I yield.

Mr. RIBICOFF. Mr. President, I think the Senator makes a very pertinent point there. In terms of ownership and management, some 15 white corporations produce 90 percent of the sugar and nonwhites produce only about 8 percent. So, whereas the blacks would be beneficiaries, the overwhelming benefits go to white corporations.

If I might ask a few questions of the distinguished Senator, perhaps he will be able to clarify some of the main points here. We are talking about some 57,000 tons of sugar. This represents a little over 6.5 percent of the South African 1-million-ton sugar crop. That is a very small proportion of the U.S. consumption. Of course, South Africa is a rich country. It is not underdeveloped.

Does the Senator see any reason why the U.S. consumer should be giving a bonus of almost $5 million to a rich country such as South Africa, to be paid for by the American consumer?

Mr. KENNEDY. I certainly cannot. I think when we look at how South Africa has benefited from this program over the period of recent years, we see that we have benefited to the amount of something in the area of $130 million since 1962. That is not an insignificant amount.

Mr. RIBICOFF. Mr. President, it is strange that the House has six criteria for allocating quotas, and the Senate Finance Committee follows their criteria, and one of the criteria provides that there is a need for economic development. I am sure that no one would classify South Africa as an underdeveloped country.

Mr. KENNEDY. Mr. President, that is certainly true.

Mr. RIBICOFF. Another one of the criteria is that a government should be friendly to the United States, including nondiscrimination against U.S. citizens.

One of the strange things is that South Africa has an apartheid policy against not only their own, but also against black Americans. I have noticed in recent years that visas have been denied to such Americans as Arthur Ashe, a great tennis player, Representative CHARLES DIGGS, and even crew members of American vessels that have docked in leave or the normal sociability that an South African ports, who cannot enjoy American sailor should have when an American ship is in a foreign port.

Would the Senator comment on that?

Mr. KENNEDY. There has been a list of persons, as the Senator pointed out, which includes Arthur Ashe, Dr. Martin Luther King, Jr., and Louis Armstrong.

Bishop William Creighton and Judge William Booth went over there to view a trial involving an Episcopal minister, and they were required to remain in their hotels and denied the opportunity to speak freely on this matter.

But the clearest example is the one referred to by the Senator from Connecticut concerning the aircraft carrier *Franklin Delano Roosevelt* that visited Capetown, South Africa, in 1967. Under the issuance of an order from the ship's captain, members of that crew were denied the opportunity to attend any function at which apartheid was going to be practiced, and, since it appeared that no function would be free from the apartheid practices, the captain decided not to permit any serviceman aboard that ship to go ashore. It was the kind of discrimination against American citizens which I think is intolerable.

The Senator put his finger not only on the fact of a developing nation but also that South Africa has refused not to discriminate against an American citizen. This is a second test, and South Africa fails to meet that requirement.

Mr. RIBICOFF. I commend the Senator from Massachusetts for his leadership.

Mr. KENNEDY. I would like to mention a point the Senator mentioned earlier about percentages.

The PRESIDING OFFICER. The 10 minutes of the Senator from Massachusetts have expired.

Mr. KENNEDY. I yield myself 10 additional minutes.

The Senator mentioned the percentages in which Africans actually participate in sugar production themselves. The white growers and millers account for 92.4 percent of all the sugar production in South Africa. The black Africans constitute only 2.3 percent. So, Mr. President, you can hardly say this is an evenhanded policy in terms of blacks and that they anticipate fully in this program, when it is seen that it is 92.4 percent of the production that the whites are contributing but only 2.3 percent from the black Africans, and 5.6 percent for Indians. Those figures place the matter in a completely different perspective as far as the benefits from the program are concerned. Of course, there is considerable evidence to show they are not. I understand the figures that are used by the State Department concerning wages paid to South African fieldworkers were supplied by the South African sugar industry itself. They supplied the figures. The State Department has taken them and here the matter has somehow been underwritten by the United States Government.

Yet, these are the only figures available to explain or describe the South African sugar situation.

For these three reasons, if for no other reason we should be willing to eliminate this benefit.

I would like to ask if the Senator agrees with me that what we are talking about here is really a sugar bonus. We are not talking about eliminating a trade arrangement. It is a type of aid program. All we are talking about is a bonus that could be of enormous help and assistance to other countries.

Mr. RIBICOFF. To me it is not just a question of a bonus; it is a gift that the American consumer is paying.

I understand the arguments for the sugar quota system. It is supposed to have worked well in keeping the price of sugar stable. One can see the way lobbyists descend on the Committee on Finance like a bunch of locusts that this is a very, very valuable quota and a very valuable bonus that they receive.

I do not believe there is any obligation on the part of the U.S. consumer to give such a bonus to a large country like South Africa, whose operations are inconsistent with the policies of the United States. In fact, I think it must be a very discouraging act toward the blacks and those few courageous whites who fight apartheid in Africa to find a country like the United States giving further aid and comfort to a country whose philosophy is inconsistent with our philosophy.

Mr. KENNEDY. Would the Senator agree we are not asking for an extraordinary measure? I understand that in 1960 President Eisenhower suspended the quota for Cuba, and in 1965 the quota was suspended for Rhodesia. We are not asking for something terribly extraordinary. These are clear precedents for the action I am seeking today.

I understand the Senator's point is something that will bring our governmental policy more in line with some of our traditions. I would be interested in the Senator's views.

If one of our efforts should be to get private corporations and companies to work within the system as structured in South Africa, to provide broader effort and vision, it would be extremely difficult to convince American corporations and firms doing business in South Africa to make any serious effort as long as the Federal Government continues to follow a program which blatantly and obviously works in a different way. Would the Senator agree with me?

Mr. RIBICOFF. I do. I think the Senator from Massachusetts makes a good point because it we have a program and a policy under the aegis of the Federal Government, Congress, and signed by the President of the United States, it ill behooves any of us or the Federal Government to ask private industry to undertake programs that have been approved as national policy, and that is what we are doing. By giving South Africa this quota we are stating a national policy which is stated by the Congress and the President, should he sign the bill.

Mr. KENNEDY. I thank the Senator.

Mr. President, I would be glad to yield to the Senator from Louisiana if he has a question. Then I would like to yield to the Senator from Kentucky.

Mr. LONG. I would ask the Senator if this is not correct. The reason South Africa has a quota to begin with is that when we needed sugar after the Cuban quota was suspended we undertook to purchase it from any country that could provide it to us. In 1962 we were able to obtain 93,000 tons from South Africa. That was under the administration of President John Kennedy. That is where it started. Then, we came up to a short year; 1963 and 1964 were years of price crisis and sugar shortages. In those years the country was doing us a big favor to ship sugar to us and they were losing money by shipping it to us. In 1963 they sold us 133,000 pounds and in 1964, 120,000. Those were years we were having difficulty getting sugar.

The quota proposed here by us would be approximately 50 percent of what

those countries delivered in years when we could not get the sugar.

Would the Senator be willing to agree that the problem he is talking about—this country differing with them on their social policies—existed in 1962 when President John Kennedy thought we should buy sugar from them and trade with them? Would he agree that it existed in 1963 when there was a shortage and in 1964 when the situation was the same? I assume the Senator's attitude and the attitude of those who feel strongly about social policy would have existed in those years just as it does now. Why has that country become so much worse now than then?

Mr. KENNEDY. With respect to 1962, that development was brought about by congressional acceptance and congressional action.

But in spite of this, I do not think the case can possibly be made here on the floor that there are not African countries, or other developing countries, today that are prepared to respond if given this quota.

Would the chairman of the Finance Committee suggest that that amount apportioned to South Africa could not be distributed to other countries that fall within and live up to the other criteria which have been set by the Committee on Agriculture, and, as I understand, have been attempted to be followed by the Finance Committee? Would the Senator not agree that there are countries prepared to do this?

Mr. LONG. The Committee on Agriculture described criteria, but having done so, they did not follow them. I believe it fair to say that the criteria described by the chairman of the House Agriculture Committee were not criteria that that committee followed.

The Finance Committee followed just one criteria, and that was performance. It was based on performance when we called upon countries, in good times and bad times, to deliver. It was based on whether they did or did not come through when we called on them to help us in bad times. We then proceeded to provide those countries a quota based on their performance.

We were not looking at Australia, for example, as a less developed nation; we were looking at its performance record. The same thing was true with regard to South Africa.

So, if we put it on the basis of whether a country came through when we needed it, South Africa is being treated badly now. If we want to put the performance on the basis of how it delivered when it lost money, South Africa has a good record.

Mr. KENNEDY. Others have a good record.

Mr. LONG. I am talking about in terms of coming through when we needed it. South Africa has a good record. Based on losing twice as much as the quota being assigned to it now, I do not think the Senator will find a better record.

Mr. KENNEDY. Do the criteria which have been indicated in the Committee on Agriculture as criteria applicable to foreign quotas have any kind of meaning or standing, or is that just extra verbiage?

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield myself 5 more minutes. If the Senator wants to continue, perhaps he can yield on his own time.

Is that just extra verbiage? If that is the case, and the only test is the question of performance, is it not worthwhile that we know that? I think there should have been genuine concern about exactly what the criteria were, because we have seen tremendous fluctuations from year to year as to who was getting what in these quotas. I thought the attempt by the House commitee was to establish some kind of criteria. It did establish them. I did not know that the only question was one of performance.

Mr. LONG. May I reply on my time?

Mr. KENNEDY. Yes.

Mr. LONG. I cannot speak for the House. If we take this bill to conference, they will be in a much better position to speak for themselves, but I know the chairman of the committee wrote letters and suggested he would like to know about certain matters. Those people came up and testified about these matters and gave the chairman the information he wanted. The criteria to which the Senator made reference are mentioned in that letter.

For the life of me, neither I nor anybody on our staff nor anybody on the Finance Committee has been able to demonstrate how the quotas assigned by the House meet those criteria or are even relevant to them. I assume they were taken into consideration, but I would challenge the Senator or any of the staff to take the House bill and show how it meets the criteria.

Mr. KENNEDY. I say it is a matter which should concern many of us in terms of legislation. In reading the House report, it states:

> The sugar quotas in the United States for foreign countries are established by the Congress. In the evolution of these quotas through numerous extensions and amendments of the Sugar Act the following factors have been considered by the Congress in the apportionment to individual countries of that part of our market reserved for imports.

The report sets out the criteria. I do not think it is inappropriate for us to know these criteria. If we want to repudiate the House or express ourselves in terms of our suggestions, we are not running the way the House runs in terms of evaluation when we are using only the criterion of performance. We can exercise our own will, but what I have just read is in the House report. It has been used and referred to frequently. I do not think it is inappropriate for us to try to refer to that.

Mr. LONG. Mr. President, if the Senator will yield—if the Senator needs time, I shall be glad to yield to him some of my time——

Mr. KENNEDY. Very well.

Mr. LONG. I cannot understand how one can take those criteria and arrive at the House allocation of formulas, by any stretch of the imagination.

Mr. KENNEDY. I could not agree with the Senator more, and I think there are many others who wonder about that, as well.

Mr. LONG. I am not here to challenge the House. I proceed on the assumption that Mr. Poage and every member of the committee and every Member of the House is an honorable person. I have no reason to think otherwise.

I can say how we arrived at the quotas we put in the bill, and I can defend them to anybody on the Merciful Lord's good earth.

Having asked the question, how much does this mean to our favorable balance of trade, what is being done about confiscation in Peru, what is being done about South Africa, and so forth, we then looked into this policy——

Mr. KENNEDY. Did the Senator get into how much was being spent in military expenditures?

Mr. LONG. They asked any question they wanted to ask.

Mr. KENNEDY. Did the Senator get into the question of whether they are practicing any kind of repression or taking political prisoners? Does not the Senator think it was worthwhile that we get into that question?

Mr. LONG. If we had applied the House idea, we would have had to take the quota away from Ireland.

Mr. KENNEDY. Ireland is a friendly country.

Mr. LONG. We proceeded to look into all these questions and anybody who had a question, asked it. If he did not ask it, it was asked for him. When somebody wanted a question asked, I obtained the answer to that question, whether that Senator was on the committee or not. I cannot recall the Senator from Arkansas's being present there for a day. If he spent any time there, it was very little.

We wanted to protect the Senate from the kind of smears and innuendos that have been suggested. Here was the formula. In the Caribbean, we would ask what was the 5-year average and what would the present law permit? Whichever one was more favored, that country could have it. We found that Venezuela, which had been punished because in a year when sugar was hard to get—

Mr. KENNEDY. Mr. President, I will let the Senator proceed on his own time. I want to make a comment and then I want to yield to the Senator from Massachusetts (Mr. BROOKE) and the Senator from Kentucky (Mr. COOPER).

Mr. LONG. Will the Senator yield to me on my time?

Mr. KENNEDY. I will make a few concluding remarks. Then I will yield to the Senator on his time. Then I would like to yield to the Senator from Massachusetts (Mr. BROOKE) and the Senator from Kentucky (Mr. COOPER), since it is in terms of explanation.

Mr. President, we can stand around here and go through the various gymnastics on how we have reached the figures that have been outlined here, but we cannot get away from the fact that the American housewives are subsidizing companies which are contributing to a government which refuses to allow

American servicemen to land on their own shores and be treated equally. We cannot get around that fact. And we cannot get around the fact that there is black sweat labor over there. We cannot get around that fact, whether it is in the House of Representatives print which is before the U.S. Senate or not.

Senators can use whatever criteria they want. I think those two factors are obvious and flagrant ones to Members of this body, and we ought to realize it.

Third, Senators can make their own judgments. There are those who say the question of performance is so overriding that we ought to make sure that we give the quotas to those countries that have been able to perform in the past. I would rather give it to Americans who have been producing and let them benefit from those quotas, rather than add to the general welfare and well-being of South Africa.

Mr. President, I am prepared to yield either to the Senator from Massachusetts (Mr. BROOKE) or the Senator from Kentucky (Mr. COOPER), or to the Senator from Louisiana, if he wishes to proceed on his own time.

Mr. LONG. Could I just finish with how we assigned these quotas?

Mr. KENNEDY. Mr. President, I retain the floor, and yield to the Senator on his own time.

Mr. LONG. Mr. President, I have explained this before, but let me just explain it again.

Here is the way we arrived at this quota. The architect of the theory was the distinguished Senator from Utah (Mr. BENNETT). He suggested that this was an appropriate way to arrange all foreign quotas, and it made sense to the committee. I think it was agreed to unanimously by the committee.

We agreed that in this hemisphere, we would look at those nations which are regarded as the Caribbean marketing area, and we would assign them quotas on the basis of past performance, over a 5-year period or what the existing law formula would have provided.

In the Eastern Hemisphere we gave them a 5-year average. That is also how it was with regard to South Africa. As I say, the system seemed reasonable.

I might suggest to Senators that if they wanted to take into account some other things—I have to admit we would have to put a black mark on South Africa for segregationist policies—but, on the other hand, if we look at certain other items, we would have to think well of those people. For example, how have they performed when they were doing business with us? On that basis, their record is very good.

I might say that, from the point of view of someone from abroad looking at this Nation, the United States, down through the period of its history, every man who signed the Declaration of Independence which started the Nation would have been blackballed by other trading nations, if they had used the Senator's theory. That would have been true even after the Civil War, up to the time of the Civil Rights Act of 1964. And I am not talking, now, about the time of President Kennedy. That was at the time when Lyndon Johnson was President; he was the man who put that theory on the statute books and made it stick. But until then, other countries would have been justified in blackballing this country because they did not believe in policies in force in certain parts of the United States. One can go as far as one wants to on that kind of thing.

It was the view of the majority of the committee that if we undertook to say we were not going to trade with somebody unless we agreed with their domestic policies about segregation or a number of other matters, we would find difficulty trading. May I say, that would be true even with respect to some of the more friendly African countries. Some of them have segregationist policies. And, in reverse, as to other policies one could back up and say, "If you do not do it, and the United States thinks you ought to do it, we are not going to trade with you on this or anything else."

The Senator talked about labor conditions. If the administration had undertaken to rank these nations that have been supplying us sugar in terms of labor relations, I call the Senator's attention to the fact that, among those nations, South Africa rates No. 9, way ahead of the Malagasy Republic, for example, which rates, 27, and Swaziland, rating 24. I ask the Senator, if he wants to talk about what they are doing to labor, why does he not pick on those?

We would do better to try to have some sort of across-the-board formula, and not try too much to dictate what the internal policies of a country ought to be, because basically what we will wind up doing is simply punishing, in many instances, the Negro producers of South Africa; and even the Negro workers in South Africa would be penalized if the United States discriminated against that country in its sugar policies.

Mr. KENNEDY. Mr. President, I yield 3 minutes to the Senator from Kentucky (Mr. COOPER), and then I shall yield to my colleague from Massachusetts.

Mr. COOPER. Mr. President, I rise to support the amendment of the distinguished Senator from Massachusetts (Mr. KENNEDY).

I would point out, as the Senator from Massachusetts has pointed out, that we are urging the prohibition of a special kind of benefit to South Africa which should not be made because of that country's governmental policy of apartheid.

Today, as I understand, the policy of the United States is to prohibit the shipment or transfer to South Africa of any arms, ammunition, military vehicle, or equipment, or materials for their manufacture and maintenance. There is no prohibition against normal trade or investment, and trade with South Africa, and investment in South Africa by American citizens is quite large.

As I said at the outset, we are talking today about a special grant by our Government, and, if this measure is passed, a congressional grant to South Africa to which they are not entitled by legislative criteria for sugar allotments, and to which they are not entitled, in my view, as long as it is the South African governmental policy to enforce apartheid.

There is discrimination all over the world. There is discrimination in many countries which chastise the United States for discrimination. There is discrimination in this country. But it cannot be said that discrimination in this country is supported by governmental policy. To the contrary, for years the Government of the United States, under both Republican and Democratic administrations, has been enacting very strong legislative measures to eliminate discrimination in this country. It is said that it is too slow, but considering human nature, I believe great progress has been made, and that progress will continue.

There is a great difference between the governmental outlook on practice on discrimination in this country and the South African governmental outlook on discrimination in that country. The Government of South Africa has adopted as its official policy a policy of apartheid, and it has announced again and again that it is determined to maintain that policy, to enforce, and further entrench discrimination and racism by governmental authority and power.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. KENNEDY. I yield the Senator 5 additional minutes.

Mr. COOPER. Three minutes more, I think will be sufficient.

The consequence has been that the greatest part of South Africa's population, the nonwhites, have been set aside as an inferior people, outside the political, economic, and social life of the country. In fact, in recent years, the trend in South Africa, in its legislative enactments, has been to harden the attitudes and to strengthen the restrictions against the largest segment of its population. This policy is not supported by all of the people of South Africa but, with authority and power the Government has continued to enforce these restrictions.

Even the courts are restricted.

Several years ago in 1967 or 1968, a South African law journal published an article which spoke very truthfully and carefully of the situation in South Africa, in part as follows:

> The crisp question is whether the fundamental safeguards, implicit in the Rule of Law, are at all times assured by the South African courts. The truth of the matter appears to be that the very legislation precludes the courts from assuring these rights—and the courts, by virtue of the nature of our Constitution (which lacks a "Bill of Rights"), are themselves precluded from questioning the validity of these preclusions.
>
> By reason of a variety of legislative provisions . . . our courts in certain respects have been effectively pinioned and rendered powerless to insure that no person be detained or punished without charge or trial.

I have stated the policy of our Government in regard to military aid, and that there is no prohibition on normal trade or on investment.

I point out again that what is being done in this bill is to provide a governmental largesse to the Government of South Africa, a country which unblush-

ingly continues in a policy of government sanctions against its nonwhites.

In 1968, the distinguished Senator from Massachusetts (Mr. BROOKE) delivered a speech on this subject on the Senate floor. I shall read part of what he said. On April 29, 1969, reporting on a trip to Africa, he said:

I believe we must make clear to South Africa that, lacking evidence of that Government's willingness to move toward social justice and equality for the African population it controls, the United States will begin to disengage from its burgeoning economic ties to that country.

In 1968, I served as a delegate to the General Assembly of the United Nations, representing our country. I was assigned the duty of representing our country on the question of South Africa. I heard from the lips of practically every delegate, not only from Africa but from Latin American and Europe, particularly the Scandinavian countries, that while they applauded our absolute adherence against the supply of military weapons, equipment, and materiel, they expressed the conviction that our economic association with South Africa deadened the hope of the effect of world opinion upon the Government of South Africa.

I understand that it is difficult to cut off, to embargo private normal trade and investment, and this amendment does not have that purpose. But if we do not accept this amendment, the Government of the United States and Congress will go far in expressing support of a government which is practicing what many have termed, and I believe to be, the most hideous example of discrimination known in modern history.

I hope the amendment will be adopted.

Mr. KENNEDY. Mr. President, I yield such time as he desires to my colleague from Massachusetts.

Mr. BROOKE. I thank my distinguished colleague from Massachusetts, and I thank the distinguished senior Senator from Kentucky for his very rich contribution to the colloquy.

Mr. President, it is a matter of deep concern to me that the measure before the Senate contains a quota of nearly 60 million short tons of raw sugar for the Republic of South Africa.

The original purpose of the Sugar Act was to protect the welfare of our domestic sugar industry, to provide adequate supplies of sugar for American consumers, and to promote international trade.

Since the passage of this act and of subsequent legislation, additional criteria have been imposed for participation in the lucrative U.S. sugar market. Nondiscrimination against American citizens by the producing state is—or should be—a particularly vital factor. Other considerations as stated in the legislation deal with the dependence of the producing country upon sugar as an export, the country's present state of economic development, and the extent to which the benefits of special U.S. prices filter down to the sugar workers. Simply stated, South Africa meets none of these criteria.

The Republic of South Africa systematically discriminates against nonwhite citizens of its own and other nations. American citizens have been refused visas, limited in their access to public accommodations and in their opportunities to converse with persons of other races, and have even on occasion been expelled from South Africa on the grounds that they have encouraged or promoted "integration." Yet, such indignities are only symptoms of the conditions which nonwhites who are native to South Africa are forced to endure in their everyday lives.

Economically, sugar accounts for only 2.5 percent of South Africa's annual exports. The republic possesses a thriving economy which is not at all dependent upon sugar as an export. Nor can the quota be justified on the grounds that it provides jobs and income for a large number of Africans. In a country where the average per capita income for whites is about $150 per month, and the poverty level is $100 per month, a job which pays a sugarworker $41.75 per month hardly seems worth saving. It certainly is not worth the cost of U.S. complicity in its preservation.

As an alternative, I would strongly recommend that South Africa's allocation under the pending legislation be removed, and the amount be divided proportionately among the black African States.

I have carefully reviewed the quotas assigned to black African States under the pending bill. All of the states in the committee report are closely linked with the West, and with the United States. All of them are in a particularly advantageous position to provide living examples of racial harmony to the socially and politically isolated nations of southern Africa. All of them are largely dependent on sugar exports for their earned foreign income. And all of them have increased their shipments of sugar to the United States over the last 5 years.

Yet, in every case, the Finance Committee has chosen to base its quota allocation on the most recent 5-year average, and consequently to reduce the quotas of these African States even below the amount they would receive under the law presently in effect. Under the committee bill, the black African States are allotted only 34,068 short tons, as compared with South Africa's 57,745 short tons.

This is an inexcusable way to treat friendly, struggling states. Coupled with the large quota allotment for the Republic of South Africa, the diplomatic signals are unmistakable. They are not the kind of signals we should be sending, either to our African friends or to our own people here at home.

Among the African States whose sugar quotas will be reduced under the pending legislation are: Swaziland, Mauritius, Malagasy Republic, and Uganda.

Swaziland is a land-locked black African State completely surrounded by South Africa. It has a population of 400,000—compared to South Africa's 21.3 million—and a gross national product of $64 million—compared to South Africa's $15.3 billion. For Swaziland, sugar exports are second in importance only to iron ore in the country's economy. In 1966, its sugar exports to this country totaled 6,700 short tons. Since that time, production has increased steadily and in 1970 sugar exports to the United States reached 7,500 short tons, with every prospect of increasing in the years ahead.

What is more, Swaziland's per capita income of $165 per year is greatly exceeded by the income of the sugar workers who average $35 per month, thus demonstrating that the benefits of the special U.S. quota do, indeed, benefit the workers. And Swaziland is a multiethnic nation which does not discriminate against American citizens or its own people on the basis of race.

Mauritius is an island republic in the Indian Ocean. Its population of approximately 800,000 people has a per capita income of over $200 per year with a gross national product of $150 million. The economy of Mauritius is dominated by one commodity: sugar. Forty percent of all the land area is devoted to the cultivation of this crop. Sugar and molasses account for 98 percent of the country's total exports. The sugar industry employs about 62 percent of the working population, with another 26 percent of the population engaged in related services and transport.

The importance of this cash crop to the economy of Mauritius was apparently recognized by the House Committee, which recommended an increase in the Mauritian quota from 18,681 short tons to 30,150 short tons. But the Senate Finance Committee, using an average over the last 5 years, reduced the quota to 17,761 short tons, thereby imposing an obvious burden upon the people of Mauritius to find alternate markets for this important crop.

The Malagasy Republic, like Mauritius, is an island strategically located in the Indian Ocean. It has a population of 6.3 million people and a GNP of $780 million. Its principal exports are agricultural products, with sugar ranking third in the spectrum. Also, like Mauritius and Swaziland, it is an economically struggling multiracial state; unlike the others, however, it is linked to the United States through the provisions of important telecommunications and space tracking facilities which have greatly enhanced the overall effectiveness of our space and communications programs.

Between 1965 and 1970, the Malagasy Republic increased its exports of sugar to the United States from 7,871 short tons to 9,740 short tons, and it is capable of supplying more. In recognition of this fact, the House Committee allocated 15,075 short tons as Malagasy's quota; but the Senate Finance Committee reduced this amount to 9,223 short tons, or considerably less than the country exported to the United States last year.

Two other states which are mentioned in the committee report, but for which no quotas are allocated, are Malawi and Uganda. Neither state presently exports sugar to the United States under the provisions of the Sugar Act; but the House committee allocated 15,075 short-tons to Uganda, and considered an equal allocation for Malawi.

Uganda has a population of more than 9.5 million people, a GNP of $699 million per year, and a per capita income of $74. Because of the recent change of government in that country, its ties with the

East African community have been weakened considerably, and this sizable trade which once bound the countries together has declined. Uganda is therefore searching for alternative markets for her agricultural exports, of which sugar is an increasingly important commodity.

Finally, Malawi, with a population of 4.2 million people and a gross national product of $217 million, suffers with a per capita income of less than $50 per year. Like Uganda, agricultural products are its chief exports and the country is capable of both increasing and diversifying its agricultural exports if the markets are available for these goods.

Every black African country which has been considered for a sugar quota by the House or the Senate meets the criteria set forth for participation in this privileged program: friendly governments which do not discriminate against U.S. citizens; dependable sources of supply; trade reciprocity with the United States; need for access to prime markets, as measured both by the relative importance of sugar in the economy, and by the country's state of economic development; an extent to which participation in the U.S. market is shared with the workers and the people of the country.

Mr. President, in my judgment it is totally unconscionable for the United States to ignore these criteria, established by our own laws, and to award a quota to the developed, discriminatory State of South Africa. To award to that country a quota which is larger than the quotas given to all of the black African States combined is unprincipled in the extreme.

It would be my recommendation that South Africa's quota either be removed entirely on the basis of that country's economic development or, like Cuba's and Southern Rhodesia's be held in escrow until such time as that country "rejoins the family of free and friendly foreign nations." Preferably, the 57,000 or 60,000, short tons presently allocated to South Africa by the Senate and House bills respectively, should be divided among the black African States. Barring that possibility, the South African quota should be divided among the remaining nations of the Eastern Hemisphere which presently qualify for quota allotments. But under no circumstances should this country subsidize segregation by continuing to allot a sugar quota to South Africa.

Mr. President, I strongly urge the adoption of the pending amendment.

Mr. LONG. Mr. President, I yield 6 minutes to the distinguished Senator from Hawaii (Mr. INOUYE).

The PRESIDING OFFICER. The Senator from Hawaii is recognized for 6 minutes.

Mr. INOUYE. Mr. President, it has been my privilege to serve in Congress for the past 12 years. During those 12 years, I have stood up for, fought for, and spoken for human rights, human dignity, and human equality. Therefore, I am very much against the policy of racism in South Africa.

However, I wish to make a few observations on the pending amendment. I do so with some discomfort because many of my beloved comrades and colleagues support the pending amendment.

First, I think it is well to note that when this measure speaks of a quota, say to Hawaii, it is not a quota to the government of Hawaii, but a quota to the sugar producers of Hawaii; and, in the same sense, when a quota is set aside for South Africa, it is not a quota for the Government of South Africa but for the producers of South Africa.

Therefore, the pending amendment, in essence, will be penalizing the sugar producers of South Africa for the sins of their country.

At this time, I should like to read an excerpt from a statement issued by the Chief Executive Officer of the Zulu Territorial Authority, Chief Gatsha Buthelezi, in which he stated:

> More than half the Zulu's agricultural income comes from the growing of sugar cane. Any reduction in the demand for sugar would automatically affect their economic position. On the other hand we are hopeful that with the further expansion of the sugar industry my people will benefit.

Mr. President, I think we should recall that this Nation, the United States of America, called upon the producers of South Africa in 1962 to supply our consumers with much needed sugar at a time when the world price of sugar exceeded that of the United States. During the years 1962, 1963, and 1964 the producers of South Africa faithfully supplied sugar to the consumers of the United States at a rate below the world price, when they could have gone out into the world market and made a big profit. During those years our housewives were not subsidizing the producers in South Africa.

It should also be noted that today we have a favorable balance of trade with South Africa at a rate of approximately $1 million a day. If we are to stop this trade in sugar with South Africa, why not go all the way and lose $365 million in trade?

There are two other points of some significance which I think all Senators should consider.

The pending amendment, in essence, provides that any country or any producer in any country wishing to derive benefits from the Sugar Act must comply with the democratic principles of the United States which we profess to believe, in, and which we profess to practice.

Mr. President, if we insist on that requirement, I suggest that Members of the Senate go through the quota list and see how many countries would qualify to do business with us. I do not wish to name the countries, but we are dealing with dictatorships, we are dealing with countries whose prisons are filled with political prisoners.

It has been said that music is an international language, a language that all of us can understand. I wish to add another international language, the language of trade. It is on this basis that this country has been trying its best to deal commercially with friend and foe alike.

The biggest matter before this Nation today is the upcoming trip of our President to Peking. It is hoped that as a result of this journey for peace to Peking we may be able to open up our doors, and they may be able to open up their doors and conduct some commerce. We will be dealing with people that we hated for many years. We will be dealing with a country that carries out as a matter of practice principles with which we disagree. But yet I find that many of my colleagues are scrambling over each other to be the first to argue for trade with Communist China, with Communist Russia. I think we should be consistent.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. I yield the Senator 1 additional minute.

Mr. INOUYE. If we are to insist upon the application of this rule that one must comply with the democratic principles in which we profess to believe and practice, let us do so; but if we were to do so, we would find, unfortunately, that we would be almost isolated in this world. It is for these reasons that I will be voting against the amendment, even if I oppose very much the racist policies of South Africa.

Mr. KENNEDY. I yield 10 minutes to the Senator from Oklahoma.

Mr. HARRIS. Mr. President, in the Senate Finance Committee I moved the adoption of this amendment which would strike the quota of the Republic of South Africa. Had that amendment been adopted in the committee, and if it were adopted on the floor of the Senate tonight, the American housewife and the American consumer would no longer be asked to pay an additional cost above the world price for sugar to subsidize the racist policies of the Republic of South Africa.

I beg to differ with my distinguished colleagues who see this matter in another light and who are quite well intentioned and sincere in doing so.

It has been said here, Mr. President, that if we were to live by the democratic ideals which we profess, we would be isolated in this world. We would not be isolated from the people of the world; we would be isolated from a lot of dictatorships in this world and from a lot of inhumanity that is practiced in this world. It has been said that idealism is not practical in the modern world, and particularly in regard to foreign policy.

Mr. President, I suggest to the Senate that idealism is the pragmatism of our day. I propose to the Senate that we start right here in this bill to say that we are going to do the only practical thing that we can do in the field of foreign policy, or, for that matter, in the field of domestic policy, and that is to begin to live by the ideals which we have said undergirded our society and held it together, and, indeed, founded it.

I served, Mr. President, as a member of of the Kerner Commission which went about this country to look into the causes and the prevention of the terrible urban riots we saw in America in the summer of 1967. Mr. President, it was our clear finding and our clear statement that the issue of race, which has been fundamental to the history of America and is now the principal political hallmark of the American political scene, had been

compromised far too long. We compromised it when our Constitution was written. We compromised it prior to the bloody days of the Civil War. We compromised it again following the first fitful starts toward reconstruction and reconciliation in this country after the Civil War, and we have compromised it ever since. We have compromised it because leaders told us compromise with our ideals on race was the only practical thing to do.

Now, Mr. President, surely all of us in this body and around America have begun to learn that compromise was the most impractical thing to do in regard to race and that those compromises in regard to race on the domestic scene have cost this country immeasurably in lives and in blood and in self-esteem.

Mr. President, the only practical thing to do with regard to racism and other kinds of immoral practices that continue to exist domestically is to practice what we profess.

Mr. President, I submit that the same is true on the international scene. Look at the messes we have gotten into by being practical.

Not long ago a Secretary of State appeared before the Subcommittee on National Security and International Operations of the Committee on Government Operations on which I served. He was called to task about some of the clandestine activities that we had been involved in, and some of the support that we had given to governments that we ought not to support. We have been in the past associated with people like Duvalier, for example. We are now associated with military dictatorships to the degree that so many people around this world—people around this world, not governments which are transitory—see us as sometimes being apparently much more comfortable with military dictatorships than we have been with democracies.

That Secretary of State said to us in effect:

> Gentlemen, we operate in all of the back alleys of the world necessarily, and our adversaries use dirty tactics.

And further:

> While we are not proud of it, we have to use some of their own tactics, tactics that we cannot even admit to our own people.

Mr. President, serious questions have been raised since this country was founded as to whether a government which depends upon the consent of the governed for its existence can operate on the world scene as a world power.

I say, Mr. President, the answer to that is a resounding no, unless we operate on the basis of our ideals and unless we can be proud enough of what we practice to reveal it not only to the world but also to our own people.

Mr. President, I say it is time we returned to idealism as the basis of foreign policy. That may be the most radical thing I have ever said in the Senate of the United States. It would certainly bring about a fundamental change on our part and in our foreign policy, and, I hope, would begin to bring about some fundamental changes in the world.

Mr. President, if there is one ideal we ought to believe in in this country, it is that downtrodden people will rise.

I once was in a country in Latin America where I said to our own Ambassador, a career officer, "Is it not true that in this country where more than half of the people are Indians—American Indians who are not in the economy and not in the dominant language and who are left powerless economically and politically—that you have a classic kind of case for Latin American revolution?"

He said, "Not at all, not at all."

He said in effect: "The Indians of this country are not like the Indians of the United States. They are docile and disorganized. They will never get together; they never have; and they have always had to be ruled."

I said, Mr. President, "That sounds very much to me like what a lot of white people in Selma, Ala., said about black people there for years, and then one day they were surprised to find that they were marching in the streets to try to make real the fundamental beliefs that this country was founded upon."

The very week that the Ambassador in the Latin American country told me what he told me, I found in a village that I visited that the Indians there for the first time since Spanish colonial days had risen up and said, "We will not work on the roads if the Ladinos"—meaning those of mixed Spanish and Indian blood—"will not work on the roads."

Within a week that had occurred in another village. Guerrilla activity became widespread. It has spread throughout that country until today the country is terribly unstable. I am sad to say that the ambassador himself has since fallen victim to assassins.

If we believe in one thing it should be that downtrodden people will rise. Our interests are not only moral but also practical. We should stand on the side of the people, not on the side of dictatorial or repressive governments.

So I should like to see us begin to live up to what we say. That would mean, for example, that we would cut off not only military but also economic aid to Pakistan, where that awful death continues. It would mean that we would stop giving increased military aid to countries like Brazil, which have practiced torture of political prisoners as a part of approved government policy—and that has been well documented internationally. It would mean that we would not give more military aid to Greece now that it is a military dictatorship than when it was a democracy.

We are not now talking of trade or diplomatic relations.

The Senator from Hawaii brought up the case of the Republic of China. Nobody is suggesting that we subsidize with a quota the sugar industry of the Republic of China. We are talking about giving South Africa a special reward out of the pockets of American consumers and housewives, even though South Africa is the only country in the world that has an official government policy for the subjugation of one race by another.

I say: Shame on us if we continue that.

Mr. BENNETT. Mr. President, will the Senator from Louisiana yield to me for 3 minutes?

Mr. LONG. I yield to the Senator from Utah.

Mr. BENNETT. Mr. President, I have listened to the last discussion with a great deal of interest. I am interested that my colleague from Oklahoma mentioned two countries, both of which have sugar quotas. Is the Senator prepared to suggest to the Senator from Massachusetts that he change his amendment to strike the quota of Haiti, which is on the black side of the mixture rather than on the white side, against 30,000 tons?

Mr. HARRIS. If the Senator will join me we will call up another amendment here in a moment that I have offered to provide for holding up the subsidy to the Philippines, Haiti, Brazil, South Africa, or any other country until it could be shown to the President's approval that such a quota and such a subsidy was getting down to the workers in those countries; and if the Senator will join me and the Senator from Illinois (Mr. STEVENSON), we will make the same assurance to the American worker.

Mr. BENNETT. In other words, the Senator will not stand on his own feet and support such an amendment, but says that he must stand with the proponents of this amendment.

Mr. HARRIS. I offered such an amendment in committee and the Senator voted against it. I will offer it again on the floor and I hope the Senator will join us.

Mr. BENNETT. Did the Senator offer an amendment to strike out Haiti?

Mr. HARRIS. I offered one on the Dominican Republic. Why not make it on Haiti?

Mr. BENNETT. There is an amendment on the floor. It is the simplest thing in the world to persuade the man who offered the amendment to add Haiti and Brazil, the two countries the Senator denounces, to have their quotas stricken.

Mr. HARRIS. I have an amendment to do that. The Senator offered a weak argument. He said that since he could not support us on the one he could not support us on the other.

The Senator from Utah is not offering support of either of the amendments.

Mr. BENNETT. The Senator has gone on the basis that any country that does not provide for its citizens the full rights of a free country should be stricken.

Mr. HARRIS. May I respond?

Mr. BENNETT. This is my time.

Mr. HARRIS. The Senator is speaking about principle.

Mr. BENNETT. I know. This is my time.

Mr. HARRIS. I ask that the Senator state the principle behind his position.

Mr. BENNETT. The Senator had all the time he wanted; do not consume my time.

The chairman has commented briefly on the other thing I wanted to comment on. The Department of Agriculture has rated the 30 countries that supplied sugar to us on two bases: One, selected economic criteria, and the other labor con-

ditions in the sugar industry. On the combination of those two, Mexico ranks first, and South Africa ranks second.

With respect specifically to labor conditions in the sugar industry, the country of South Africa ranks ninth out of 30. My friend, the junior Senator from Massachusetts, talked about giving a quota to Swaziland. It ranks 29th on economic criteria and 24th on conditions in the sugar industry.

So we are asked to take the quota away from South Africa where working conditions are ranked very high and give them to Swaziland. We can play the numbers game.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, I yield the Senator 1 additional minute.

Mr. BENNETT. We should realize what we are dealing with is an economic problem. All day attempts have been made to tell us that this is an emotional problem and it is our obligation to solve the sugar supply on the basis of our emotional reaction to the people of the world. We are told we are just mad at the government and not the people. But as a matter of fact, the fact remains if the quota is taken away from the private industry that employs those people and those people lose their jobs, that would end up damaging the very people for whom we profess love and for whose sad condition we feel we should extend our economic policies.

Mr. LONG. Mr. President, I must congratulate the Senator for his raft-ringing oratory and his eloquence, but I can only think how much more eloquent it would have been if he stood here in 1960 in connection with cutting off the Cuban quota and advocated the overthrow of the Batista government, which did not go along with our principles of government, and favored a government which could be whatever its successor might be. A lot of people thought that sort of thing, but we ended up with Castro.

My good friend the former Senator from Florida, Mr. Smathers, pointed out that if the Batista government were overthrown they would not get an American version of government but a Communist government, and that is what happened.

It sounded to me like the Senator from Oklahoma was advocating the overthrow of Pakistan and Greece. They are friendly, but if we were able to overthrow them perhaps we would end up with a Communist government in the place of the government they have there now.

If we are going to fight communism around the world my guess is that the country which would stand with us against communism in Africa would be South Africa, as much as we disagree with their segregation policies and other policies. But based on simple trade considerations, as the Senator from Utah so well mentioned—in terms of whether they have traded with us honorably and honored their agreement—South Africa is tied for first.

Furthermore, I have analyzed the amendment to see how the South African quota would be distributed if the amendment were agreed to. I am talking about what the amendment says and not the intention in offering it.

This amendment would distribute——

The PRESIDING OFFICER. The time of the Senator is expired.

Mr. LONG. I yield myself 2 additional minutes.

This amendment would distribute the South African quota among those countries that are regarded as being in the Eastern Hemisphere substantially as follows:

Australia, approximately 23,000 tons. Australia would not be regarded as a segregated country, even though, I must say, everyone in Louisiana who cannot stand the desegregation policies being forced by the U.S. Government, is thinking about perhaps moving to Australia. Fully one-half of them who feel that way are.

China would get about 11,500 tons. We are talking about Taiwan. Much as we deplore mainland China, Taiwan is not a democracy.

India would receive 11,000.

Fiji would receive 4,300.

Thailand would receive 1,500.

Mauritius would receive 1,700.

Malagasy would receive 900.

Swaziland would receive 800.

My figures are rough, but it is a fact that the biggest recipients of the quota would be Australia, Taiwan, and India.

Mr. HARRIS. Mr. President, I yield myself 5 minutes on the bill.

The distinguished Senator from Utah talked about the principles which I and other Senators who support this amendment espouse, and he seemed to find some fault with them.

I never heard the distinguished Senator from Utah state with any clarity, when I asked him to do so—I do not think there was any attempt at all—the principles upon which his position is based. Or is it that we are not to have any principles in regard to this bill except continuing historic precedent, as the administration witnesses before the committee suggested?

Mr. President, there is a continual attempt here to get quotas mixed up with foreign trade. We are not talking about trade here. We are talking about foreign aid. Why should we choose South Africa to give a subsidy to, a special benefit, a special subsidy, at the cost of our consumers, at the cost of our housewives, when South Africa is a developed country?

But that is not the chief issue, and I never heard the distinguished Senator from Utah speak to this point. I do not believe he spoke to the point that has been made continually in this debate; that is, that as far as anybody knows, the Republic of South Africa is the only country left in the world which practices an official government policy of subjugation of one race by another. If there are other countries, we ought to add them in here.

There can be some fuzziness in regard to how we draw the exact line of morality and idealism in foreign policy, but I believe I have stated some very clear transgression of any policy based on idealism, and one of those, which it seems to me is the clearest, is by the Republic of South Africa.

There the policy is clear, and it not only involves discrimination on the basis of race against their own citizens, with our money, but it also involves discrimination against our citizens, with our money, including Members of the U.S. Congress—not only black U.S. citizens who have been either ill-treated or not allowed into that country, but also white Americans who have spoken out against this abominable philosphy of racism in that country or anywhere else in the world. Those citizens of ours—not South Africans, but our own citizens—are ill-treated and discriminated against with money out of the pockets of American housewives and consumers.

I say the line may sometimes be difficult to draw on morality in foreign policy, but it is not very difficult to draw in regard to sugar quotas for South Africa.

Te distinguished Senator from Louisiana mentioned Cuba. He asked, why was not the Senator in 1960 on the floor of the Senate speaking out against the Batista government?

Well, for one reason, Mr. President, I was not in the Senate until some years thereafter. I was not in the Senate at that time. But I have been one of those, who has said that if we had been a little less strongly in support of that dictatorship in Cuba, we might not have the kind or system of government we have there today.

I think it is time that we return both to idealism and practicality in foreign policy. We have the chance to do so now simultaneously by striking the sugar quota for South Africa from this bill.

Mr. KENNEDY. Mr. President, I yield 15 minutes to the Senator from California (Mr. TUNNEY).

Mr. TUNNEY. I thank the distinguished Senator from Massachusetts for yielding me time.

Mr. President, I think it is very clear, as the Senator from Oklahoma said, that the issue before us is whether or not the American consumer is going to benefit a government that practices, as an official policy of that government, discrimination. And the Government of South Africa has been declared by the United Nations to be guilty of crimes against humanity. I think it is very clear, no matter whether we say we are benefiting the farmers, the producers of sugar, in South Africa, as opposed to the Government of South Africa, that the real benefit is going to that state, which practices, as official policy, segregation—an abominable policy, an absolutely abhorrent policy. Two-thirds of the sugar growers in South Africa are black, and yet they produce only approximately 2 percent of the sugar that is grown in South Africa.

It is quite clear that the benefits of this quota do not filter down to them, but they benefit the large white growers who are in support of a government that has, as its official policy, discrimination.

On another level, I think that it is a slap in the face against 11 percent of the population of the United States that is black and that detests the racial policies

of the Government of South Africa. When black consumers purchase sugar they are in effect contributing a small part to the quota bonanza favoring South African growers and the South African Government. To black Americans the issue is symbolic. How will they feel about the Government of the United States if the Congress goes on record as supporting a bonus, a gift to the Government of South Africa for which their dollars are helping to pay?

It seems to me that we ought to be thinking about our own people, and if we find that we do not want to make available this quota to South Africa, then there is no reason why we cannot benefit the farmers of our own country.

There are sugar-beet farmers in my State of California who are desperately anxious to grow more sugar beets, and they can grow as good sugar as can be grown in South Africa. I do not think it is necessarily a question of having to divide the South African sugar quota among other nations. There is no reason why we cannot bring it back home and give it to American farmers, most of whom are in desperate economic straits.

I could not agree more with the Senator from Oklahoma when he says it is not a question of trade with a less than friendly nation. It is not a question of trade at all. We are not talking about maintaining trade relations with South Africa. It has been suggested that perhaps we should not maintain trade relations with South Africa, but that is not the issue. It is a very simple issue. It is a simple symbolic issue. Is the Government of the United States, is the Senate of the United States, going to go on record before the American people and before the people of the world as giving a special benefit to South Africa?

And whether we may justify, in our own minds, through all kinds of processes of rationalization, that we are not giving a benefit to the Government of South Africa, that in fact we are just attempting to allow the South African Government, which has produced sugar for the United States when it needed it, a return in kind, I think it is quite clear that this vote is going to be symbolically held out in this country and around the world as a decision by the Senate of the United States to vote a bonus for the Government of South Africa, and thereby implying that when it comes to business relationships, the United States puts cash ahead of morality.

Mr. KENNEDY. Mr. President, I yield such time as he may require to the Senator from New York.

Mr. JAVITS. Mr. President, I served at the United Nations last fall as a result of my appointment by the Senate, and I know of few moral questions which so deeply move the world or a situation which so affronts the world's morality of apartheid in South Africa.

We need more effort to be selective in our disapproval. There are many things that we will do and continue to do with South Africa because they are in the interests of the world or our own. But this sugar quota is one thing we really do not have to do. This is quite gratuitous. South Africa is an extremely prosperous land, though its blacks, by and large, do not share adequately in that prosperity.

It seems to me, Mr. President, that when we have a chance at least to show our moral indignation which is so completely tied up with voluntarism on our part as the sugar quota, it is a great mistake not to show it. I thoroughly agree with my colleagues who have said this is a symbolic vote. Most of the world's population is yellow, brown, or black; and the overwhelming majority of the votes in the United Nations are from nations with people who are mainly yellow, brown, or black.

We wish to have a unified world as well as a moral world. I can see few cases more clear than this in which we can make an expression of morality on a matter which is entirely within our dispensation as a people.

I really think, considering the affront to the morality of mankind which is represented by apartheid in South Africa, this is the very minimum we ought to do in this situation, and I hope the Senate will sustain the amendment of the Senator from Massachusetts.

Mr. BROOKE. Mr. President, will my colleague yield for a question?

Mr. KENNEDY. I yield.

Mr. BROOKE. I was disturbed by the breakdown on redistribution that would ensue as a result of this amendment. According to the Senator from Louisiana I forget the actual figures he read, but Australia would get the bulk of what is now South Africa's quota, and Taiwan would get the next highest number of tons of raw sugar.

I certainly support the amendment of my distinguished colleague from Massachusetts. I just wonder if there would be a possibility of amending that amendment to provide a more equitable distribution of that sugar quota than the one which the distinguished Senator from Louisiana has indicated would result if this amendment carries.

Certainly Taiwan does not need a larger sugar quota at this time. And the amount of sugar tonnage that would go to the black African states under the pending amendment is so small, it would seem to me that we would be on much firmer ground if we agreed to increase the quota for the black African states rather than giving the quota to, say, Australia or Taiwan.

My question is, Could the Senator amend his amendment at this time to provide for a more equitable distribution of the sugar quotas?

Mr. KENNEDY. I say the Senator's point is well taken. The initial consideration in the amendment was that we thought about how, if the amendment were to be passed, the quotas should be distributed. There were those who thought we ought to try to distribute it, possibly, among the great countries in West Africa. The Senator from Oklahoma, who is not present at the moment, felt, as a member of the Finance Committee, and had an amendment to that effect, that it should be distributed pro rata, just generally across the board, rather than going to the Eastern Hemisphere countries.

I personaly preferred that we do it in terms of the developing countries of Africa themselves, and I would be glad to suggest the absence of a quorum and perhaps work out some arrangement.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. KENNEDY. I yield.

Mr. LONG. May I suggest, if we can gain unanimous consent to do so, that I was glad to give unanimous consent to offer all this en bloc, even though it involves a number of amendments, and maybe we could get unanimous consent that if the amendment is agreed to, the distribution of that quota would remain subject to further amendment. That being the case, any one could offer whatever he thinks might be an appropriate amendment in the event South Africa is not to have a sugar quota.

Mr. KENNEDY. I think that may be a pretty good answer to the question of my colleague of Massachusetts. To do the contrary would perhaps involve us in a rather prolonged discussion.

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

Mr. LONG. The Senator understands it will come out of his time.

Mr. KENNEDY. That is right, the time to be charged——

Mr. LONG. I object to charging it to our time.

Mr. KENNEDY. No, the time to be charged to myself.

The PRESIDING OFFICER (Mr. BURDICK). The Senator from Massachusetts has enough time remaining for a quorum call.

Mr. KENNEDY. May I ask how much time we have remaining?

The PRESIDING OFFICER. Twenty-three minutes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 8 minutes remaining.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 3 minutes.

Mr. KENNEDY. Mr. President, the observation made by my colleague, Mr. BROOKE, is well taken in terms of if the amendment is agreed to, that it would distribute this modest sum to other countries which have been named in paragraph B. So it is the intention of my colleague, Mr. BROOKE, and myself to offer an amendment to insure that any savings from the South Africa quota will be distributed to Mauritius, Swaziland, and the Republics of Uganda and Malaui which were included in the House bill but were stricken out by the Senate,

in the percentages outlined in paragraph B. So we would be willing to present the amendment to insure that if this amendment is successful, and I hope that it will be, we can have a corresponding second vote to insure that any benefit from this amendment would be distributed to those countries.

Mr. LONG. If the Senator wishes to offer such an amendment to include black countries, why leave Liberia out of it?

Mr. KENNEDY. We will get a chance to talk to this issue at a time after this amendment is voted on.

Mr. President, I am prepared——

Mr. LONG. Mr. President, I yield myself 1 minute to say that I was willing to give consent that we vote on the amendment, but I am frank to say the more I think about it, I think that was a mistake; but we have to consider, do we want to deny South Africa the sugar quota and, if we want to do that, to whom would we like to assign the sugar?

I am frank to say that the judgment of the majority on the Finance Committee was that we should be assigning this sugar to those whom we can depend upon to supply it to us, in the event we have a real emergency and find ourselves in great difficulty getting sugar. Those of us on the committee felt that if we are going to reallocate the sugar, it would be far better to reallocate it to our Latin American friends who are close to us, where we would be assured of a supply in the event of an emergency, where it is not a matter of doing someone a favor, but they would be doing us a favor. We need to prepare for emergencies in bad times as well as good times.

If we are going to start to amend an amendment, I have an amendment at the desk that I want to offer to simply reallocate that sugar among our Latin American friends and allies. But I would still offer the Senator from Massachusetts the proposition to simply leave that matter subject to amendment, in the event his amendment is agreed to, and then we would be privileged to decide where to allocate the sugar.

Mr. BROOKE. Mr. President, will the Senator from Louisiana yield for a question?

Mr. LONG. I am happy to yield.

Mr. BROOKE. What is the Senator's proposition?

Mr. LONG. I would suggest that we simply agree by unanimous consent, that if the amendment is agreed to, the countries to which the sugar would be reallocated would be subject to amendment, so that we could then vote on whether we wanted to allocate the sugar to Latin American countries, or certain other countries, or whoever we wanted to allocate it to. If we do it on that basis, we could then decide, do we want to deny South Africa a sugar quota and, having done that, then amend the amendment to reallocate the quotas in that amendment, however we want to.

Mr. BROOKE. A further question. If the Senator's amendment carries, then cannot the Senator introduce an amendment, anyway, for reallocation?

Mr. LONG. I am afraid not. I believe that if the amendment carries as it stands, it would no longer be subject to amendment.

In other words, I would ask the Parliamentarian if that is correct.

The PRESIDING OFFICER (Mr. CANNON). If specific parts were amended, they would not be subject to further amendment. However, items not amended by the Senator's amendment would be open to further amendment, or new language could be put in.

Mr. LONG. But would not this be true—that looking at the amendment and we take the sugar from South Africa and reallocate it to the following countries in paragraph (B). If we say that, then we cannot amend that part of the bill—I guess we could amend the countries in paragraph (B). But I would ask the Senator if it is correct, if it is going to do anything more than allocate countries in paragraph (B)—could the Senator take that part out and allocate countries in paragraph (A).

The PRESIDING OFFICER. The Chair will state that the language already amended could not be touched, but the Chair will not interpret the amendment.

Mr. KENNEDY. Mr. President, a parliamentary inquiry. Is there any reference to any countries in paragraph (A) in that amendment?

The PRESIDING OFFICER. Will the Senator kindly restate his parliamentary inquiry?

Mr. KENNEDY. Is there any reference to any of the countries in paragraph (A) in the amendment? None of those countries have been mentioned.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the amendment touches one country mentioned under paragraph (B) and inserts new material.

Mr. LONG. Mr. President, I understand what the parliamentary situation is, if others do not. I have made a fair proposition.

Mr. BENNETT. Mr. President, I should like to propound a parliamentary inquiry, if the Senator will yield to me the necessary time.

Mr. LONG. I yield.

Mr. BENNETT. Under the Chair's interpretation, would it be possible to strike one country out of the list in the amendment and substitute another country for it?

The PRESIDING OFFICER. Yes, that would be possible.

Mr. BENNETT. It would be possible to do that for every country in that list?

The PRESIDING OFFICER. That is listed in paragraph (A)?

Mr. BENNETT. I have not seen the amendment, so I do not know what paragraph (A) is or what paragraph (B) is.

The PRESIDING OFFICER. Paragraph (A) in the bill.

Paragraph (A) includes countries in the Western Hemisphere. Paragraph (B) includes countries outside the Western Hemisphere. The present amendment just touches one country under paragraph (B).

Mr. BENNETT. And the balance?

Mr. KENNEDY. Mr. President, in order to clarify this, if the manager of the bill and the ranking minority member of the Finance Committee would permit, I ask unanimous consent to be able to strike out any reference to any of the countries and make it refer only to striking out the South African quota which would preserve all rights of Members of the Senate to allocate that portion in any subsequent amendment.

I ask unanimous consent, Mr. President, to strike out all the words following line 3 in my amendment, beginning with "on page 31."

The PRESIDING OFFICER. Is there objection to the modification?

Mr. LONG. Mr. President, reserving the right to object, and I am not sure I do want to object, I want to be advised by a staff member precisely what that would do. I do not think I want to object to it. However, I want to see what the request is before I agree to it.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. LONG. Mr. President, I do not object.

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

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

Mr. LONG. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 56 minutes remaining.

Mr. LONG. Mr. President, I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, I want to know who owns the sugar plantations and processing plants where the working conditions are poor. Are they owned by the people of that country?

Mr. LONG. The answer is in some cases yes, and in some cases no. It all depends on the country the Senator has in mind.

Mr. AIKEN. Mr. President, if we take a quota away from some country that is paying reasonably good wages and has reasonably good working conditions and give that quota to another country where working conditions are poor, and the cost of production is less, would we be helping the people of that country or the international investors?

I have not seen many sugar plantations. I have seen some. Every one that I have seen has been owned by out-of-country investors.

It strikes me that we ought to know what we are voting for, whether approval of the proposed amendment would really raise the standards of the poor people in an underdeveloped country or whether it would raise the profits of international investors who might be in France, England, or conceivably in the United States or some other country.

Mr. LONG. Under the amendment as modified we would not know whether we would be helping international investors or laborers until we pick out the countries one by one and the situation varies on a country-by-country basis.

Mr. AIKEN. Who does the chairman of the committee think would get the benefit. Would it be the international investors or the people who need to live in those particular countries?

Mr. LONG. At this point, we do not know, because the amendment has been withdrawn with regard to the realloca-

tion. So, we would not know to what country we would be assigning it until later.

Mr. AIKEN. I asked the Senator who he thought would receive the benefit.

Mr. LONG. My answer would be some of both. However, I am guessing as to what the Senate will do. I would say that in South Africa we have a great number of independent holdings. For example, we have 6,100 producers who are either black or Indian. They are independent producers in South Africa and would be adversely affected by this amendment.

While an effort has been made to indicate that those producers do not produce much, I notice, with respect to the Indian producers, for example—and those people came to South Africa a century ago as field workers, and they are from India and are not American Indians, but are India Indians—they produce 10,000 tons. Twenty-two of them deliver over 5,000 tons of cane. Forty-one of them deliver over 3,500 tons of cane.

While it is true that working conditions in South Africa are not high compared to the United States, compared to other nations to which the sugar would be allocated, they are higher.

Mr. AIKEN. They are much higher?

Mr. LONG. The Senator is correct. Obviously, if we cut the price of the businessman who produces sugar, and if he cannot afford to pay labor a wage that tends to make him lose money, it tends to make the price come down.

Mr. AIKEN. I was wondering whom I would be voting for if I voted to take away the quota from a country that had good working conditions and paid reasonable wages and gave it to another country where the cost of production is much less. It would seem to me that it would be benefiting the investors in that case.

Mr. LONG. That could very well work out to be the case.

Mr. AIKEN. And the investors would accept it?

Mr. LONG. I do not think they would turn it down.

Mr. CRANSTON. Mr. President, I fully support the amendment to H.R. 8866 offered by my distinguished colleagues, Senators HARRIS, KENNEDY, and RIBICOFF, to suspend the sugar quota to the Republic of South Africa.

The Republic of South Africa practices a racist policy known as apartheid, which has been repeatedly denounced by the United States through United Nations resolutions. Apartheid dehumanizes black South Africans. It denies not only economic and social equality to its nonwhite citizens, but also basic dignity and human rights.

It is a policy which requires all nonwhite citizens over the age of 16 to carry the "pass"—a document of more than 90 pages containing detailed personal data. The pass must be produced for inspection by police at any hour and in any place. Pass raids and accompanying police brutality occur frequently as police invade homes, separate families, and perpetuate terror throughout entire communities.

It is a policy which has refused visitors visas to numerous black Americans, including prominent athletes, entertainers and public officials.

It is a policy which in recent years has multiplied the legal machinery for its enforcement. There is no justice for nonwhites in South Africa.

Despite the U.S. official condemnation of apartheid, the United States has, since 1962, provided the Republic of South Africa with a special form of foreign aid—the sugar quota. In 1970 alone, South Africa received $5 million for 60,000 tons of raw sugar exported to the United States. The House-passed version of H.R. 8866, the Sugar Act Amendments of 1971, continues for 3 years the South African sugar quota of 60,003 short tons. The Senate Finance Committee has recommended only a minimal reduction in this quota—providing South Africa with a quota of 57,745 short tons of sugar for each of the next 3 years. This bonanza allows South Africa to sell more than 6 percent of its total sugar crop in a protected U.S. market at nearly twice the world price.

White-owned farms produce 92 percent of South Africa's sugar. Indian and black farms produce only 8 percent. The average fieldworker's wage in the South African sugar fields, including housing, amounts to only $1.68 per day. Clearly, the major portion of the profits received from the U.S. sugar quota contribute to the continuation of apartheid.

Mr. President, I find it morally reprehensible that the U.S. Government and the U.S. taxpayers should subsidize the sugar industry and the economy of a nation which denies fundamental human rights to black people.

If we, as a nation, truly believe in the principles of justice, freedom, and human dignity, then we must discontinue this sugar quota to South Africa. We must refuse to support economically a nation whose official policy we have condemned as immoral and unjust.

We are a freedom-loving people. We reiterate frequently and eloquently our love of justice and our support of racial equality and self-determination throughout the world. Indeed, Secretary of State William Rogers recently declared in an official policy statement on Africa:

> The United States will continue to stand for racial equality and self-determination. We will help to provide economic alternatives for the small independent states in southern Africa . . . We take our stand on the side of those forces of fundamental human rights in southern Africa.

I believe, Mr. President, that we can no longer tolerate the existence of such a glaring gap between our national pronouncements and our economic policies regarding South Africa. I, therefore, strongly urge that this amendment be approved. An overwhelming vote to suspend the sugar quota to the Republic of South Africa will put the U.S. Senate on the side of fundamental human rights in southern Africa and at home.

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

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

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified, of the Senator from Massachusetts. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. GRIFFIN. On this vote I have a live pair with the Senator from Arizona (Mr. GOLDWATER). If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from North Carolina (Mr. ERVIN), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

On this vote, the Senator from Indiana (Mr. BAYH) is paired with the Senator from North Carolina (Mr. ERVIN). If present and voting, the Senator from Indiana would vote "yea" and the Senator from North Carolina would vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PASTORE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The pair of the Senator from Arizona (Mr. GOLDWATER) has been previously announced.

The result was announced—yeas 45, nays 47, as follows:

[No. 166 Leg.]

YEAS—45

Beall	Hatfield	Muskie
Boggs	Hollings	Nelson
Brooke	Hughes	Pell
Case	Humphrey	Percy
Chiles	Jackson	Proxmire
Church	Javits	Ribicoff
Cook	Kennedy	Roth
Cooper	Magnuson	Saxbe
Cranston	Mathias	Schweiker
Eagleton	McGovern	Scott
Fulbright	Metcalf	Stevenson
Gravel	Miller	Symington
Harris	Mondale	Taft
Hart	Montoya	Tunney
Hartke	Moss	Williams

NAYS—47

Aiken	Dole	McGee
Allen	Dominick	McIntyre
Allott	Eastland	Packwood
Anderson	Ellender	Pearson
Bellmon	Fannin	Prouty
Bennett	Fong	Randolph
Bentsen	Gambrell	Smith
Bible	Gurney	Sparkman
Brock	Hansen	Spong
Buckley	Hruska	Stennis
Burdick	Inouye	Stevens
Byrd, Va.	Jordan, N.C.	Talmadge
Byrd, W. Va.	Jordan, Idaho	Thurmond
Cannon	Long	Tower
Cotton	Mansfield	Young
Curtis	McClellan	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Griffin, for.

NOT VOTING—7

Baker	Goldwater	Weicker
Bayh	Mundt	
Ervin	Pastore	

So Mr. KENNEDY'S amendment (No. 198), as modified, was rejected.

Mr. LONG. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BENNETT. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER (Mr. MONDALE). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. JAVITS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk proceeded to read the amendment.

Mr. JAVITS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

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

The amendment is as follows:

On page 60, line 22, after the word "ceased" add the following wording: "or unless the President determines that such quota termination is not in the national interest."

On page 61, line 12 after "subsection (a)" add the following wording: "unless the President determines that such suspension is not in the national interest."

On page 41, line 17 strike out all of (2) up to line 24 on page 42.

Mr. JAVITS. Mr. President, I yield myself 10 minutes, and would like to state to the Senate that I had contemplated offering two amendments, one to strike out that part of the bill which puts a quota on confectionary imports, and the other that part of the bill which makes regulations regarding expropriations following July 1971, but decided that it would be more advisable, in view of my position on both of these matters, to leave them to the conference. At this time I wish to express my views respecting them, so that the Senate may be informed and so the conferees may be advised of the existence of the sentiment in the Senate on these two matters.

First as to the confectionery amendment, the Senator from Illinois (Mr. PERCY) has already raised this point. I have traditionally fought here against quotas, and this is a quota, very unlike the sugar quota, which deals with the admissibility of a given amount of raw sugar at higher than world prices in pursuance of an understanding and traditional policy to assure adequacy of supply. This confectionery language has nothing to do with adequacy of supply. There is no question of adequacy of supply in it. It is a straight quota situation, but is brought in under the cover of the fact that most of what goes into candy is sugar and coconut; therefore, as this is a sugar bill, the confectionery quota is given a ride in this bill.

The other body does not include it. It is completely unfair to the consumer to include it. There is not even a case for the manufacturer, in that United States prices are quite stable. There has been no tremendous impact from imports. The committee report itself has to content itself with saying that it is the fear that imports may come in that induces the committee to write in this quota.

Mr. President, one could sharply dramatize this issue. The United States candy manufacturers have been very intelligent about prices. Prices have not risen materially. This quota might encourage them, or it might encourage some, and bring about the very strong denunciations of the fact that candy is being taken away from children, or words to that effect.

Mr. President, it is very ill-advised. Representative MILLS in the other body joined with Representative BYRNES in protesting it, and that is why it was left out of the bill there. It really has no basis in fact, and has no place in this bill; and, as the chairman of the committee indicated, the manager of the bill, in response to the statement of the Senator from Illinois (Mr. PERCY) upon this subject, said he certainly is sympathetic to its exclusion.

I hope very much that the House of Representatives will insist upon its exclusion, and that it will be excluded. I do not believe I wish to complicate this particular vote in the Senate by risking the fact that a significant contrary view may be expressed out of sympathetic consideration for quotas on other commodities. Indeed, that is the very reason in addition to the jurisdictional question why Representative MILLS urged the House committee to omit it, and why it was omitted.

I hope very much, therefore, that it will come out as a result of the conference between the two Houses.

The other matter to which the Senate's attention should be called is a very radical change being made in the sanctions which the United States can impose if there is an expropriation of American property owned by U.S. citizens in another country, without adequate compensation.

The Senate has dealt with this problem before, and in past sugar legislation and in the foreign aid legislation in the Hickenlooper amendment has not given the President adequate discretion to lift sanctions when the national interest required that the strict sanctions should not be applied. That was the case with the Hickenlooper amendment, and the House of Representatives began to change that practice, in this year's bill.

I point out respectfully that the committee now moves in the opposite direction, beginning with the expropriations that might take place after July 20, 1971. It now proposes to adopt a new condition and, in my judgment, possibly very embarrassing procedure to the United States, because it has automaticity. And not only has it automaticity and requires the imposition of the penalty of being deprived of a sugar quota, but it also adds a new provision which I have never seen before in legislation. Mr. President, this new provision states that if the Tariff Commission upholds the finding of expropriation without fair compensation that entitles the claimant to dip into what results from the imposition of the sugar quota in order to be reimbursed, but it provides further that if the Tariff Commission does not act, by its mere inaction, the quota is suspended automatically year after year.

This is a really novel provision that I have never seen before. It reminds me of the Marx brothers, who played musical instruments. When they were asked how much they were paid to play, they said "Ten dollars." When they were asked what they got for not playing, they said "Twenty dollars." That is the kind of provision this is.

Mr. President, it is inconceivable that we should lock ourselves in in this way. We tried with the Hickenlooper amendment. We thought we were going to get great results from it, and in the first case we came across, the Peruvian case, it appeared highly in the national interest that we would simply forgo the strict application of the law, because it would have been very much against the American interest had it been automatically applied.

I think it most unwise to lock ourselves in in this way, and I think the Senate should know this is precisely what is being done with this new and novel wrinkle, which I have described in this amendment.

Again, Mr. President, I will not call up my amendment to add the President's discretionary authority, because it is already in the House bill, and I feel it is much wiser to leave the matter to conference. But I should like to strengthen the hands of those who would like to see this provision in the Committee on Finance's bill, at the very least, made subject to the suspension and discretionary power of the President in the event that the operation of this whole title is found to be inimical to the national interest of the United States.

I ask unanimous consent that my amendments be printed in the RECORD. I further ask unanimous consent that the House provisions on these same subjects be printed in the RECORD, together with the reference in the House report and the protest to the House Committee on Ways and Means against including the confectionery quota.

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

EXPROPRIATION AMENDMENT

One of the key changes in the Sugar Act proposed by H.R. 8866 is to give the President two new powers to deal with foreign nations which expropriate the property of American citizens without due process of law.

Under the proposed revision of Section 408(c) of the Sugar Act the President, at his discretion, could either withhold a part or all of the sugar quota of such a nation.

Either concurrently or separately the President could, at his discretion, impose a special impost of up to $20 per ton on sugar imported into the United States from nations unlawfully taking the property of American citizens subsequent to January 1, 1969. It is the clear intent of the Committee that the Presidential authority to impose this impost shall be retroactive to all claims for expropriations as described in this provision arising subsequent to January 1, 1969. Subject to such terms and conditions as the President may prescribe, payment of claims by U.S. citizens would be made from any funds collected by the special impost.

In granting these new powers the Committee recognizes the President's legal discretion to use or not use them as he sees fit. However, the Committee strongly urges the President to invoke these powers against any nation which refuses to treat Americans fairly and equitably.

CONFECTIONERY QUOTA

The Committee considered a proposal to add to Section 206 of the Sugar Act a new subsection which would impose by statute

an import quota on confectionery. The contention was that since import quotas are imposed on raw sugar and on refined sugar that there should be reasonable quotas imposed on confectionery because it is a sugar-containing product. The proposal would not have embargoed confectionery imports, but would have permitted an increase not only in poundage but also as a percentage of domestic industry production. It would have permitted confectionery imports to rise from the 1969 level of approximately 3.5 percent of domestic industry production.

A substantial portion of the Committee supported this proposal and in its initial considerations of this legislation the Committee included this proposal as a new subsection of Section 206. The Committee, however, upon later consideration voted to remove it. This action came after a request to do so was made by the Chairman and the ranking minority member of the Ways and Means Committee in behalf of that Committee. Opposition was also expressed by the Administration.

HOUSE AGRICULTURE COMMITTEE WORDING

(c) In any case in which a nation or a political subdivision thereof has hereafter (1) nationalized, expropriated, or otherwise seized the ownership or control of the property or business enterprise owned or controlled by United States citizens or any corporation, partnership, or association not less than 50 per centum beneficially owned by United States citizens or (2) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this Act) not imposed or enforced with respect to the property or business enterprise of a like nature owned or operated by its own nationals or the nationals of any government other than the Government of the United States or (3) imposed upon or enforced against such property or business enterprise so owned or controlled, discriminatory taxes or other exactions, or restrictive maintenance or operational conditions (including limiting or reducing participation in production, export, or sale of sugar to the United States under quota allocation pursuant to this Act), or has taken other actions, which have the effect of nationalizing, expropriating or otherwise seizing ownership or control of such property or business enterprise or (4) violated the provisions of any bilateral or multilateral international agreement to which the United States is a party, designed to protect such property or business enterprise so owned or controlled, and has failed within six months following the taking of action in any of the above categories to take appropriate and adequate steps to remedy such situation and to discharge its obligations under international law toward such citizen or entity, including the prompt payment to the owner or owners of such property or business enterprise so nationalized, expropriated or otherwise seized or to provide relief from such taxes, exactions, conditions or breaches of such international agreements, as the case may be, or to arrange, with the agreement of the parties concerned, for submitting the question in dispute to arbitration or conciliation in accordance with procedures under which final and binding decision or settlement will be reached and full payment or arrangements with the owners for such payment made within twelve months following such submission, the President may withhold or suspend all or any part of any quota, proration of quota, or authorization to import sugar under this Act of such nation, and either in addition or as an alternative, the President may, under such terms and conditions as he may prescribe, cause to be levied and collected at the port of entry an impost on any or all sugar sought to be imported into the United States under the quota of such nation established pursuant to this Act in an amount not to exceed $20 per ton, such moneys to be covered into the Treasury of the United States into a special trust fund, and he shall use such fund to make payment of claims arising subsequent to January 1, 1969, as a result of such nationalization, expropriation, or other seizure or action set forth herein, except that if such nation participates in the quota for the West Indies, the President may suspend a portion of the quota, or proration of the quota, for the West Indies which is not in excess of the quantity shipped from that nation during the preceeding year, until he is satisfied that appropriate steps are being taken, and either in addition or as an alternative, he may cause to be levied and collected an impost on any or all sugar sought to be imported into the United States under the quota of such nation for the payment of claims as provided herein. Any quantity so withheld or suspended shall be allocated under section 202(d)(1)(B) of this Act.

* * * * *

Mr. JAVITS. Mr. President, I withdraw my amendments.

Mr. LONG. Mr. President, if I might just——

Mr. JAVITS. Mr. President, I will not withdraw the amendment, if the Senator wishes the time.

Mr. LONG. Mr. President, in the mind of this Senator, we did the right thing when we agreed to the so-called Hickenlooper amendment. As a matter of fact, I believe it was my amendment, when we first agreed to the principle in the Committee on Foreign Relations, that it would not be discretionary with the President whether he should act when someone has confiscated our citizens' properties. It is still stealing, in my judgment. We agreed with that—that the President would not have any discretion, that it would be mandatory upon him to terminate foreign aid. Senator Hickenlooper modified it, in ways that justify his name being associated with that matter, to say that all the sophisticated ways in which they are not really confiscating it directly ought to be covered—such as charging you back taxes in an amount that exceeds your investment, or they do not let you have an import quota for raw materials necessary for your plant, or they deny you an export quota to ship your product into an international market. He was right about that.

So that we then made it mandatory upon the President. The President had been in violation of that proposal insofar as sugar was concerned, because it was my motion that put the provision in the Sugar Act that if they confiscate your property and do not give adequate compensation, he will terminate their sugar quota.

The President has been advised that other foreign policy considerations and other things are involved. Some third-party investors do not think that the law ought to be obeyed. The President just has not done it, even for other foreign policy considerations, although the law clearly requires, for example, that Peru's sugar quota would be terminated.

So far as this Senator is concerned, I felt that we would just leave it with the President to decline to enforce the law we have passed. Our only recourse is to impeach him, and we do not have that many votes. So we will say that we will leave it as we find it in the Peruvian situation, but for the future we want an independent agency that is not going to be considering anything except whether this is a confiscation, a taking without adequate compensation.

The facts of life are that under existing provisions of law the foreign country can drag this thing out and stall along for 18 months by pretending that they are considering the amount of compensation that ought to take place, or that they are going to give the man the right to appeal, or the President can appoint some appellate board. Bear in mind that the man ultimately in charge is the same fellow who confiscated the property. The final court of appeal is the man who confiscated the property.

We felt that after 18 months of dilly-dallying we ought to put this decision in an independent agency, so that the President cannot decline to enforce the law because he is afraid of how some foreign diplomat will vote on the Security Council of the United Nations, or for some other consideration, but we would simply do as we do in other matters. The Tariff Commission has a duty to make a finding if there is an unfair trade practice, such as antidumping.

What can be a more unfair trade practice than for a trading partner to steal your property and not pay you for it? So we simply say that, after all the delay, then comes the Tariff Commission, and then they have 6 months in which to make a finding. By that time, the delays that have been available to them plus the delays in the Tariff Commission may have dragged this matter out for 24 months, and at some point there should be a decision. At that point we say that if you cannot make an affirmative decision by this time—assuming that the country is or is not confiscating property—if you cannot answer by this time that they are not confiscating your property, then we ought to suspend the sugar quota, just hold it up, until such time as you can make an affrmative decision that they are not stealing your property.

It would be the same situation, in my judgment, as if you are litigating a matter and you delay the matter until you make the final decision.

But we are not saying here that the whole thing is final. We are saying that it would take 2 long years before all the recourse of the country stealing your property would require that the quota be terminated; and if Congress is not satisfied with that, looking 2 years in the future, before anything could happen, then we would suggest that Congress amend the law.

In any event, the matter is in conference, as the Senator has suggested.

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The thing I object to is the automaticity of locking ourselves into a situation such as this, without giving the President any discretionary authority to be used to further the national interest.

I yield to no one in my effort to work for an equitable division of authority between Congress and the President. I am working hard on that in respect

of war powers, as everyone knows. But, at the same time, we do not want to cripple ourselves and the President by a straitjacket, and that is what this does.

Second, the provision to which the distinguished Senator from Louisiana has referred, the suspension, triggered by indecision of the Tariff Commission, is absolutely unheard of. It is a provision which could cause the United States very great difficulty and very great embarrassment, and I hope very much that it does not persist or find its way into the proposed legislation.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The Chair recognizes the Senator from Illinois.

Mr. McGEE. I would like to ask the chairman of the committee about the omission from the bill of two African states that received zero quotas. One was Malawi, and the other Uganda.

The reason I ask the question is that we have been wrestling with this question on the African Subcommittee of the Committee on Foreign Relations. It had many other problems knotted in it; it was a much larger question than merely the sugar quota. Complications transcended the boundary lines, and even regions of Africa, and included other areas in the diplomatic field; and I think it would be useful for the RECORD if the Senator from Louisiana would explain why both Malawi and Uganda were not included.

Mr. LONG. The reason we did not do it was that we had requests from other countries that would like to have sugar quotas for the first time, and we were being compelled by circumstances to make reductions even on countries that are old and reliable suppliers. Our regular suppliers had performed faithfully and really are closer to us, and in times of emergency could be more relied upon to deliver sugar to us because of their proximity.

So we thought that if we applied a formula based upon performance in the past, we would have a formula that would be pretty well above criticism and above the sort of innuendos that the Senator has seen in the past directed toward Congress about these matters.

Therefore, we felt that we did not want to add any new countries, because it would bring into question why we added the ones we did. There is a good case advocated for those countries, of course, and that is why the House of Representatives included them. They will be in conference. If we had had more sugar quotas to be distributed, I would have been glad to make some of it available to those countries.

Mr. McGEE. That answers my question. There is great sensitivity over the question, as well as other questions, including the matter we have just had a vote on, of South Africa.

If this might represent a token, at the very least, that could be carried in on one boatload of sugar, that would be symbolic, partly because one of the republics, Malawi, however else one may characterize it, has been a very friendly, new, independent country in a very isolated part of Africa in terms of that kind of employment.

In Uganda, where there has just been a turnover of the regime, some of the same attributes also appeared. I am advised that this is being interpreted in a negative way.

It is difficult to get across to those making inquiries that this was not a rebuff or a turnaround of policy. I have made an effort to suggest that this had nothing to do with our foreign policy, that it had to do with policies that have prevailed before, and the experience with the act. We wanted countries that had performance records; we found that there had to be a cutoff place, and that to admit one or two would have meant to add others.

Mr. LONG. The Senator is correct. There was a good case made, for example, for admitting Liberia. This Nation originally made possible the independence of Liberia, I believe in the time of Thomas Jefferson or James Madison; at any rate, it was a long time ago, and we found some sympathy for its inclusion.

But if we added Liberia, there were some other countries that would feel they ought to be considered.

I can assure the Senator that the House of Representatives did put quotas in for those two countries. The House did not work out its quotas on the same basis as the Senate, and we will undoubtedly have to compromise with them in conference. It might be that we will find it necessary to accept the House provision, and it would not at all pain this Senator if that were how it worked out.

Mr. McGEE. I appreciate that comment from the manager of the bill, and I thank him for the courtesy of making the record clear on the matter, to try to separate it from some of the other diplomatic and political questions that might otherwise be present.

Mr. ALLOTT. Mr. President, I first want to take this opportunity to commend the committee and the able floor managers of this bill, the Senator from Louisiana and the Senator from Utah, for their diligent work in bringing this bill to the floor for consideration. It is a good bill in my judgment and should protect the welfare of our domestic sugar industry as well as provide an ample supply of sugar for our consumers at a fair price.

Many years ago, we recognized that if our American producers had to compete with those of foreign countries, we would have very little sugar grown in the continental United States. Our high operating and labor costs would render our producers incapable of competing with the cheap tropical labor of other nations. However, it would be naive to depend totally on a foreign supply for an essential staple. For defense and strategic reasons we must, within the United States, possess the ability to produce a substantial portion of our sugar requirement.

Experience indicates that our present quota system is superior to attempting to give our producers protection solely through a tariff system. Prior to 1934, when the quota system was first enacted, we found ourselves ill-equipped to deal with the severe price fluctuations of the world sugar market. The quota system assures consumers of an adequate and stable supply of this commodity at a fair price. In fact, American consumers enjoy a reasonable price. Of the nations that do not produce their entire sugar needs, many have significantly higher retail prices than does the United States. For example, as of January of this year, the retail price in Italy was 18.6 cents; in Japan, 18.4 cents; in West Germany, 17.7 cents; in Sweden, 14.8 cents; and in Denmark, 14.5 cents. This compares with a price of 13.4 cents here in America.

It is significant to note also, Mr. President, that the sugar program is relatively self-sustaining. During each of the years this program has been in existence, receipts from the tax of 0.53 cents per pound that is imposed on all sugar manufactured in or imported into the United States have exceeded the payments to domestic growers. In addition, Mr. President, because of the "payment scaled down provisions" contained in the act, which have the desired effect of granting additional benefits to small producers, the program plays an important role in distributing farm income and working against the trend of mass migration from the farm to the city.

Mr. President, after comparing the foreign sugar quota distributions recommended by the Finance Committee with those contained in the House passed bill, I believe the Finance Committee has done an extremely equitable job in its review. I believe the committee was wise in allocating quotas to foreign nations based generally on their delivery performance during the last extension of the act. I believe that this is in the best interests of the United States. By depending on those who have served our market well in the past, we will provide the best assurance to our consumers of a dependable performance in future years.

The Sugar Act has done an excellent job of maintaining a strong domestic sugar industry. The continued prosperity of the 28,000 farms—10 percent of which are located in my State, 2,559 sugar beet farms—that produce sugar beets and sugarcane depends on passage of this bill. One hundred and fifty thousand farmworkers depend on this industry. The success of this act is further indicated in the fact that contrary to most of our farmers, the farmer in the sugar industry is now receiving a larger percentage of the sugar sales dollar now that he did prior to 1940.

I compliment the committee for their expeditious work and urge the Senate to adopt their recommendations.

Mr. MONDALE. I would like to address myself to the section of the Sugar Act which discusses the distribution of the additional sugar beet allotment. The House version authorizes the Secretary of Agriculture to give preference to areas where a sugar beet factory has recently closed. The Finance Committee deleted this language and in its report said that such a preference may "discriminate

against new areas and favor an area where the facility has already failed."

I think that both the Senate and the House versions have expressed valid concerns, but I do believe that there is a middle position which may be agreeable to both Houses. I agree with what I think is the Finance Committee's position and that is that they do not want to give any kind of preference to areas that do not have the desire, ability, soil conditions, financing or the local support to make a sugar beet plant a success.

The situation that I just described is not the case in southwestern Minnesota where the 60-year-old American Crystal Sugar Plant at Chaska, Minn., was closed. The urban growth from Minneapolis and St. Paul surrounded this plant and had made this an undesirable location for this type of activity. Furthermore this obsolete plant could not meet the pollution control standards that had been established by the State without a very large expenditure of money. These factors, along with the fact that the actual growing of the beets had steadily moved westward so that most of the growers were more than 50 miles from the plant, made this a very uneconomical plant.

The fact that the plant closed, however, is not an indication that these farmers do not want to grow sugar beets or that they cannot. The plant was closed this past January with no notice to the local growers that relied on this plant. Many of these growers had recently purchased new equipment, bought fertilizer, prepared the soil, and did other things to make them ready for the 1971 campaign. These growers were ready, willing, and able to grow beets this spring but could not proceed because the plant at Chaska had been closed. I believe that there are grounds to treat these growers differently than we would treat an area where there were poor soil conditions or where the local farmers did not desire to grow sugar beets or only desired to do so when prices for other crops had fallen. I am convinced that the Senate Finance Committee did not mean to treat these two very different situations in the same way.

I think the House probably had the Chaska situation in mind when they agreed upon the preference language whereas the Finance Committee was probably thinking along the lines of the latter situation that I described when they decided to delete this language. I would hope that the Senate conferees would agree with these distinctions and during the conference with the House an agreement recognizing these equities could be reached.

Even though the Senate Finance Committee did not adopt the preference language of the House bill they did go along with the farm history provisions which will be very beneficial to the growers in southwestern Minnesota. This provision "protects for 3 years the farm history of a producer who lost his market for sugar beets because of the discontinuance of contracting by a processor."

I am confident that the Secretary of Agriculture will look with favor upon southwestern Minnesota because of this farm history provision and the undisputed ability of the growers in this area to produce the quantity and quality of beets that are needed to justify an allotment.

SUGAR ACT STATEMENT BY THE HONORABLE PAUL FINDLEY

Mr. PERCY. Mr. President, I consider the statement on the Sugar Act made by my colleague from the 20th District of Illinois, who serves as a member of the House Agriculture Committee, the Honorable PAUL FINDLEY, so pertinent to the current debate and so penetrating in its analysis of the problem that I ask unanimous consent that it be printed in the RECORD.

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

STATEMENT ON SUGAR LEGISLATION BY U.S. REPRESENTATIVE PAUL FINDLEY, BEFORE THE HOUSE COMMITTEE ON AGRICULTURE, MAY 3, 1971

Mr. Chairman, at the outset I wish to compliment Chairman Poage on the policy changes he has initiated in regard to committee consideration of sugar legislation. He gave notice early that he would not receive foreign lobbyists for private discussions, that all his contacts with foreign lobbyist would be in open hearings on the public record, and that a public record be made of foreign agent registration.

These measures, I feel, have built public confidence in the legislative process and have set a good prudent standard for others of us on the committee. As a former newspaperman, I say the best protection for the public under this program is disclosure of the facts as to who represents whom, and when and for how much.

Politics is the art of the possible. This must be kept in mind as we consider the politics of sugar in 1971.

Fundamental change is difficult to achieve even under ideal circumstances in a program as longstanding and complex as the sugar act.

Inertia is a powerful force in the law of physics and even more powerful in the law of sugar. The sugar act has been in motion for more than 37 years, and its natural tendency—like other things in the physical world which are in motion—is likewise to remain in motion.

Producers, suppliers and major users of sugar are highly organized. Witness the lobbyists who have kept this room filled through day after day of long hearings. Domestic interests are so highly organized they were able to present an unchallenged united front on specific legislative recommendations.

These varied but coordinated interests have succeeded in convincing large numbers of Representatives and Senators to accept the dubious proposition that the sugar act is much too complex, precious and delicate for even minor remodeling.

Up to this point at least, the Administration has not announced a position.

Other prospective reform advocates are few in number. Consumers and taxpayers are poorly organized. The role of sugar, while important, is not prominent in the family budget. Moreover, the complexity of the act tends to discourage such lay groups from effective attack. Sugar price advances—starting of course from a very high base—have been no more spectacular than other food items. The U.S. cartel is so neatly packaged its defenders can even make an argument—though a very superficial one—that the act makes money.

It's easy to see why domestic producers like things as they are. For all practical effect, markets and prices are fully guaranteed. Foreign competition is tightly regulated. Direct government payments are a pleasant extra for which no resource adjustment is required.

The act makes life easy for major users by providing merchandising services. Supplies are steady. So are prices, although at steadily higher levels.

Quota countries could hardly be happier. The U.S. market is highly profitable—the sweetest premium market in the world.

All this is by way of saying that change this year will not be easy. But change is needed for two main reasons: first, foreign suppliers are paid too much; second, government payments to individual domestic producers go too high.

My recommendations will deal only with these two items.

The premium foreign suppliers get when they sell sugar to the U.S. amounts to a gigantic unregulated foreign-aid program whose annual value ranges between $250 million and $350 million a year.

It differs from the traditional foreign-aid program in two most unfortunate respects: first, it is financed entirely by U.S. citizens as consumers, not as taxpayers; second, its benefits are distributed with little discrimination and with no social objective.

The very existence of the highly-paid corps of foreign sugar lobbyists is evidence that foreign quotas are a much-prized bonanza.

The degree to which the American people are fleeced by the foreign quota provisions of the act is indicated by data supplied to the Committee by Mr. Arthur L. Quinn, representing British Honduras. In testimony Tuesday of last week he stated that the F.O.B. realized return by Honduras on sugar supplied in 1970 to various markets was as follows:

15,758 tons to the United States at $136 a ton.

23,692 tons to the United Kingdom at $99 a ton.

27,194 tons to Canada at $80 a ton.

"Net realized" means after any duties and import fees are paid.

Translated, Honduras got 6.8 cents a pound from the U.S., 5 cents from the United Kingdom, 4 cents from Canada. The world price was a notch lower at 3.8 cents.

Lobbyists of course defend the prices paid for foreign sugar and insist that a lower U.S. price would be a serious if not mortal blow. This reaction is natural, perhaps, as no one welcomes income reduction.

When speaking for the West Indies, Mr. Quinn indicated his clients in recent years lost money on two-thirds of their exports (that to the U.K. system) and survive only because of the profits realized from shipments of the remaining one-third (that to the U.S.). Others have made similar allegations.

I seriously question the validity of the allegation of losses on sales to the U.K. market. But even if one accepts it, a larger question remains. Why should the United States keep itself in the curious position which, in effect, subsidizes sugar prices throughout the U.K. system?

SUPPLEMENT TO STATEMENT BY REP. PAUL FINDLEY (R-ILL.) AMPLIFIES PAGE 3 COMMENT ON "PASS-BACK" FORMULA

In fact, the "pass-back" scheme could accurately be named "pass more back," because it will yield a substantial increase for the big six—the largest of the giant sugar-producing corporations.

Under the "pass more back" formula, each will get 40 cents per hundredweight on all production compared with present sliding-scale rates which, due to varying production, range between 33.8 cents and 39.1 cents.

The extra bonanza these giants have lined up for themselves comes to an aggregate of

$517,703.72 based on 1969 production. It's a good thing for the American people the sugar industry didn't propose an even lower limit!

In that year two producers each got a payment in excess of $1,000,000. The "pass more back" formula will boost this largess, compliments of the U.S. taxpayer, by a hefty 20 percent.

Here are the details:

SUGAR INDUSTRY "PASS MORE BACK" PROPOSAL

	1969 production (pounds)	Current rate at (cents)—	1969 payment	"Pass back" at 40 cents	Inc. under "pass-back"
Hawaiian Comm. and Sugar Co., Puunene	3,698,732	33.2	$1,229,666.32	$1,479,492.80	$249,826.48
U.S. Sugar Corp., Clewiston, Fla	3,179,767	33.8	1,073,980.08	1,271,906.80	197,926.72
Waialua Sugar Co., Waialua	1,472,286	38.2	561,735.90	588,914.40	27,178.50
Oahu Sugar Co., Waipahu	1,365,555	38.8	529,717.61	546,222.00	16,504.39
South P. Rico Sugar Co., South Bay	1,341,498	38.9	522,499.44	536,599.20	14,099.76
Lihue Plantation Co., Lihue	1,322,192	39.1	516,708.93	528,876.80	12,167.87

Note: Net increase, $517,703.72.

The injustice in the present pricing system is also apparent when one recognizes that no foreign producer faces cost items as high as those which confront U.S. producers, yet each gets the advantage of a price based on U.S. costs.

For example, wages as little as $1.50 or $2 a day are still commonplace among foreign suppliers; $4 a day is big money. Contrast these with almost $35 a day paid to workers in Hawaii and $1.85 an hour in the sugar beet areas of the U.S.

Despite the wage differential, foreign suppliers get almost the same price in the U.S. market as domestic producers.

Somehow, this Committee must devise a way to get a better price on sugar supplied by foreign countries. Under the present arrangement the American people get hooked, and bad.

Direct government payments to some individual producers go much too high. The largest made in 1969 are listed in the Appendix.

Government payments at any level are hard to rationalize in a controlled market in which profitable market prices are virtually guaranteed. They can be justified only in social terms, that is, to meet a need for farm-family income supplement. At the level of those listed in the Appendix, payments are an absolute outrage.

An annual limitation not higher than $55,000 should be established, as under the feed grains, wheat and cotton programs. Under each of these latter programs, farmers must make substantial adjustment of resources—that is, land retirement—in order to establish entitlement. Under sugar, there is none. My own preference is a $20,000 aggregate level for all programs.

And the individual limit should be an honest one. Schemes to negate the effect of the limit, like the "pass-back 40–40" invention proposed last Friday by the domestic industry must be rejected. The "pass-back" is evasion on its face and an insult to the integrity of this Committee.

Distinguished support for the limit on individual payments comes from Dr. John A. Schnittker, Under Secretary of Agriculture from 1965–68. In a speech October 20, 1970, to the Sugar Club of New York, he said:

"Limiting direct government payments to farmers is a popular issue today; the limitation in the new farm bill is long overdue. Limiting Treasury payments to $55,000 per crop (or to $20,000, as I would prefer) will not 'destroy the farm programs.' Limiting Sugar Act payments to $55,000 will not destroy the Sugar Act, nor will it generate a sugar shortage nor threaten the security of the United States."

The payment limit provisions in the Sugar Act must be carefully drawn. It is clear that the payment limit in the Agricultural Act of 1970 applying to wheat, cotton and feed grains will effect almost no savings to the government.

The $55,000 payment limit makes sense in several ways. Provided no farm-splitting occurs, expenditures for direct government payments would be reduced about $12,441,000 a year. Second, it would serve to retard the trend toward bigness in sugar production, in that production above 27,495 tons of beets a year by a single farmer would have no entitlement for direct payment. This is the production on 1,833 acres, using 1969 crop data averages.

Conceivably the payment limit will lead to the permanent subdivision of some farm units, and if so, this would accord with the philosophy so often expressed legislatively by this Committee which favors the family structure—as opposed to the corporate structure—in American agriculture.

Reform of the administration of the present sliding scale of individual payments is also needed.

The General Accounting Office a year ago completed a study to determine the manner in which the constitution of farms under the sliding scale of payments was being administered by the Agricultural Stabilization and Conservation Service. Payments range from 30 to 80 cents cwt. depending on the size farm, with small farms favored.

In six of the seven states in which the review was conducted, GAO found that county ASCS offices had not adequately reviewed nor had state offices effectively monitored constitutions of sugar beet and sugar cane farms. GAO found instances where two or more separately constituted farms were owned and operated by the same individual or individuals. According to the USDA guidelines, such farms should have been constituted as one farm for government payment purposes. Because of the sliding scale method of payment, the farm owners received total payments in excess of what they would have received had the farms been constituted as a single farm as they should have been.

The GAO report recommends, "The Administrator, Agricultural Stabilization and Conservation Service, should establish procedures at the state and national organizational levels to provide assurance that (1) county offices and committees are making annual reviews to determine the propriety of the sugar farm constitutions and (2) determinations made by county committees are consistent with applicable regulations and instructions."

USDA currently is reviewing its farm constitution requirements in light of the GAO report. This Committee should demand that USDA move with all dispatch to implement these recommendations under any extension of the Act, and if necessary, draft directives in the Act to insure compliance.

What should be done to bring to a reasonable level the price we pay for foreign sugar?

I will list three different approaches in order of my preference:

1. Secure all foreign supplies by competitive bidding.

Under this procedure, the Secretary through the Commodity Credit Corporation would be authorized to purchase all foreign sugar requirements through contracts established by competitive sealed bidding. At least once a year, he would issue a general invitation to all foreign sugar producers to submit bids as to quantity, price and delivery and would accept those determined to be best. Contracts could be for more than one year if deemed advisable.

The Secretary would make purchases under these contracts as domestic market conditions require. He would pay the price specified in the contract, sell the sugar into domestic channels at the going U.S. market price, and deposit the difference in the general fund of the U.S. Treasury. Under this arrangement, the present import duty on sugar logically would be eliminated.

Like the other two alternatives I will mention, this approach would leave protection for U.S. producers exactly as presently.

Several advantages are obvious:

It would end all discrimination among foreign sugar producers. Each would be given an equal fair chance at supplying the U.S. sugar market.

It would take Congress out of the business of allocating high-profit business among certain favored sugar-producing nations. Neither the Executive Branch nor the Congress would have favors to distribute to foreign suppliers. These countries would have no reason to continue to employ sugar lobbyists.

It would establish for the first time in years a meaningful world price for sugar. This would be useful to the Congress in deciding future questions of domestic price policy.

The acquisition of foreign sugar supplies at long last would be on a reasonable business basis. The foreign-aid component would be completely extracted, and therefore the Congress would no longer be tempted to use sugar as a tool of foreign policy.

The change would not necessarily alter present patterns in sugar supply. Undoubtedly countries now supplying sugar to the U.S. would wish to continue and therefore would seek contracts. In evaluating bids the Secretary would of course take into account such factors as past performance, capacity, proximity as well as price factors.

The change, while of course retaining the basic elements of state-trading that now exist, would be progressive in several ways. Country quotas, and the discrimination they imply, would be ended. Prices would be determined through fair and open competition. Since U.S. foreign purchases amount to a large portion of total world trading in sugar, the shift to competition might establish a trend of reform in other cartel arrangements.

Competitive bidding would serve the public interest in another important way. It would reduce the potential for mischief that now exists in the system of raw sugar purchases.

Refiners now rarely deal with foreign suppliers through the traditional broker system. Instead they deal with what can be termed raw sugar operators, a group of five large concerns which control most of the foreign raw sugar we import. In many cases these firms buy foreign sugar and then sell it to U.S. refiners, instead of serving only as brokers. This trend toward monopoly puts in very few hands control of immense raw sugar supplies and opens unfortunate possibilities for manipulation of the U.S. market. According to one source, the largest seven suppliers to the U.S. control the following percentages of imported sugar:

	Percent
Czarnikow-Rionda Co	25–30
M. Golodetz and Co	15–20
Christman Associates	10–15
Farr, Whitlock, Dixon & Co	8–12
Amerop Corp	8–12
Cargill, Inc	8–12
Lamborn and Co	8–12

My proposal would reduce, if not eliminate, this potential for mischief.

2. Recapture to the U.S. Treasury half the difference between the world price and the U.S. price.

Based on 1970 prices this provision would have yielded $168 million to the Treasury, while leaving to quota countries a substantial bonus for serving U.S. needs. The recapture would establish the net realized U.S. price for foreign suppliers, based on 1970, at 6.5 cents, 1.5 cent a pound above the U.K. system price. It would be similar to the recapture provision which was carried out about ten years ago and, so far as I know, without complaint from GATT.

In no way would it harm domestic sugar producers. Our average U.S. sugar price in 1970 was 8.07 cents per pound duty paid at New York while the average world price was 4.88 cents per pound. We could safely recover one-half of this difference and still be sure of adequate supplies.

3. Increase the tariff on imports from its present level at .625 cents a pound to 1.5 cents, and add a provision permitting the President to reduce the tariff if the world price should rise to a point he deemed dangerous to the satisfactory functioning of the program.

Normally this would add about $58 million to the U.S. Treasury above current revenue.

Of these alternatives the competitive bidding approach strikes me as the most reasonable and fair. Each of these plans would leave the interests of U.S. producers and their refiners as surely protected as now. Likewise, each would establish prices paid to foregin suppliers at levels more fair to the American people.

Finally, I strongly urge that the Act not be extended for more than three years. This short term extension would provide a test for the change as recommended and also help to create an atmosphere for further reform.

1969 Sugar Act payments in excess of $55,000

California:	
Giffen Inc., Huron	$145,784.06
C. J. Shannon & Sons, Tulare	107,040.50
H. M. Tenneco, Bakersfield	160,076.13
Hausmann & House Ranches, Brawley	66,388.56
Heidrick Farms, Inc., Woodland	61,300.80
Santiaga Ranch, Bakersfield	58,787.04
Chew Bros., Sacramento	57,781.57
Florida:	
U.S. Sugar Corp., Clewiston	1,073,980.08
South Puerto Rico Sugar Co., South Bay	522,499.44
Talisman Sugar Corp., Belle Glade	388,061.87
Florida Sugar Corp., Belle Glade	189,724.40
S. N. Knight & Sons, Inc., Belle Glade	136,547.10
Closter Farms, Inc., Belle Glade	131,835.85
Sugar Cane Farms Co., Palm Beach	130,671.75
New Hope Sugar Co., Palm Beach	126,704.86
A. Duda Sons, Inc., Oviedo	121,801.93
715 Farms Ltd., Pahokee	84,656.04
Billy Rogers Farms, South Bay	74,189.46
Wedgworth Farms, Inc., Belle Glade	72,587.87
Double D Ranch, Inc., Loxahatchee	65,464.50
A. F. Saunders, Inc., Belle Glade	60,994.82
Eastgate Farms, Inc., Orlando	58,452.75
Ov Land Co., Clewiston	58,025.19
Sam Senter Farms, Inc., Belle Glade	57,395.51
Hawaii:	
Hawaiian Com. & Sugar Co., Puunene	$1,229,666.32
Waialua Sugar Co., Inc., Waialua	561,735.90
Oahu Sugar Co., Ltd., Waipahu	$528,883.61
Lihue Plantation Co., Ltd., Lihue	516,683.93
Pioneer Mill Co., Ltd., Lahaina	449,783.02
Kekaha Sugar Co., Ltd., Kekaha	448,199.61
Ewa Sugar Co., Inc., Ewa	448,155.87
Mauna Kea Sugar Co., Inc., Hilo	402,366.91
Kohla Sugar Co., Hawi	383,958.50
Hawaiian Agricultural Co., Pahala	366,048.39
Grove Farm Co., Inc., Lihue	360,566.41
Honokaa Sugar Co., Haina	357,965.45
Pepeekeo Sugar Co., Pepeekeo	354,699.97
Laupahoehoe Sugar Co., Papaaloa	352,326.64
Puna Sugar Co., Ltd., Keaau	323,580.68
Hutchinson Sugar Co., Ltd., Naalehu	321,662.97
Hamakua Mill Co., Paauilo	317,808.13
McBryde Sugar Co., Ltd., Eleele	313,934.99
Olokele Sugar Co., Kaumakani	304,239.84
Wailuku Sugar Co., Wailuku	290,128.89
Paauhau Sugar Co., Ltd., Paauhau	216,467.56
Kahuku Plantation Co., Kahuku	209,905.53
Gay and Robinson, Makaweli	181,819.11
Kilauea Sugar Co., Ltd., Kilauea	162,761.09
Idaho:	
Farm Development Corp., Boise	142,223.50
Louisiana:	
The South Coast Corp., Hauma	297,981.25
Southdown, Inc., New Orleans	186,213.42
Sterling Sugars, Inc., Franklin	103,398.71
Milliken & Farwell, Inc., Port Allen	72,165.79
Churchill & Thibaut, Donaldsonville	70,200.88
A. Wilberts & Sons L/S Co., Plaquemine	65,535.99
Savoie Industries, Belle Rose	57,192.92
Oregon:	
Skyline Farms, Ontario	56,265.62
Washington:	
K2H Farms, Inc., Prescott	111,489.80
Puerto Rico:	
Luce & Co., S en C, Aguirre	279,575.74
Antonio Roig Sugar, Humacao	209,863.13
Sucn. J. Serralles & Wirshing, Mercedita	152,678.53
South Puerto Rico Sugar Corp., Ensenada	135,218.78
Arsenio Martinez Bian, Coloso	117,813.62
Producer 660019587 Type 1 (No current Name & Address)	65,887.69
Ernesto Quinones Sambolin, San German	56,162.64

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

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

At the end of the bill insert a new section as follows:

"Section 20 (a) Section 301(c) of the Sugar Act of 1948, as amended, is amended by renumbering paragraph (2) as paragraph (6), and by inserting the following new paragraphs:

Mr. STEVENSON. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. MANSFIELD. Mr. President, I would prefer to have the amendment read, if the Senator does not mind.

Mr. STEVENSON. I withdraw my request.

The second assistant legislative clerk continued to read the amendment, as follows:

(2) That the producer shall have complied with the regulations in effect under the Act of June 6, 1933, as amended (commonly known as the Wagner-Peyser Act, 29 U.S.C. 49 et seq.), pertaining to adequate housing facilities and to adequate water and sanitary facilities in the fields which he provides or causes to be provided.

(3) That the producer shall not knowingly employ as sugarworkers persons who are not citizens of the United States or who are not aliens lawfully admitted to the United States whose employment violates the terms or conditions of their admission.

(4) That the producer shall not have charged, or permitted to be charged, directly or indirectly, any amount in excess of the reasonable cost for the furnishing to any employee board, lodging, or other facilities or services customarily furnished by such producer or producers in the area or by a crew leader or labor contractor under the producer's control.

(5) That the producer shall not have discharged or in any other manner discriminated against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding, or has served or is about to serve on a committee or panel under section 305 of this Act.

(b) Section 305 of the Sugar Act of 1948, as amended, is amended to read as follows:

"Use of Local Committees and Other Agencies—

"(a) In carrying out the provisions of titles II and III of this Act, the Secretary is authorized to utilize local committees of sugar beet or sugarcane producers, farm worker organizations and representative groups, State and county agricultural conservation committees, the Agricultural Extension Service, and other agencies, and the Secretary may prescribe that all or a part of the expenses of such committees, agencies, associations or other groups may be deducted from the payments herein authorized.

"(b) The Secretary shall establish for each locality a panel consisting of equal representatives of (1) producers of sugar beets or sugarcane, (2) persons employed on the farm as sugar workers, and (3) the general public. Any dispute between a producer and persons so employed on the farm concerning wages or conditions of work (including the reasonable cost of board, lodging, or other facilities or services which the producer provides or causes to be provided) shall be referred to the appropriate panel for resolution in an impartial manner. The decision of any panel shall be subject to review by the Secretary for a period of twenty days after such decision is made."

Mr. STEVENSON. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER (Mr. MONDALE). The Senator from Illinois is recognized for 10 minutes.

Mr. STEVENSON. Mr. President, in order to qualify for payments under the Sugar Act in its present form, a domestic producer must meet certain minimum wage and child labor requirements for persons employed as farmworkers in the cane and beet sugar fields.

The purpose of the amendment is to condition payments to domestic pro-

ducers on certain additional and modest requirements which will improve the lot of the farmerworkers.

These amendments were, in part, considered in the Finance Committee. I should like to emphasize at the outset that they have been modified. One of the provisions in the amendments submitted to the Finance Committee included a revision in the minimum wage requirements. That provision was submitted to the committee but has been eliminated from the amendment now before us. This amendment recognizes that producers recruiting farmworkers through the U.S. Employment Service are required to provide housing for the farmworkers meeting certain minimum Federal standards. The amendment extends the standards to all farmworkers of sugar producers receiving payments under the act.

Because of the influx of aliens working illegally in the United States in competition with domestic farm workers, reduces employment opportunities for domestic workers; the amendment also requires producers to refrain from knowingly employing such illegal aliens.

The amendment requires further that only reasonable charges be made for farmworkers' board, lodging, and other facilities provided by the producers. A dispute over whether such charges are reasonable would be considered a wage dispute and would be resolved by procedures which I will discuss. They are also established by this amendment.

The amendment forbids the discharge or any other form of discrimination against employees, because they were involved in the filing of a complaint under this act, or testified in a dispute or served on a committee to adjudicate disputes under the amendments.

Sugar workers are so poverty stricken that to many the fear of losing work is a powerful deterrent to their seeking their rights. They have been easily intimidated in the past against asserting the very few rights that they do possess.

The amendment would amend section 305(a) of the Sugar Act of 1948, to authorize the Secretary of Agriculture to utilize farmworker organizations and representative groups in carrying out the application of the provisions of the act. It would require the Secretary to establish in each locality a panel composed equally of representatives of sugar producers, field workers, and the general public, to consider any dispute between the producer and the worker concerning wages or conditions of work. The conditions include reasonable cost for board, lodging, or other facilities or services which the producer provides or causes to be provided.

The decisions of the panel are then subject to review by the Secretary of Agriculture within 20 days after they are made. Currently, there is no fair or unprejudiced way for field workers to have their disputes with a producer over wages or deductions from their wages resolved. Complaints now, as the law stands, are considered by the local agricultural stabilization and conservation committee which, according to the Department regulations, is composed solely of producers or growers.

The Sugar Act offers a substantial subsidy to a private industry. The amendment does no more than to cut in, in a modest way, a long-suffering part of the public on that subsidy, with standards established by the Secretary of Agriculture. This amendment would mean a little better housing. It would mean a little more justice for the overworked and the underpaid workers in the cane and beet sugar fields of the United States.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. LONG. I yield 5 minutes to the Senator from Utah.

The PRESIDING OFFICER (Mr. BELLMON). The Senator from Utah is recognized for 5 minutes.

Mr. BENNETT. Mr. President, most of the changes proposed in these amendments would defeat a principal purpose of the Sugar Act: To protect the welfare of those engaged in the domestic sugar-producing industry, and would have the effect of significantly restricting the employment opportunities and sugar beet and sugarcane workers.

The suggested changes to section 301 (c)(1) concerning public hearings are accomplished under the present act. Most of the proposed changes on standards to be considered in the establishment of fair and reasonable wage rates are now considered by the Department. Regarding the proposed proviso concerning Sugar Act payments, the present act provides effective penalties for preventing abuse of the wage regulations.

Adoption of the other suggested changes concerning housing standards, illegal aliens, charges beyond reasonable costs for housing, discrimination by producers against workers, and the use of various groups or individuals in the administration of the Sugar Act would so burden and ensnarl employers and sugar program Government personnel in expensive and time-consuming administrative procedures as, first, to effectively preclude employment of a large portion of the workers who otherwise would be hired and, second, to greatly reduce the domestic production of sugar.

The present wage regulations under the act have been effective in protecting the welfare of workers as well as producers although no doubt the higher wages have reduced employment to some extent. Any further curtailment of the employment opportunities of workers, as could be expected from burdensome administrative procedures, would work additional hardship on workers.

Mr. STEVENSON. Will the Senator from Utah yield at that point?

Mr. BENNETT. I yield.

Mr. STEVENSON. I tried to explain at the outset—and I can fully appreciate the Senator's concern—that these amendments are not in the same form as those submitted to the committee. They do not, in any way at all, amend or affect section 301(c)(1).

Mr BENNETT. I appreciate the comments of the Senator from Illinois, the author of the amendment, but I am afraid that he has not had any experience with the operation of the Sugar Act. As a practical matter, in my State, we have had 35 years of experience with it. The growers and their employees, we think, have already developed a working relationship that does not need these additional restrictions.

That the producer shall have complied with the regulations in effect under the Act of June 6, 1933, as amended (commonly known as the Wagner-Peyser Act, 29 U.S.C. 49 et seq.), pertaining to adequate housing facilities and to adequate water and sanitary facilities in the fields which he provides or causes to be provided.

Does the Senator say that is still in the bill?

Mr. STEVENSON. Yes, sir.

Mr. BENNETT. The benefits of the U.S. sugar program are divided among processors, producers, and workers. The Department of Agriculture in administering the program takes the view that workers receive their benefits in the form of cash wages, and they have. When the worker receives a fair and reasonable cash wage, he is then free to choose for himself whether to live in free housing provided by the producer or make other arrangements for himself.

I would like to ask again concerning the next section:

That the producer shall have determined to his knowledge that his employees engaged as sugar workers are citizens of the United States or are aliens lawfully admitted to the United States whose employment does not violate the terms or conditions of their admission.

Is that still in the act?

Mr. STEVENSON. Not in that form. That is changed. The amendment in its present form requires that the producers violate the law at their peril, at the peril of losing payments. It incorporates the penalty provision that they cannot knowingly hire illegal entrants without risk of loss of payments.

Mr. BENNETT. In other words, the protection to the worker is stiffer than the penalty on the producer.

Mr. STEVENSON. No. The penalty has changed. Under this amendment if the producer knowingly violates the law by hiring an illegal entrant, he then runs the risk of losing his payments.

Mr. BENNETT. Well, is that not tougher than the present law? The substance of the proposal is the same. But it seems to me that to add that makes it tougher than the present law.

Mr. STEVENSON. Yes. As the law now stands, the producer can knowingly violate the law. He can knowingly hire illegal entrants and still be subsidized by the Government. My amendment would empower the Secretary to cut off the subsidy.

Mr. BENNETT. The provisions in the Immigration and Naturalization Act prohibit entry into the United States.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, I yield the Senator from Utah 5 additional minutes.

Mr. BENNETT. Mr. President, the provisions of the Immigration and Naturalization Act prohibit the entry into the United States of illegal aliens. A sugar crop producer should not be expected to enforce regulations under that act for which a considerable body of personnel and resources of the border

patrol and other law enforcement agencies are already engaged.

I think that is a very heavy burden to impose on the producer.

Now, as to the question of charges beyond reasonable costs for housing, the proposal is:

That the producer shall not have charged, or permitted to be charged, directly or indirectly, any amount in excess of the reasonable cost for the furnishing to any employee board, lodging, or other facilities or services customarily furnished by such producer or producers in the area or by a crew leader or labor contractor under the producer's control.

Is that still in the act? It is still in the Senator's provision unchanged.

Mr. STEVENSON. Would the Senator repeat that, please?

Mr. BENNETT. Housing and other facilities, when furnished by the producer to workers, are customarily furnished free of charge. In those cases where a charge is made for board or other services, the fee could not generally be considered excessive. When the worker considers such charges unreasonable, he has the opportunity to make other arrangements for himself. Wage determinations issued annually provide that producers may not reduce the wages provided through any subterfuge or device whatsover. Producers who might be inclined to make excessive charges for services are confronted with this provision in the act as currently administered.

The question of discrimination by producers against workers contains this language in the amendment:

That the producer shall not have discharged or in any other manner discriminated against any employee because such employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act, or has testified or is about to testify in any such proceeding, or has served or is about to serve on a committee or panel under section 305 of this Act.

Mr. STEVENSON. That provision remains in the act.

Mr. BENNETT. A producer must pay the worker in full for work performed whether satisfactory or not but need not retain his services under Sugar Act wage regulations. Discrimination against a worker by a producer would be extremely difficult to substantiate. This provision could engage administrative personnel to such an extent that other provisions under the act could not be properly administered.

If the Department of Agriculture had to spend some time running down every little complaint on the part of an employee with a threat that if he did not do it, he would lose benefits under the act, I think this would be an intolerable burden. At least, in my State, there are many producers who are just on the edge. They can make money producing other crops in their fields. If we load them with too many of these burdensome obligations, they would drop their sugar allotment.

Is the next proposal still in the act? It reads:

(b) The Secretary shall establish for each locality a panel consisting of equal representatives of (1) producers of sugarbeets or sugarcane, (2) persons employed on the farm as sugar workers, and (3) the general public.

Mr. STEVENSON. Mr. President, that provision remains in the act.

Mr. BENNETT. The State and county farmer committee system has been established for the purpose of administering in the field the provisions of all the various farm programs carried out by ASCS. The appeal procedure set forth in sugar program regulations provides a workable means of resolving disputes and wage claims. Any worker dissatisfied with any determination initially made by the county committee may obtain a reconsideration of such determination by the State committee. If dissatisfaction exists with the State committee's determination, then the worker has the right to obtain a reconsideration at the national level. Establishment of and supervision of all the proposed panels in each sugar crop producing locality to handle a small portion of the work now handled by some 325 county offices in sugar localities would be bureaucratism run wild. The time required by members of the proposed panels to acquaint themselves with the regulations and with the facts in the cases would be a hardship on the members especially those that might be transient farmworkers with commitments to move to other localities.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, I yield the Senator 5 additional minutes.

Mr. BENNETT. Mr. President, here again, we have a time tested system to handle grievances and complaints. I do not see anything to be gained by setting up a kind of ad hoc system which could generate many questions about its objectivity or its responsibility.

Mr. President, I reserve the remainder of my time.

Mr. CRANSTON. Mr. President, I support the amendment offered by my colleague, Senator STEVENSON, to strengthen the provisions of the current law which protect farmworkers.

I represent the largest sugar beet producing State in the Nation. Sugar beets are grown in 31 of the State's 58 counties. The farm value of California sugar beets is over $98 million, which places sugar beets near the top on a list of the more than 200 farm commodities grown in my State. The total annual value of the sugar produced from these beets and their byproducts is about $200 million. Each year, California beet growers produced from 300,000 acres of sugar beets over 16 million 100-pound bags of refined white sugar. This is almost enough to supply the present annual sugar requirements of California's 20 million residents.

We are very proud of the California sugar beet industry and of its contribution to the welfare of the State and its citizens. Practically all of the money derived from the California sugar industry is spent by Californians in California—on the tools and equipment, materials and supplies, salaries and wages, and water and power required to maintain this important segment of California's biggest industry—agriculture.

In California, the sugar beet industry employed an estimated 15,000 workers in 1970, although probably not more than 5,000 at one time during the peak period. The harvest of sugar beets is entirely mechanized, but hand labor in the nature of weeding and hoeing is still required on each farm for several weeks out of the year.

The U.S. sugar program is the only farm program which provides some protections for the workers involved in the production of farm commodities. The law requires that the grower of sugar beets and sugarcane must meet certain conditions before he can be considered eligible to receive Government payments. The two amendments offered here today would add to these requirements the following protections for farmworkers:

First, that the housing for sugar workers and their dependents shall satisfy the applicable State or Federal housing and sanitation requirements, whichever are more stringent;

Second, that the grower shall not employ nonresident alien farmworkers in his sugar beet or sugarcane operations;

Third, that the grower shall not have discharged or in any other manner discriminated against any employee involved in the filing of a complaint concerning the above conditions;

Fourth, that only reasonable charges shall be made for furnishing workers' board, lodging, or other facilities or services; and

Fifth, and that there shall be established a disputes settlement procedure.

I wish to make it abundantly clear that I support these changes not because I feel the California sugar industry has been unfair to or mistreated its workers. To the contrary. I am sure we could muster a great deal of evidence, if necessary, to demonstrate that the California sugar industry has been forward-looking in its labor policies, and that it has even led the way in some instances for the farmworkers of other commodities. For example, sugar beet growers in California are now paying their workers $1.85 per hour, while the Federal minimum wage for agricultural labor is only $1.30 per hour.

The State of Hawaii has an even more impressive record in this area and, in fact protects its sugarcane workers in all the areas that would be covered by this amendment. In Hawaii, sugarworkers are paid the highest agricultural wages in the world, plus fringe benefits that include paid vacations and holidays, pensions, health insurance, unemployment compensation and workmen's compensation. However, there are still some States in the Nation which continue to tolerate some very substandard living and working conditions for sugarworkers. I believe we have ignored these conditions long enough and that we should seize this opportunity to move ahead in the area of agricultural labor protections.

Agricultural laborers in this country have long been denied even the most basic protections afforded virtually every other labor group in the country. They have been denied workmen's compensation, unemployment compensation and health and safety protections, to name but a few. Farmworkers have been forced to remain at the very bottom of our economic and social ladders while workers in other industries have enjoyed several decades of relative prosperity.

Mr. President, I firmly believe that the protections enjoyed by the Hawaiian sugarworkers—and to some extent by workers in California sugar—must also be extended to all other agricultural laborers. I sincerely hope that the U.S Senate will go on record today as supporting basic protections for one segment of our agricultural labor force.

Mr. STEVENSON. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 5 minutes.

Mr. STEVENSON. Mr. President, any explanation of this amendment would speak for itself and cover the purpose. It simply says that those producers who violate the provisions of the law by providing substandard housing, housing which does not meet the standards already incorporated in the law for workers recruited through the U.S. Employment Service, will not be subsidized by the United States.

It simply says that any producer who knowingly violates the law by hiring illegal entrants and aliens in the country illegally will not be subsidized by the United States.

It says simply that those who violate the provisions of the laws, if amended, by deducting more than the reasonable amount for board, lodging, and other facilities from the wages of farmworkers will not receive subsidies.

Mr. LONG. Mr. President, would the Senator yield?

Mr. STEVENSON. Mr. President, I would be glad to yield on the Senator's time.

Mr. LONG. Mr. President, if the Senator is going to treat all of these beet sugar and cane farmers like big corporate farmers, why does he not apply the same provision to the corn farmers and the soybean farmers in his own State? They are more subsidized than the sugar farmers.

Why does he not propose treating them the same way he proposes to treat the cane farmers and the sugarbeet farmers? Why does he want to discriminate?

Mr. STEVENSON. Mr. President, I do not want to discriminate. I want to treat all farmworkers alike everywhere in the country. To my knowledge, we do not have any aliens coming across the border—perhaps illegally as happens in certain parts of the country—in my State.

I certainly think that farmworkers everywhere should be treated to adequate housing, to a chance to compete, not with illegal entrants, but with other American citizens for a fair chance when it comes to board and lodging and other facilities. With all due respect to the Senator from Louisiana, I am not sure there is another provision in our laws that is comparable to this provision for the sugar industry.

Mr. LONG. Mr. President, would the Senator yield?

Mr. STEVENSON. I yield.

Mr. LONG. Insofar as the subsidy for the sugar people, that is a subsidy the commodity bears and it is paid for by the tax on the commodity itself. But the Senator cannot say this people are being subsidized in that way. It comes out of the Federal Treasury and they are not putting up anything more than a general taxpayer would pay. Does not the Senator know that?

Mr. STEVENSON. I recognize that I do not know as much about the act as the Senator from Louisiana, but I understand many of the payments to sugar producers are, in effect, tariffs on sugar imported into this country, yet what is unique in this case is that the tariffs do not go to the Treasury but to the sugar producers.

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

Mr. LONG. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time has been yielded back. The question is on agreeing to the amendment of the Senator from Illinois (Mr. STEVENSON). On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Montana (Mr. METCALF), 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) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

The result was announced—yeas 34, nays 59, as follows:

[No. 167 Leg.]

YEAS—34

Bentsen	Hollings	Nelson
Brooke	Hughes	Pell
Case	Humphrey	Percy
Cooper	Inouye	Proxmire
Cranston	Jackson	Ribicoff
Eagleton	Javits	Schweiker
Fulbright	Kennedy	Stevenson
Gravel	Mansfield	Symington
Harris	McGee	Tunney
Hart	McGovern	Williams
Hartke	Mondale	
Hatfield	Muskie	

NAYS—59

Aiken	Dole	Montoya
Allen	Dominick	Moss
Allott	Eastland	Packwood
Anderson	Ellender	Pearson
Beall	Ervin	Prouty
Bellmon	Fannin	Randolph
Bennett	Fong	Roth
Bible	Gambrell	Saxbe
Boggs	Griffin	Scott
Brock	Gurney	Smith
Buckley	Hansen	Sparkman
Burdick	Hruska	Spong
Byrd, Va.	Jordan, N.C.	Stennis
Byrd, W. Va.	Jordan, Idaho	Stevens
Cannon	Long	Taft
Chiles	Magnuson	Talmadge
Church	Mathias	Thurmond
Cook	McClellan	Tower
Cotton	McIntyre	Young
Curtis	Miller	

NOT VOTING—7

Baker	Metcalf	Weicker
Bayh	Mundt	
Goldwater	Pastore	

So Mr. STEVENSON's amendment was rejected.

Mr. MILLER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MILLER. Mr. President, I send to the desk an amendment, and ask for its immediate consideration.

Mr. GRIFFIN. Third reading.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 59, line 3, insert the following after the word "payment": ", or arrangement for payment over a reasonable period of time,".

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. MILLER. Mr. President, I just want to briefly explain the amendment.

Mr. LONG. Mr. President, if the Senator will yield to me, what the Senator's amendment does——

Mr. MILLER. I yield to the Senator from Louisiana.

Mr. LONG. It is an amendment in the nature of a clarifying amendment. What it does it make very clear that which we thought was the purport of the amendment anyway, that if people are able to pay somebody for nationalized property over a period of time, that is included within the generality of the language.

That is what we intended, and we will be happy to accept the amendment.

Mr. MILLER. I understood the Senator from Louisiana is willing to accept the amendment. It merely clarifies what I think the committee intended.

I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Louisiana yield back his time?

Mr. LONG. I yield the remainder of my time.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Iowa (Mr. MILLER).

The amendment was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. HARRIS. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 55, after line 21, adding a new sub-paragraph (d):

"(d) In the event the President, in his discretion, determines that the benefits of participation by a foreign nation in this Act are not accruing, in a substantial degree, to those persons engaged in the sugar-producing industry of that foreign nation, he is authorized, under such terms and conditions as he may prescribe, to cause to be levied and collected at the port of entry an impost on any or all sugar sought to be imported into the United States under the quota of such nation established pursuant to this Act in an amount not to exceed the per ton difference between the average domestic market price for sugar of the year immediately pre-

vious to the year in which action under this Section is taken, and the average world market price for sugar of the year immediately previous to the year in which action under this Section is taken. Such moneys are to be covered into the Treasury of the United States into a special trust fund, and the President shall use such fund to finance United States Agency for International Development projects beneficial to the interests of those engaged in the sugar-producing industry of the nation upon which such impost is levied. Provided, however, that if such fund is not expended within one year of the last receipt into the Treasury of the United States, such fund shall revert to the payee."

Mr. HARRIS. Mr. President, I yield myself 5 minutes.

I ask unanimous consent that I may yield to the Senator from Massachusetts for a unanimous-consent request, without losing my right to the floor.

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

Mr. KENNEDY. Mr. President, I ask unanimous consent to have an aide in the Chamber during the consideration of this amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HARRIS. Mr. President, the distinguished Senator from Massachusetts (Mr. KENNEDY) and I are in the process of seeing whether or not an amendment can be drafted dealing, again, with a quota for the Republic of South Africa, that can, first of all, be presented here despite the previous vote—I am assured that that can be done—and second, to see whether or not that amendment presently—the idea is that the quota would be taken away from South Africa and allocated to domestic producers—might be able to garner sufficient additional votes to be agreed to by the Senate.

As Senators know, the previous attempt to strike the South African quota failed by only a 2-vote margin.

Another consideration involved here, Mr. President, is whether or not enough Senators are still here, if we were to vote on this amendment tonight—that is, the additional amendment in regard to South Africa. I believe, Mr. President, that this is a matter of the highest national importance in principle, and therefore I believe that if there is any chance that the Senate might agree to deny this quota, it ought to be given an additional opportunity to do so.

There is presently pending before the Senate the amendment which has just been read, one which I discussed earlier today, and I would wish to discuss it further if we are going to vote on this and the other amendments tonight. It deals, Mr. President, with giving the President of the United States a method by which he could be assured and we could be assured that if we are to subsidize a country's sugar industry, there would be some hope that the benefits of that subsidization would go to the workers themselves.

There are other amendments, including one which I have already prepared and discussed earlier, and not yet offered, which has to do with making applicable present Federal laws in regard to labor fully apply to labor in the sugar industry, and I am informed that additional amendments might be presented as well.

I would hope, Mr. President, that an additional vote on the South African quota question might be put off until tomorrow, so that all Senators who wish to vote on that issue—and I am afraid they would not be here presently—might be able to do so.

If that is not possible, I suppose we would have to go ahead and vote tonight. I just wonder if the majority leader—I know he expressed earlier a feeling that we ought to vote on this bill and all amendments to it finally tonight—might not be willing, if we could get an agreement limiting the number of any further amendments, say, to one, that is, the South Africa quota amendment—would be willing to agree to that, if we could reach a limitation on time and an agreement to a time certain to vote additionally on a South Africa quota amendment, and on the bill itself tomorrow, if it might not serve the best interests of everyone to put the final vote off until tomorrow.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield me 5 minutes?

Mr. LONG. I yield the Senator 5 minutes.

Mr. MANSFIELD. Mr. President, to say that I am distressed at the postponement request just made by the distinguished Senator from Oklahoma is to understate my feelings, personally and otherwise, on this matter.

Twice the joint leadership has informed the Senate that we would stay with this bill tonight until we finished it. It is my understanding that the distinguished Senator from Oklahoma was approached on the basis of four amendments he had considered offering and that he had stated that he was not going to offer any of them.

It was my further understanding that after the amendment offered by the distinguished senior Senator from Massachusetts (Mr. KENNEDY), there would be only one further amendment, that to be offered by the distinguished Senator from Illinois (Mr. STEVENSON).

The joint leadership finds itself in a most embarrassing position. But, of course, it is recognized that, regardless of what the joint leadership says to the Senate and to which there is no objection—not once, but twice—any Senator, on the basis of his own feelings, can decide otherwise.

I would hope the distinguished Senator would recognize the position in which the majority leader, at least, finds himself, and would agree to a vote on an amendment which I understand is to be offered by the distinguished Senator from Massachusetts (Mr. KENNEDY), again dealing with the subject of quotas for South Africa. As the Senator, himself, has said, there is no question that an amendment of that nature can be offered at this time.

Ninety-four Senators are in attendance. 94 Senators will not be here tomorrow, because 95 were here for a while, but one has been called away because of a death in his family, and he will not be back before Wednesday or Thursday.

The Senator from Oklahoma and the Senate are aware that we are up against a deadline so far as the recess is concerned. Since January, every Senator has been informed that on August 6 the Senate would take a recess extending through September 8.

The joint leadership, with the approval of the entire Senate—with no objection from any Senator—has tried to schedule legislation in such a way that we could face up to the business at hand and get every possible appropriation bill out of the way by August 6, except four which will not have been sent over from the House.

That, in itself, may I say to the distinguished chairman of the Committee on Appropriations, the President pro tempore of this body, is the best record which has been made in many, many years. The Senator from Rhode Island, the distinguished minority leader, and all the others were able to come together on an agreement which met with the approval of every Member of the Senate.

If the South African amendment is to be offered again, I would plead with my colleagues, both of them, the Senator from Oklahoma and the Senator from Massachusetts, that it be offered tonight. We have a few Members here who should have been in bed some hours ago, but they have remained here because of the commitment made by the joint leadership, especially the majority leader, the Senator from Montana.

The Senator can force us over until tomorrow. He has that power. Any Senator has that power, because any Senator has more power than the majority leader or the minority leader, if he desires to exercise it. But one thing we have in this body is our word, and the promise we make to a Senator, individually or to the Senate as a whole, is, in my opinion, something sacred. So far as I am concerned, if circumstances will permit, I will honor any word I give to any Senator or to the Senate as a whole. But if I am forced away from keeping that commitment, I am sure that the Senate will understand.

I hope that the Senator from Oklahoma will not force me into that position tonight. He can, if he desires to do so. But with 94 Senators in attendance, the best attendance we will have this week, in my opinion, I would hope—I will not plead—that the Senator would recognize the position in which the leadership finds itself and would follow what I think is the wish of the overwhelming majority of this body, and that is that this amendment be offered tonight, that a vote be taken tonight, and that a vote be taken on final passage of the Sugar Act extension which is now before this body.

That is all I have to say.

Mr. HARRIS. Mr. President, I yield myself 5 minutes.

I understand from what the majority leader has said that he has given his word that there would be a final vote tonight. I feel that the South African quota question is an extremely important matter, far more important than the question of procedure in the Senate. I think it is a matter of rather basic principle. Senators, I know, agree and disagree on that issue.

May I say that immediately following the vote, the very close vote, on the South African quota question, I went to the cloakroom—I am certain the Senator does not know that—and had the cloakroom notify every Senator that this amendment probably would be offered again in another form. I understand that that was done by the automatic telephone system. Second, I immediately moved to notify the leadership that that was the possible plan.

Therefore, Mr. President, I think I have done what I should do as a Senator to be certain that no Member of this body would go away from the Senate thinking that this issue might not come up again.

I, for one, would hope that we could put it off until tomorrow, but perhaps that could not be done. In the meantime, I will proceed to discuss the amendment now pending before the Senate, which is an amendment that would allow the President of the United States to put into effect an import tax——

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

Mr. HARRIS. I yield.

Mr. MANSFIELD. Mr. President, the Senator, of course, is acting within his rights, within the rules and regulations and procedures of this body. Would the Senator be kind enough to tell the Senate just what he intends to do tonight, so that the Senate can be informed and be able to react accordingly, in view of the circumstances which the Senator from Oklahoma may lay before us?

Mr. HARRIS. I would just state again to the distinguished majority leader that as close as the vote was, the Senate has not voted on the separate question that we are in the process of trying to draft—that is, to cut out or drastically reduce the quota for South Africa and reallocate that portion of the total quota not to foreign suppliers of sugar but to domestic suppliers of sugar. That is a novel question. It is one which the Senate has not heard, and I think it is a serious question. This is not a frivolous attempt to hold up the Senate on an issue of no importance.

As the Senator knows, there never would have been any possibility of voting on any of these questions tonight if I and the other Senators involved had not moved on our own to voluntarily agree to limitations of time. We have done that. There is no capricious intent here, just for frivolous purposes, to hold up the Senate. This is a novel matter and a serious and weighty matter. I would hope that Senators might have time to question it without, as the Senator said, being held up later than they should be. So, I would just plead with the Senate again that this is an issue the Senate is about 50–50 split on. The vote showed that. Some Senators were absent who did not vote and some who, I presume, right now, voted on the last vote that will not be here for the next vote, if this goes much further. I do not think it is too much to ask for some time, sometime tomorrow.

I am not trying to hold up the Senate. My intent is, if it can be done, in some way to recognize the importance of this issue and what is at stake here for the country and the seriousness of the matter which individual Senators can try to agree on a vote tomorrow. That is my intent.

Mr. MANSFIELD. Is it the intention of the Senator, if such an agreement is not forthcoming, to talk the remainder of the night and into the morning? I am just seeking information, so that the Senate will be able to act accordingly.

Mr. HARRIS. I do not know the answer. I am not trying to be evasive about that. I would like to talk with those interested in this amendment, about what their fears are. I do not want to be in the position of having to give up a chance to strike this quota, if there is some chance to strike it. The closeness of the vote indicates that there is such a chance. I would like to have a vote on the other amendments, or amendments which might be presented, and then in the process of, perhaps with a quorum call, discuss with those involved in this issue the matter of tactics.

As I say, I do not want to be capricious about it. I do not believe that I am, because I have been one of those who have agreed on the time limitations up to now. If the vote had been wide, and if it were not such an important question, we would not be coming back. The fact is, these conditions exist, and I would not want to give up the possibility of a chance of passing some repeal on the sugar quota for South Africa without talking with others interested in it.

Mr. LONG. Mr. President, have the yeas and nays been ordered on the Harris amendment?

The PRESIDING OFFICER (Mr. BELLMON). They have not been ordered.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, to the best of my knowledge, no one has accused the distinguished Senator from Oklahoma (Mr. HARRIS) of being capricious. That word is his own. It appears to me that it is difficult to get a direct answer from the Senator as to what he intends to do this evening.

Thus, on the basis of what he has had to say, I will have to guess that he intends to offer other amendments in addition to this amendment, and to put in a quorum call and meet with some of his associates to consider another amendment having to do with the sugar quota for the Republic of South Africa.

Therefore, Mr. President, I would like, hopefully, with the approval of the distinguished acting minority leader, and the Senate as a whole, including the distinguished Senator from Oklahoma, to suggest that, at the conclusion of the vote on the cloture motion tomorrow, there be 1 hour set aside for the amendment which will be offered having to do with the sugar quota for South Africa and that, at the conclusion of that 1 hour, a rollcall vote be taken on that amendment, to be followed by a rollcall vote on the bill.

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

The PRESIDING OFFICER (Mr. BELLMON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MANSFIELD. Mr. President, how much time is left on the pending amendment?

The PRESIDING OFFICER. Four minutes to the proponents and 7 minutes to the opponents.

Mr. LONG. Mr. President, I want to be heard on this matter, if I may.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. LONG. Mr. President, so far as this Senator was concerned, I knew that the most emotionally charged issue would be the Kennedy amendment to strike the South African sugar quota. If the amendment were agreed to, I knew that Senator KENNEDY could walk out of here with South Africa under his belt. More power to him. That would be all right with me.

But now this Senator, if that amendment had been a Long amendment, or someone else's amendment, would have accepted the will of the Senate. But the vote was close, 47 to 45, and the Senator from Massachusetts and the Senator from Oklahoma should know they were not the only ones suffering from absentees.

One Member, the Senator from North Carolina, was not here at that time. That would have given us 48 votes. There might be one on the other side or there might be two absentees on our side. As a practical matter, the vote to strike the sugar quota for South Africa came after a unanimous-consent agreement, which I agreed to, that that matter would be a pure up and down vote on whether South Africa should have a sugar quota and, after that, we would then decide who got it.

If we want to go back into that again. I will have to insist on a division, so that it will be the same identical vote all over again.

So, Mr. President. I think we should have just a little rule of fair play around here. Those who came in here to plead for what we thought was fair, we would have taken our defeat and taken it on the chin and done the best we could under the circumstances. A motion to reconsider was made and then a motion was made to table. If any Senator wanted it otherwise, they should have asked for the yeas and nays and we would have had a vote on the motion to reconsider. But now we are told that we must go over tonight, so that someone can put some pressure on someone else, get some to leave town or bring some back.

I have been through this kind of thing many times before. We had it at the time of the campaign financing bill. We fought that battle for 6 weeks. Each time the vote went one way and the opposite the next. It depended on who could get the most there or get the most to go out of town. That sort of thing, of course, can go on forever and ever. I thought we had a gentleman's agreement and understanding on this; that is, no commitments, and that we would go along with the Mansfield proposal that we would have time limitations. As

far as anyone's amendments were concerned, there would be one-half hour, but on the South African amendment there was 3 hours—all that for the South African matter.

If they want to vote on it again, that is all right with me. But I suggest that if the vote is put off overnight, so that somebody can put pressure on somebody else, and somebody can get somebody else who is out of town back into town, it is being done just to keep the Senate in session.

I would like to vote. There was a general understanding that there would be 3 hours on the South African amendment and a half hour on the rest of the amendments.

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

Mr. LONG. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Louisiana has 4 minutes remaining.

Mr. LONG. I yield 1 minute to the Senator from Utah.

Mr. BENNETT. I should like to propound an inquiry to the Chair.

The PRESIDING OFFICER. The Senator will state it.

Mr. BENNETT. Has the majority leader put a unanimous-consent request to the Chair with respect to voting tomorrow?

The PRESIDING OFFICER. There was a unanimous-consent request, but it was objected to.

Mr. MANSFIELD. Mr. President, it is my intention, with the approval of the distinguished Senator from Oklahoma and the distinguished Senator from Massachusetts, who are interested in the amendment, and with the approval of the Senate, to propound a unanimous-consent request when this vote is disposed of; namely, that after the vote on the cloture motion tomorrow, 1 hour be set aside, the time to be equally divided between the manager of the bill, the Senator from Louisiana (Mr. LONG), and the Senator from Oklahoma (Mr. HARRIS), the sponsor of the amendment, the time to be equally divided; that at the conclusion of that time there be a rollcall vote on that amendment; and following that, a rollcall vote on the final passage of the bill.

Mr. BENNETT. Reserving the right to object, in the first place, the proponents had 3 hours on that amendment, and the ordinary amendments are limited to a half hour. I think that, under the circumstances, the most proponents are entitled to is a half hour. They should not be given additional time.

Mr. MANSFIELD. Mr. President, would the Senator from Utah lean backward in this instance?

Mr. BENNETT. I think the time should be a half hour.

Mr. MANSFIELD. Well, a half hour.

Mr. LONG. Mr. President, I yield to the distinguished Senator from Ohio.

Mr. SAXBE. Mr. President, two of us voted for the Kennedy amendment in good faith. We are going to switch our votes if the proponents go through with stringing out the debate; and I am sure there are other Senators besides the two of us who will do so.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there be a half hour on the amendment, the time to be equally divided.

Mr. LONG. Mr. President, there are other amendments that have been submitted; but I should like, first, to have a vote on the Harris amendment. Then if Senators want to talk about a unanimous-consent agreement, I shall be glad to talk about that.

The PRESIDING OFFICER. No unanimous-consent request is before the Senate.

Mr. TOWER. Mr. President, reserving the right to object——

The PRESIDING OFFICER. There is no unanimous-consent request before the Senate. Who yields time?

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

Mr. LONG. I yield the Senator from Texas 1 minute.

Mr. TOWER. I am very much interested, of course, in the loan guarantee act, which I assume we will take up tonight when we conclude whatever action we take on this bill this evening.

It is my understanding that we will then go back to the bill.

Mr. MANSFIELD. Tomorrow, yes.

Mr. TOWER. And we will follow the unanimous-consent agreement that there will be a quorum call at 12 and a vote on the cloture motion at 12:15.

Mr. MANSFIELD. The Senator is correct.

Mr. TOWER. How much more time are we going to spend on the Sugar Act tomorrow afternoon? We will not be able to get back to the Loan Guarantee Act.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. LONG. Mr. President, I yield 1 minute to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, the manager of the bill, when he made the request originally, said that he would not oppose it after this amendment was disposed of. And I take him at his word.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Oklahoma has 4 minutes remaining and the Senator from Louisiana has no time remaining.

Mr. LONG. Mr. President, I am not going to make one argument against the Harris amendment.

The PRESIDING OFFICER. The Senator has no time.

Mr. LONG. Mr. President, I hope that the majority of the Senate will vote as I propose to vote and vote this amendment down, because we do not agree with the procedure followed.

Mr. HARRIS. Mr. President, I yield myself 1 minute. I do not want to hold up the Senate. Therefore, I ask unanimous consent to withdraw my amendment.

SEVERAL SENATORS. Objection.

The PRESIDING OFFICER. Objection is heard.

Mr. COOPER. Mr. President, will the Senator yield me 1 minute?

Mr. LONG. Mr. President, I yield 1 minute to the Senator from Kentucky.

Mr. COOPER. Mr. President, I voted for the amendment of the Senator from Massachusetts. I will vote for a similar amendment again to deny the sugar quota to South Africa or to deny the quota to South Africa and allocate the allotment among other countries of South Africa or to domestic producers.

I have read this amendment. It is a circuitous amendment. It provides that in the event the benefits of the sugar quota to South Africa do not accrue to the nonwhites, then an allotment of money would be covered to the Treasury, then to AID for South Africa.

Can the Senator imagine the Government of South Africa would ever distribute this money to those people? I believe the Government of South Africa is the most hideous example of oppressive governmental discrimination in the world today. If I had time, I would offer an amendment to prescribe that this be denied and be given to other countries. I will not vote for such an amendment as this. It means nothing.

The PRESIDING OFFICER. An amendment is not in order at this time.

Mr. COOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry. Does the Senator intend to offer his amendment as a substitute?

Mr. COOPER. I offer it as a substitute.

The PRESIDING OFFICER. An amendment to the pending amendment would not be in order until all time is used or yielded back on the pending amendment.

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

Mr. MANSFIELD. Mr. President, would the Senator withhold that request?

Mr. COOPER. I withhold the request.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. I yield 1 minute to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I want to speak on the Harris amendment. I would hope that we would vote on the pending amendment on the basis of its merit or lack of merit. I realize that we are all a little bit tired and getting somewhat out of sorts. But now is the time, I think, that we have got to pull ourselves together and act as I believe Senators should act at all times. So, I hope when Senators vote on the pending amendment, they will do so not on the basis of emotion or out of spite, but will vote on the amendment so far as they can, on the basis of its merit or lack of merit.

Mr. COOPER. Mr. President, on the statement of the majority leader, I withhold the amendment.

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

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

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Oklahoma. 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. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Washing-

ton (Mr. JACKSON), the Senator from Montana (Mr. METCALF), 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) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from South Dakota (Mr. MUNDT) is absent because of illness.

The Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

If present and voting, the Senator from Arizona (Mr. GOLDWATER) would vote "nay."

The result was announced—yeas 14, nays 78, as follows:

[No. 168 Leg.]

YEAS—14

Case	Hughes	Mondale
Fulbright	Javits	Nelson
Harris	Kennedy	Proxmire
Hart	Mansfield	Tunney
Hartke	McGovern	

NAYS—78

Aiken	Eagleton	Moss
Allen	Eastland	Muskie
Allott	Ellender	Packwood
Anderson	Ervin	Pearson
Beall	Fannin	Pell
Bellmon	Fong	Percy
Bennett	Gambrell	Prouty
Bentsen	Gravel	Randolph
Bible	Griffin	Ribicoff
Boggs	Gurney	Roth
Brock	Hansen	Saxbe
Brooke	Hatfield	Schweiker
Buckley	Hollings	Scott
Burdick	Hruska	Smith
Byrd, Va.	Humphrey	Sparkman
Byrd, W. Va.	Inouye	Spong
Cannon	Jordan, N.C.	Stennis
Chiles	Jordan, Idaho	Stevens
Church	Long	Stevenson
Cook	Magnuson	Symington
Cooper	Mathias	Taft
Cotton	McClellan	Talmadge
Cranston	McGee	Thurmond
Curtis	McIntyre	Tower
Dole	Miller	Williams
Dominick	Montoya	Young

NOT VOTING—8

Baker	Jackson	Pastore
Bayh	Metcalf	Weicker
Goldwater	Mundt	

So Mr. HARRIS' amendment was rejected.

PROGRAM

Mr. MANSFIELD. Mr. President, it is my understanding that there will be one further amendment offered tonight. It is minor in nature, and I believe the committee will accept it. When we get through with that, we will be approaching the end of today's session.

Tomorrow the Senate will convene at 9:30 a.m., and between 9:30 and approximately 10:05 two Senators will be speaking for 15 minutes each.

At 10:05 the Senate will proceed to the consideration of the Stevenson amendment, which will be voted on at 10:30.

At approximately 11 o'clock a rollcall as a prelude to the vote on cloture will occur, and around 12:10 the vote on cloture will take place.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after that procedure is followed, and the vote is taken on cloture tomorrow, there be a period of not to exceed one-half hour, the time to be equally divided between the manager of the bill and the sponsor of the amendment; and that at the conclusion of the half hour there be a rollcall vote.

I ask unanimous consent at this time that it be in order to ask for the yeas and nays to be taken on that amendment.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Which amendment?

Mr. TOWER. Mr. President, reserving the right to object.

Mr. MANSFIELD. The one that is going to be offered tomorrow, the amendment to the Sugar Act, which will be offered by Senators KENNEDY and HARRIS.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object, may I ask the distinguished majority leader how much time we propose to spend on the Sugar Act tomorrow after we have the vote on cloture? I mean total time on amendments and final passage.

Mr. MANSFIELD. I would say one-half hour for that amendment, because if we get the yeas and nays, which I assume we will, it will become the pending business after the vote on cloture. Then I would ask for the yeas and nays on final passage immediately following that vote.

Mr. TOWER. Mr. President, reserving further the right to object, I ask the distinguished majority leader if he would be willing to keep us in pretty late tomorrow on S. 2308, and, looking down the pike, consider the possibility of a Saturday session. the opponents of that bill have complained that they have not had enough time to debate it and require more time. So I do not think we should detract too much from the debate on S. 2308.

Mr. MANSFIELD. I agree that we will stay in session until reasonably late tomorrow. We will meet Saturday, and very likely there will be votes on Saturday, too.

Mr. LONG. Mr. President, reserving the right to object, I would like to ask the Senator a couple of questions so we understand one another. Of course, we have not seen the amendment that is to be offered, and ordinarily when we have a division of time on an amendment, an agreement to vote does not preclude those Senators who agree from making a motion to table the amendment.

Do I correctly understand that a motion to table will be in order if those opposing the amendment desire to move to table?

Mr. MANSFIELD. It would indeed.

Mr. LONG. Furthermore, I understand the amendment would involve striking the South African sugar quota. I am ready to vote on that, and I have no objection to voting up or down on that. But if the amendment contains, as I assume it will, other matters—for example, if it should seek to distribute the South African sugar quota among other foreign countries without us knowing in advance who those countries are to be—we should have a right to vote on those parts of the amendment separately, or even to substitute some other country. If it is simply a matter of distributing it to domestic producers, as I was led to believe might be the case, I would not need to insist on that, but if it involved a distribution formula to various other countries, we would have to insist on the right to amend with regard to redistributing. In the event of a separation, I assume we could then decide first whether there were sufficient votes to strike the South African quota.

Mr. KENNEDY. Mr. President, I assure the Senator from Louisiana that the amendment provides for redistribution of the quota to domestic producers.

Mr. BENNETT. Mr. President, reserving the right to object, may I ask the question of the Senator from Massachusetts, would that follow the present domestic relationship between the beet area and the cane area?

Mr. KENNEDY. It would.

Mr. TOWER. Mr. President, reserving the right to object, may I ask the distinguished majority leader whether, if indeed the vote does not go to the satisfaction of the manager of the bill, there might not be subsequent amendments offered by the manager of the bill or the members of the committee, to the extent that we could be on the Sugar Act all afternoon tomorrow?

Mr. MANSFIELD. No; it is one amendment, with a rollcall vote, followed by a rollcall vote on passage, and I think the explanation of the Senators from Oklahoma and Massachusetts has satisfied the Senator from Louisiana.

Mr. TOWER. If the Senator from Texas can be assured there will be one rollcall vote on the amendment and one on passage, he will not object.

Mr. MANSFIELD. That is it.

Mr. LONG. Mr. President, just for understanding on this, I think I am ready to agree, but I want to understand. We are talking now about an amendment to the Sugar Act, and not about something totally nongermane, that has nothing to do with the Sugar Act?

Mr. MANSFIELD. No, this amendment is germane to the Sugar Act.

The PRESIDING OFFICER. Is there objection? Without objection, the unanimous-consent request is agreed to.

The unanimous-consent agreement reads as follows:

Ordered, That, effective on Wednesday, July 28, 1971, immediately after the vote on the cloture motion, the Chair lay before the Senate H.R. 8866, an act to amend and extend the provisions of the Sugar Act of 1948 as amended, and for other purposes, and that the Senate proceed to the consideration of an amendment to be offered by the Senator from Massachusetts (Mr. Kennedy) relative to the Sugar Quota for South Africa, with the time for debate thereon to be limited to ½ hour to be equally divided and controlled by the proposer of the amendment and the manager of the bill.

Provided further, That, immediately after the conclusion of the vote on the amendment, there be a third reading of the bill and the Senate proceed to vote on the final passage of the bill.

Mr. ELLENDER. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. BYRD of West Virginia. Mr. President, we cannot hear the clerk.

The PRESIDING OFFICER. The Senate is not in order. The clerk will suspend until order is restored. Senators will please take their seats.

The clerk may proceed.

The legislative clerk read as follows:

On page 34, lines 11 and 17, change "four percent" to "three percent."

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, I have discussed the matter of the amendment.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. ELLENDER. Two minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 2 minutes.

Mr. ELLENDER. As I just stated, I have discussed the amendment with the manager of the bill and the ranking minority Member, and they both agree to take it to conference.

Mr. President, the amendment which I have proposed attempts to strengthen the method of achieving the price objective which is embodied in the House bill and in the committee recommendations.

This new mechanism is very badly needed because of the obvious lack of success the administration has had with provisions in the present law in trying to achieve the price objective.

This problem has been particularly acute in Louisiana because of the short selling period and because of the desire of foreign producers to ship much of their sugar into this country as it is harvested. This happens to be at the same time that Louisiana and Florida are attempting to sell their crops and since Louisiana's harvest season is even shorter than Florida's, it affects my State in a particularly harsh fashion. Although Puerto Rico, Hawaii, and the beet sugar States are less vitally concerned about this particular problem, I know that there are situations in which they, too, need the protection of a narrower price corridor to protect them from the impact on price caused by periodic imbalances in the entry of foreign sugars into the American market.

Mr. President, as a matter of record, the price objective set forth in the Sugar Act which is now about to expire has not been achieved for a single month since late 1968. The need for change is obvious and my amendment, narrowing the price corridor from 4 percent to 3 percent deviation, is an attempt to insure that the price objectives of this act will be met and that the injustice of the past several years will be remedied.

My amendment is an attempt to bring the provisions of the bill now before us back into line with what the industry recommended both to the House and to the Senate committees. As the record will show, the industry has recommended that the Secretary be required to make an adjustment in the consumption estimate whenever the price was 3 percent above or below the target price for a period of 5 consecutive marketing days. The industrial users recommended 5 percent and 10 days.

The administration recommended in the other body a 3 percent and 5 days, but changed its recommendation when testifying before the Senate committee to conform to the House-passed bill of 4 percent and 7 days. I remind you that a difference of 5 percent, assuming a price of raw sugar of 8.5 cents per pound is equivalent to $8.50 per ton and could mean a loss of this much to sugarcane growers of Louisiana and Florida for a major portion of their sugar.

My amendment would not concern itself with the number of consecutive days during which the variance could occur without requiring action by the Secretary. That would be left at 7 days as adopted by the House and as recommended by the Finance Committee. It would merely narrow the percentage deviation allowed from 4 percent to 3 percent.

Mr. President, I firmly believe that a 3-percent deviation is as great a corridor as can properly be borne by the industry because this represents a variation of $5.10 per ton at a time when rising costs of production make this a most critical aspect of the industry's constant struggle to keep its head above water. I urge the Senate to adopt this amendment so as to provide a more equitable act for the domestic sugar industry.

Mr. LONG. Mr. President, I yield myself 2 minutes.

The Senator's amendment is one as to which his position was testified to favorably by both the cane processors and the beet processors. I regret to say that, with all the other decisions in the bill, this one simply did not receive adequate consideration. We will be glad to take it to conference and see what the House conferees think of it.

Mr. BENNETT. Mr. President, I am happy to join the chairman of the committee in that statement of his understanding.

The PRESIDING OFFICER. Is time on the amendment yielded back?

Mr. ELLENDER. I yield back the remainder of my time.

Mr. LONG. I yield back the remainder of my time

The PRESIDING OFFICER (Mr. BELLMON). All remaining time having been yielded back, the question is on agreeing to the amendment of the Senator from Louisiana (Mr. ELLENDER).

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, I believe, in terms of our unanimous consent agreement, we have done all the business we can do on the Sugar Act for tonight, unless someone cares to offer an amendment to be decided on a voice vote basis. We have told Senators there will be no more rollcalls.

ADDITIONAL 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. SCHWEIKER:

S. 2353. A bill for the relief of Mario Giunti. Referred to the Committee on the Judiciary.

By Mr. CRANSTON:

S. 2354. A bill to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes. Referred to the Committee on Veterans' Affairs.

S. 2355. A bill to amend title 38, United States Code, so as to afford advanced residency-type training to medical personnel of the Veterans' Administration and other Federal departments and agencies at Regional Medical Centers established at Veterans' Administration hospitals throughout the United States. Referred to the Committee on Veterans' Affairs.

By Mr. McGOVERN:

S. 2356. A bill to provide loans to students pursuing programs of higher education in the fields of law enforcement and correctional science. Referred to the Committee on Labor and Public Welfare.

ADDITIONAL STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON:

S. 2354. A bill to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans; to provide hospitals and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes. Referred to the Committee on Veterans' Affairs.

VETERANS HEALTH CARE REFORM ACT OF 1971

Mr. CRANSTON. Mr. President, the Veterans' Administration Department of Medicine and Surgery plays a role unequaled in virtually all nations in providing American veterans with, in most instances, quality health care. The system of 165 hospitals—three soon to open—200 clinics, and 76 nursing homes with 150,000 staff physicians, nurses, and other health workers makes a good quality of medical care available to some 6 million eligible veterans.

However, there are limits on that availability of care, partly as a result of budgetary restrictions which create shortages of staff and equipment, and partly as a result of limited legislative authorities which make quality care impossible to deliver in many cases.

Mr. President, regarding the provision of adequate funds, we will shortly take up the conference report on H.R. 9382, including fiscal year 1972 appropriations for the Veterans' Administration. That bill now contains $204.1 million more than was in the President's budget request for the VA hospital and medical programs for this fiscal year. I will speak to this question further when we take up the conference report. Suffice it to say now that, with the great assistance

of the Appropriations Subcommittee chairman (Mr. PASTORE) and ranking minority member (Mr. ALLOTT), and in collaboration with Chairman TEAGUE in the other body, we have succeeded over a 2 fiscal year period in increasing VA hospital and medical appropriations by almost $360 million over the President's original request for fiscal year 1971.

Furthermore, the potential increase in veterans in need of treatment for drug addiction, combined with the general aging and concomitant experiencing of medical complications of the veterans of the Second World War, places an additional burden on the Veterans' Administration hospital and medical system in terms of staff and facilities. The rapid technological improvements occurring constantly in the medical community place an additional requirement on the Veterans' Administration which, though leading in many of these areas, must keep its staff informed, and its equipment up to date with new techniques and treatment processes, as they are developed.

In order to assist the Veterans' Administration to meet this increasing demand with up-to-date medical care and technology, I am introducing today S. 2354, the proposed "Veterans Health Care Reform Act of 1971."

This comprehensive overhaul of VA medical authorities, including especially the personnel system of the Department of Medicine and Surgery, would provide the Veterans' Administration Department of Medicine and Surgery with most of the tools it needs to repair deficiencies in its basic enabling legislation. A number of the provisions of S. 2354 are virtually identical to provisions of S. 1924, which I joined with Senators HARTKE and THURMOND in introducing, by request, on behalf of the administration.

Comparable provisions of the two bills are shown on the chart that I ask unanimous consent be printed in the RECORD at the conclusion of my remarks prior to the printing of the bill.

In addition, S. 2354 provides for new authorities and expands and improves current ones, in a way I believe will enable the VA to attract and retain high-quality staff, to provide total health care to the veteran, and function in closer relationship to the surrounding medical community.

Many of these provisions are based on principles which I have suggested as basic guides to the VA medical program for the provision of first-quality care for veterans.

TREATING THE VETERAN AS PART OF A FAMILY UNIT

Broadening the treatment of the veteran to include a veteran's family, in certain instances, will fulfill the basic need particularly in psychiatry, of treating the individual as part of a family unit, not as an isolated individual removed from any family or social environment. Similarly, total care of a physically disabled veteran may require that his family be fully oriented on the philosophy of his rehabilitation program. The VA should be able to bring key family members to the hospital for his orientation, as is done now on a limited basis at some of the VA blind centers, with nonappropriated funds.

As a corollary of this concept, I believe the VA system should be more fully responsive to the medical needs of all veterans and their families. The bill provides full VA medical and hospital care for the dependents of totally and permanently disabled living veterans—including authority to contract for necessary services with individual physicians and health facilities—as well as hospital and medical services in VA facilities for survivors receiving disability and indemnity compensation.

These family provisions also would provide specific authority for the VA to stress home care programs for any hospitalized veteran. Although a start has been made by the VA in home kidney dialysis, much more needs to be done, especially in the psychiatric field. Most medical experts agree that institutional care is the least desirable. Alternatives could be fully explored under these provisions.

Home care—employing mobile teams to train families and conduct posthospital followup—can in many cases provide more compassionate, more effective and far more economical care.

TREATING THE PATIENT AS A "WHOLE" PATIENT

In line with the idea of total care, the bill would amend present restrictions on care for a non-service-connected condition unrelated to the condition for which a veteran was hospitalized. Clearly, a physician cannot ethically assume responsibility for only a portion of his patient's health, and the bill would authorize necessary medical care for any illness of a hospitalized veteran.

Along these same lines, the bill expands authorities for outpatient care for nonservice-connected conditions to include necessary ambulatory care to any veterans having either peacetime or wartime service, for any disability which the Administrator determines needs prompt medical attention, under regulations which the Administrator must prescribe. However, such services may not interfere with the furnishing of such services to veterans for a service-connected disability or to a veteran for a nonservice-connected disability if he has a service-connected disability.

RECOGNIZE NURSING HOME CARE AS PART OF HOSPITAL CARE

Another provision of the bill would permit veterans to apply for direct admission to a VA nursing home without prior VA hospitalization. The bill would also authorize the direct transfer of a veteran from a military medical facility to either a Veterans' Administration or a community nursing home. And the bill would also raise the present statutory minimum of 4,000 VA nursing home beds to 10,000 by fiscal year 1974. There is an unmet demand for VA nursing home beds by World War I veterans which will expand as our World War II veterans grow older. We should consider converting hospital beds not being fully utilized into VA nursing home beds. Community nursing homes are already greatly in demand among the aging nonveterans.

IMPROVED VA PERSONNEL SYSTEM

S. 2354 also would revise Department of Medicine and Surgery personnel authorities to enable the VA to compete more effectively for scarce health professionals. The VA must be able to enlarge its training program if it is ever going to make up its personnel shortages. A method authorized by S. 2354 permits the VA to pay special salary differentials for posts they are having difficulty filling, and to peg general salaries geographically to an index community hospital.

The bill would also require that every VA facility reach a comparable staff-to-patient ratio with an index community hospital within 3 years. The present disparities are shocking: 1.5 for the VA general hospital, 2.7 for the average community hospital, and 3.5 to 4.0 for the university hospital; and that means inadequate care, inadequate attention, and inadequate time for the veterans in those hospitals.

CLOSER RELATIONSHIP WITH HIGH QUALITY NON-VA MEDICAL FACILITIES

To maintain the VA hospital and medical programs in the mainstream of medical advances, authority is provided for Veterans' Administration facilities to contract for scarce medical resources with a medical school whether or not it has a hospital, and with clinics. Current law requires that the medical school have hospital facilities before any sharing agreement can be made between the medical school and the Veterans' Administration. Authority is also expanded to include contracts with any group or individual capable of furnishing scarce medical specialist services.

In addition, new authority is granted to the Administrator to make arrangements for the utilization of excess Veterans' Administration hospital beds, with supporting services, when they are not needed for the care and treatment of veterans, by other hospitals or medical schools or clinics in the community.

STRUCTURAL SAFETY OF VA FACILITIES

The tragic consequences of a number of natural disasters within recent years has pointed to the need for stricter standards in the construction of Veterans' Administration facilities. There was the loss of lives due to earthquake damage at San Fernando, Calif., closely followed by a tornado at Fayetteville, N.C. Considerable numbers of veterans lost personal effects at the veterans facilities at Gulfport and Biloxi, Miss., as a result of damage caused by Hurricane Camille. S. 2354 provides that the Administrator shall prescribe construction standards on a State or regional basis for each VA facility, such standards to be based on a survey of pertinent State and local ordinances, building codes, climatic and seismic conditions, with the purpose of assuring that all hospitals, domiciliaries, and other medical facilities of the Veterans' Administration will be fireproof, and earthquake and other natural disaster resistant. Through such measures, future tragedies can be prevented.

Mr. President, I ask unanimous consent to insert in the RECORD at this time, the full text of S. 2354.

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

S. 2354

A bill to amend title 38 of the United States Code to provide improved and expanded medical and nursing home care to veterans; to provide hospital and medical care to certain dependents and survivors of veterans; to provide for improved structural safety of Veterans' Administration facilities; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Veterans Health Care Reform Act of 1971".

TITLE I—HOSPITAL, DOMICILIARY, AND MEDICAL CARE BENEFITS

SEC. 101. (a) Subparagraph (C) of section 601(4) of title 38, United States Code, is amended to read as follows:

"(C) private facilities for which the Administrator contracts in order to provide (i) hospital care or medical services for persons suffering from service-connected disabilities or from disabilities for which such persons were discharged or released from the active military, naval, or air service; (ii) hospital care for women veterans of any war; (iii) hospital care for veterans of any war in a State, Territory, Commonwealth, or possession of the United States not contiguous to the forty-eight contiguous States, except that the annually determined average hospital patient load per thousand veteran population hospitalized at Veterans' Administration expense in Government and private facilities in each such noncontiguous State may not exceed the average patient load per thousand veteran population hospitalized by the Veterans' Administration within the forty-eight contiguous States, but authority under this clause (iii) shall expire on December 31, 1978; or (iv) hospital care or medical services for the wife or child of a veteran who has a total disability, permanent in nature, resulting from a service-connected disability."

(b) Section 601(5) of such title is amended to read as follows:

"(5) The term 'hospital care' includes—

"(A)(1) medical services rendered in the course of the hospitalization of any veteran, and (2) transportation and incidental expenses for any veteran who is in need of treatment for a service-connected disability or is unable to defray the expense of transportation;

"(B) such medical services, consultation, professional counseling, and training, including necessary expenses for transportation and subsistence, of the members of the immediate family (including legal guardians) of a veteran or a dependent or survivor of a veteran, or, in the case of a veteran or dependent or survivor of a veteran who has no such immediate family members (or legal guardian), the person in whose household such veteran, or a dependent or survivor certifies his intention to live, as may be necessary or appropriate to the effective treatment and rehabilitation of a veteran or a dependent or survivor of a veteran; and

"(C)(1) medical services rendered in the course of the hospitalization of a dependent or survivor of a veteran, and (2) transportation and incidental expenses for a dependent or survivor of a veteran who is in need of treatment for any injury, disease, or disability and is unable to defray the expense of transportation."

SEC. 102. Section 610 of such title is amended by—

(1) inserting ", including direct admission for nursing home care," immediately after "hospital care" the first time it appears therein;

(2) striking out clause (1)(B) of subsection (a) and inserting in lieu thereof the following:

"(B) any veteran for a non-service-connected disability if he is unable to defray the expenses of necessary hospital care;"; and

(3) Amending subsection (c) to read as follows:

"(c) While any veteran is receiving hospital care in any Veterans' Administration facility, the Administrator may, within the limits of Veterans' Administration facilities, furnish medical services to correct or treat any non-service-connected disability of such veteran, in addition to treatment incident to the disability for which he is hospitalized, if the veteran requests such services and the Administrator finds such services to be reasonably necessary to protect the health of such veteran."

(4) adding at the end thereof the following new subsection as follows:

"(d) The Administrator, within the limits of Veterans' Administration facilities, may furnish hospital care, including direct admission for nursing home care, to the following individuals to the extent that he determines, in accordance with regulations he shall prescribe, that the provision of such care does not interfere with the furnishing of hospital and domiciliary care under subsections (a) and (b) of this section:

"(1) the wife or child of a veteran who has a total disability, permanent in nature, resulting from a service-connected disability; and

"(2) widows and children entitled to death compensation or dependency and indemnity compensation under this title."

SEC. 103. (a) Subsection (a) of section 612 of such title is amended to read as follows:

"(a) Except as provided in subsection (b), the Administrator, within the limits of Veterans' Administration facilities, may furnish such medical services as he finds to be reasonably necessary to—

"(1) any veteran for a service-connected disability;

"(2) any veteran for a non-service-connected disability if the veteran has a service-connected disability other than a dental condition or disability which is not compensable in degree;

"(3)(A) the wife or child of a veteran who has a total disability, permanent in nature, resulting from a service-connected disability; and (B) widows and children entitled to death compensation or dependency and indemnity compensation under this title; and

"(4) any veteran for a non-service-connected disability (excluding first-aid or dispensary services for minor illnesses or injuries) which is determined to be in need of prompt medical attention under regulations which the Administrator shall prescribe—

Notwithstanding the foregoing provisions of this subsection, services may be furnished under clauses (3) and (4) of this subsection only to the extent that the Administrator determines, in accordance with regulations he shall prescribe, that such services do not interfere with the furnishing of such services to veterans under clauses (1) and (2). In the case of any veteran discharged or released from the active military, naval, or air service for a disability incurred or aggravated in line of duty, such services may be so furnished for that disability, whether or not service connected, for the purposes of this chapter."

(b) Subsection (f) of section 612 of such title is amended—

(1) by inserting ", by fee or contract," immediately after "services" in the material preceding clause (1); and

(2) by deleting "of any war" in clause (3).

SEC. 104. Section 620 of title 38, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(d) For purposes of this section, the term 'veteran' shall include any person who has been furnished care in any hospital of the Armed Forces and who upon discharge or release therefrom will become a veteran."

SEC. 105. Section 626 of title 38, United States Code, is amended by striking out "fire" and inserting in lieu thereof "fire, earthquake, or other natural disaster".

TITLE II—AMENDMENTS TO CHAPTER 73 OF TITLE 38, UNITED STATES CODE, RELATING TO THE DEPARTMENT OF MEDICINE AND SURGERY

SEC. 201. Section 4101 of title 38, United States Code, is amended by adding at the end thereof the following new subsections:

"(c) In order to utilize personnel within the Department of Medicine and Surgery more effectively, the Administrator shall carry out a continuing study of, and take appropriate action to implement, new and improved methods of rendering health care services through, but not limited to, reassignment of duties as between medical, allied, professional, technical or other health personnel; through the establishment of new positions such as physicians' and dentists' assistants; through the establishment of programs for continuing education (and granting of academic credit therefor) of all health personnel; by providing maximum mobility between health personnel positions; and through the use of electronic, automated, computerized, or other mechanical devices.

"(d) In order to attain comparability in the staff-to-patient ratio in Veterans' Administration hospitals with other public hospitals and with private hospitals, the Administrator shall, on a geographic or regional area basis, select as an index for such purpose any hospital (or other medical installation having hospital facilities) having an optimum staff-to-patient ratio. Within three years after the date of the enactment of this subsection, the staff-to-patient ratio at each Veterans' Administration hospital, domiciliary, and clinic shall be comparable to that of the index facility in such area at such time, taking into consideration the composition of patient population. To secure the information and statistical data necessary for the selection of such index hospital, the Administrator may make arrangements, by contract or other form of agreement, for such medical information services. The Administrator shall submit to the Congress, not more than sixty days after the end of each fiscal year, a report describing the actions taken to implement the provisions of this subsection and the extent to which such provisions have been implemented. Such report shall also include a facility-by-facility description of established staff-to-patient ratios."

SEC. 202. Section 4103(a) of title 38, United States Code, is amended—

(1) by amending paragraph (4) to read as follows:

"(4) Not to exceed eight Assistant Chief Medical Directors, who shall be appointed by the Administrator upon the recommendations of the Chief Medical Director. At least two Assistant Chief Medical Directors may be individuals qualified in the administration of health services who are not doctors of medicine, dental surgery, or dental medicine. One assistant Chief Medical Director shall be a qualified doctor of dental surgery or dental medicine who shall be directly re-

sponsible to the Chief Medical Director for the operation of the Dental Service."; and

(2) by amending paragraph (7) to read as follows:

"(7) A Director of Pharmacy Service and a Director of Dietetic Service, appointed by the Administrator."

SEC. 203. The text of section 4104 of title 38, United States Code, is amended to read as follows:

"There shall be appointed by the Administrator additional personnel as he may find necessary to carry out the functions defined in section 4101 of this title, as follows:

"(1) physicians, dentists, and nurses;

"(2) allied professional health care and scientific personnel for which the Administrator determines that a minimum of a baccalaureate degree (or its equivalent) in such a profession is required;

"(3) physicians' assistants, and dentists' assistants; and

"(4) health technician personnel, such as medical technicians, medical radiology technicians, licensed practical nurses, nursing assistants and other personnel (except clerical, administrative, and physical plant maintenance and protective personnel, and persons paid under section 5341 of title 5, United States Code) determined by the Administrator as performing services incident, subordinate, or preparatory to the services required of persons appointed under clauses (1), (2), or (3) of this section.

SEC. 204. Section 4105 of title 38, United States Code, is amended by—

(1) striking out the period at the end of subsection (a)(7) and inserting in lieu thereof a semicolon;

(2) adding at the end of such subsection (a) a new paragraph as follows:

"(8) Physicians' assistants and dentists' assistants shall have such medical or dental and technical qualifications and experience as the Administrator shall prescribe."; and

(3) striking out in subsection (b) "as a physician, dentist, or nurse" and inserting in lieu thereof "under section 4104 of this title".

SEC. 205. Section 4106 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "and nurses" and inserting in lieu thereof "nurses, allied professional health care and scientific personnel, physicians' assistants, dentists' assistants, and health technician personnel";

(2)(A) striking out in subsection (b) "(b) Such appointments" and inserting in lieu thereof "(b)(1) Appointments of physicians, dentists, and nurses", and

(B) adding at the end of subsection (b) a new paragraph (2) as follows:

"(2) Appointments of allied professional health care and scientific personnel, physicians' assistants, dentists' assistants, and health technician personnel made pursuant to paragraphs (2), (3), and (4) of section 4104 of this title shall be made without regard to those provisions of title 5 governing appointments in the competitive service and those provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Administrator shall provide by regulation for benefits equivalent to those provided by sections 5333 through 5337 of title 5.";

(3) striking out in subsection (c) "and nurses" and inserting in lieu thereof "nurses, allied professional health care and scientific personnel, physicians' assistants, dentists' assistants, and health technician personnel"; and

(4) striking out in subsection (e) "or nurse" and inserting in lieu thereof "nurse, allied professional health care or scientific employee, physician's assistant, dentist's assistant, or health technician employee".

SEC. 206. (a) Subsections (a) and (b) of section 4107 of title 38, United States Code, are amended to read as follows:

"(a)(1) The per annum full-pay scale or ranges for positions provided in section 4103 of this title, other than Chief Medical Director and Deputy Chief Medical Director, shall be as follows:

"SECTION 4103 SCHEDULE

"Associate Deputy Chief Medical Director, $36,000.

"Assistant Chief Medical Director, $37,624.

"Medical Director, $32,546 minimum to $36,886, maximum.

"Director of Nursing Services, $32,546 minimum to $36,886 maximum.

"Director of Chaplain Service, $28,129 minimum to $35,633 maximum.

"Director of Pharmacy Service, $28,129 minimunm to $35,633 maximum.

"Director of Dietetic Service, $28,129 minimum to $35,633 maximum.

"(2) The provisions of section 5308 of title 5, United States Code, shall apply to payments made under this subsection.

"(b)(1) The grades and per annum full-pay ranges for positions provided for in paragraph (1) of section 4104 of this title shall be as follows:

"PHYSICIAN AND DENTIST SCHEDULE

"Director grade, $28,129 minimum to $35,633, maximum.

"Executive grade, $26,143 minimum to $33,982, maximum.

"Chief grade, $24,251 minimum to $31,523 maximum.

"Senior grade, $20,815 minimum to $27,061 maximum.

"Intermediate grade, $17,761 minimum to $23,089 maximum.

"Full grade, $15,040 minimum to $19,549 maximum.

"Associate grade, $12,615 minimum to $16,404 maximum.

"NURSE SCHEDULE

"Director grade, $24,251 minimum to $31,523 maximum.

"Assistant Director grade, $20,815 minimum to $27,061 maximum.

"Chief grade, $17,761 minimum to $23,089 maximum.

"Senior grade, $15,040 minimum to $19,549 maximum.

"Intermediate grade, $12,615 minimum to $16,404 maximum.

"Full grade, $10,470 minimum to $13,611 maximum.

"Associate grade, $9,026 minimum to $11,735 maximum.

"Junior grade, $7,727 minimum to $10,049 maximum.

"(2) Notwithstanding the foregoing, nurses shall be entitled to receive additional compensation as provided in subsection (h) of this section.

"(3) No person may hold the director grade in the 'Physician and Dentist Schedule' unless he is serving as a director of a hospital, domiciliary, center, or outpatient clinic (independent). No person may hold the executive grade unless he holds the position of chief of staff at a hospital, center, or outpatient clinic (independent), or comparable position."

(b) Subsection (c) of section 4107 of such title is amended by redesignating subsection (c) as subsection (e), and by inserting after subsection (b) of such section the following new subsections:

"(c) (1) The grades and per annum full-pay ranges for positions provided for in paragraphs (2) and (3) of section 4104 of this title shall be as follows:

"ALLIED PROFESSIONAL SCHEDULE

"AP grade 8, $28,129 minimum to $35,633 maximum.

"AP grade 7, $24,251 minimum to $31,523 maximum.

"Ap grade 6, $20,815 minimum to $27,061 maximum.

"AP grade 5, $17,761 minimum to $23,089 maximum.

"AP grade 4, $15,040 minimum to $19,549 maximum.

"AP grade 3, $12,615 minimum to $16,404 maximum.

"AP grade 2, $10,470 minimum to $13,611 maximum.

"AP grade 1, $8,582 minimum to $11,156 maximum.

"(2) Notwithstanding the foregoing, physicians' and dentists' assistants shall not be paid less than the AP grade 2 minimum.

"(d) (1) The grades and per annum full-pay ranges for positions provided for in paragraph (4) of section 4104 of this title shall be as follows:

"HEALTH TECHNICIAN SCHEDULE

"HT grade 9, $15,040 minimum to $19,549 maximum.

"HT grade 8, $12,615 minimum to $16,404 maximum.

"HT grade 7, $10,470 minimum to $13,611 maximum.

"HT grade 6, $9,493 minimum to $12,337 maximum.

"HT grade 5, $8,582 minimum to $11,156 maximum.

"HT grade 4, $7,727 minimum to $10,049 maximum.

"HT grade 3, $6,938 minimum to $9,017 maximum.

"HT grade 2, $6,202 minimum to $8,065 maximum.

"HT grade 1, $5,524 minimum to $7,180 maximum.

"(2) Notwithstanding the foregoing, licensed practical nurses and nursing assistants shall be entitled to receive additional compensation as provided in subsection (h) of this section."

(c) Section 4107 of such title is further amended by adding at the end thereof the following new subsections:

"(f) With respect to physicians appointed pursuant to section 4104(1) of this title, the Administrator, upon the recommendation of the Chief Medical Director may increase the per annum salary of a physician who performs administrative duties within the Department by an amount not to exceed 20 per centum of such salary, but in no event shall the combination of salary and allowances under this subsection exceed the salary prescribed for level V of the Executive Schedule under section 5316 of title 5.

"(g) When he finds such action to be necessary in order to obtain or retain the services of physicians, dentists, nurses, allied professional health care and scientific personnel, physicians' assistants, dentists' assistants, or health technician personnel to provide medical care and treatment for veterans, the Administrator, notwithstanding any other provision of law, shall increase the maximum rates of pay authorized under subsection (b) of this section, on a nationwide, local, or other geographic basis, for one or more grades or for one or more medical fields within the grades, to provide pay commensurate with competitive pay practices or to meet at remote stations the staff-to-patient ratios provided for in section 4101(d) of this title. Any such increase in the maximum rate for any grade may not exceed in corresponding amount, the amount provided for in the statutory range for that grade, nor exceed the rate established for Assistant Chief Medical Director under the 'section 4103 schedule' set forth in subsection (a) of this section.

"(h)(1) Pursuant to regulations prescribed by him, the Administrator shall pay nurses, licensed practical nurses, and nursing assistants (hereinafter referred to as "nurses") paid pursuant to the schedules prescribed in subsections (b)(1) and (d)(1) of this section additional pay as provided in this subsection for duty performed in the evening, at night, on Saturday, Sunday, or a holiday, or for duty performed in excess of regular daily or weekly schedules.

"(2) For the purposes of this subsection,

a nurse's hourly rate of pay shall be determined by dividing her annual rate of pay by 2080.

"(3) Any nurse performing duty on the evening tour of duty or the night tour of duty which is compensable under such nurse schedule shall be paid additional pay at a rate not exceeding 15 per centum of her hourly rate of pay for the period of such duty.

"(4) Any nurse performing duty on Saturday which is compensable under such nurse schedule shall be paid additional pay at a rate not exceeding 20 per centum of her hourly rate of pay for the period of such duty.

"(5) Any nurse performing duty on Sunday which is compensable under such nurse schedule shall be paid additional pay at a rate not exceeding 30 per centum of her hourly rate of pay for the period of such duty.

"(6) When any nurse is entitled to additional pay under both paragraphs (3) and (4) or both paragraphs (3) and (5) for the same period of duty, the amounts of such additional pay shall be computed separately on the basis of her hourly rate of pay only.

"(7) Any nurse performing duty on a legal public holiday which is compensable under such nurse schedule shall be paid additional pay at a rate not exceeding 100 per centum of her basic hourly rate of pay for the period of such duty.

"(8) Any nurse performing duty compensable under such nurse schedule in excess of her regularly scheduled hours during a workday (other than a regularly scheduled holiday) shall be paid additional pay at a rate not exceeding 150 per centum of her basic hourly rate of pay for the period of such excess duty.

"(9) Any nurse performing duty compensable under such nurse schedule on the sixth or seventh day of her workweek shall be paid additional pay at a rate not exceeding 150 per centum of her hourly rate of pay for the period of such duty. Such hourly rate of pay shall include the rate of any amount of additional pay under paragraph (3) for such sixth or seventh day.

"(10) When any nurse is entitled to additional pay under paragraph (9) she shall not be entitled to additional pay under paragraph (4), (5), (7), or (8) for the same period of duty.

"(11) Any additional compensation paid pursuant to this subsection shall not be considered as basic compensation for the purposes of subchapter VI and section 5595 of subchapter IX of chapter 55, chapter 81, 83, or 87 of title 5, or other benefits based on basic compensation.

"(12) The Administrator shall, on request of a nurse, and to the extent patient care needs will permit, grant the nurse compensatory time off from her scheduled tour of duty instead of additional pay for an equivalent amount of time to which she would be entitled under paragraph (3), (4), (5), (7), (8), or (9)."

SEC. 206. Section 4109 of title 38, United States Code, is amended—

(1) by inserting "(a)" immediately before "Persons";

(2) by striking out "the Civil Service Retirement Act" and inserting in lieu thereof "chapter 83 of title 5"; and

(3) by adding at the end thereof the following new subsection:

"(b) Each physician and dentist employed in the Veterans' Administration for a period of twenty years or more shall be credited with a period of time as service for the purposes of retirement under chapter 83 of title 5 equal to the period of time determined by the Administrator to have been devoted—

"(1) by such physician to the pursuit of the degree of doctor of medicine or doctor of osteopathy, or

"(2) by such dentist to the pursuit of the degree of doctor of dental surgery or doctor of dental medicine.

Each such physician or dentist shall, in addition, be credited with a period of time as service for such purposes, equal to the time determined by the Administrator to have been devoted by such physician or dentist to a full-time internship in his profession. However, no physician or dentist may be credited with a period of more than five years under the provisions of this subsection. Further, such period shall be reduced by the period of active military, naval, or air service or other Federal service performed by such physician or dentist during the pursuit of his degree or performance of internship in his profession."

SEC. 207. Section 4111 of title 38, United States Code, is amended by striking out "paragraph (1) of".

SEC. 208. Section 4113 of title 38, United States Code, is amended by striking out "paragraph (1) of".

SEC. 209. Section 4114 of title 38, United States Code, is amended as follows:

(1) by striking out in subsection (a) (2) "paragraph (1) of";

(2) by amending subsection (a) (3) to read as follows:

"(3) (A) Temporary full-time appointments of physicians, dentists, nurses, allied professional health care and scientific personnel, physicians' and dentists' assistants, and health technician personnel may exceed ninety days only if the Chief Medical Director finds that circumstances render it impracticable to obtain the necessary services through appointments under section 4104 of this title. Temporary full-time appointments of persons who have successfully completed a full course of nursing in a recognized school of nursing, approved by the Administrator, and are pending registration as a graduate nurse in a State, shall not exceed one year.

"(B) No part-time appointments shall be for a period of more than one year, except for appointments of physicians, dentists, nurses, allied professional health care and scientific personnel, physicians' and dentists' assistants, health technician personnel, interns, and residents and other trainees in medical support programs."; and

(3) by inserting "(1)" immediately after "(b)" at the beginning of subsection (b) of such section and by adding at the end of such subsection a new paragraph as follows:

"(2) In order to carry out more efficiently the provisions of paragraph (1) of this subsection, the Administrator may contract with one or more hospitals, medical schools, or medical installations having hospital facilities and participating with the Veterans' Administration in the training of interns or residents to provide for the central administration of stipend payments, provision of fringe benefits, and maintenance of records for such interns and residents by the designation of one such institution to serve as an agency for this purpose. The Administrator may pay to such designated central administrative agency, without regard to any other law or regulation governing the expenditure of Government moneys either in advance or in arrears, an amount to cover the cost for the period such intern or resident serves in a Veterans' Administration hospital of (A) such stipends as fixed by the Administrator pursuant to paragraph (1) of this subsection, (B) hospitalization, medical care, and life insurance, and any other employee benefits as are agreed upon by the participating institutions for the period that such intern or resident serves in a Veterans' Administration hospital, (C) tax on employers pursuant to chapter 21 of the Internal Revenue Code of 1954, where applicable, and in addition, (D) an amount to cover a pro rata share of the cost of expense of such central administrative agency. Any amounts paid by the Administrator to such fund to cover the cost of hospitalization, medical care, or life insurance or other employee benefits shall be in lieu of any benefits of like nature to which such intern or resident may be entitled under the provisions of title 5, and the acceptance of stipends and employee benefits from the designated central administrative agency shall constitute a waiver by the recipient of any claim he might have to any payment of stipends or employee benefits to which he may be entitled under this title or title 5. Notwithstanding the foregoing, any period of service of any such intern or resident in a Veterans' Administration hospital shall be deemed creditable service for the purposes of section 8332 of title 5. The agreement may further provide that the designated central administrative agency shall make all appropriate deductions from the stipend of each intern and resident for local, State, and Federal taxes, maintain all records pertinent thereto and make proper deposits thereof, and shall maintain all records pertinent to the leave accrued by each intern and resident for the period during which he serves in a participating hospital, including a Veterans' Administration hospital. Such leave may be pooled, and the intern or resident may be afforded leave by the hospital in which he is serving at the time the leave is to be used to the extent of his total accumulated leave, whether or not earned at the hospital in which he is serving at the time the leave is to be afforded."

SEC. 210. Section 4116 of title 38, United States Code, is amended—

(1) by amending subsection (a) to read as follows: "(a) The remedy—

"(1) against the United States provided by sections 1346(b) and 2672 of title 28, or

"(2) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under sections 1346(b) or 2672 of title 28,

for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, nurse, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of his duties in or for the Department of Medicine and Surgery shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against such physician, dentist, nurse, pharmacist, or paramedical or other supporting personnel (or his estate) whose act or omission gave rise to such claim.";

(2) by striking out the last sentence in subsection (c) and inserting in lieu thereof the following: "After removal the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the employee whose act or omission gave rise to the suit was not acting within the scope of his office or employment, the case shall be remanded to the State court."; and

(3) by adding at the end thereof a new subsection as follows:

"(e) The Administrator may, to the extent he deems appropriate, hold harmless or provide liability insurance for any person to which the immunity provisions of this section apply (as described in subsection (a)), for damage for personal injury or death, or for property damage, negligently caused by such person while furnishing medical care or treatment (including the conduct of clinical studies or investigations) in the exercise of his duties in or for the Department of Medi-

cine and Surgery, if such person is assigned to a foreign country, detailed to a State or political division thereof, or is acting under any other circumstances which would preclude the remedies of an injured third person against the United States provided by sections 1346(b) and 2672 of title 28, for such damage or injury."

SEC. 211. The text of section 4117 of title 38, United States Code, is amended to read as follows:

"The Administrator may enter into contracts to provide scarce medical specialist services at Veterans' Administration facilities with medical schools, clinics, and any other group or individual capable of furnishing such services (including, but not limited to, services of physicians, dentists, nurses, technicians, and other medical support personnel)."

TITLE III—RELATING TO HOSPITAL AND DOMICILIARY FACILITIES; LEASING AUTHORITY OF THE ADMINISTRATOR; SPECIALIZED MEDICAL RESOURCES; USE OF EXCESS HOSPITAL BEDS; AND TELEPHONE SERVICE FOR CERTAIN MEDICAL OFFICERS

SEC. 301. (a) Subsection (a) of section 5001 of title 38, United States Code, is amended by—

(1) striking out the period at the end of paragraph (1) and inserting in lieu thereof a comma and the following: "and the Administrator shall maintain an average daily patient census in such beds of at least 84,500 patients";

(2) striking out in the first sentence of paragraph (3) "is authorized" and inserting in lieu thereof "shall", and by striking out "four thousand beds" and inserting in lieu thereof "six thousand beds, in the fiscal year ending June 30, 1972, eight thousand beds in the fiscal year ending June 30, 1973, and ten thousand beds in the fiscal year ending June 30, 1974, and each fiscal year thereafter";

(3) striking out the period at the end of the second sentence of paragraph (3) and inserting in lieu thereof a comma and the following: "except that the Administrator shall convert to nursing beds any hospital beds (in facilities over which the Administrator has direct and exclusive jurisdiction) which are not being adequately utilized for hospitalization purposes and which are located in structurally sound, functionally adequate, and fire, earthquake and other natural disaster resistant buildings, if the need for nursing beds cannot be satisfactorily met otherwise. Whenever any hospital bed has been converted to a nursing bed pursuant to this paragraph, such bed shall count against the total number of beds authorized under this paragraph and paragraph (2) of this subsection."

(b) Subsection (b) of section 5001 of such title is amended to read as follows:

"(b) Hospitals, domiciliaries, and other medical facilities provided by the Administrator shall be of fireproof and earthquake and other natural disaster resistant construction in accordance with standards which the Administrator shall prescribe on a State or regional basis after surveying appropriate State and local laws, ordinances, and building codes and climactic and seismic conditions pertinent to each such facility. When an existing plant is purchased, it shall be remodeled to comply with the requirements stated in the first sentence of this subsection. In order to carry out this subsection, the Administrator shall appoint an Advisory Committee on Structural Safety of Veterans' Administration Facilities, on which shall serve at least one architect and one structural engineer expert in fireproofing, earthquake, and other natural disaster resistance who shall not be employees of the Federal Government, to advise him on all matters of structural safety in the construction and remodeling of Veterans' Administration facilities in accordance with the requirement of this subsection, and which shall approve regulations prescribed thereunder. The Associate Deputy Administrator, the Assistant Administrator for Construction, and the Chief Medical Director, or his designee, shall be ex officio members of such committee."

SEC. 302. Section 5012 (a) of title 38, United States Code, is amended by inserting after the first sentence the following: Any lease made pursuant to this subsection to any public or nonprofit organization may be made without regard to the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5). Notwithstanding section 321 of the Act entitled 'An Act making appropriations for the Legislative Branch of the Government for the fiscal year ending June 30, 1933, and for other purposes, approved June 30, 1932 (47 Stat. 412; 40 U.S.C. 303b) or any other provision of law, a lease made pursuant to this subsection to any public or nonprofit organization may provide for the maintenance, protection, or restoration, by the lessee, of the property leased, as a part or all of the consideration for the lease."

SEC. 303. Section 5053 (a) of title 38, United States Code, is amended by striking out "or medical schools" at the beginning of the material contained in parentheses, and by inserting immediately after the close parenthesis the words "or medical schools or clinics".

SEC. 304. (a) Chapter 81 of such title is amended by inserting immediately after section 5053 a new section as follows:

"§ 5053A. USE OF EXCESS HOSPITAL BEDS

"In addition to the authority granted under section 5053 of this title, the Administrator may, when he determines it to be in the best interest of the prevailing standards of the Veterans' Administration medical care program, make arrangements, by contract or other form of agreement, between Veterans' Administration hospitals and other hospitals (or other medical installations having hospital facilities) or medical schools or clinics in the medical community, for the use of Veterans' Administration hospital beds, with supporting services, when not needed for the care and treatment of veterans."

(b) The table of sections at the beginning of chapter 81 of such title is amended by inserting immediately after

"5053. SPECIALIZED MEDICAL RESOURCES."

the following:

"5053A. USE OF EXCESS HOSPITAL BEDS."

SEC. 305. Section 234 of title 38, United States Code, is amended by inserting immediately after the words "telephones for" the words "hospital and center directors and".

By Mr. CRANSTON:

S. 2355. A bill to amend title 38, United States Code, so as to afford advanced residency-type training to medical personnel of the Veterans' Administration and other Federal departments and agencies at Regional Medical Centers established at Veterans' Administration hospitals throughout the United States. Referred to the Committee on Veterans' Affairs.

VETERANS' ADMINISTRATION CONTINUING MEDICAL EDUCATION ACT

Mr. CRANSTON. Mr. President, to maintain a high quality of medical care in Veterans' Administration hospitals and other medical facilities, there must be a continuing exchange of information and medical techniques between the staff of the VA facilities and the major medical centers and community hospitals of the Nation. S. 2355 which I introduced today as the proposed "Veterans' Administration Continuing Medical Education Act" will provide a means whereby this exchange can be assured and expanded.

S. 2355 authorizes the Administrator of Veterans' Affairs to designate at least four Veterans' Administration hospitals as "Regional Medical Education Centers." These centers must be geographically dispersed throughout the Nation and would provide continuing education programs and related educational pursuits to professional and other health staff of the Veterans' Administration facilities in the region. Where staff and facilities are available, these educational programs could also be offered on a reimbursable basis to medical personnel of other Federal departments and agencies and to medical personnel from the general community.

Training at these centers would thus provide an opportunity for VA staff personnel, as well as staff of other Federal agencies, and members of the surrounding medical community to participate in programs keeping them abreast of newly developed medical skills and knowledge, as well as in the use of newly developed medical technologies and equipment. To assure that each center would provide the latest and finest quality training, the chief medical director of the Veterans' Administration would be authorized to assign those individuals in the VA career service who possess outstanding qualifications in a particular medical discipline to serve as visiting instructors at the newly established regional medical education centers. He would also be authorized to contract for the services of eminently qualified medical personnel from outside the Veterans' Administration to serve as instructors at such centers, whenever he deemed it necessary for the success of the program.

A great benefit offered by these regional medical education centers will be that of providing continuing education in a clinical, residency-type setting, where the participant can obtain and apply his knowledge easily and immediately, increasing his ability to comprehend and utilize new skills, rather than, as in so many instances of continuing education programs, passively attending lectures and reviewing reading materials, and then trying to relate new knowledge to a patient at some unforeseeable time in the future. Training at a regional medical education center could thus be likened to an advanced residency program, where the participant could refresh his skills, utilizing the latest equipment, and learn new methods—procedures and techniques in providing health-care.

Participants would also be exposed to the roles that are developing—many being developed on a pilot basis at VA hospitals—for new types of health personnel, for example, the technician specializing in orthopedics, or anesthesiology, or treatment of cardiovascular conditions, the physicians' or dentists' assistant, or the nurse practitioner, and learn to work with them in a manner which would achieve the greatest coordinated utilization of the skills of all levels of the medical care team.

A corollary benefit of regional medical

education centers would be the recognition assignment to such centers can give to outstanding staff members, beyond the intellectual challenge and satisfaction involved.

This bill's intent is not to diminish the already excellent continuing education programs provided in many Veterans' Administration hospitals, but rather to build upon those programs that presently exist and to increase their availability to medical personnel both within the VA and in the surrounding medical community.

In the current fiscal year, almost 17,000 members of the Veterans' Administration medical staff will participate in continuing education programs, offered either within the VA or at medical centers. Of these, almost 8,000 received education in VA facilities. These programs are for the most part short term, highly specialized courses lasting for a week or less. The VA also sponsors an extensive lecture program, planning to present some 6,700 lectures at VA hospitals in fiscal year 1972. Participation in these programs is intensely sought, and in many cases, staff members are turned away because of the inability of the facility to provide the training to all those who seek it.

A program which has been highly successful is the so-called "Type A" post graduate in-service training program which is a highly specialized longer term—2 to 5 weeks—intensive program geared to the educational needs of an individual, and usually oriented toward specialists. These programs are offered regionally by those Veterans' Administration facilities which are affiliated with medical schools and which can offer the highest quality environment for such training. Participants are staff members of unaffiliated VA hospitals in the region.

Last year some 25 of these highly specialized refresher training programs were offered; this year the number will be doubled to 50.

S. 2355, "The Veterans' Administration Continuing Medical Education Act," will enable the VA to expand and increase such programs, and, along with the benefits which accrue to the veteran from improved treatment capability, will provide a more attractive career for members of the health and allied health professions in the career service of the Veterans' Administration. In addition, the bill will make such programs more available to members of the medical community at large.

In this way this bill complements S. 2354, the proposed "Veterans Health Care Reform Act of 1971," which I am also introducing today and which includes provisions substantially revising the department of medicine and surgery personnel benefits and system.

Mr. President, I ask unanimous consent that there be set forth in the RECORD at the end of my remarks a paper prepared by Dr. E. Grey Dimond, Provost for the Health Sciences, University of Missouri at Kansas City, in which he outlines the benefits that can accrue from continuing education programs based at Veterans' Administration medical facilities. Although Dr. Dimond's proposal goes beyond that included in S. 2355, I feel much of what he suggests is realistically achievable and have incorporated those portions in the "Veterans' Administration Continuing Medical Education Act."

I also ask unanimous consent that there be printed in the RECORD, prior to Dr. Dimond's paper, the full text of S. 2355.

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

S. 2355

A bill to amend title 38, United States Code, so as to afford advanced residency-type training to medical personnel of the Veterans' Administration and other Federal Departments and Agencies at Regional Medical Centers established at Veterans' Administration hospitals throughout the United States

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 "Veterans' Administration Continuing Medical Education Act".

SEC. 2. Chapter 73 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter II—REGIONAL MEDICAL EDUCATION CENTERS

"§ 4121. Designation of Regional Medical Education Centers

"(a) In carrying out his functions under section 4101 of this title with regard to the training of health manpower, the Administrator shall designate as Regional Medical Education Centers such Veterans' Administration hospitals as he determines appropriate to carry out the provisions of this subchapter, but in no event shall he designate less than four. The Administrator shall, to the extent feasible, designate such Regional Medical Education Centers in geographically dispersed areas of the United States.

"(b) Each Regional Medical Education Center designated under subsection (a) of this section shall provide continuing medical and related educational programs for medical and health personnel of the Veterans' Administration and, to the extent that the Administrator determines such facilities are available, for others on a reimbursable basis. Each such center shall provide [in residence,] intensive, advanced training of the very highest caliber. Such training shall be in residence and shall include, but shall not be limited to (1) the teaching of newly developed medical skills and the use of newly developed medical technologies and equipment, (2) advanced clinical instruction, (3) the opportunity for conducting clinical investigations, and (4) routine verification of basic medical skills and, where determined necessary, remediation of any deficiency in such skills.

"§ 4122. Supervision and staffing of centers

"(a) Regional Medical Education Centers shall be operated under the direct supervision of the Chief Medical Director through the Assistant Chief Medical Director for Research and Education. Each such center shall be staffed with personnel qualified to provide the highest quality instruction and training in various medical care disciplines.

"(b) As a means of providing appropriate recognition to individuals in the career service of the Department of Medicine and Surgery who possess outstanding qualifications in a particular medical discipline, the Chief Medical Director shall from time to time and for such period as he deems appropriate assign such individuals to serve as visiting instructors at Regional Medical Education Centers.

"(c) Whenever he deems it [to be] necessary for the effective conduct of the program provided for under this subchapter, the Chief Medical Director is authorized to contract for the services of highly qualified medical personnel from outside the Veterans' Administration to serve as instructors at such centers.

"§ 4123. Personnel eligible for training

"(a) The Chief Medical Director shall determine the manner in which personnel are to be selected for training in the Regional Medical Education Centers. Preference shall be given to career personnel of the Department of Medicine and Surgery. Medical care personnel from other Federal departments and agencies shall be eligible for in-residence training in the Regional Medical Education Centers, but the Veterans' Administration shall be reimbursed by such departments and agencies for providing such training. Medical care personnel from outside the Federal Government may be afforded training under this subchapter, to the extent that facilities are available, on a reimbursable basis.

"§ 4124. Consultation

"In carrying out the provisions of this subchapter at any hospital designated as a Regional Medical Center under section 4112 (a) of this title, the Chief Medical Director shall consult with and seek the advice of the advisory group established for such hospital under section 4112 of this title."

SEC. 3. (a) The table of sections at the beginning of chapter 73 of title 38, United States Code, is amended by inserting at the beginning of such table the following:

"SUBCHAPTER I—ORGANIZATION; GENERAL"

(b) Such table of sections is further amended by adding at the end thereof the following:

"SUBCHAPTER II—REGIONAL MEDICAL EDUCATION CENTERS

"4121. Designation of Regional Medical Education Centers.
"4122. Supervision and staffing of centers.
"4123. Personnel eligible for training.
"4124. Consultation.

A NATIONAL GRADUATE MEDICAL CENTER

(By E. Grey Dimond, M.D.)

Continuing or postgraduate medical education is a well-endorsed need. Voluntary health agencies (eg, the American Heart Association), professional societies (eg, American College of Physicians), and medical schools (eg, the University of Kansas School of Medicine) are involved effectively in this area. This listing is incomplete, and the American Medical Association, state medical societies, medical journals, books, and films have, of course, essential roles in the continuing education of physicians.

The influence of the Regional Medical Program in this field will be major. As each Regional Medical Program develops, not only will efforts similar to those at Kansas result, but also the teaching arena will extend out into the community hospital. The excellent, short, one- to four-day courses which are the present "style" for continuing medical education will be augmented by steady, persistent educational activities at the physician's local hospital.

These efforts, and others not mentioned, even if all operative, still leave a specific deficiency.

There remains the major self-renewal challenge which no existing mechanisms solve. Specifically, how can a busy physician obtain in-depth training, at the bedside, and learn entire new skills? The continuing education programs already existing offer

him one- to five-day refresher experiences which but serve to maintain, at least in part, a current information base. Almost all continuing education is a passive, lecture-style experience. Very few programs permit active engagement by the teacher and the learner in real or live patient-care settings.

Lengthy periods of time, wearing white hospital clothes, fully carrying out the duties of a resident physician would seem the only means of learning new skills and also, after a period of several years in practice, would seem to be the only way of rechecking one's basic medical knowledge, correcting deficiencies, altering habits, and, in truth, gaining self-renewal.

There is no graduate center in the United States which is expressly operated as a health facility for the physician to obtain such in-depth training. At a few medical school hospitals, occasional residencies are filled by returned physicians. However, not only are these physcians few, but the competition is keen, with priorities given to the young men coming along the straight path from medical school.

My proposal as an antidote is the designation of one or more Veterans Administration hospitals as national graduate medical centers. These centers should be nationally and internationally publicized as institutions conceived by the VA in which the highest possible standard of medical care will be used as the basis for graduate clinical instruction and clinical investigation. At these centers, the staff would be augmented by visiting clinicians from the best US institutions. These visiting teachers would be present on a rotating, short-term basis of a few days or a few weeks. In addition, throughout the VA, the best career physicians would be invited for similar short teaching experiences. The majority of the residency positions would be designated sabbatical-leave residencies, and, through the nation's journals, the practicing physician would be alerted to the fact that here is a center especially prepared for his need and offering funded training positions of from 1 to 12 months.

The educational and patient-care program of this facility would be placed under the direct supervision of the medical director of the VA, and he in turn would appoint an advisory committee which would regulate the use of this significant facility. A basic permanent staff of career VA physicians, proved as teachers, would be assigned to the center.

In addition to the permanent staff, outstanding career VA physicians would also be invited to the center and would receive recognition and honor as visiting clinicians. This obvious stimulus to the career physician could serve as an important excitant in his professional life.

A present fault, I suggest, of the Veterans Administration as a career for the physician is the relative inability to maintain wide recognition and personal credit for his skill as a clinician. In private practice such recognition comes from the size of practice, size of income, social recognition in the community, and high officership in professional societies. These elusive but important kudos of life are denied, relatively, to the career VA physician. A widely publicized program, recognizing one's abilities as a clinician-teacher and one's invitation as a visiting clinician to the National Graduate Medical Center could be an effective antidote.

In a broader sense, the VA medical department has also suffered from anonymity. The very success of the program which has placed the VA hospital in firm relationship to medical schools has at the same time hidden the VA medical effort under the umbrella of the medical school. With no sense of criticism, but to identify a fact, I affirm that the contribution of VA medicine is one of the best kept secrets in the United States. The close liaison with the medical school should continue and increase; however, a national facility devoted to demonstrating excellence in clinical medicine, a national graduate medical center, would serve to identify, to the public and to the profession, the vigor and quality of VA medicine.

A premium residency stipend should be anticipated inasmuch as the primary objective of the program is to make it feasible for the physician to leave his practice in order to improve his ability. This will require a basic salary, at today's standards, of approximately $1,000 per month. This is not an exceptional stipend, and one must not forget that these residents will be bringing to the VA the mature medical effort of a physician fresh from a successful practice. Also, the fact that a percentage of these sabbatical-leave physicians could conceivably be recruited into a career VA position warrants an extra investment in stipend. If the National Graduate Medical Center could be developed in very close liaison to a medical school and especially to the department of medicine of a medical school, it is conceivable that senior residents in medicine could participate in a locum tenens program, coordinated with the sabbatical-leave residencies.

A small number of well-prepared foreign physicians should be selected each year for residency positions at the National Graduate Medical Center. A subcommittee at the national advisory committee could have responsibility for this selection. These should be physicians who are obligated to return to a teaching center in their own country. The advantages of their presence in the residency program are several. First, to their benefit, would be the opportunity of training at an institution which guarantees a high devotion to educational content. This should be compared to the many existing programs where the foreign physician is often used as ready, inexpensive labor. The advantage of correlating the selection of these physicians with existing overseas government programs is apparent.

Initially, one might criticize this suggestion of placing non-American physicians in a facility offering care to the American veteran. Such criticism could be overcome by pointing out that the number of overseas physicians would be small; even more important, they would be carefully selected, outstanding men, and the demonstration of outstanding clinical care would be the basic purpose of all teaching at the center.

In fact, the presence at the National Graduate Medical Center of the foreign physician should be deliberately cultivated. He would be a unique stimulus in the program. My own 25 years of graduate medicine have convinced me that an "international flavor" can be a prime factor in creating a stimulating program.

This last-named item, for which the word "atmosphere" is suggested, lends to the principal ingredient which will make such a graduate center effective. The atmosphere must be one which understands the hesitancies of the older student. The sabbatical-leave physican will have come from a busy life where he has been "in charge," secure, and relatively supreme. When he again puts on "white" and lets others challenge him, it will take a very thoughtful faculty to make him comfortable in the life of give-and-take. Here again, the foreign physician is deliberately brought into the scheme, as a partial antidote. The sabbatical-leave U.S. physician will quickly identify himself in the role as teacher to the foreign physician, and when this is done, the major step towards atmosphere is gained.

The National Graduate Medical Center would be a logical site for a major physician's assistant program. By bringing physicians from practice into an exposure to the physician's assistant concept, one could anticipate that fruitful liaisons could develop between these members of the health team. In fact, in many cases the physician would return to practice accompanied by a physician assistant, met and appreciated while the physician was in his sabbatical-leave residency.

Another value of the graduate center would be obtained if such functions could be coordinated with the biomedical communication activities of the National Library of Medicine. Specifically, the graduate center could be one of the national bases for much of the video-taped material to be distributed through the National Library of Medicine. The graduate center could be a primary "studio" for the National Medical Audiovisual Center, and seminars, panels, outpatient activities, operating rooms, ward rounds, autopsies, X-ray conferences, could all originate from this graduate center.

Ward rounds, with the finest clinician-teachers performing as visiting clinicians, could provide a ready, always current, unrehearsed, open window on medicine. Cameras and audiovisual staff would be a permanent part of the center. The National Library of Medicine and the VA already have sufficient congressional authorization to accomplish this. The National Library of Medicine and the Regional Medical Program offer the vehicle for the national distribution of filmed and taped material.

In summary and for emphasis, the present situation as the proposed program may be outlined as follows:

CONTINUING EDUCATION OF PHYSICIANS

1. There is a generally recognized shortage of postgraduate training facilities for the continuing education of the practicing physician.

2. An especial weakness of almost all present attempts in the continuing medical education field is that most teaching efforts are short-term, one- to five-day seminars, refresher courses, etc.

3. There is a real need for organized, sustained bedside- and ambulatory-care teaching programs of one month to one year duration for the practicing physician.

4. Medical schools, the AMA, the American Association of Medical Colleges, the National Library of Medicine, the National Institutes of Health, and the medical specialty colleges, although all interested and all able to make varying contributions, each and all have other primary interests and functions.

5. A medical care facility with beds and outpatients, primarily used for continuing education of physicians, does not exist in the United States.

FOREIGN PHYSICIANS IN THE UNITED STATES

1. The foreign physician is eager for U.S. medical training. Our country has become, for medicine, the Vienna of our time.

2. He has found it increasingly difficult to obtain first-class clinical training in this country.

He has often ended up as a "service unit" in a very inadequate institution.

4. Or he has been able to get to a first-class institution but has accomplished this by taking on a technical research role which serves him poorly as preparation for return to his home country.

5. Our own country suffers in the long run when the disappointed physician returns to his country, smarting under the realization that this country did not offer him the opportunity that he knows is here, and he is still unprepared for service in his own country.

6. Therefore, a formally organized, clinically oriented, well-supervised, foreign-graduate-physician program would be a major national asset.

7. Such a program would augment existing overseas efforts of both federal and private agencies.

VETERANS ADMINISTRATION HOSPITALS

1. The VA patient population is stratifying into certain chronic disease categories, and a period of stagnation and somnolence in terms of attracting and holding competent physicians seems inevitable.

2. The basic care of the veteran patient will deteriorate as the physician staff deteriorates. Therefore, a program which would improve veteran patient care would be able to gain endorsement by all interested groups.

3. The VA hospital system represents one of the best physical assets in the health field in the world.

4. It is too valuable a physical asset to permit it to be *underused.*

5. If a carefully chosen VA hospital could be designated a national graduate medical center and its effort devoted to outstanding patient care, graduate clinical instruction, and clinical investigation, I believe this could become an immediate national asset.

6. Cooperative efforts with the National Library of Medicine, the National Medical Audiovisual Center and the Regional Medical Program could, through a journal, films, video tapes, and eventually a health satellite, extend the National Graduate Medical Center's influence on clinical medicine of the entire nation. The center could become the workshop for the "university without walls."

By Mr. McGOVERN:

S. 2356. A bill to provide loans to students pursuing programs of higher education in the fields of law enforcement and correctional science. Referred to the Committee on Labor and Public Welfare.

LAW ENFORCEMENT EDUCATION LOAN ACT OF 1971

Mr. McGOVERN. Mr. President, pressure on policemen—from those who are victimized by crime, from merchants who are the victims of the rising tide of burglary and robbery, from community leaders who have seen the Government protect the rich at the expense of the poor—is a fact of contemporary life. The policeman must be able to deal with the sophisticated operations of the organized underworld, the random violence of the drug addict, the confrontations which characterize our social and political activity, and the anguish of civil disorder. The policeman is at the center of the social turbulence of the seventies.

The incredibly sensitive and complex tasks we ask of our law enforcement agencies require that we make available adequate training and education for policemen. The protection of society from its outlaws and internal dissension without infringing on the rights of individuals is a delicate job, requiring a fine sense of moderation and restrained force. The policeman, who has so many responsibilities, should be given a thorough and complete education in the role of law in society, and in the causes and results of the social phenomena he will have to deal with.

It is in the best interest of both the policeman and the society that more education be made available to the law enforcement agent.

To this end, I have introduced S. 2232, the Police Education Assistance Act of 1971, to provide a grant program to improve the training and educational opportunities of policemen. To supplement that bill, I am introducing the Law Enforcement Education Loan Act of 1971 to provide a "GI bill" for policemen. By the terms of this bill a fund would be established in the Department of Education, to be distributed to the various States, which would loan up to $2,000 a year to students in college degree programs who pledge to join a local police force or law enforcement agency on graduation. The debt accumulated would be retired by the Government at a rate of 1 year's loan for every 2 years of service. So the policeman of 8 years standing would have his entire debt retired and would be under no further obligation to the Government. The procedure would be similar to that in our military academies, where a college education is provided in return for several years of military service.

Aside from the benefits to society of an educated, well-trained police force, we must consider the debt the society owes these men who risk lives to preserve law and justice in the Nation. It would behoove this Congress to act swiftly on this measure, for the policeman's contribution to the society certainly merits the society's commitment to his education.

I ask unanimous consent that the text of the legislation I am introducing 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. 2356

A bill to provide loans to students pursuing programs of higher education in the fields of law enforcement and correctional science

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 "Law Enforcement Education Loan Act of 1971".

PROHIBITIONS

SEC. 2. (a) Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

(b) Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision or control over the organization, administration, or personnel of any State or local police force or other law enforcement agency.

(c) Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the organization, administration, or personnel of any State or local penal or correctional institution.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa and the Trust Territory of the Pacific Islands.

(2) The term "institution of higher education" means an educational institution in any State which (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (2) is legally authorized within such State to provide a program of education beyond secondary education, (3) provides an educational program for which it awards a bachelor's degree or provides not less than a two-year program which is acceptable for full credit toward such a degree, (4) is a public or other nonprofit institution, and (5) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, is an institution whose credits are accepted, on transfer, by not less than three institutions which are so accredited, for credit on the same basis as if transferred from an institution so accredited. For purposes of this Act, the Commissioner shall publish a list of nationally recognized accrediting agencies or associations which he determines to be reliable authority as to the quality of training afforded.

(3) The term "Commissioner" means the Commissioner of Education.

(4) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(5) The term "nonprofit", as applied to a school or institution, means a school or institution owned and operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

LOANS TO STUDENTS OF POLICE OR CORRECTIONAL SCIENCE IN INSTITUTIONS OF HIGHER EDUCATION

SEC. 4. (a) For the purpose of enabling the Commissioner to stimulate and assist in the establishment at institutions of higher education of funds for the making of low-interest loans to students of police or correctional science in need thereof to pursue their courses of study in such institutions, there are hereby auhorized to be appropriated $25,000,000 for the fiscal year ending June 30, 1972, $50,000,000 for the fiscal years ending June 30, 1973, June 30, 1974, and June 30, 1975, and such sums for the fiscal year ending June 30, 1976, as may be necessary to enable students who have received a loan for any school year ending prior to July 1, 1975, to complete their course in police or correctional science. Sums appropriated under this section for any fiscal year shall be available, in accordance with the agreements between the Commissioner and institutions of higher education, for payment of Federal capital contributions which, together with contributions from the institutions, shall be used for establishment and maintenance of a student loan fund.

(b) From the sums appropriated pursuant to subsection (a) for any fiscal year ending prior to July 1, 1975, the Commissioner shall allot to each State an amount which bears the same ratio to the amount so appropriated as the population of such State bears to the population of all States. The Secretary of Commerce shall be the source of all population figures for the purposes of this section.

(c) Sums appropriated pursuant to subsection (a) for the fiscal year ending June 30, 1975, shall be allotted among the States in such manner as the Commissioner determines to be necessary to carry out the purpose for which such amounts are appropriated.

FEDERAL CAPITAL CONTRIBUTIONS

SEC. 5. The Commissioner shall periodically set dates by which institutions of higher education in a State must file applications for Federal capital contributions from the allotment of such State. In the event the total requested in such applications, which are made by institutions with which he has agreements under this Act and which meet the requirements established in regulations of the Commissioner, exceeds the amount of the allotment of such State available for such purpose, the Federal capital contribution from such allotment to each such institution shall bear the same ratio to the amount requested in its application as the amount of allotment available for such purposes bears to the total requested in all such applications. In the event the total requested in such applications which are made by institutions in a State is less than the amount

of the allotment of such State available for such purpose, the Commissioner may re-allot the remaining amount from time to time, on such date or dates as the Commissioner may fix, to other States in proportion to the original allotments to such States under section 4(b) for such year. The Federal capital contribution to an institution shall be paid to it from time to time in such installments as the Commissioner determines will not result in unnecessary accumulations in the law enforcement and correctional student loan fund established under its agreement under this Act.

LOAN FUND AGREEMENTS

SEC. 6. An agreement with any institution of higher education for Federal capital contributions by the Commissioner under this Act shall—

(1) provide for establishment of a loan fund for students pursuing programs (A) which lead to either a two- or a four-year degree in police or correctional science offered by such institution, and (B) which have been approved for the purposes of this Act by the Attorney General;

(2) provide for deposit in such fund of (A) the Federal capital contributions, (B) an amount, equal to not less than one-ninth of such Federal contributions, contributed by such institution, (C) collections of principal and interest on student loans made from such fund, and (D) any other earnings of the fund;

(3) provide that such student loan fund shall be used only for loans to students in accordance with such agreement, for capital distributions as provided in this Act, and for costs of litigation arising in connection with the collection of any loan from the fund or interest on such loan;

(4) provide that in the selection of students to receive loans from this student loan fund, special consideration shall be given to (A) individuals serving on the staffs of public law enforcement or correctional agencies who are on academic leave to earn either the two- or four-year degree in police or correctional science, and (B) students in good health with a superior academic background who are preparing to enter the law enforcement or correctional field;

(5) include such other provisions as may be necessary to protect the financial interest of the United States and promote the purposes of this Act and as are agreed to by the Commissioner and the institution.

TERMS OF STUDENT LOANS

SEC. 7. (a) The total of the loans for any fiscal year to any student made by institutions of higher education from loan funds established pursuant to agreements under this Act may not exceed $2,000 and the total for all years to any student from such funds may not exceed $8,000.

(b) Loans from any such loan fund to any student by any institution of higher education shall be made on such terms and conditions as the institution may determine; subject, however, to such conditions, limitations, and requirements as the Commissioner may prescribe (by regulation or in the agreement with the institution) with a view to preventing impairment of the capital of the student loan fund to the maximum extent practicable in the light of the objective of enabling the student to complete his course of study; and except that—

(1) such a loan shall be made only to a student who (A) is in need of the amount of the loan to pursue the course of study at such institution, and (B) is capable, in the opinion of the institution, of maintaining good standing in such course of study, and (C) has been accepted for enrollment as a full-time student at such institution, and (D) signs a declaration of intention to join the staff of a public law enforcement agency or correctional institution in the State wherein the institution of higher education is located, after completion of the two- or four-year course of study, and (E) manifests no obvious physical or other handicap which, in the judgment of the institution, would render him clearly incapable of effective service on a police force or correctional staff.

(2) such a loan shall be evidenced by a note or other written agreement which provides for repayment of the principal amount, together with interest thereon, in equal annual installments, or, if the borrower so requests, in graduated periodic installments (determined in accordance with such schedules as may be approved by the Commissioner), over a period beginning one year after the date on which the borrower ceases to pursue a full-time course of study at an institution of higher education and ending eleven years after such date, except that (A) interest shall not accrue on any such loan, and periodic installments need not be paid, during any period (i) during which the borrower is pursuing a full-time course of study at an institution of higher education, or (ii) not in excess of three years, during which the borrower is a member of the Armed Forces of the United States, (B) any such period shall not be included in determining the ten-year period during which the repayment must be completed, (C) such ten-year period may also be extended for good cause determined in accordance with regulations of the Commissioner, and (D) the borrower may at his option accelerate repayment of the whole or any part of such loan.

(3) not to exceed 100 per centum of any such loan (plus interest) shall be canceled for service as a full-time law enforcement officer on a public funded State, city, or county police force, or as a full-time staff employee in a Federal, State, or county correctional agency, in the following manner:

(A) The first two years of such service cancel any loan attributable to the first year of study;

(B) The third and fourth years of such service cancel any loan attributable to the second year of study;

(C) The fifth and sixth year of such service cancel any loan attributable to the third year of study; and

(D) The seventh and eighth years of such service cancel any loan attributable to the fourth year of study;

(4) such a loan shall bear interest, on the unpaid balance of the loan, at the rate of 3 per centum per annum except that no interest shall accrue before the date on which repayment of the loan is to begin;

(5) such a loan shall be made without security and without endorsement, except that if the borrower is a minor and the note or other evidence of obligation executed by him would not, under the applicable law, create a binding obligation, either security or endorsement may be required;

(6) the liability to repay any such loan shall be canceled upon the death of the borrower, or if he becomes permanently and totally disabled as determined in accordance with regulations of the Commissioner;

(7) such a loan by an institution for any year shall be made in such installments as may be provided in regulations of the Commissioner or the agreement with the institution under this Act, and, upon notice to the Commissioner by the institution that any recipient of a loan is failing to maintain satisfactory standing, any or all further installments of his loan shall be withheld, as may be appropriate; and

(8) no note or other evidence of such a loan may be transferred or assigned by the institution of higher education making the loan except, upon the transfer of the borrower to another institution of higher education participating in the program under this Act (or if not participating, is eligible to do so and is approved by the Commissioner for such purpose), to such institution.

(c) An agreement under this Act for payment of Federal capital contributions shall include provisions designed to make loans from the student loan fund established pursuant to such agreement reasonably available (to the extent of the available funds in such fund) to all eligible students in such institution in need thereof.

DISTRIBUTION OF ASSETS FROM STUDENT LOAN FUNDS

SEC. 8. (a) After June 30, 1978, and not later than September 30, 1978, there shall be a capital distribution of the balance of the student loan fund established under this Act by each institution of higher education as follows:

(1) The Commissioner shall first be paid an amount which bears the same ratio to the balance in such fund at the close of June 30, 1978, as the total amount of the Federal capital contributions to such fund by the Commissioner under this Act bears to the sum of such Federal capital contributions and the institution's capital contributions to such fund.

(2) The remainder of such balance shall be paid to the institution.

(b) After September 30, 1978, each institution with which the Commissioner has made an agreement under this Act shall pay to the Commissioner, not less often than quarterly, the same proportionate share of amounts received by the institution after June 30, 1978, in payment of principal or interest on student loans made from the student loan fund established pursuant to such agreement (which amount shall be determined after deduction of any costs of litigation incurred in collection of the principal or interest on loans from the fund and not already reimbursed from the student loan fund or such payments of principal or interest) as was determined for the Commissioner under subsection (a).

(c) Upon a finding by the institution or the Commissioner prior to July 1, 1978, that the liquid assets of a student loan fund established pursuant to an agreement under this Act exceed the amount required for loans or otherwise in the foreseeable future, and upon notice to such institution or to the Commissioner, as the case may be, there shall be, subject to such limitations as may be included in regulations of the Commissioner or in such agreement, a capital distribution from such fund. Such capital distribution shall be made as follows:

(1) The Commissioner shall first be paid an amount which bears the same ratio to the total to be distributed as the Federal capital contributions by the Commissioner to the student loan fund prior to such distribution bear to the sum of such Federal capital contributions and the capital contributions to the fund made by the institution.

(2) The remainder of the capital distribution shall be paid to the institution.

LOANS TO INSTITUTIONS

SEC. 9. (a) Upon application by any institution of higher education with which he has made an agreement under this Act, the Commissioner may make a loan to such institution for the purpose of helping to finance the institution's capital contributions to a student loan fund established pursuant to such agreement. Any such loan may be made only if such institution shows it is unable to secure such funds from non-Federal sources upon terms and conditions which the Commissioner determines to be reasonable and consistent with the purposes of this Act. Loans made to institutions under this section shall bear interest at a rate which the Commissioner determines to be adequate to cover (1) the cost of the funds to the Treasury as determined by the Secretary of the Treasury, taking into consideration the

current average yields of outstanding marketable obligations of the United States having maturities comparable to the maturities of loans made by the Commissioner under this section, (2) the cost of administering this section, and (3) probable losses.

(b) There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this section, but not to exceed a total of $25,000,000.

(c) Loans made by the Commissioner under this section shall mature within such period as may be determined by the Commissioner to be appropriate in each case, but not exceeding ten years.

PAYMENTS TO COVER REDUCTIONS IN AMOUNTS OF LOANS

SEC. 10. In addition to the payments otherwise authorized to be made pursuant to this Act, the Commissioner shall pay to the appropriate institution, at such time or times as he determines, an amount which bears the same ratio to the interest which has been prevented from accruing and the portion of the principal which has been canceled on student loans pursuant to clause (3) of section 7(b) (and not previously paid pursuant to this subsection) as the total amount of the institution's capital contributions to such fund.

ADMINISTRATIVE PROVISIONS

SEC. 11. (a) The Commissioner, in addition to the other powers conferred upon him by this Act, shall have power to agree to modifications of agreements or loans made under this Act and to compromise, waive, or release any right, title, claim, or demand, however arising or acquired under this Act.

(b) Financial transactions of the Commissioner pursuant to this Act, and vouchers approved by him in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such transactions shall be subject to audit by the General Accounting Office at such times and in such manner as the Comptroller General may by regulation prescribe.

ADMINISTRATION

SEC. 12. (a) The Commissioner is authorized to delegate any of his functions under this Act, except the making of regulations, to any officer of the Office of Education.

(b) The Commissioner shall include in his annual report to the Congress a full report of the activities of the Office of Education under this Act, including recommendations for needed revisions in the provisions thereof.

(c) Any agency of the Federal Government shall exercise its functions under any other law in such manner as will assist in carrying out the objectives of this Act. Nothing in this Act shall be construed as superseding or limiting the authority of any such agency under any other law.

(d) No part of any funds appropriated or otherwise made available for expenditure under authority of this Act shall be used to make payments or loans to any individual unless such individual has taken and subscribed to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic." The provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such affidavits.

ADMINISTRATIVE APPROPRIATIONS

SEC. 13. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1968, and for each fiscal year thereafter, such sums as may be necessary for the cost of administering the provisions of this Act.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 1245

At the request of Mr. Moss, the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 1245, to amend the act of June 27, 1960 (74 Stat. 220), relating to the preservation of historical and archeological data.

S. 1620

Mr. McGOVERN. Mr. President, I ask unanimous consent that the Senator from New Jersey (Mr. WILLIAMS) be added as a cosponsor of S. 1620, the bill I introduced to exempt farm vehicles from part 2 of the Interstate Commerce Act.

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

S. 2071

At the request of Mr. Moss, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 2071, to provide for the care, housing, education, training, and adoption of certain orphaned children in Vietnam.

S. 2240

Mr. McGOVERN. Mr. President, I ask unanimous consent that I be added as a cosponsor to S. 2240, the bill to provide for the registration of students for voting at the institutions of higher education where they are in attendance.

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

S. 2266

At the request of Mr. Moss, the Senator from North Dakota (Mr. BURDICK), the Senator from New Jersey (Mr. CASE), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 2266, to amend section 734 of title 44, United States Code, to require the Public Printer to furnish recycled material for the official use of the Senate and the House of Representatives.

S. 2267

At the request of Mr. Moss, the Senator from North Dakota (Mr. BURDICK), the Senator from New Jersey (Mr. CASE), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of S. 2267, to amend chapter 9 of title 44, United States Code, to require the use of recycled paper in the printing of the CONGRESSIONAL RECORD.

S. 2344

At the request of Mr. RANDOLPH, the Senator from West Virginia (Mr. BYRD), the Senators from New Mexico (Mr. MONTOYA, and Mr. ANDERSON), the Senator from Minnesota (Mr. HUMPHREY), the Senator from North Dakota (Mr. BURDICK), and the Senator from Arkansas (Mr. MCCLELLAN) were added as cosponsors of S. 2344, to amend the Foreign Assistance Act of 1961 to provide for international drug control assistance and to prohibit foreign assistance from being provided to foreign countries which do not act to prevent the illegal production, processing, or distribution of narcotic drugs used or intended to be used in the United States or by U.S. Armed Forces outside the United States.

SENATE JOINT RESOLUTION 106

At the request of Mr. BYRD of Virginia, the Senator from Alabama (Mr. ALLEN) was added as a cosponsor of Senate Joint Resolution 106, a proposed amendment to the U.S. Constitution requiring reconfirmation of Federal judges.

ADDITIONAL COSPONSOR OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 21

At the request of Mr. MONDALE, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of Senate Concurrent Resolution 21, concerning negotiations in Pakistan.

AMENDMENT OF FEDERAL HAZARDOUS SUBSTANCES ACT—AMENDMENT

AMENDMENT NO. 338

(Ordered to be printed and referred to the Committee on Commerce.)

Mr. SPONG. Mr. President, earlier in this session of Congress the administration requested that legislation be introduced to control toxic substances. The current regulatory framework for the control of industrial and consumer substances leaves much to be desired. One need only browse the newspapers to be confronted with the dangers of mercury and other trace metals, PCB's, and detergent additives to name a few. The administration recognizes the need to provide for the control of these and other materials and I applaud this awareness. However, in my judgment, the bill does not go far enough and I am today introducing strengthening amendments.

The administration's bill—S. 1478—provides for the establishment of test protocols for various classes and uses of chemical substances and the results to be achieved as are necessary to protect health and the environment. The bill requires that new chemical substances undergo this testing by the manufacturer prior to its commercial production. The requirement does not extend to existing chemicals.

The administration bill also gives the Administrator of the Environmental Protection Agency the authority to restrict the use or distribution of any chemical substances to the extent necessary to protect health and the environment. This would enable the Administrator to limit the amount of the chemical substance sold to different types of processors and, as I understand the bill, enable him to specify how the material may be processed industrially and how it may be used by consumers.

The amendments I am proposing today to S. 1478 would provide, I believe, a clarification of what has been proposed by the administration's bill as well as adding several important substantive provisions. These provisions are:

First. A premarket clearance requirement for all new chemical substances

which are of environmental or public health significance. The administration's bill requires that certain tests be conducted, but with no premarket assurance that the tests have indeed been conducted and if they have been conducted properly. While most manufacturers comply with this requirement conscientiously the administration's bill presents no assurance that the less careful manufacturer would indeed perform his tests and perform them adequately. In addition, the preclearance mechanism would enable the Administrator to know what goes into the environment before it is introduced. The proper regulation of a chemical substance must be based on knowledge of the total amount of that substance in use. The administration's bill would rely on this knowledge from future reports which may be required of the manufacturer. Without timely knowledge of how much of the material goes into the environment it would seem very difficult to fashion proper use restrictions. The preclearance requirement would make this information available when a material is proposed for clearance rather than at some later date. Finally, a preclearance mechanism would prevent duplication of testing by different manufacturers of the same product. The administration's bill requires that all manufacturers of new chemical substances be required to complete essentially the same tests. A preclearance mechanism would provide knowledge of these tests and eliminate the necessity of all manufacturers of the same product to do the same tests.

Second. The amendments would provide for the systematic testing of existing chemical substances when there is reason to believe the substance may pose an unreasonable threat to man or the environment. Under the administration's bill, restrictions may be placed on an existing chemical substance only when the administrator is sure that the unreasonable threat exists. Many of the chemical substances now in existence have not been tested thoroughly to assess their hazard to man and the environment. The administration's bill would provide no systematic mechanism for gaining this knowledge. The proposed amendments would require that existing chemical substances which have questionable uses be specified for certification in a similar manner to new chemical substances with similar testing requirements.

Third. The amendment contains a mechanism to distribute more equitably the costs of the requisite testing. Under the amendment, it is intended that the test results required for certification would be public and available to other manufacturers wishing to certify similar chemical substances, thus preventing duplicative testing. To distribute the costs of testing the amendment provides for a tax to be assessed on all first sales of that product until the costs of testing are recovered. The revenue collected would be paid to the manufacturer who performed the tests. As his product would also be taxed, the cost of testing would be spread among those who would benefit from the testing. The same procedure would apply to existing chemical substances for which testing and certification is required. Thus, in the case of existing chemicals, the very difficult problem of specifying who among many producers would be required to test is eliminated. Only one manufacturer could test with all manufacturers of that same product bearing the cost. While this is is an untried approach, I feel it necessary to attempt to equitably distribute the costs of the required tests. I would hope we will get a thorough examination of this approach in the hearings. I am aware of the constitutional prohibition against revenue generating measures originating in the Senate. I am proposing this measure today merely to seek an examination of this concept and I have no intention of pressing for Senate action on this provision prior to House action.

Fourth. The amendment would give the Administrator the authority to recall chemical substances from the market and to exercise administrative seizure authority for chemical substances. Seizures would be made summarily only if an imminent hazard exists and after a hearing if an imminent hazard does not exist. These additional tools, although I would anticipate they would be used sparingly, would enable the Administrator to act swiftly to protect man and the environment from unreasonable risks, imminent hazards, and uncertified substances. No such authority exists in the administration's bill.

Fifth. The amendment would give the Administrator the authority to issue administrative orders to protect against imminent hazards. Under S. 1478, the Administrator must first go to the Attorney General who must petition the district court to restrain the use or distribution of this chemical substance responsible for the hazard. Imminent hazards by their very nature require swift and effective action. By requiring the Administrator to go through the Justice Department and the courts, the probability of swift and effective action is seriously diminished and may not result in the prompt action that may be required. Any such action by the Administrator under this authority would be subject to review but the order restricting the use or distribution of the chemical substance would remain in effect pending the review.

Sixth. The amendment contains a provision for citizen suits to enforce standards if the Administrator fails to act upon a mandatory duty. The citizen suit provision is very similar to those passed by the Congress last year as part of the Clean Air Amendments of 1970.

Seventh. The amendment would allow the Administrator to initiate legal action without going through the Department of Justice. I can see no valid reason in requiring the Administrator to go through the Justice Department every time he wants to bring legal action under this authority. If coordination of the legal activities of the executive branch is the goal of this provision in the administration's bill, I would think this could be done without the addition of another procedural step to hinder swift enforcement of this authority.

Eighth. Several other areas of the administration's bill have been more precisely defined and clarified by the amendment. It is made explicit that the administrator may regulate the use and disposal of consumer products. It is unclear in the administration's bill. "Imminent hazard" has been more precisely defined to mean the manufacture, use or distribution of a chemical substance that will result in serious damage to human health or the environment prior to the completion of administrative hearings or other formal proceedings. Under the administration's bill, the definition is vague and would give nearly complete discretion to the administrator to determine imminent hazards. In addition, the section relating to confidentiality of information furnished to the administrator from a manufacturer has been clarified to include only that information which is unobtainable by competitors and would lead to competitive injury to the manufacturer. The administration's bill left open the possibility that information other than that which would lead to injury could be withheld from the public. Finally, the amendment gives additional guidance to the administrator on how to design the test protocols for the various classes and uses of chemical substances, outlining five factors he should consider in making such determinations.

I introduce the amendment for appropriate reference and ask that the text of the amendment be printed in full in the RECORD.

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

AMENDMENT No. 338

Strike out all after the enacting clause and insert in lieu thereof the following:

SEC. 2. (a) The Federal Hazardous Substances Act is amended by inserting before section 1 of such Act the following:

"TITLE I—HAZARDOUS CONSUMER PRODUCTS"

(b) Such Act is further amended by adding after section 18 thereof, the following new title:

"TITLE II—TOXIC SUBSTANCES

"POLICY

"SEC. 201. Whereas the American people are being exposed to a large number of chemical substances each year; and

"Whereas among the many chemical substances constantly being developed and produced are some which may be a danger to human health or the environment; and

"Whereas the effective regulation of interstate commerce in such chemicals necessitates the regulation of transactions in such chemicals in intrastate commerce as well;

"Therefore, it is the policy of the United States that—

"(1) new chemical substances and hazardous or potentially hazardous existing chemical substances should be adequately tested with respect to their safety to man and the environment; that such testing should be the responsibility of those who produce such chemicals; and

"(2) chemical substances should serve useful purposes; and,

"(3) adequate authority should exist to restrict the distribution and use of chemicals found to be harmful; and

"(4) authority over chemicals be exercised in such a manner as not to unduly impede technological innovation while fulfilling the primary purpose of this title to assure that

such innovation and commerce in such chemicals does not endanger human health or the environment.

"DEFINITIONS

"SEC. 202. As used in this Act the term—

"(1) 'Administrator' means the Administrator of the Environmental Protection Agency;

"(2) 'Chemical substance' means any organic or inorganic substance of a particular molecular identity, or any uncombined chemical radical or element, except such substances which are of no public health or environmental significance as determined by the Administrator by regulations;

"(3) 'Existing chemical substance' means any chemical substance which is first produced in commercial quantities before the effective date of initial regulations promulgated pursuant to section 203;

"(4) 'Manufacturer' means any person engaged in the production or manufacture of chemical substances for purposes of sale or distribution in commercial quantities, or an importer thereof;

"(5) 'Processor' means any person engaged in the preparation of a chemical substance for distribution or use either in the form in which it is received or as part of another product, as defined by regulations of the Administrator;

"(6) 'Restrict use or distribution' means to prescribe the amount sold to given types of processors, or to limit the type of processor to whom a substance may be sold, or to prescribe the amount which may be utilized by a given type of processor, or to limit the manner in which a substance may be manufactured, used, handled, or disposed of by any person, and such restriction on use or distribution may include a total ban;

"(7) 'Byproduct' means a chemical substance produced as a direct result of the production, manufacture, processing, use, or disposal of some other chemical substance which is subject to the provisions of this title;

"(8) 'Environment' includes water, air, land, all plants and animals living therein, and the interrelationships which exist among these;

"(9) 'Animal' means all vertebrate and invertebrate species, including but not limited to man and other mammals, birds, fish, and shellfish;

"(10) 'Protect health and the environment' means protection against any unreasonable threat to human health or the environment resulting from any chemical reaction of a chemical substance taking into account the benefits of the chemical substance as compared to the risks to man or the environment;

"(11) 'District court of the United States' includes the District Court of Guam, the District Court of the Virgin Islands, the District Court of the Canal Zone, and in the case of American Samoa and the Trust Territory of the Pacific Islands, the District Court of the United States for the District of Hawaii, which court shall have jurisdiction over actions arising under this title;

"(12) 'New chemical substance' means any chemical substance which is first produced in commercial quantities after the effective date of initial regulations promulgated pursuant to section 203; and

"(14) 'Consumer' means any person who is not a manufacturer, processor, shipper, distributor, wholesaler, retailer, or commercial user of the chemical substance or its byproducts.

"TEST STANDARDS

"SEC. 203. Within one year after enactment of this title, and from time to time thereafter, the Administrator shall, after consultation with the Toxic Substances Board established under section 210, issue proposed regulations for such standards for test protocols for various classes and uses of chemical substances, and for the results to be achieved therefrom, as are necessary to protect health and the environment. In determining what is necessary to protect health and the environment under the preceding sentence, the Administrator shall consider all relevant factors including—

"(1) the effects on human health of the substance;

"(2) the effects of the substance on the environment;

"(3) the benefits of the substance for various uses;

"(4) the normal circumstances of such use; and

"(5) the availability of less hazardous substitutes.

Such test protocols may include tests for carcinogenesis, teratogenesis, mutagenesis, persistence, the cumulative or synergistic effects of other chemical substances, and other types of hazards. The Administrator shall specify in the proposed regulations the date on which such standards shall take effect, except that such standards shall not take effect prior to the 90th day after the date of issue of final regulations nor later than 18 months after such date.

"CERTIFICATION OF CHEMICAL SUBSTANCES

"SEC. 204. (a) After the effective date of initial regulations promulgated pursuant to section 203, any manufacturer of a new chemical substance shall be required to obtain a certification from the Administrator that such new chemical substance is in compliance with the testing requirements of section 203. Requests for certification shall begin by application from the manufacturer to the Administrator, who shall publish such application in the Federal Register together with his proposal to grant or deny such application and, if it is proposed to certify the applicant, any proposals to condition such certification pursuant to section 205. Thereafter, the procedures of section 222(b) governing the promulgation of regulations shall apply. Application for certification under this section shall be in such form and contain or shall be accompanied by such information as the Administrator deems necessary to carry out his functions under this Act.

(b) Existing chemical substances are exempted from the requirement of certification by the Administrator for compliance with the test regulations promulgated pursuant to section 203, except that the Administrator shall issue, within one year after enactment of this title and from time to time thereafter, proposed regulations specifying those existing chemical substances the manufacture use, or distribution of which there is reason to believe may pose an unreasonable threat to man or the environment. The Administrator shall further specify in such proposed regulations such standards for test protocols for various classes and uses of such existing chemical substances, and the results to be achieved therefrom, as are necessary to protect health and environment. The Administrator shall specify in the proposed regulations the date on which such standards shall take effect, except that such standards shall not take effect prior to the 90th day after the date of issue of final regulations nor later than 18 months after such date. After the effective date of such regulations, any manufacturer of any such existing chemical substance shall be required to obtain a certification from the Administrator.

(c) Each manufacturer may submit a request for payment of the costs of complying with the testing requirements of section 203 or subsection 6 of this section with the application for certification required under this section. The Administrator shall approve for payment to the manufacturer requesting such payment, an amount equal to the costs of the required testing. Only costs legitimately incurred by a manufacturer for the required testing of each chemical substance relating to the hazards to health and the environment shall be approved for payment by the Administrator. Such payment authorization shall not duplicate any previous payment authorization for similar tests. Thereafter, the Administrator shall pay annually to such manufacturer an amount not to exceed the annual receipts collected for the sale of such chemical substance under subchapter F of chapter 36 of the Internal Revenue Code of 1954, until such time as full payment has been made of the amount approved by the Administrator.

"RESTRICTIONS ON USE OR DISTRIBUTION

"SEC. 205. (a) If warranted by data available to him, the Administrator shall propose by regulation to condition a certification issued pursuant to section 204 of this Act (1) to restrict the use or distribution of the chemical substance to the extent necessary to protect health and the environment including such restrictions as are necessary for effective quality control; (2) to require that any or all persons engaged in the distribution of the substance so regulated give notification to purchasers of the substance of such restrictions in such form and manner as the Administrator determines is necessary to protect health and the environment including labeling requirements on consumer products containing chemical substances or their byproducts with appropriate warning provisions and directions for use and disposal; and (3) to require such other action as may be necessary to carry out such restrictions including prohibiting or restricting the sale, use or removal of such substance or a product containing such a substance and recalling such product or substance from the market. Similar restrictions and requirements shall be imposed by regulation for chemical substances for which no certification exists if warranted by data available to the Administrator.

"(b) Proposed and final regulations issued under paragraph (1) of subsection (a) of this section shall set forth findings of fact on which the order imposing restrictions is based and the relationship of such findings to the restrictions imposed. The manufacturer shall be responsible for supplying all necessary information for the Administrator to make findings under this subsection. All data relevant to the Administrator's findings shall be available to any interested party in accordance with section 213.

"IMMINENT HAZARD

"SEC. 206. (a) An imminent hazard shall be considered to exist when there is reason to believe that the manufacture, use or distribution of a chemical substance will result in serious damage to human health or the environment prior to the completion of an administrative hearing or other formal proceeding held pursuant to this Act.

"(b) If an imminent hazard exists the Administrator shall issue an order requiring all reasonable measures to protect against the threat of such serious damage. The Administrator shall simultaneously, if he has not already done so, propose any regulation which may be warranted under section 205. Any order issued under this subsection shall become effective at such time as may be necessary to protect against the threat of such damage and shall remain effective pending the outcome of formal proceedings under section 205. Prior initiation of any such proceedings under section 205 shall not prevent the Administrator from issuing an order under this section.

"SEIZURE

"SEC. 207. (a) Any chemical substance which the Administrator finds (1) is manufactured, used or distributed in violation of sections 204, 205, or 206 and (2) of itself constitutes an imminent hazard may be seized summarily by the Administrator. Any-

one adversely affected by such seizure may, within thirty days from the date of seizure, file objections thereto and request a public hearing, which shall consist of the oral and written presentation of data, views or arguments pursuant to section 553 of title 5 of the United States Code. Any chemical substance so seized shall be segregated and, if no request for a hearing is made or if upon completion of any such hearing, such seizure is sustained by the Administrator, destroyed or sold at auction under the supervision of the Administrator or his representative: Except (1) such chemical substance shall not be destroyed or sold and shall be released to the person from whom seized if, prior to destruction or sale, such chemical substance is made to comply with section 204, 205, or 206; (2) no such destruction or sale shall take place until at least thirty days after such seizure is sustained following a public hearing; (3) in the event of an action for judicial review or further appeal of the seizure, no such destruction or sale shall take place pending such action or appeal or within thirty days thereafter. Any proceeds from the sale of a chemical substance under this section shall be paid into the Treasury of the United States.

"(b) Any chemical substance which the Administrator finds (1) is manufactured, used or distributed in violation of sections 204, 205, or 206 and (2) of itself constitutes an unreasonable threat to health or the environment but not an imminent hazard may be seized pursuant to the procedures of subsection (a) except that no seizure shall be made until after an opportunity for a public hearing.

"REPORTS

"SEC. 208. (a) The Administrator shall require all manufacturers of chemical substances to furnish reports to him annually and at such more frequent times as the Administrator may reasonably require containing any or all of the following—

"(1) the names of any or all chemical substances produced or imported by the manufacturer in commercial quantities;

"(2) the chemical identity and molecular structure of such substances insofar as is known;

"(3) the categories of use of each such substance, insofar as they are known to him;

"(4) reasonable estimates of the amounts of each substance produced for each such categry of use; and

"(5) a description of the byproducts, if any, resulting from the production of each such substance, and, insofar as they are known to him, from the uses thereof.

"(b) If necessary to accomplish the purposes of this title, the Administrator shall direct manufacturers of a chemical substance to provide, within a specified period of time not to be less than thirty days, the results of any tests not otherwise required by this Act of the health or environmental effects of the substance or its byproducts, which have been performed by or at the instance of the manufacturer or such results as are otherwise known to him, and any or all of the items of information listed in subsection (a).

"(c) Whenever the Administrator determines that such action would be productive and desirable to allow him to carry out his responsibilities and authorities under this title, he may by publishing a notice in the Federal Register invite and afford all interested persons an opportunity to provide in writing information respecting the health or environmental effects of the chemical substance or its byproducts.

"RELATIONSHIP TO OTHER LAWS

"SEC. 209. (a) This title shall not apply to—

"(1) economic poisons subject to the Federal Insecticide, Fungicide, and Rodenticide Act, and chemical substances used solely in such poisons, except that if a chemical substance which constitutes such a poison or such an ingredient is or may be used for any purpose which is not regulated by the Federal Insecticide, Fungicide, and Rodenticide Act, this title shall apply to such other uses.

"(2) foods, food additives, drugs, and cosmetics subject to the Federal Food, Drug, and Cosmetic Act, as amended, the Federal Meat Inspection Act, and the Poultry Products Inspection Act, and chemical substances used solely therein, and controlled substances regulated pursuant to the Comprehensive Drug Abuse Prevention and Control Act of 1970, except that if such an item or substance is or may be used for any purpose which is not regulated by such acts this title shall apply to such other uses;

"(3) any source material, special nuclear material, or by-product material as defined in the Atomic Energy Act of 1954, as amended, and regulations issued pursuant thereto by the Atomic Energy Commission;

"(4) the authority of the Secretary of the Department of Transportation to establish rules and regulations for the transportation of hazardous materials.

"(b) To the extent that such activities are subject to regulation by other Federal laws, including the Occupational Health and Safety Act of 1970 and title I of this Act, the Administrator shall not regulate the use or distribution of a new or existing chemical substance on the basis of any possible hazard to employees in their place of employment, or the hazard directly to consumers resulting from household use of marketed products which contain or might contain the substance. If it appears to the Administrator that any such substance may pose a hazard when transported, or when used on or in food or as a drug or cosmetic, or may be a hazard to employees in their place of employment, or may pose a hazard directly to consumers resulting from household use of marketed products which contain or might contain the substance, he shall transmit any data received from manufacturers or processors relevant to such hazards to the Federal department or agency with authority to take legal action if a hazard is found to exist.

"(c) The Administrator shall coordinate actions taken under this Act with actions taken to enforce the Federal Water Pollution Control Act and the Clean Air Act, and shall, where appropriate, use the authorities contained in such Acts to regulate chemical substances.

"(d) The Administrator shall consult and coordinate with the Secretary of Health, Education, and Welfare and the heads of other appropriate Federal agencies in administering the provisions of this title.

"(e) This title shall not be construed as superseding or impairing the provisions of any other law or treaty of the United States.

TOXIC SUBSTANCES BOARD

"SEC. 210. (a) There shall be established in the Environmental Protection Agency a Toxic Substances Board consisting of not more than 12 members who shall be scientifically qualified individuals. The Administrator shall appoint members of the board from a list of individuals recommended to him by the National Academy of Sciences. Such board shall include equal numbers of qualified scientists representing industry, consumer or environmental groups, and the general public. One of the members shall be designated by the Administrator to serve as Chairman of the Board.

"(b) The National Academy of Sciences, in consultation with the board, shall establish, maintain, and publish a continuing list of qualified scientists, to assist in carrying out the provisions of this section. Such scientists shall also be consultants to the Toxic Substances Board.

"(c) Before proposing any regulations under sections 203 or 204 (b) the Administrator shall refer his proposed action and the available evidence to a committee selected from members of the Board and the list of consultants to the Board. Such committee shall contain substantially equal numbers of scientists representing industry, consumer or environmental groups, and the general public. The committee shall report its views in writing to the Administrator, within a reasonable time, not to exceed ninety days, specified by the Administrator. Such time may be extended an additional ninety days if the Administrator determines the extension necessary and such committee has made a good faith effort to report its views within the initial ninety-day period. If the committee fails to report within the specified time, the Administrator may proceed to take action under this title. The deliberations of all such committees shall be open to the public and all proceedings and deliberations of such committees shall be public record. The report of the committee and any dissenting views shall be considered as part of the record in any proceeding taken with respect to the Administrator's action.

"(d) The Administrator may, at his discretion, also request the Board to convene a panel to consider other actions proposed to be taken under this Act.

"(e) The Administrator is authorized to reimburse the National Academy of Sciences for expenses incurred in carrying out this section.

"RESEARCH

"SEC. 211. The Administrator is authorized to conduct such research and monitoring as is necessary to carry out his functions under this title. Such research and monitoring shall be limited to determining proper test protocols and results to be obtained therefrom under sections 203 and 204 (b), determinations under paragraph (2) of section 202 and section 204 (b), and such monitoring of chemical substances in man and the environment as is necessary to carry out the purposes of this title. In addition, limited research may be undertaken to confirm the results of tests required by this title. To the extent possible, such research and monitoring shall not duplicate the efforts of other Federal agencies or the research required of manufacturers under this title. In order to carry out the provisions of this section, the Administrator is authorized to establish research laboratories, including the acquisition of necessary land, buildings, or facilities, and to make contracts for such research and monitoring.

"ADMINISTRATIVE INSPECTIONS AND WARRANTS

"SEC. 212. (a)(1) For the purpose of inspection, copying and verifying the correctness of records, reports, or other documents required to be kept or made under this title and otherwise facilitating the carrying out of his function under this title, the Administrator is authorized, in accordance with this section, to enter any factory, warehouse, or premises in which chemical substances are manufactured, processed, or held and to conduct administrative inspections thereof.

"(2) Such entries and inspections shall be carried out through officers or employees (hereinafter referred to as 'inspectors') designated by the Administrator. Any such inspector, upon stating his purpose and presenting to the owner, operator, or agent in charge of such premises (A) appropriate credentials and (B) his administrative inspection warrant or a written notice of his other inspection authority, shall have the right to enter such premises and conduct such inspection at reasonable times.

"(3) Except when the owner, operator, or agent in charge of such premises so consents in writing, no inspection authorized by this section shall extend to—

"(A) financial data;

"(B) sales data other than shipment data;

"(C) pricing data;

"(D) personnel data; or

"(E) research data (other than data relating to the tests described in subsection 207(b) or data otherwise required by this Act).

"(b) A warrant under this section shall not be required for entries and administrative inspections (including seizures of property)—

"(1) with the consent of the owner, operator, or agent in charge of such premises;

"(2) in situations presenting imminent danger to health or safety;

"(3) in any other exceptional or emergency circumstances where time or opportunity to apply for a warrant is lacking; or

"(4) in any other situations where a warrant is not constitutionally required.

"(c) Issuance and execution of administrative inspection warrants shall be as follows:

"(1) Any judge of the United States or of a State court of record, or any United States magistrate, may, within his territorial jurisdiction, and upon proper oath or affirmation showing probable cause, issue warrants for the purpose of conducting administrative inspections authorized by this title or regulations thereunder, and seizures of property appropriate to such inspections. For the purposes of this subsection the term 'probable cause' means a valid public interest in the effective enforcement of this title or regulations thereunder sufficient to justify administrative inspections of the area, premises, building, or contents thereof, in the circumstances specified in the application for the warrant.

"(2) A warrant shall issue only upon an affidavit of an officer or employee having knowledge of the facts alleged, sworn to before the judge or magistrate and establishing the grounds for issuing the warrant. If the judge or magistrate is satisfied that grounds for the application exist or that there is probable cause to believe they exist, he shall issue a warrant identifying the area, premises, or building, to be inspected, the purpose of such inspection, and, where appropriate, the type of property to be inspected, if any. The warrant shall identify the items or types of property to be seized, if any. The warrant shall be directed to a person authorized under subsection (a)(2) to execute it. The warrant shall state the grounds for its issuance and the name of the person or persons whose affidavit has been taken in support thereof. It shall command the person to whom it is directed to inspect the area, premises, or building, identified for the purpose specified, and, where appropriate, shall direct the seizure of the property specified. The warrant shall direct that it be served during normal business hours. It shall designate the judge or magistrate to whom it shall be returned.

"(3) A warrant issued pursuant to this section must be executed and returned within ten days of its date unless, upon a showing by the United States of a need therefor, the judge or magistrate allows additional time in the warrant. If property is seized pursuant to a warrant, the person executing the warrant shall give to the person from whom or from whose premises the property was taken a copy of the warrant and a receipt for the property taken or shall leave the copy and receipt at the place from which the property was taken. The return of the warrant shall be made promptly and shall be accompanied by a written inventory of any property taken. The inventory shall be made in the presence of the person executing the warrant and of the person from whose possession or premises the property was taken, if they are present, or in the presence of at least one credible person other than the person making such inventory, and shall be verified by the person executing the warrant. The judge or magistrate, upon request, shall deliver a copy of the inventory to the person from whom or from whose premises the property was taken and to the applicant for the warrant.

"(4) The judge or magistrate who has issued a warrant under this section shall attach to the warrant a copy of the return and all papers filed in connection therewith and shall file them with the clerk of the district court of the United States for the judicial district in which the inspection was made.

"EXPORTS AND IMPORTS

"SEC. 213. (a) Notwithstanding any other provision of this title, no chemical substance shall be deemed in violation of this title when intended solely for export to any foreign country except if the Administrator finds, by regulation, that as exported and used the chemical substance, or particular uses of the substance, will produce a significant direct or indirect hazard to human health or the environment in the United States.

"(b) The Secretary of the Treasury shall refuse entry into the United States of any chemical substance or article containing such substance offered for entry if it violates any of the provisions of this title. If a chemical substance or article is refused entry, the Secretary of the Treasury shall refuse delivery to the consignee and shall cause the disposal of storage of any substance or article refused delivery which has not been exported by the consignee within three months from the date of notice of such refusal under such regulations as the Secretary of the Treasury may prescribe, except that the Secretary of the Treasury may deliver to the consignee such substance or article pending examination and decision in the matter on execution of bond for the amount of the full invoice value of such substance or article, together with the duty thereon, and on refusal to return such substance or article for any cause to the custody of the Secretary of the Treasury, when demanded, for the purpose of excluding them from the country, or for any other purpose, said consignee shall forfeit the full amount of said bond. All charges for storage, cartage, and labor on substances or articles which are refused admission or delivery under this section shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against any future importation made by such owner or consignee.

"(c) The Secretary of the Treasury, in consultation with the Administration, shall issue regulations for the enforcement of subsection (b) of this section.

"CONFIDENTIALITY

"SEC. 214 (a) The information obtained from any manufacturer shall be confidential to the extent that it includes matters referred to in section 552(b)(4) of title 5 of the United States Code. For the purposes of this title any such information shall be confidential only if such information is unobtainable by competitors and its disclosure would lead to competitive injury to the manufacturer. Only such information as is relevant to the purposes of this title shall be disclosed to the public.

"(b) The Administrator may at his own initiative or at the request of a manufacturer or processor issue a protective order respecting the confidentiality of information referred to in subsection (a).

"(c) Information deemed to be confidential in accordance with the provisions of subsection (a) or (b) may be disclosed to other Federal officers or employees when necessary to accomplish the purposes of this title except that the provisions of section 1905 of title 18 of the United States Code shall continue to apply, and such information may be disclosed in camera when relevant in any administrative or judicial proceeding under this title. In any such proceeding, the administrative body, the Administrator, or the court shall issue such orders as may be appropriate to protect the confidentiality of the materials designated as such by the aforegoing provisions.

"PROHIBITED ACTS

"SEC. 215. The following acts and the causing thereof are prohibited—

"(1) the failure to comply with any final regulation or order issued by the Administrator pursuant to this title;

"(2) the failure or refusal to provide information or results of tests as required by section 207 of this title;

"(3) the commercial production, sale, distribution, or importation into the United States of a chemical substance without a certification under section 204;

"(4) the failure of any person, other than a consumer, who purchases or receives a chemical substance and who is required to be given notice of restrictions on use or distribution of such substance pursuant to paragraph 205(a)(2), to comply with such restrictions on use or distribution;

"(5) the knowing or willful failure of any consumer to use or dispose of a chemical substance or its byproducts in accordance with label instructions;

"(6) the failure to perform any other action required under this title.

"PENALTIES AND REMEDIES

"SEC. 216. (a) Any person willfully violating paragraphs (1), (2), (3), or (4) of section 215 shall on conviction be fined not more than $25,000 or imprisoned for not more than one year or both.

"(b)(1) Any person violating paragraphs (1), (2), (3), (4), or (5) of section 215 shall be liable to a civil penalty to the United States of a sum which is not more than $25,000 for each day of violation, to be assessed by the Administrator after notice and opportunity for hearing and after he has considered the nature, circumstances, and extent of such violation, the practicability of compliance with the provisions violated and any good faith efforts to comply with such provisions.

"(2) Upon failure of the offending party to pay the penalty, the Administrator may commence an action in the appropriate district court of the United States for such relief as may be appropriate or request the Attorney General to commence such an action.

"(c) The Attorney General or the Administrator may bring an action in the appropriate district court of the United States for equitable relief to redress a violation by any person of any provision of section 215 of this title, and the district courts of the United States shall have jurisdiction to grant such relief as the equities of the case may require.

"CITIZEN CIVIL ACTIONS

"SEC. 217. (a) Except as provided in subsection (b), any person may commence a civil action for injunctive relief on his own behalf, whenever such action constitutes a case or controversy.

"(1) against any person (including (i) the United States, and (ii) any other governmental instrumentality or agency to the extent permitted by the Eleventh Amendment to the Constitution) who is alleged to be in violation of any regulation or order promulgated under this title, or

"(2) against the Administrator where there is alleged a failure of the Administrator to perform any act or duty under this title which is not discretionary with the Administrator. The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce such regulation or order

or to order the Administrator to perform such act or duty, as the case may be. Nothing herein shall be construed to prevent or preempt State courts from exercising jurisdiction in such action in appropriate cases.

"(b) No civil action may be commenced—

"(1) under subsection (a)(1)—

"(A) prior to 60 days after the plaintiff has given notice of the violation (i) to the Administrator, (ii) to the State in which the violation occurs, and (iii) to any alleged violator of the regulation or order, or

"(B) if the Administrator or State has commenced and is diligently prosecuting a civil action in a court of the United States or a State to require compliance with the regulation or order, but in any such action in a court of the United States any person may intervene as a matter of right.

"(2) under subsection (a)(2) prior to 60 days after the plaintiff has given notice of such action to the Administrator, except that such action may be brought 10 days after such notification in the case of an action under this section for the failure of the Administrator to act under section 206. Notice under this subsection shall be given in such manner as the Administrator shall prescribe by regulation.

"(c) In any action under this section, the Administrator, if not a party, may intervene as a matter of right.

"(d) The court, in issuing any final order in any action brought pursuant to subsection (a) of this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any party, whenever the court determines such an award is appropriate.

"(e) Nothing in this section shall restrict any right which any person (or class of persons) may have under any statute or common law to seek enforcement of any regulation or order or to seek any other relief (including relief against the Administrator or a State agency).

"(f) For purposes of this section, the term 'person' means an individual, corporation, partnership, association, State, municipality, or political subdivision of a State.

"ENVIRONMENTAL PREDICTION AND ASSESSMENT

"SEC. 218. The Environmental Protection Agency shall, in cooperation with other Federal agencies, develop the necessary personnel and information resources to predict the introduction of new chemical substances into the environment and assess the environmental consequences of such introduction.

"USE OF GOVERNMENT FACILITIES

"SEC. 219. The Administrator may use, by agreement, the personnel, services, and facilities of other Federal departments, agencies, or instrumentalities, whether on a reimbursable or nonreimbursable basis.

"HEALTH AND ENVIRONMENTAL DATA

"SEC. 220. The Council on Environmental Quality in consultation with the Administrator, the Secretary of Health, Education, and Welfare, the Secretary of Commerce, and the heads of other appropriate departments or agencies, shall coordinate a study of the feasibility of establishing (1) a standard classification system for chemical compounds or related substances, and (2) a standard means for storing and for obtaining rapid access to information respecting such materials.

"STATE REGULATIONS

"SEC. 221. Nothing in this title shall affect the authority of any State or local government to restrict the distribution or use of a chemical substance or impose requirements of tests and test results for a chemical substance except that (1) if the Administrator has published proposed regulations under section 205 with respect to limiting particular uses of a particular substance a State or local government may not thereafter impose restrictions on such uses of such substance other than a total ban on such use or uses; (2) if the Administrator has published proposed regulations under section 203 or section 204(b) with respect to test standards for particular substances or uses, a State or local government may not impose test protocols or results to be achieved therefrom with respect to such substances and uses for the purposes similar to this title; (3) if the Administrator has published proposed regulations under section 205 with respect to limiting particular uses of a particular substance or if the Administrator has published proposed regulations under section 203 or section 204(b) with respect to tests for particular substances or uses, a State is not preempted from enforcing any restrictions or test protocols and results to be achieved therefrom existing at the time any such proposed regulation was published; (4) if the Administrator issues a final regulation under section 205 restricting the use of such substance, the State may not enforce any restriction of its own after the effective date of such regulation, other than a total ban on such use or uses; and (5) if the Administrator issues a final regulation under section 203 or section 204(b), the State may not enforce any test requirements of its own after the effective date of such regulations.

"REGULATIONS AND PROCEDURE

"SEC. 222. (a) The Administrator is authorized to issue such regulations as he may deem appropriate to carry out the purposes of this title and to amend them at any time.

"(b) The Administrator shall publish any regulations proposed under this title in the Federal Register at least sixty days prior to the time when such regulations shall become final. If any person adversely affected by a proposed regulation files objections and requests a public hearing within forty-five days of the date of publication of the proposed regulation, the Administrator shall grant such request. If a public hearing is held, final regulations shall not be promulgated by the Administrator until after the conclusion of such hearing. All public hearings authorized by this subsection shall consist of the oral and written presentation of data, views or arguments pursuant to section 553 of title 5 of the United States Code.

"AUTHORIZATION FOR APPROPRIATIONS

"SEC. 223. There is hereby auhorized to be appropriated to the Environmental Protection Agency such sums as may be necessary for the purposes and administration of this Act."

SEC. 3. (a) Chapter 36 of the Internal Revenue Code of 1954 (relating to certain other excise taxes) is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER F—CHEMICAL SUBSTANCES

"Sec. 4496. Imposition of tax.

"Sec. 4497. Special rule.

"SEC. 4496. IMPOSITION OF TAX.

"(a) Chemical Substances.—There is hereby imposed on the sale by the manufacturer of any chemical substance manufactured or produced under a certification issued under section 204 of the Federal Hazardous Substances Act a tax equal to — percent of the price for which such substance is sold.

"(b) Suspension of tax.—The tax imposed by this section on any manufacturer shall be suspended whenever the amount collected from that manufacturer equals the amount approved for payment to him under section 204(c) of the Federal Hazardous Substances Act. Such suspension shall remain in effect until additional testing with respect to that manufacturer is required pusuant to section 203 or section 204(b) of such Act, but shall become effective again whenever, after such testing, the manufacturer again satisfies the requirement of the preceding sentence.

"SEC. 4497. SPECIAL RULE.

Under regulations prescribed by the Secretary or his delegate, the provisions of subchapters F and G of chapter 32 and the provisions of subtitle F relating to the taxes imposed by chapter 32 shall apply to the taxes imposed by section 4496."

(b) The table of subchapters for such chapter 36 is amended by adding at the end thereof the following new item:

"SUBCHAPTER F. CHEMICAL SUBSTANCES."

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 August 3, 4, and 5, 1971, at 10 a.m., in room 1224, NSOB, respectively, on urban education in the black community and the role of State education agencies in voluntary desegregation.

U.S.S. "CONSTELLATION"

Mr. MATHIAS. Mr. President. More than 175 years ago, in 1794, the Congress authorized what was then a major shipbuilding program for our fledgling Navy. Six large, high-speed sailing vessels, known as frigates, were ordered for the purpose of protecting American shipping interests both along our coast and overseas.

Two of these six ships have survived numerous naval battles, the weather, time, and the scrap heap. The older of these two, the U.S.S. *Constellation*, was launched at Baltimore's Harris Creek on September 7, 1797, and is currently anchored at pier 1 in Baltimore Harbor, undergoing restoration which is sponsored by public-spirited citizens.

Next year, 1972, will mark the 175th anniversary of the launching of the *Constellation*. The U.S. Postal Service has been requested to issue a commemorative stamp in honor of the occasion, and supporters of the *Constellation* restoration effort are working closely with the Postal Service to provide information necessary to support a decision to include the *Constellation* in next year's stamp program. These organizations include the Star-Spangled Banner House Association, the Metropolitan Civic Association, and the Ensign C. Markland Kelly, Jr., Memorial Post No. 174, American Legion.

The Sun magazine of the Baltimore Sunday Sun, July 4, 1971, published an article on the *Constellation* and her sister ship, the U.S.S. *Constitution*. Mr. President, I ask unanimous consent that the Sun magazine article be included in the RECORD.

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

HISTORY AFLOAT: THE "CONSTITUTION" AND THE "CONSTELLATION"—ONLY THESE TWO SURVIVE OF SIX HIGH-SPEED SAILING SHIPS ORDERED BY CONGRESS IN 1794

(By Francis M. Rackemann, Jr.)

Duncan Denny, a mathematics teacher from Norfolk, Conn., spent a day with his wife and three children touring Old Ironsides.

"It needs a lot of work," he said of the Constitution, permanently berthed in the Boston Navy Yard.

Mr. Denny noticed that many of the frigate's 44 guns were British made and stamped with GR on the iron barrel. "Why not American?" he asked Mike Luthman, engineman first class and a member of the ship's crew. The dungaree-clad sailor said all of Old Ironsides's guns were reproductions, for the originals were scrapped during the war.

The Denny children said that in school they had read about the Constitution and Baltimore's historic frigate Constellation. In fact they want to visit the Constellation.

While Constitution, nicknamed after a commanding officer, "Old Ironsides" Charles Stewart in 1813, averages 3,000 visitors a day during the summer, Constellation, berthed at Pier 1, Pratt Street, is now drawing about 1,000 tourists a week.

Many visitors on both ships are school children. Old Ironsides, a government vessel, is open from the public every day from 9:30 A.M. to 4 P.M. Constellation, sponsored by the Star-Spangled Banner House Association, must charge admission fees in order to maintain the ship, meet a payroll and continue restorative work. It is open from 9 A.M. to 6 P.M. Monday through Saturday, noon to 6 P.M. Sundays. (Adults: $1; children under 12, 50 cents.)

Unlike Constellation, which needs upper masts, spars, riging, 33 more guns (the ship has three, all original), interior work and furnishings. Constitution has been completed for many years.

In 1794 Congress ordered six large high speed sailing vessels, known as frigates, to protect American shipping interests, both at home and abroad. These ships were the United States, Constellation, Constitution, President, Congress and the Chesapeake.

Only two of these six ships have survived numerous naval battles, the weather, time and the scrap heap.

Constellation, the older of the two surviving ships, was launched at Baltimore's Harris Creek on September 7, 1797. Constitution was built in Edmund Hartt's shipyard in Boston and was launched on October 21, the same year.

The 36-gun Constellation is 203 feet overall, has a 42-foot beam, displaces 1,950 tons and first sailed on June 26, 1798 with a crew of 313. Constitution had 44 guns, is 204 feet long, has a 44-foot beam, displaces 2,200 tons and first sailed on July 22, 1798 with a crew of 400 men and officers.

Leon D. Polland, Baltimore naval architect with the Maritime Administration in Washington, has devoted more than 10 years, mostly at his own time and expense, to researching the two ships. He is chief of construction and repair for the Constellation Restoration Committee.

"Although the two ships are not sisters," Mr. Polland said, "they were conceived by Joshua Humphreys of Philadelphia to be larger and faster than comparable rates (a term meaning number of guns on a ship) of European navies. David Stodder, of Baltimore, apparently altered Humphreys' design with many of his own ideas, resulting in a 'pocket battleship of unequal proportions.'"

A naval historian with the Smithsonian Institution has declared that neither of the two frigates is original. But recent research has shown that both date back to the turn of the Eighteenth Century even though more than 85 per cent of the original wood has been replaced.

While Constellation is slowly acquiring private, local and state money to continue its restoration work (the ship has a new main deck, new bulwarks, rigging on her lower masts and lower yardarms). Constitution has just been painted by the ship's crew and repairs have been made to masts and the bowsprit. Constitution has not been drydocked since 1930, needs caulking and repair to bowsprit bits.

After the War of 1812, Constitution was employed in various duties until 1830 when she was condemned as unseaworthy and destined for the scrap heap.

Public sentiment, led by Oliver Wendell Holmes' poem, "Old Ironsides," saved the ship and she was rebuilt in 1833.

While Constellation has a crew of only six men working under Mr. Polland's supervision, Constitution is maintained around the clock by a Navy crew, many of them just out of boot camp.

About a year and a half ago, the Navy Department decided to cut back on spending. Old Ironsides, a commissioned ship, was included in this cutback. For years the venerable frigate had received a quarter million dollars for upkeep. Today its annual budget is $150,000.

At the same time, Old Ironsides, noted for its polished look and guided tours in other years, has reduced its crew from 60 men to 43.

The crew is responsible for keeping the ship clean and maintaining 8-hour watches, particularly fire watches at night, and serve as guides.

Norman G. Doyle, USN, personnel man 2/C, served on Old Ironsides for 3 years before enlisting in the Naval Reserve. He is now personnel man 1/C and is stationed at the Patuxent Naval Air Station.

Petty Officer Doyle said the duty section sleeps aboard the old frigate. Sleeping quarters are next to the bilges in an area with no plumbing, a drinking fountain for the crew and steam heat in winter where the thermometer hovers around 44 degrees and "you cannot breathe because of the steam." (Some of the problems have since been corrected).

Souvenir hunters are a constant problem. Missing over the last 10 years have been 76 cannon balls, weighing 24 or 32 pounds each, 135 belaying pins, a variety of smaller objects and brass plates which designate specific areas for the benefit of visitors. The ship's crew cannot locate a half dozen or so chairs from the officer's wardroom. (Constellation as a result has anchored is belaying pins and other loose equipment.)

Eric Seidman, yeoman, of Brooklyn N.Y., was a layout artist for the New York Times before joining the Navy four years ago. A reservist, he served as secretary to the commanding officer, ship's historian and record keeper, information specialist, photographer, artist and captain's right hand man. He has since returned to the Times.

Yeoman Seidman noted that overhead tubes and visible electrical wires are not consistent with a ship over 150 years old. "What the ship needs is beauty in beams, for every line has a purpose. With today's marvels of engineering they could hide the sprinkler system. The ship needs a curator," he said.

Mr. Seidman said the two most common questions asked about the Constitution are: "Is it still floating?" and "Where's the engineroom?" The ship is floating and, like the Constellation, is turned around once a year to permit even exposure to the weather. The ship has no engine.

The yeoman explained that the average ceiling height below deck is 5 feet 6 inches, yet the Navy "sends us men who are 6 feet and over." Mr. Seidman stands 6 feet 4 inches.

Capt. Jack Loren Reifschneider is both commanding officer and curator. He said he would like to see a full-time curator attached to Old Ironsides.

"Considering her age, Constitution is in good shape, but we could use a larger crew. I wish, however, they would take out that flush toilet in the captain's quarters," he said during a tour of the ship. (The toilet has been removed.)

Old Ironsides, he said, is "not for the open sea although I'd like to see the ship taken on a tour if we had the money."

In July, 1931, Old Ironsides visited 90 ports on the Atlantic, Pacific and Gulf coasts and was seen by 4,614,762 persons.

"She's a beauty and she can inspire many young people to go into the Navy," he said, adding:

"I feel like the custodian of the birthplace of our naval tradition, and walking her decks is bound to make you love the ship."

DR. WYNONA M. LIPMAN

Mr. WILLIAMS. Mr. President, recently I attended a dinner honoring Dr. Wynona M. Lipman, who is director of the Essex County Board of Chosen Freeholders in New Jersey. Mrs. Lipman is an outstanding person who represents the best in this free, elective democracy of ours.

Mrs. Lipman spoke at that dinner and I was very much impressed with her brief remarks. She addressed herself to a most important issue—the role of politics in our American system.

Too often, the term "politics" has a slightly sinister tone to too many Americans. I think Mrs. Lipman explained more fully just what politics is all about.

I ask unanimous consent that her remarks be inserted in the RECORD at this point.

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

TESTIMONIAL DINNER—DR. WYNONA M. LIPMAN—JUNE 17, 1971

I would like to express my deep appreciation to all those attending tonight's Testimonial in my honor and to extend my further thanks to those who so diligently looked after the arrangements for the Dinner. I am reminded that politics is essentially a matter of looking to the details of all those many items that help to satisfy people and their needs. Frankly, this is really what politics is all about: looking after the arrangements of society—the traditions that must be kept, the needs that must be met, the innovations and the policies that must be introduced, considered and effected.

Although some of the outside may have have the impression that politics is a dirty word, I assure you that it is anything but when considered in perspective to the benefits and the care that comes to citizens through its proper use.

Thanks to politicians, people are able to get involved in situations from which they might otherwise be forever isolated and alienated. After all, the P.T.A. is really a form of politics and so too is the League of Women Voters. It is involvement in good purpose, for without the politicians, the arrangers of society, who would look after such matters as the housing of senior citizens, the recognition of young people's rights? Who would make certain that health services are available to the ill and that hope is offered to the disfranchised? Who would maintain the roads, who would improve our schools, who would deal with crime?

A democratic government is defined as government with the consent of the people, but we all know that not merely consent but the advice of the governed is essential to democratic government. It is my feeling that when the public is adequately informed, they will adequately participate and this is what makes democratic government. For when the

people are adequately informed, when they participate sufficiently, there are no better advisors to those who govern. Of course, expert consultants are needed to point to the new directions, but this expert advice must be tempered with the people's experience. With this new attitude, I am convinced that our country is on the verge of great strides in social progress. The electorate is better oriented, more responsive to the issues. This is promoting a new progressive kind of politics which, in turn, I feel, is developing more responsible, more effective elected public officials.

There is a new spirit, a new movement afoot in government, and I am both proud and delighted to be part of it. And its reflection is felt in my own appeal to you for your continued counsel, support and active participation in the functions of government. I especially want to thank you for what you have done for me, and I thank you for the trust and confidence you have given me as the nominee for the New Jersey State Senate. My appreciation will be expressed in the service I am pledged to give, and will give.

I too, have a dream of what our world can be, a world in which the old will not be forgotten and neglected and the young will be recognized and appreciated, a world of peace, brotherhood, respect and never-ending hope and universal love. In the longing for the reality of this dream, let me express my deepest thanks to all of you for the most wonderful of all evenings.

THE HEALTH CRISIS

Mr. MATHIAS. Mr. President, we are all aware of the health crisis now facing our Nation, a crisis which has been intensified for our Veterans' Administration hospitals as they attempt to serve the tremendous number of returning Vietnam veterans. Indeed, the VA hospital system is so overburdened in many places that it is turning away patients whose disabilities are unrelated to their military service. I should like to bring to the attention of my colleagues a resolution from the Disabled American Veterans from the State of Maryland—a statement which effectively presents the case for increased funding and support for our VA hospitals. I ask unanimous consent that it be included in the RECORD.

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

RESOLUTION NO. 8 TO PETITION OUR LEGISLATORS FOR ADEQUATE FUNDS TO OPERATE VA HOSPITALS

Whereas; The United States Congress has set by law the number of operating beds in VA hospitals in these United States, and

Whereas; In this day and age we have increasing need of hospital facilities by reason of an ever aging Veteran population, and

Whereas; New laws have granted increased benefits to veterans such as medicine and out-patient treatment, as well as recently making those veterans of peace time service over 65 years old eligible for hospitalization in VA hospitals which must be administered by the VA hospitals, and

Whereas; The Vietnam War has now numerically reached the second in size of those wars in which the United States has participated, and

Whereas; The severe disabilities of many of these Vietnam Veterans are requiring long periods of convalescence, and

Whereas; Many VA Hospitals are continually in need of repair and renovation thus closing temporarily beds otherwise in use, and

Whereas; Current fiscal apppropriations for the coming year would reduce the VA operating beds by 5500 across the nation; now

Therefore, be it resolved; That the Maryland State Convention held in Ocean City, Maryland, reaffirm the principle of this organization that the disabled veteran receive adequate medical care and that we petition our legislators for adequate funds to operate the VA hospitals at the level bed space set by statute and by the existing moral need, and

Be it further resolved; That a copy of this resolution be sent to each of the members of the United States Senate and House of Representatives of Maryland.

This Reoslution approved by the Disabled American Veterans, Dept. of Maryland's Convention July 8–11, 1971.

EMERGENCY LOAN GUARANTEE ACT

Mr. BYRD of West Virginia. Mr. President, I ask that the Senate return to the consideration of S. 2308.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business, which the clerk will state.

The assistant legislative clerk read as follows:

Calendar No. 264, S. 2308, a bill to authorize emergency loan guarantees to major business enterprises.

The Senate proceeded to consider the bill.

ORDER FOR ADJOURNMENT FROM CLOSE OF BUSINESS THURSDAY UNTIL 9:30 A.M. FRIDAY

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that when the Senate completes its business on Thursday, it stand in adjournment until 9:30 a.m. on Friday.

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

ORDER FOR ADJOURNMENT FROM THE CLOSE OF BUSINESS FRIDAY UNTIL 10 A.M. ON SATURDAY

Mr. BYRD of West Virginia. I ask unanimous consent that when the Senate completes its business on Friday, it stand in adjournment until 10 a.m. on Saturday.

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

QUORUM CALL

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. BYRD of West Virginia. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD of West Virginia. Will staff personnel please take seats? There is still business to be transacted in the Senate.

UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I am authorized by the distinguished majority leader to make the following unanimous-consent request, after having discussed it with the Senator from Washington (Mr. MAGNUSON), who is chairman of the Appropriations Subcommittee on the HEW appropriation bill, with the distinguished ranking minority member of that subcommittee (Mr. COTTON), and with the minority leadership and other interested parties.

I ask unanimous consent that on Friday at 11 a.m., whether or not cloture has been invoked on S. 2308, or whether there is any other business pending before the Senate, it shall be temporarily put aside and the Senate proceed to the consideration of H.R. 10061, a bill making appropriations for the Departments of Labor and Health, Education, and Welfare, with time for debate on the bill to be limited to 3 hours, to be equally divided between and controlled by the majority leader and the minority leader, or their designees, and that debate on any amendment—except committee amendments, which shall come out of the time on the bill—be limited to 1 hour, to be equally divided between and controlled by the mover of such amendment and the manager of the bill; provided, further, that Senators in control of time on the bill may yield therefrom to any Senator on any amendment, motion, or appeal, with the exception of a motion to lay on the table.

Mr. GRIFFIN. Mr. President, reserving the right to object—and I shall not object, because I was consulted in connection with this matter—a question has been raised: Suppose another cloture motion were filed tomorrow, which would ordinarily call for a vote on the cloture motion on Friday. Under those circumstances, what would be the situation?

Mr. BYRD of West Virginia. I am glad that the distinguished assistant Republican leader has asked this question.

A little earlier, I asked consent—which was granted—that the Senate meet at 9:30 on Friday morning. This would give the Senate enough time in which to conform with the requirements of rule XXII allowing 1 hour of debate, then the mandatory quorum call, and then the vote on the cloture motion prior to proceeding to consideration of the HEW appropriation bill at 11 a.m.

Mr. GRIFFIN. I thank the majority whip for that information.

Mr. BYRD of West Virginia. Mr. President, I thank the able Senator.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

ADDITIONAL UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent—again

with approval of the majority leader—that on Saturday, immediately following the recognition of the two leaders under the standing order, the Senate proceed to the consideration of the bill making appropriations for public works, H.R. 10090, and under the same conditions as were stipulated with respect to the agreement on H.R. 10061 as to cloture or other pending business—the time for debate on the bill and amendments thereto already having been agreed to under a previous order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement reads as follows:

Ordered, That effective on Friday, July 30, 1971, at 11 a.m., whether or not cloture has been invoked on S. 2308, or whether there is any other business pending before the Senate, it shall be put aside and the Senate proceed to the consideration of H.R. 10061, Labor, HEW Appropriations Bill, with time for debate on the bill to be limited to 3 hours to be equally divided and controlled by the Majority and Minority Leaders or their designees and that debate on any amendment to the bill, except committee amendments which shall come out of the time on the bill, be limited to 1 hour to be equally divided and controlled by the mover of the amendment and the manager of the bill.

Provided further, That time for debate of the bill may be yielded by the persons in control of the time on any pending amendment, motion or appeal, except a motion to lay on the table.

Ordered further, That, effective on Saturday, July 31, 1971, after the recognition of the two leaders, and under the same conditions stipulated above under the agreement on H.R. 10061, as to cloture or other pending business, the Senate proceed to the consideration of H.R. 10090, Public Works Appropriation Bill, with the time for debate on the bill to be limited to 1 hour to be equally divided and controlled by the Senator from Mississippi (Mr. STENNIS) and the Senator from North Dakota (Mr. YOUNG).

Provided, That debate on any amendment, except committee amendments on which time from the bill may be yielded, be limited to 30 minutes to be equally divided and controlled by the mover of the amendment and the manager of the bill (Mr. STENNIS).

PROGRAM

Mr. BYRD of West Virginia. Mr. President, the program for tomorrow is as follows, as well as I can state it at this point:

The Senate will convene at 9:30 a.m. Immediately following the recognition of the two leaders under the standing order, the distinguished junior Senator from Texas (Mr. BENTSEN) will be recognized for not to exceed 15 minutes, following which the distinguished junior Senator from Missouri (Mr. EAGLETON) will be recognized for not to exceed 15 minutes, upon the conclusion of which the Senate will resume its consideration of the pending business. The pending question at that time will be the Stevenson amendment, No. 317, to S. 2308. Debate on that amendment will be limited, under the agreement, to 30 minutes, to be equally divided, following which there will be a yea-and-nay vote on the amendment, the yeas and nays already having been ordered. That vote will occur at about 10:30 a.m.

Upon the disposition of the Stevenson amendment, the Senate will proceed to the consideration of the amendment No. 334 by the distinguished junior Senator from Indiana (Mr. BAYH), the final disposition of which will not occur until sometime later in the day.

At 11 a.m. tomorrow, time under rule XXII will begin running on the motion to invoke cloture. That time will be limited under the rule to 1 hour, at the close of which the Senate will proceed to an automatic quorum call.

Upon the establishment of a quorum, the Senate will proceed to a mandatory rollcall vote on the motion to invoke cloture. That vote will come about 12:15 p.m.

Under the order previously entered, following the vote on the cloture motion, S. 2308 will be laid aside temporarily and the Senate will proceed to debate the amendment to be offered by the distinguished Senator from Massachusetts (Mr. KENNEDY) and the distinguished Senator from Oklahoma (Mr. HARRIS) to the sugar quota bill. There will be one half hour on that amendment, to be equally divided, following which there will be a vote.

Mr. President, it is my understanding, with respect to the discussion that was had, that the vote will come on the amendment, that a tabling motion will be in order, and that following the disposition of the amendment, there will be a vote on final passage of the sugar quota bill.

After the sugar quota bill is disposed of, the Senate will resume consideration of the Bayh amendment to S. 2308.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. BYRD of West Virginia. When the Senate completes its business on tomorrow, it will stand in adjourment until 9 a.m. on Thursday.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 9:30 a.m. tomorrow.

The motion was agreed to; and (at 9 o'clock and 55 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, July 28, 1971, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate July 27—legislative day of July 26, 1971:

DEPARTMENT OF THE INTERIOR

John W. Larson, of California, to be an Assistant Secretary of the Interior.

EXTENSIONS OF REMARKS

SUPPORT FOR THE FUNCTIONING OF THE EMPLOYMENT GUIDANCE CENTER, JUNEAU, ALASKA

HON. NICK BEGICH

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. BEGICH. Mr. Speaker, I recently received a copy of a resolution passed by the city and borough of Juneau, Alaska, requesting continuing support for the functioning of the Employment Guidance Center.

This issue is of particular importance to the people of southeast Alaska and the Juneau area because of the high unemployment problem. This center was organized to have a direct and lasting impact on hard-core unemployment of this area. Since there are no services of this type in Juneau, this center is most important. Last year this center did, in fact, reach a major portion of the area's poorer citizens, and it would be a devastating blow to the city and borough of Juneau if it did not receive continuing support.

As you can well understand, Mr. Speaker, continued support is urgently needed and I am including into the RECORD a copy of the resolution for your consideration:

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA, SERIAL NO. 59

A resolution requesting cooperation from the United States Department of Labor and the Alaska State Department of Labor in the functioning of the Employment Guidance Center

Whereas, under the First Year Action Program of Model Cities an Employment Guidance Center was developed; and

Whereas, such Center was organized to have a direct impact on hard core unemployment through use of an employability team located in a satellite center with outreach capacity; and

Whereas, such Center also provided personalized follow-up service with employers and employees after placement to maintain acceptable employment; and

Whereas, a major goal of the Center is creation of institutional changes by working within existing frameworks to demonstrate that such an approach does in fact work, thus leading to incorporation of this approach within the official agencies charged with responsibilities for employment; and

Whereas, such services are not provided by existing agencies; and

Whereas, cooperation, both financial and administrative, with the State and Federal Departments of Labor is necessary to reach these goals; and

Whereas, during the First Action Year financial contributions were received both from the United States Department of Labor and the Alaska State Department of Labor together with the cooperation of such Departments in the program; and

Whereas, no commitments to continuing support of this project have been received from either the Alaska State Department of Labor or the United States Department of Labor.

Now, therefore, be it resolved that the Assembly of the City and borough of Juneau, Alaska urgently requests support from the United States Department of Labor and the Alaska State Department of Labor for this program which is intended to reach, and has in fact reached, a major element of continued poverty.