encourage this trend. Under its provision, the federal government will pay 100% of the $2,400 guarantee and the states must pay 100% of any supplement above this. Thus instead of splitting the savings from benefit reduction under the current sharing formula, the state would recoup all the saving from any cut in its supplements.

This theoretical "incentive" toward reduced payments still worries some liberals, but in fact it was fairly well nullified when the committee adopted the "hold harmless" provision. Under "hold harmless" the federal government will guarantee that a state will not have to spend more for welfare than it did in 1971, even if its caseload continues to increase.

The states with the highest benefits and sharpest caseload increases will find their welfare costs dependent not on benefit levels but on the "hold harmless" payment, and thus will have no incentive to cut benefits. The question will not arise in states now paying less than $2,400. Some intermediate states will be able to save money if they want to cut payments, but for the most part of the effect of the new bill would be to freeze benefit levels.

Between the abolition of the present sharing formula and the administrative changes, the Ways and Means Committee has considerably changed the thrust of welfare reform. This has been little noticed by opponents of last year's bill, though, and some fairly meaningless things are being said about welfare reform by those who pass as conservatives on the American Scene. Anyone upset because the President has proposed a guaranteed annual income, for example, ought to ask himself what the current system already is.

It's only slightly more sensible to stress the complaint that the bill expands the welfare rolls by some 14 million by including the working poor. At the rate we are going, many of these people will be added anyway. Beyond that, in terms of social consequences there is an enormous difference between supporting a non-working class with few social bonds and paying supplements to those who stick with the work system. Rep. Mills makes a point worth considering when he says, "The reason we included the working poor is to eliminate the temptation for them to become completely dependent."

That is scarcely to say there are no valid questions about the bill from the perspective of those interested in reducing welfare dependency. The surest way to slow caseload growth probably would be to reduce benefits, and a conservative can make an intelligent case that it's better to stick with the present system now that the states are starting to cut back.

Especially so since the "hold harmless" provision would concentrate an incentive to reduce not in states paying welfare benefits above the official poverty level, but in intermediate states where benefits may not effectively compete with wages. The federal government, also, is far from immune to pressure for higher benefits. There will be attempts to raise the $2,400 floor in the Senate, and it probably would not take much of an increase to send rolls upward by making benefits competitive with wages throughout the South.

Still, the current state reductions may not reflect a long-term trend, given the incentives in the current sharing formula. Also, it's one thing to say benefits should not have been raised to present levels, but another thing to be enthusiastic about a state's cutting them after it has encouraged recipients to rely on them. In principle, finally, it would be far better to support the truly needy at a more generous level, and rely on an administrative mechanism to separate them from those who ought to be self-dependent.

A KEY QUESTION

Is it possible to create any such an administration? That's the key question the Ways and Means bill poses. History would not give much comfort, suggesting the most likely outcome is that the committee will once again find its intentions undermined by bureaucrats with different ideas. If the caseload increase does result from underlying cultural values, the same values will be present in the new bureaucracy as in the old one.

Still, a 1969 study of welfare use did find that administration matters. Several students of the problem believe that hard-headed administration is the only way to cope with the fact that a level high enough to support the needy will also be high enough to compete with wages. Blanche Bernstein of the Center for New York City Affairs, for example, writes of the need for a new "administrative ambience" and "public rhetoric."

Harvard's Edward C. Banfield agrees. "I am told that welfare bureaucracies willing to perform the function I have in mind simply do not exist any more; most social workers, it is said, believe that their mission is to give as much as possible to as many as possible. Perhaps this is so, but I am not entirely convinced. I suspect that in general and within limits social workers do what is expected of them and that local welfare administrators have ways of checking indiscriminate generosity," he writes in The Public Interest. "Therefore I do not entirely despair of improving matters by using welfare bureaucracies to help strike a balance between the supply of assistance and the demand for it."

In effect, Rep. Mills and his committee are trying to do what such scholars recommend. Whatever the defects of their bill, it is based in a defensible rationale about what constitutes the welfare crisis and how it might be cured. It may not be a bill that actually succeeds in curbing the welfare explosion, but at least it's a bill that makes some sense.

MAN'S INHUMANITY TO MAN—HOW LONG?

HON. WILLIAM J. SCHERLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 27, 1971

Mr. SCHERLE. Mr. Speaker, a child asks: "Where is daddy?" A mother asks: "How is my son?" A wife asks: "Is my husband alive or dead?"

Communist North Vietnam is sadistically practicing spiritual and mental genocide on over 1,600 American prisoners of war and their families.

How long?

SENATE—*Wednesday, July 28, 1971*

The Senate met at 9:30 a.m. and was called to order by Hon. JAMES B. ALLEN, a Senator from the State of Alabama.

PRAYER

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

Almighty God, to whom all hearts are open, all desires known, and from whom no secrets are hid, in the quiet light of Thy presence, we plead forgiveness for our sins and failures.

Forgive us, O Lord, for failure to discern and to do Thy will.

For doing things we ought not to do and leaving undone the things we ought to have done.

For the buried grudge, the hidden hostility, the half-concealed enmity.

For the eager desire merely to score a point rather than to find the whole truth.

For making little things big and big things little.

For the pessimism which deprives us of peace and joy.

O God, our Father, help us to see ourselves as we are—human and finite. As far as the East is from the West remove our transgressions from us and remember them against us no more forever. Make us new by Thy redemptive touch and strengthening power. In this place bind us together by Thy grace and light up a pathway of righteous action which shall be for the healing of this Nation and the advancement of Thy kingdom on earth. 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 28, 1971.

To the Senate:

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

ALLEN J. ELLENDER,
President pro tempore.

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

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

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

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, July 27, 1971, be dispensed with.

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

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

FAITH M. LEWIS KOCHENDORFER AND OTHERS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 300, H.R. 3201.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 3201) for the relief of Faith M. Lewis Kochendorfer; Dick A. Lewis; Nancy J. Lewis Keithley; Knute K. Lewis; Peggy A. Lewis Townsend; Kim C. Lewis; Cindy L. Lewis Kochendorfer; and Frederick L. Baston, was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 92–306), 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 pay the following named individuals the amounts set opposite their names in full settlement of their claims arising from the death of Gene A. Lewis, and for property loss resulting from an aircraft accident near Cheyenne, Wyo., in 1959, which occurred when a National Guard fighter aircraft collided with a civilian airplane piloted by the decedent. The amounts set out are those recommended in a congressional reference case by the Chief Commissioner of the Court of Claims:

Faith M. Lewis Kochendorfer	$51,133.42
Dick A. Lewis	17,044.47
Nancy J. Lewis Keithley	17,044.47
Knute K. Lewis	17,044.47
Peggy A. Lewis Townsend	17,044.47
First National Bank and Trust Co. of Bismarck, N. Dak., as the guardian of the estate of Kim C. Lewis	17,044.47
Faith M. Lewis Kochendorfer, guardian of the estate of Cindy L. Lewis Kochendorfer	17,044.47
Frederick L. Baston	4,500.00

The bill, H.R. 3201, was introduced in accordance with the recommendations of the opinion rendered in congressional reference case Numbered 4–68, filed on December 30, 1970, to-wit: *Faith M. Lewis Kochendorfer; Dick A. Lewis; Nancy J. Lewis Keithley; Knute K. Lewis; Robert P. Hendrickson as Guardian of the Estates of Peggy A. Lewis, Kim C. Lewis and Cindy L. Lewis Kochendorfer; and Frederick L. Baston v. The United States.*

The matter had originally been referred to the Chief Commissioner in accordance Claims by House Resolution 1177 of the 90th Congress, 2d session. That resolution referred the bill, H.R. 4815 of that Congress to the Chief Commissioner of the Court of with the congressional reference case procedures of sections 1492 and 2509 of title 28 of the United States Code. The opinion of the review panel adopted the opinion of the trial commissioner concluding that the airplane collision in which Mr. Gene A. Lewis lost his life was caused by the negligence of one of two Air National Guard training pilots who were engaged in a training flight at the time of the accident. The opinion also concluded that the claimant had an equitable claim against the United States. The recommendations and facts of the matter are found in the opinions and findings of fact filed in the congressional reference case summarized below. The bill carries a 20 percent limitation upon attorney's fees which is the same limitation provided in section 2678 of title 28, United States Code, governing attorney's fees in administrative settlements in tort claims matters under that title.

STATEMENT

The facts of the case are contained in the opinion of the Court of Claims in Congressional Reference Case No. 4–68, filed December 30, 1970, and summarized below.

In the mid-afternoon of December 15, 1959, an F–86L jet fighter aircraft, flown by Air National Guardsman Capt. William Meckem, collided with a Beechcraft Bonanza flown by Mr. Gene A. Lewis about 4.5 miles south of the Cheyenne Municipal Airport, outside that airport's traffic pattern but within its control zone. The weather conditions at the time were excellent with only high thin cirrus clouds and a visibility of 90 miles. Lewis, the pilot and only occupant of the Bonanza, was killed. Captain Meckem was able to eject and parachute to safety although he sustained minor injuries. Both aircraft were destroyed.

Mr. Lewis was flying from Dickinson, North Dakota, to Denver, Colo. He was under a visual flight plan, and using omnirange navigation, which allows a pilot to fly with great accuracy from one ground station to another. It was this navigation method which brought Mr. Lewis within the vicinity of the Cheyenne airport although outside the flight control pattern.

Shortly before Mr. Lewis' plane approached the vicinity of Cheyenne, Captain Meckem and Lt. Howard T. Anderson took off from the Cheyenne Municipal Airport in two F–86L jet fighter aircraft. After conducting a number of maneuvers at high altitude, the two National Guard aircraft passed over airport at low altitude. The jet fighters then continued outside the traffic pattern limits in a left climbing turn. The National Guard planes closed in turn to close formation. Captain Meckem took position on Lieutenant Anderson's right wing with his aircraft slightly below the level of Lieutenant Anderson's with four to five feet wingtip separation.

At this point Lieutenant Anderson was the formation leader and Captain Meckem was the wingman. Accordingly, because formation flying requires the wingman's undivided attention to the leader, the responsibility to see and avoid other aircraft was entirely that of the formation leader. This is in accordance with Civil Air Regulations and military directives. Lieutenant Anderson stated that he clearly understood his responsibility and believed he had maintained a careful lookout for other air traffic. In his testimony he recalled stopping the turn at about 180 degrees to clear the area, particularly in the direction he intended to continue. He testified that during the last 30 seconds, he scanned the left quadrant, then straight ahead, and then the right quadrant. Lieutenant Anderson stated that at the same time he scanned, he also checked Captain Meckem's position. He stated that when he returned his vision forward, he saw an aircraft immediately in front of him and made a violent pullup to avoid it. He said it all occurred so quickly he had no time to warn Captain Meckem or even to identify the plane. Captain Meckem's attention was concentrated on the formation formup and thereafter on holding close position and that so far as the collision itself was concerned, he recalled a flash on his windscreen an instant before impact.

The Court of Claims found that the faster flying National Guard planes approached from a side-rear angle in a so-called "overtaking" situation. Under the applicable Air Traffic Rules, it was the duty of the overtaking aircraft to keep clear of the overtaken aircraft. See CFR60(14(d)).

The findings of the Commissioner in regard to actions immediately prior to the collision were (footnotes omitted):

Accordingly, I join the CAB in its conclusion from all the facts that the probable cause of this accident was that, during an overtaking situation, the jet formation leader (Anderson) failed in his duty to see the Bonanza in time to lead his wingman (Meckem) off collision course. One of the most significant facts in this record is that, only seconds before the collision, Lieutenant Anderson looked to his rear for the purpose of checking Captain Meckem's position. Had he not done so but instead had concentrated his entire visual attention to the 180-degree quadrant ahead of his aircraft, it is reasonable to surmise that, despite his high rate of speed, he would have seen the Bonanza in time to warn Meckem, and this unfortunate accident would have been avoided. The fair conclusion then is that the collision was attributable solely to the negligence of Lieutenant Anderson, the formation leader.

The ultimate finding and conclusion of the court in regard to negligence was:

The above-described midair collision was caused by the negligence of Formation Leader Anderson, who, in an overtaking situation, failed to observe the Bonanza in time to warn Wingman Meckem so that the latter could avoid collision with the Bonanza. Lewis was not guilty of any negligence contributing to this accident.

Finding negligence and an equitable claim against the United States, the court made a finding on damages as follows:

(a) According to Air Force Regulation No. 112–2, para. 18, the law of the jurisdiction where an accident occurred should ordinarily be used as a guide in determining awards for personal injury or death in the consideration of Air National Guard claims.

(b) Under Wyoming law, there is no limit on the amount of recovery which may be obtained in wrongful death actions. Under the Wyoming Code of Civil Procedure, section 1–1066, the court or jury in a wrongful death action may consider as elements of damages the amount the survivors failed or will fail to receive out of decedent's earnings, and any other pecuniary loss directly and proximately sustained by the survivors, including a reasonable sum for the loss of comfort, care, advice, and society of decedent.

(c) The amounts of money set forth in H.R. 4815 were computed on an actuarial basis, giving the decedent a life expectancy of 34 years and assuming an annual contribution by decedent toward the support and maintenance of his wife and children of $12,000. An interest rate of 4 percent was used in that computation.

(d) It is concluded and recommended that a more realistic interest rate is 6 percent and, while on this record the assumption of an average $12,000 annual contribution by decedent to the support of his family seems reasonable, his work-life expectancy of 25 years should be used in the computation instead of a life expectancy of 34 years. The present value of an annuity of $12,000 for 25 years at 6 percent interest is $153,000.27. Under the intestacy laws of Minnesota, Faith M. Lewis Kochendorfer, as widow of Gene A. Lewis, would be entitled to one-third of the aforesaid amount, or $51,133.42. Under the aforesaid Minnesota law, the remaining two-thirds ($102,266.85) should be divided

equally among the decedent's six children, or $17,044.47 per child.

(e) It has been stipulated that the fair market value of Beechcraft Bonanza N 1839D just prior to the accident was $9,000 and that plaintiff, Frederick L. Baston, owned a one-half interest in said aircraft. Therefore, there is equitably due plaintiff, Frederick L. Baston, the sum of $4,500.

There may be a question as to the responsibility of Congress toward accidents arising out of National Guard activities. The committee, after examining the factual situation and recent legislative changes, believes that such responsibility does exist. While the National Guard is not a Federal responsibility and retains operating autonomy, it is strongly tied to the national defense program which furnishes it substantial financial support. In this case, the aircraft were the property of the United States and the pilots' salaries paid by the United States. Specifically, this bill is not contrary to present congressional policy. In 1960, less than one year after this accident, Congress added a new section to Title 32 United States Code concerning the National Guard. It provided that the Secretaries of the Army or Air Force, under such regulations as they proscribe, may settle and pay claims up to $5,000 for damage to property, personal injury or death caused by a member of the National Guard acting within the scope of his employment. 32 U.S.C. § 715. Subsection (d) of this section specifically states that if a claim in excess of $5,000 is meritorious, the Secretary may pay such amount and "report the excess to Congress for its consideration".

In agreement with the opinion of the Court of Claims and the action of the House of Representatives, the committee recommends the bill favorably.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The Senator from Pennsylvania is recognized under the standing order.

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

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. In accordance with the previous order, the Chair recognizes the junior Senator from Texas for not to exceed 15 minutes.

PRESIDENTIAL WAR POWERS

Mr. BENTSEN. Mr. President, nearly two centuries have passed since the birth of this still young, struggling Nation. As we look forward to our 200th birthday just 5 years hence, we cannot refrain from looking back at our brave, brash beginning—a struggling infant nation with only a 50–50 chance of survival.

Today, we wear the mantle of world leadership, and not necessarily by choice as a people. As a world leader, we are burdened with special responsibilities; the most burdensome is the responsibility of war.

Our founders came from countries where one man—the king—had the privilege of sending them and their sons into wars without consent. They sought to make sure that the new democracy which they founded would not have one man with such powers. The people's representatives were given a final choice of commitment of the people to wars—thus was fashioned the separation of powers.

Today, that issue is a major one in debate. And today, there is legislation from several in this Senate and in the other body which seeks to bring back to the Congress its rightful role, to reaffirm the authority which is the duty of the Congress.

I am one of those sponsoring legislation which would restore that role. I fully recognize the great difference today and in the days when the Constitution was written, but the principles are just as sound, the foundation just as solid, and my bill is based on these principles.

Essentially, my bill and some of the others are primarily aimed at restoring congressional authority on commitment of U.S. troops overseas.

The bill describes in broad terms the situations where the President may commit U.S. forces in the absence of a specific declaration of war, and it allows the President to deploy forces to defend against an attack on the United States. It takes into consideration the changed times, the dangers of this nuclear age.

The bill restricts the President from interpreting congressional military appropriations and authorization bills as authority to deploy U.S. forces in combat unless the bills specifically authorize use of such forces.

Under the bill, whenever the President commits troops he must promptly report to Congress his reasons for the commitment, and his justification for continued use. The Congress must then decide within 30 days whether to continue the commitment.

There is a provision for the special consideration of such a request, to prevent delays by individuals in Congress, for it would do little good to restore congressional authority for warmaking by taking it from a single individual, the President, and permit another single man, say a committee chairman or someone conducting a filibuster, to have that authority.

This is not a recrimination for the past. This is not a criticism of the actions of President Johnson, President Nixon, President Kennedy, or President Eisenhower, or anyone responsible for Vietnam. For if there is blame, this body and the entire Congress has to share it.

In this era, we are a world power. The Vietnam war, the pressures of international tensions, have brought division. As a nation, we look into a clouded future, and searchingly, we turn and look backward for precedents.

We know our 18th century forebears could not have envisioned overpopulation; the poisonous pollution of our land, air, and waters; unmanageable cities, or the vast technology of the war machine with the specter of nuclear destruction hovering over all. These realities of today would have defied their wildest dream and surpassed their deepest fears.

They left us no clear precedents for dealing with many of these realities. But they did leave us guidelines. The problems have changed, but the principles of government have not. What we need today is to work our way through the misleading maze of complexities and get back to the basic principles of democratic government which were laid down for us by the craftsmen of the Constitution. If we, as a people, are to live by our institutions, then we must have faith and confidence and continuing belief in those institutions.

Government itself is the first of those institutions which must command that faith. And fundamental to that institution is the people's belief that their government is doing their will, that it truly represents them, not just momentarily nor in rushes of recognition of a popular notion, but steadfastly, strongly, and consistently.

Mere men, not gods of wisdom, have to run this Government. It is incumbent on them, as to those chosen to lead, to maintain the institutions and oversee the conduct of government in a manner to command faith, to instill confidence, to maintain belief in the institutions of government.

The wisest decision of the men who set the guidelines for government at the beginning of this great experiment was the separation of powers, the system of balances, and the rejection of absolute power in the hands of any one man, however wise he might be.

Those strong men, who had suffered the indignities of monarchical decisions which fettered their freedoms and afflicted their lives, made sure that the decisions of life and death, of freedom, of the right to worship as they pleased, would remain in the hands of the many, not in the control of the few. And particularly was this principle of control of their destiny left to the legislative body of representatives of the people in the most urgent of national matters, that of the commitment of a nation and her people to war.

I sometimes think that the real birth of this Nation was not in the year 1776, the date which we celebrate, but in the year 1787 when the Constitution was finally adopted. There were some uncertain steps toward self-government; there were dissension, doubt, trial, error, success, and retreat. But after long and often bitter debate, the spirit of compromise prevailed and union was established in what has been called "the miracle at Philadelphia." Both Washington and Madison recognized it to have been something of a miracle and so proclaimed it in their letters.

The document they produced was indeed a miracle for its time. But even past miracles cannot forever sustain our institutions unless we work at maintaining trust in them. We must return to not only a balance of power, but a balance of trust. We are compelled to look at our own place in history, at the divisions that threaten our peaceful existence, and at our future in a world grown small through modern communications, instant and modern transportation, and dark through threats of self-destruction. We have our own miracle to produce. I believe that out of necessity, and in a spirit of compromise, we must produce that miracle and make this Nation whole again.

We are divided on many issues, but central to the survival of constitutional government is the issue of the separa-

tion of powers between the executive and the legislative branches. We know there have been encroachments from both sides from time to time, and there has been debate and recrimination. But the failure to maintain that separation has been most dramatically demonstrated in the conduct of the ill-fated struggle in Indochina.

In the climate of today's attitudes, in the poisoned atmosphere surrounding the debate on how to end this unwanted war, it is going to take unusual clarity and special insight to cut through the obfuscation of the central issue. That issue, again, is the separation of war powers, the limitation on the President to commit U.S. troops, and the responsibility of Congress to share in those fearful decisions.

This must be a true partnership, if we are really to have meaningful representation for both parties. It must be a partnership in which the independence is equal, the dependence is mutual, and the obligations are reciprocal.

Paramount to that issue are the limits to the President's power to commit a nation to war without explicit approval of the Congress, and, just as central, the responsibility of the Congress to share in the fateful decisions of war.

Why is that question raised with such passion today? One is tempted to say Vietnam. And certainly, in agonizing over our involvement in Southeast Asia, in searching for the reasons for divisiveness, in searching our national psyche, there is the overpowering temptation to lash out, to condemn, to criticize past actions.

I do not think there is much to be gained in placing blame or trying to resurrect military history. The strategy is not as important as the principle involved. And the principle of shared powers under the Constitution has been violated to the point that vast numbers of our citizens have lost faith in the institutions of government.

The divisiveness, the dissension, the turmoil, and the erosion of confidence in government is popularly blamed on the war and the frustrations of its seeming endlessness. The war itself may be the first cause for that criticism of government, but the accompanying bitterness and cynicism toward the institutions is a consequence of policy and action outside those institutions.

If Congress had exercised its rightful powers, if Congress had met its full responsibilities, if Congress had insisted on sharing the decisions and fully airing the process of decision—in short, if Congress had properly participated, I am convinced that the people's will would have been worked.

I do not suggest that the course may have led away from the Vietnam conflict, nor the direction initially altered—that is to say, Congress may have concurred from the outset. The point is, though, that if Congress had asserted itself, if the proper constitutional procedure had been followed, if the elected representatives of the people had acted by consensus, the Nation would have been provided powerful unifying forces. For it is my opinion that if blame is to be apportioned, then a fair share belongs to us in Congress. The void was allowed to develop, and power flows to the vacuum, and so do executive decisions. The institution of shared responsibility, the foundation of congressional authority to commit to war, was allowed to erode.

I do not think it was a willful violation by the Congress; it was a violation through negligence. Congress failed in its function of advice and consent. Congress abdicated its just share in the policy decisions that committed this country to conflict and sent young American men to fight on foreign shores. I believe this bill would force a decision on Congress to act, and to exercise its consensus in judgment.

We are engaged in bitter national debate over the means of ending an unwanted war. As the debate continues, it is important to analyze what happened and to set a course that will insure that responsibility for future foreign policy decisions will be shared by the executive and the legislative branches.

If democratic government "derives its just powers from the consent of the governed," momentous decisions of war and peace, life and death, must be made by the elected representatives of the people.

We do not challenge the authority of the President as Commander in Chief of the military forces. We do not challenge his constitutional right to direct the conduct of a war, once the decision to wage war has been reached through the democratic process. But we would be negligent—indeed we have been negligent—of our own constitutional obligations if we relegated to one man the decision to send our sons to war. The responsibilities of the Presidency are awesome indeed and no President should welcome or accept sole responsibility for involving the country in war. He should welcome the fact that he has a partner in that terrible decision. He should insist that Congress participate in any decision leading in that direction, and Congress, for its part, should demand its rightful role, and be equally assertive in sharing that responsibility. The people understand, even respect, differences and disagreements. But they lose that respect, and they do not understand, when momentous decisions affecting their lives and their sons' lives are made outside the representative institutions which they, by their rights, control. When they do not participate in such decisions, through their representatives, the institutions are weakened, and respect for all institutions is lost.

There has been an erosion of the power and prerogatives of the Congress in the past decade which we must now repair. We must restore the balance of power within the Government and to restore respect for the institutions of government. It is not just the balance of power that is vital to our united survival; we must restore a balance of trust.

There can and will be disagreement between the President and the Congress, but there need not be distrust. The public business must be conducted in an atmosphere of mutual respect and confidence that will in turn inspire the respect and confidence of every citizen. We must not let Congress be relegated to the position of a mere constituency of the executive branch.

As a first step in restoring the shattered confidence of the people, in restoring that balance of trust, I suggest that we assure them through our deeds, not our rhetoric, that Congress is directly responsible and responsive to the electorate; that we are prepared to meet our constitutional obligations in the formulation of foreign and domestic policy; and that we will not leave vital decisionmaking solely to the Executive, by default.

I am not interested in refueling debate over what has occurred in the past. I am interested in this Congress confronting the most significant question to emerge from the continuing debate over Vietnam—the question of who decides when and where America goes to war.

I know the constitutional arguments. I have heard the assertions of those who advocate strengthening Executive power. I am not inclined at this time to stress the constitutional question in the legal sense, because I believe that point will be debated decades into the future just as it has been debated for decades past. In studying the constitutional authority and the legal precedents, I believe the greater weight of legal argument is against unilateral presidential warmaking authority. I believe that warmaking powers were not divided but were conferred on Congress alone.

Justice Robert Jackson said this on the subject:

> With all its defects, delays and inconveniences, men have discovered no technique for long preserving free government except that the Executive be under the law, and that the law be made by parliamentary deliberations.

That is clear enough. The rule of law must not be undermined.

Said Alexander Hamilton:

> The power of the British king extends to the declaring of war and to raising and regulating of fleets and armies—all of which by Constitution under consideration would appertain to the legislature.

Disagreements susceptible to decisions by the Supreme Court have been rare. However, in 1862, the Supreme Court in a ruling declared:

> By the Constitution, Congress alone has the power to declare a national or foreign war.

That is clear enough. Congress has that power.

And Abraham Lincoln, in commenting on the Mexican War, said:

> The provisions of the Constitution giving the war-making powers to Congress were dictated, as I understand it, by the following reasons: Kings had always been involving and impoverishing their people in wars, pretending generally, if not always, that the good of the people was the object. This our Convention undertook to be the most oppressive of all kingly oppressions; and they resolved to so frame the Constitution that no one man should hold the power of bringing this oppression upon us.

Thomas Jefferson wrote:

> We have already given in example one effectual check to the Dog of War by transferring the power of letting him loose from the Executive to the Legislative body . . .

So, while legal minds may divide over the intent of our forefathers in the divisions of power, there is little question that Congress was vested with the sole right to initiate war.

The one lesson which must be learned from the Vietnam war is that never again must we allow commitment of American lives unless the representatives of the people explicitly authorize it.

The tragic miscalculations on Vietnam, resulting in the harsh divisions in this country, are the most compelling argument for returning to the principles of collective judgment. Presidential decisions—and I extend this back to Eisenhower, Kennedy, Johnson, and Nixon—have shaped the course of this war, and still shape it. The principle of sharing power has been weakened.

I have continued to support President Nixon in his efforts to extricate us from Vietnam, as has a majority of this body.

However, the principle of power to make war has to be reaffirmed. The war debate has to be removed from our deliberations on this all-important matter. Assumption of our responsibility is a burden we in Congress must pick up again. Without this, the institutions of Government will remain in disrepute.

There has to be, in whatever we resolve to do, an understanding of the changed times. In a nuclear age, a President may have to respond in defense without explicit congressional approval. There is no intent to tie his hands in these critical matters. There has to be a resolve by this Congress to insist on its share of the decisionmaking process, on retempering our institutions. That we intend to do.

The democratic process is at stake. It cannot thrive under a strong Executive with a weak legislature, any more than it can thrive with a weak Executive and a dominating legislature. They must be equal partners in this. We must strive at all times to maintain that delicate balance that preserves the interests of the people in a rapidly changing world. We can achieve that balance of power and the balance of trust if we look to the people for guidance.

George Washington recognized that necessity. He wrote, in a letter to Lafayette, in 1785:

> Democratical states must always *feel* before they can see—it is this that makes their governments slow, but the people will be right at last.

Adlai Stevenson reinforced that message a brief decade ago when he said:

> Trust the people. Trust their good sense, their decency, their fortitude, their faith. Trust them with the facts, trust them with the great decisions.

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

Mr. BENTSEN. I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I have listened with interest to the entire speech of the distinguished Senator from Texas, whom I have had the pleasure to know for almost two decades in both the House and the Senate. In my experience in Congress, I have never heard a better historical or more cogent analysis of the relationship which, under the Constitution, should and must exist between the executive and the legislative branches of the Government. When I speak of the executive branch, I mean the elected part of the executive branch; and when I speak of Congress, I mean the elected representatives of the people.

There are some things in the past which we would like to forget but, history being what it is, we just cannot forget. We cannot forget Vietnam, which has been a tragedy compounded, which has cost us so much in casualties, in resources, in drug addiction, in graft. It has cost us much in divisiveness, as the distinguished Senator has pointed out; it has tended to rend this Nation apart in many ways for too long a period of time at too great a price.

There are some things we should remember, too, as the distinguished Senator has pointed out, one of which is the foresight of the men who drew up the Constitution of the United States, which is probably the greatest political handiwork of man. It is still there. It still stands up. While it is subject to amendment now and again, basically it is the rock upon which this democracy stands.

The Senator has mentioned that there is no room for separatism between the executive and the legislative branches but that there is room for balance and partnership, and I agree. We are two equal branches in the Government and of the Government. Unfortunately, as again the Senator has emphasized, Congress has been derelict in retaining unto itself its responsibilities, it has allowed Presidents, notably, from the time of Franklin D. Roosevelt, to take more and more power unto their own hands—power which, once acquired, the executive branch is most reluctant to relinquish.

I commend the distinguished Senator on the resolution he has submitted, and I commend other Senators, such as the distinguished Senator from Missouri (Mr. EAGLETON), the distinguished Senator from New York (Mr. JAVITS), and the distinguished Senator from Mississippi (Mr. STENNIS), their actions indicate that at long last the Senate, at least—and hopefully the House of Representatives will follow—is facing up to its responsibilities and is trying to bring back some of the powers which it voluntarily or involuntarily relinquished.

There is no need for distrust between the administration—any administration—and Congress. But, unfortunately, in recent years, a type of adversary proceeding has sprung up by which, if an initiative is offered in this body, it tends automatically to meet with a rejection at the other end of Pennsylvania Avenue, even though the intent is to be cooperative, even though the idea is to work in tandem, and even though the objective is the national good and not political gain.

So I commend the distinguished Senator from Texas, an old friend of many years, for delivering in the Senate today a speech of such substance, such meaning, and such sound historical value. I approve every word he has said, and I am delighted that he chose this time to deliver this speech.

Mr. BENTSEN. I thank the distinguished majority leader for his comments. He is a man for whom I have the greatest respect and admiration.

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

Mr. BENTSEN. I yield.

Mr. EAGLETON. Mr. President, I, too, wish to echo the eloquent sentiments expressed by the majority leader in complimenting the Senator from Texas on his excellent presentation. As has been pointed, I, too, am deeply interested in this problem of "war powers." Along with the Senator from New York (Mr. JAVITS) and the Senator from Mississippi (Mr. STENNIS), all of us—and now the Senator from Texas—have introduced legislation dealing with this immensely vital subject of how, when, why, and where we go to war.

If I could, I would like to ask several general questions of the Senator from Texas: Would he agree with me that a sound, solid, adequate war powers resolution is the first step in reestablishing a partnership, a balance, and a participation in the decisionmaking process of how we go to war? And would the Senator agree that a second step—and I have not in my own mind even tried to define the parameters of that step—would encompass a method to insure a better flow of information to Congress?

The ACTING PRESIDENT pro tempore. At this time, under the previous order——

Mr. BYRD of West Virginia. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

Mr. BYRD of West Virginia. I thank the Chair. I ask unanimous consent that the Senator may be able to speak until his full 15 minutes have been consumed.

The ACTING PRESIDENT pro tempore. What about the time allotted on the Stevenson amendment?

Mr. BYRD of West Virginia. I ask unanimous consent that the time allotted on the Stevenson amendment remain at 30 minutes and that the vote occur at the conclusion thereof.

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

Mr. EAGLETON. Does the Senator agree that a better flow of information from the executive branch to the legislative branch is necessary in order that Congress may intelligently participate in the decision to go to war and to insure that the decision is not be made in an informational vacuum? Does the Senator agree that Congress must decide the question of whether or not to go to war on an intelligent, knowing basis—cognizant of the risks involved and having the information necessary to make an intelligent decision?

Mr. BENTSEN. I would certainly agree with the distinguished Senator from Missouri on both points, particularly the second point. Our judgments are only going to be as good as the information on which they are based. Too often, the information we have received has been filtered information and directed information to carry out the policy commitments of the executive branch, without a full understanding of both sides of the background information we are provided.

I would also thank the distinguished Senator from Missouri and the distinguished acting minority leader, Mr. GRIFFIN, for their offer of extending time. The Senator from Missouri has long been concerned with this issue, and has a bill on it before the Senate. He has contributed much to the discussion and the understanding of the issue.

Mr. EAGLETON. I want to compli-

ment the distinguished Senator from Texas once again on his excellent presentation.

Mr. BYRD of West Virginia. Mr. President, I join my colleague from Missouri in complimenting the very distinguished Senator from Texas on his provocative, eloquent, thoughtful, cogent, persuasive, and forceful speech.

As one who has served in Congress for a period of 19 years, I have witnessed our country as it gradually slipped into the quicksands of the Vietnam war. I believe that the Senator from Texas, with great vision, is providing leadership in the effort to find that very fine line, that very delicate balance that one can see only, as it were, through a glass darkly with respect to the presidential war powers as against the war powers of Congress.

I trust that this legislation will be the point of departure, whereby Congress will find again that very delicate balance which was intended by those illustrious forebears of ours who met in Philadelphia in September 1787, and promulgated that great document, the Constitution of the United States.

In so doing, I trust that we can, somehow, avoid future Vietnams. I again commend the Senator.

If the Senator is accepting cosponsors, I should like to be a cosponsor.

Mr. BENTSEN. I should be delighted to have the Senator as a cosponsor and, Mr. President, ask unanimous consent that the distinguished Senator from West Virginia (Mr. BYRD) be added as a cosponsor of the bill.

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

Mr. BENTSEN. Mr. President, I appreciate very much the assistance and the kind remarks of the distinguished acting majority leader.

EMERGENCY LOAN GUARANTEE ACT

The ACTING PRESIDENT pro tempore. At this time, in accordance with the previous order, the Chair lays before the Senate the pending business, S. 2308, with the pending amendment No. 317 of the Senator from Illinois (Mr. STEVENSON), which the clerk will report.

The second assistant legislative clerk read the bill as follows:

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

The Senate resumed the consideration of the bill.

Mr. TOWER. Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time consumed by the call of the quorum be charged to neither side.

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

Mr. PROXMIRE. Mr. President, did the Senator ask that the time be charged to both sides?

Mr. BYRD of West Virginia. Mr. President, I object. I have to object.

The ACTING PRESIDENT pro tempore. Objection is heard.

Who yields time? Debate is limited to 30 minutes on this amendment, with the time to be divided between the Senator from Illinois (Mr. STEVENSON) and the Senator from Alabama (Mr. SPARKMAN) or his designee, the Senator from Texas (Mr. TOWER).

Mr. TOWER. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that the time consumed be charged equally to both sides.

Mr. President, I withdraw my request.

The ACTING PRESIDENT pro tempore. The request is withdrawn.

Who yields time?

Mr. STEVENSON. Mr. President, I yield myself such time as I may require.

Mr. President, it was about 1 year ago that the Defense Production Act was amended by the Senate by a vote of 75 to 0. That amendment gives the Congress the right to approve of V-loan guarantees, where the financing of projects relates to the national defense security.

S. 2308 likewise gives Congress the right to disapprove guarantees of loans for commercial projects. The Congress has twice now, in the Defense Production Act and in the legislation pending in the Senate today, reserved to itself the right to pass on guarantees by the Federal Government of loans for both defense and commercial projects.

This legislation carries forward that right of Congress for all loans guaranteed by the Federal Government, except for loans guaranteed before October 1.

What that means is that Congress would reserve its right to disapprove loans on commercial projects and defense projects for loans of all kinds except for one, except for the loan of $250 million to one big corporation, the Lockheed Aircraft Corp.

If Lockheed were coming to the Government under the Defense Production Act now for financing of a vital defense project, it would be subject to the right of Congress to disapprove. If any other corporation were seeking a Federal guarantee of its financing for a commercial project, it would be subject to the right of Congress to disapprove.

The effect of S. 2308 in its present form is not only to favor one large corporation, but its effect is also to deprive Congress of a chance to work its will on two separate and important issues.

First is the generic issue, raising questions about the propriety of intervention by the Government in our free enterprise system, to bail out corporations simply because they are big.

The second issue is the Lockheed guarantee, the merits of Lockheed's request for this guarantee of the loan. Some Members of the Senate support the generic approach but not the loan for Lockheed. Some Members of the Senate support the loan for Lockheed but not the generic approach.

If this legislation remains in its present form, neither will have a chance to vote on either of those issues.

My amendment would simply eliminate favoritism and would give Congress a chance to vote on each issue.

It would treat Lockheed like the others, subject to disapproval by either House of Congress within 20 session days of its receipt of a loan guarantee proposal. If neither House acted within that short period of time, then the guarantee would go through. It would, in effect, be approved.

With the recess intervening, I recognize that Congress would have until late September to disapprove.

It is argued that Lockheed needs the money now and cannot wait. But Lockheed's own cash flow figures indicate that by the expiration of that period for congressional disapproval Lockheed's needs will be only $25 million.

Mr. President, Lockheed can acquire $25 million on a short-term basis without this guarantee. This corporation has over $200 million in unpledged machinery and equipment. It has over $5 million in unmortgaged land.

Mr. President, Lockheed could borrow $25 million for a couple of months, securing lenders against any risk whatsoever, borrowing this money from banks. If this financing is as important to the public interest as claimed, it could borrow this money from the Federal Reserve Board, which has authority under the present law to make short-term credit available to such corporations.

There must be some other reason for the urgency. And about the only reason I can deduce is the interest of the British Government. The British Government for some reason wants the $250 million by August 8 and wants it guaranteed by the United States. It also wants assurances from the United States that the loan will be sufficient to enable Lockheed to sell 220 Tri-Stars, receiving assurance also that the $250 million will be enough.

Mr. President, much as I sympathize with the British and respect their business acumen, there is simply no justification for subordinating in any respect our obligations to the people of the United States because of a British deadline.

If this project is as important as has been claimed, a few weeks more or less will not make any more difference to the British than to anyone else.

This provision eliminates the favoritism for one giant corporation. It also gives Congress a chance to review the deal between the banks, Lockheed, and the Board.

Under the pending legislation, Congress would give the Board carte blanche to approve whatever deal is made between the banks and Lockheed.

It also gives Congress a chance, to review the shaky assumptions that $250 million is enough; that Lockheed will not be coming back for more; and that the sum is sufficient to assure the sale of 220 planes.

The whole thing is murky and suspicious enough without requiring that all corporations who seek guarantees under the Defense Production Act and who seek guarantees for commercial production under the act are subject to approval except for one—except for one giant corporation named Lockheed.

Mr. WEICKER. Would the Senator from Illinois yield?

Mr. STEVENSON. I gladly yield 2 minutes to the Senator from Connecticut.

Mr. WEICKER. I thank the Senator from Illinois. I know that we will have additional debate in the hours ahead, but I wish to commend the Senator from Illinois on his amendment and get down to the very simple fact as to what it attempts to accomplish.

Let us be candid about it. Not every-

thing is black and white, and the proponents of this bill are not the bad guys and the Senator from Illinois and the Senator from Wisconsin and I the good guys. I think the proponents of this bill know they have got a weak bill; there is no question about it. They are doing the best they can with a weak bill. It is a difficult situation that confronts this Nation and the Lockheed Corp., and they are attempting to correct that situation by means of this bill. I do not think any of them have their real heart in it. They did not do this under the general economic conditions of the time. They did it for Lockheed, and I think they understand that.

What the Senator from Illinois is attempting to do with his amendment is to give some measure of credibility—some measure of credibility—to the actions of this body. In effect, recognizing that the entire matter of Lockheed is a special exception, the Senator from Illinois says in his amendment that, nevertheless, this legislation which we are going to pass will have no exceptions. The congressional review procedures will apply to Lockheed.

We have a difficult issue; we really do. It is not a question of partisan politics as to one party accusing the other of a credibility gap, or accusing the administration of a credibility gap.

There is a credibility gap—make no mistake about it—as between the American people and all politicians—and that gap is only increased when we go ahead under the guise of generic legislation and write a special-interest bill.

So what the Senator from Illinois has attempted to do here is have the rules apply to one and all by eliminating the exception. If, in fact, the proponents of the bill wish to be honest about what is going on here, let them eliminate the date, and let them substitute the words that "the provisions herein contained shall not apply to Lockheed"—"the provisions herein contained shall not apply to Lockheed"; or, "notwithstanding the above, the provisions shall not apply to Lockheed." We can use any language we wish. The Senator from Illinois has done it in a simple way. He has eliminated the date so that the provisions shall apply to anyone. So, in essense, with reference to the proponents of the bill, I am not going to put their backs to the wall on this, but let us take what is a bad bill and at least make it credible, at least deal honestly in the facts with the American people.

The PRESIDING OFFICER. Who yields time?

Mr. SPARKMAN. Mr. President, I believe we have 15 minutes; is that correct?

The PRESIDING OFFICER. The Senator has 4 remaining minutes. The Senator from Illinois has 3 minutes.

Mr. SPARKMAN. Mr. President, let me say this in the beginning. I appreciate the efforts of the Senator from Connecticut to delve into our inner thoughts, minds, and consciences regarding this legislation. He says we are not sincere with generic legislation.

I refer him to the fact that back in the beginning of this year I introduced a bill very much along the lines of this bill before I ever heard of any Lockheed difficulty. Furthermore, Dr. Arthur F. Burns, Chairman of the Federal Reserve Board, requested a generic bill, and that bill was before us. We were studying generic bills all the way through, as well as the individual Lockheed situation.

Let me say that, of course, the Senator from Connecticut does not have to write the language for us. Certainly we recognize the fact that the October 31 deadline was for one purpose, and one purpose only. That was to make it possible for Lockheed to be eligible for a guarantee under this legislation. Otherwise there would not have been time within the requirement that we wrote in at the insistence of some of these people who are urging this change. What we must keep in mind is that the Lockheed Corp. is faced with a deadline as a matter of fact, we may say about three deadlines. Certainly the British situation with reference to Rolls-Royce is involved, as well as other situations, because Lockheed has already made a contract to buy the Rolls-Royce engines and the frames have been developed to fit that engine. The head of General Electric—the company that is sometimes referred to as being an American competitor—testified before our committee that his engines could not fit into the L–1011 frame, that it was too late to use them.

Mr. President, I want to say this regarding the distinguished Senator from Illinois. He is one of the most diligent and effective members of our committee. I appreciate all of his efforts. By the way, this legislation contains amendments that he offered in committee. I am sorry to see him offer this amendment, although he has said that his purpose in offering it is to do the thing we all acknowledge will be done by it, and that is to take Lockheed out of consideration.

I believe the Senator from Illinois knows, as does anyone on the committee, and as does anyone in this body, that if the Lockheed Aircraft Corp. is to be assisted under the generic bill time is of the essence.

The Senator argues that according to his information Lockheed needs a cash flow of $25 million over the next several weeks and that the corporation could obtain these funds from the banks which are already creditors of the corporation or from the Federal Reserve. I know the Senator from Illinois has attended the hearings and has heard representatives of the 24-bank consortium composed of creditors of the Lockheed Corp. state very emphatically on more than one occasion that the banks would simply not advance additional funds to the corporation without a guarantee.

I think the Senator from Illinois also knows that the Federal Reserve would be under very serious criticism if it should advance funds to this corporation now, knowing that it is threatened with bankruptcy if a guarantee for that corporation is turned down by Congress.

As I said, the Senator from Illinois attended the hearings, and I am sure he knows as well as anyone else on the committee that one of the main factors involved in the situation is whether the airlines that are involved—and particularly TWA—will advance additional funds on the basis of their existing orders for the L–1011 airbus. If the airlines do not advance these funds the program is over. The airlines will not advance these funds unless they are assured of a Government guaranteed loan for the corporation to enable it to proceed with adequate cash flow.

Mr. President, to accept the amendment of the Senator from Illinois is tantamount to pushing Lockheed into bankruptcy.

Mr. President, a vote in favor of the amendment would be to preclude Lockheed from assistance under the generic bill, and if such a vote should prevail, then I would seriously question whether S. 2308 is, in fact, a generic bill simply because it would eliminate a major business enterprise from using the assistance provided by the bill.

Mr. President, there are deadlines to be met and we are trying to meet those deadlines.

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

Mr. SPARKMAN. I yield for a question.

Mr. TOWER. Speaking about deadlines, it seems that the competitors to the Tristar, McDonnell Douglas and General Electric, have set a deadline themselves, in effect, because they have said, "If you do not place your orders with us before August 15 the price goes up."

Mr. SPARKMAN. The Senator is correct. Of course, in order to carry forward Lockheed has to get going in this program and be able to keep going and they must have the cash flow.

In the course of all this debate about Lockheed's ability to make it with a $250 million guarantee loan as I recall the Lockheed statement we were told, in effect, that Lockheed was able to build and sell the 103 aircraft for which they already have firm orders, the company will be able to pay off the $250 million guaranteed loan. So there is little or no chance of the Government losing the $250 million.

Mr. President, I hope in voting on this amendment we all remember the great problems of unemployment that will be occurring all across the country, in practically every State of the Union, if we deny Lockheed the use of the program proposed by this generic bill, S. 2308. It seems to me that is one of the most serious of the matters involved here.

I wish I had a real projection of what this means in the various States of the Union by the way of unemployment that would come about because of the failure of the Lockheed Corp. The failure of the company would drive into bankruptcy and ruin a great many, if not all, the 3,500 or so subcontractors and suppliers that are operating all across the country. I might add that most of these are small businesses. Testimony before our committee left no doubt but that it would constitute a great wave of bankruptcies, closings, failures—companies going out of business—and it would reach into probably every State of the Union.

Mr. President, how much time do we have remaining?

The ACTING PRESIDENT pro tempore. The Senator from Alabama has 4 minutes remaining and the Senator from Illinois has 3 minutes remaining.

Mr. SPARKMAN. Mr. President, I yield such time as he may need to the Senator from Texas.

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

Mr. TOWER. Mr. President, the clear implication has been made by those who oppose this measure that we are bailing out some corporate fat cats, that Lockheed is some great, impersonal monster, when, in fact, what we are talking about is people and the jobs of people.

The chances are that the people in the upper echelons of Lockheed management that might be thrown out of jobs because of a Lockheed bankruptcy could survive it. They have probably accumulated enough of the world's goods that they probably would not have to seek employment again. But what about the 30,000 workers, the people who earn their daily bread by the sweat of their brows, by the work of their hands. These are the people we are talking about.

I reject the suggestion of the Senator from Connecticut that we are insincere. As a matter of fact, I think our side can be said to have considerable compassion because we know what the job market is for aerospace workers these days and we know that the prospects for reemployment of these 30,000 people in the aerospace industry are pretty glum, indeed. So let it be understood that the decision we make here this morning affects not just big business, it affects small business, it affects people. Think of the third and fourth tier subcontractors whose businesses will be wiped out—that is, small businesses—if we fail to defeat the amendment by the Senator from Illinois and if we fail to move to favorable action on this legislation.

It is far-reaching legislation, but it is worthwhile. I can see that it is necessary, for many reasons, that we prevent Lockheed from going into bankruptcy. Already over the world there is some question as to whether or not the United States of America is indeed the free world's first line of defense. Can you think of what effect it can have on the credibility of the American deterrent if we force our largest defense contractor into bankruptcy

Already there is a crisis of confidence in the military and industrial capacity of the United States on the part of other people in this world. We should not shake that confidence further, and we must this morning reject the Stevenson amendment that would result in the demise of the largest defense contractor in the United States.

Mr. STEVENSON. Mr. President, I would first say to the Senator from Texas and the Senator from Alabama that there is no question of sincerity before the Senate today. No such question has been raised by any member of this body. I would add to that that my deep respect and affection for the Senator from Alabama go back a long, long way—back to 1952, to be precise. I am very grateful to him for his remarks and count it a privilege to serve on the committee of which he is chairman. I regret that I have such a sharp disagreement with him on this issue.

The fact of the matter is we do not have now a generic bill before us. We do not have a Lockheed bill before us. We have a hybrid bill. The amendment which I am offering today eliminates favoritism in this bill for one giant corporation. All corporations under this bill and under the Defense Production Act seeking Federal guaranteed loans are required to submit to congressional approval except for Lockheed. This amendment would make this bill a truly generic bill.

Mr. PROXMIRE. Mr. President, the argument on behalf of the Stevenson amendment is quite simple—either we have a generic bill or we do not. If we have a generic bill designed to treat all companies alike, we should not include in it a special provision designed only for one company, the Lockheed Aircraft Corp. On the other hand, if the problems of Lockheed are so urgent that special exemptions have to be written into the law for their specific benefit, then let us stop pretending we are dealing with a general bill. Let the sponsors of the generic bill end their little farce and move to substitute the original administration bill which dealt only with Lockheed.

Make no mistake about it, Mr. President, a special exemption was written into the generic bill solely for Lockheed. The legislation now provides that loan guarantees approved after October 1, 1971, would be subject to a congressional veto but loan guarantees approved prior to October 1 would be able to avoid the congressional veto procedure. If the legislation passes, Lockheed is expected to qualify prior to October 1 if the Board approves their application for a loan guarantee. Thus the bill sets up one standard for Lockheed and a more rigorous standard for companies who may qualify after October 1, 1971.

The Senator from Georgia (Mr. GAMBRELL) made it abundantly clear that the October 1 date was intended to confer a special benefit upon the Lockheed Aircraft Corporation. If any one doubts this, let him look on page 27178 of the CONGRESSIONAL RECORD for July 26. The Senator from Connecticut (Mr. WEICKER) asked:

> Is it not true that the October 1, 1971 date was put in there for Lockheed?

The Senator from Georgia replied:

> Yes, there is no doubt about that.

Thus the record is clear that we have a special exemption that is intended to apply to only one company in a bill which supposedly treats all companies alike.

The Stevenson amendment would simply treat all companies alike. All companies who qualified for loan guarantees would be subject to the congressional veto procedure. There would be no special exemption for Lockheed or for any other company.

In that connection, Mr. President, I might point out that the Senator from Texas admitted that other companies in addition to Lockheed could be given a loan guarantee prior to October 1. On page 27179 of the CONGRESSIONAL RECORD for July 26, the Senator from Texas said that—

> Any company that came in before October 1, not just Lockheed—if there be others, and I do not know of any others—but should there be any, any company would qualify that came in before October 1 for the immunity for the Congressional approval.

Mr. President, this is a gaping loophole in the bill and is another reason for voting for the Stevenson amendment. The Board could parcel out the entire $2 billion in guarantee authority before October 1 without any congressional review whatsoever. While this is perhaps unlikely, the delegation of such sweeping authority is totally unnecessary; moreover, it sets an undesirable precedent. We should not be giving away our powers carte blanche at a time when we are trying to reassert our constitutional prerogatives.

Mr. President, in attempting to justify the Lockheed exemption, it has been argued that Lockheed has already been through a long congressional hearing and that there is no need to subject it to another congressional review. In response to this argument, may I first point out that there is nothing in the congressional veto procedure which requires another hearing or review. Congress is merely given an opportunity to exercise its right to veto the proposed guarantee within 20 days. If Congress is truly satisfied with the merits of the Lockheed case it can simply take no action and the guarantee will become automatically effective.

Second, Congress has not yet received the information on the Lockheed case which it would receive if the Stevenson amendment were approved. Section 12 (a)(1) of the legislation requires the Board to transmit to the Congress "a notification of its intention to make such guarantee together with a detailed justification therefor."

We have not received a detailed justification of the Lockheed loan guarantee from the three-man emergency guarantee board. Indeed, one member of the board, chairman Arthur Burns of the Federal Reserve, specifically told the committee he had not yet formed an opinion on the Lockheed case and he could not say whether a Lockheed failure to obtain a guarantee would adversely and seriously affect the economy of or employment in the Nation or any region thereof. Moreover, the committee never even heard from the second member of the board, the President of the San Francisco Reserve Bank.

We have received some views from the third member of the Board, the Secretary of the Treasury. However, he is only one-third of the Board. It is entirely possible the Chairman of the Federal Reserve Board and the President of the Federal Reserve Bank in San Francisco would have a different perspective on the matter. In any event, we have not heard from them and they constitute a majority. Why should they not be required to provide Congress with a detailed justification of the Lockheed loan guarantee just as they would for any other company qualifying after October 1?

In my opinion, Mr. President, the double review argument as a reason for opposing the Stevenson amendment has no merit. Lockheed should be treated the same as any other company and should not be given special favors.

Another argument against the Stevenson amendment is that Lockheed needs the loan guarantee by August 6 and cannot afford to wait until mid-September

because it will be out of cash by then. This argument is absolutely false. It does not square with the cash flow projections which the company provided the Committee. For example, the company is projecting additional bank borrowing of only $25 million during August and September not the full $250 million. They obviously do not need the full $250 million at once. Moreover, the company is also projecting a cash balance of $51 million by the end of September. Thus even if the company borrowed no additional funds from the bank it would still have a cash balance of $26 million by the end of September.

Thus the company will have enough cash on hand to see it through the end of September and into October without any more borrowing according to its own projections. The argument that it will run out of cash if we do not act by the August 6 recess simply is not true.

Finally, Mr. President, it is argued that a delay might cause the British Government or the airlines to pull out of the deal if they had to wait another month or so for the guarantee to be approved. Mr. President, no one knows with certainty what the British Government or the airlines will do. But if Lockheed is so shaky that the airlines or the British Government cannot wait an additional month, then we should not be guaranteeing the loan in the first place. Once we permit large corporations or foreign governments to determine our schedule for us, we have lost much of our power and prestige.

In summary, Mr. President, the Stevenson amendment will restore equity to the generic bill. The arguments against it simply are not convincing enough.

Mr. PERCY. I intend to vote against the pending amendment, No. 317. I have two reasons for doing so. First, the amendment would have the effect of subordinating the question of a Lockheed loan guarantee to the generic loan guarantee bill. Thus the question of a loan guarantee for Lockheed would be delayed until the fall. I think that the issue has been very thoroughly discussed both in committee and on the floor. I believe that we are in a position to vote on the merits of this question, and I do not believe we should encourage further delay in making this decision. This would be the effect of the pending amendment. However, I want to establish that my vote against the pending amendment does not indicate that I will vote for the bill as it now stands.

The second reason for voting against the pending amendment and focusing the debate on the generic loan guarantee bill is that I have serious doubts about the bill as generic legislation. I am extremely reluctant to embrace the concept that the Federal Government should guarantee loans to large companies that are bankrupt or nearly so. Such a step would have very serious implications indeed for our free enterprise system. Another reason for my concern about the generic bill is the manner in which the bill is drafted. It is well known that the initial Lockheed bill was repackaged and submitted to the Senate as a "generic" bill to make it more attractive. Nonetheless, its provisions are drafted with the specific Lockheed case in mind. Thus as generic legislation it does not seem well prepared. Another factor is that the committee did not concern itself during hearings with the generic bill, but with the initial bill prepared for Lockheed. Thus, while I feel that the Lockheed loan has received adequate study and debate, I am concerned that the bill has not received adequate study and refinement in the Banking Committee.

Mr. MUSKIE. Mr. President, the amendment offered by the distinguished Senator from Illinois (Mr. STEVENSON) highlights the dilemma that confronts many of the Members of the Senate. We are concerned at the prospects of unemployment and economic dislocation that collapse of the Lockheed Corp. could cause. At the same time, we are not convinced that there are adequate safeguards to protect the public interest, and we are not satisfied that the broader program which has been shaped up around the Lockheed problem is the appropriate response to that problem.

The Stevenson amendment calls attention to the fact that the administration is asking for a double standard in providing relief under the legislation. Corporations seeking aid after October 1, 1971, would be faced with congressional review of the detailed arrangements for the Federal guarantees. Lockheed would not be subjected to such a review. But the administration claims that a long delay in making the $250 million guarantee available would make the assistance moot. I have no way to judge that this would be the inevitable result of a delay, but we must give weight to the argument if we are not going to be cavalier about the jobs of the Lockheed workers.

I doubt the utility of stringing out the question of Lockheed's status through a second congressional review. Now is the time for us to examine the Lockheed case, and now is the time for us to determine the conditions that should be imposed on any Federal action to prevent Lockheed's collapse.

Unfortunately, from my point of view, the Stevenson amendment would string out the Lockheed question without any clearer guidelines to protect the public interest under Federal guarantees. And I cannot imagine that the pressures for the Lockheed guarantee would be any smaller after the administration had arranged the loan and Federal participation subject to congressional review. In other words, the Stevenson amendment would prolong the agony without resolving the most troublesome questions of the Lockheed case. If, on the other hand, the Stevenson amendment kills the Lockheed project—as its opponents say it will—the Congress would be in the awkward position of having killed the cause of the legislation while making it possible for other corporations to enjoy the fruits of the administration's concerns.

For these reasons, I must reluctantly cast my vote against the Stevenson amendment. I shall also cast my vote against the cloture motion today.

The PRESIDING OFFICER (Mr. TALMADGE). All time on the amendment has expired. The question is on agreeing to the amendment offered by the Senator from Illinois (Mr. STEVENSON). The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. McGEE (when his name was called). Mr. President, on this vote I have a pair with the junior Senator from Minnesota (Mr. HUMPHREY). If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Therefore, I withhold my vote.

Mr. BYRD of West Virginia. I announce that the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Rhode Island (Mr. PASTORE) were 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 Iowa (Mr. MILLER) is detained on official business, and if present and voting, would vote "nay."

The result was announced—yeas 35, nays 60, as follows:

[No. 169 Leg.]

YEAS—35

Aiken	Hart	Pell
Anderson	Hartke	Proxmire
Bayh	Hatfield	Ribicoff
Brooke	Jackson	Saxbe
Burdick	Javits	Schweiker
Byrd, Va.	Jordan, N.C.	Spong
Chiles	Kennedy	Stevens
Church	Mansfield	Stevenson
Eagleton	McGovern	Symington
Ervin	Metcalf	Taft
Fulbright	Mondale	Weicker
Harris	Montoya	

NAYS—60

Allen	Dominick	McIntyre
Allott	Eastland	Moss
Baker	Ellender	Muskie
Beall	Fannin	Nelson
Bellmon	Fong	Packwood
Bennett	Gambrell	Pearson
Bentsen	Goldwater	Percy
Bible	Gravel	Prouty
Boggs	Griffin	Randolph
Brock	Gurney	Roth
Buckley	Hansen	Scott
Byrd, W. Va.	Hollings	Smith
Cannon	Hruska	Sparkman
Case	Hughes	Stennis
Cook	Inouye	Talmadge
Cooper	Jordan, Idaho	Thurmond
Cotton	Long	Tower
Cranston	Magnuson	Tunney
Curtis	Mathias	Williams
Dole	McClellan	Young

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

McGee, for.

NOT VOTING—4

Humphrey	Mundt	Pastore
Miller		

So Mr. STEVENSON's amendment was rejected.

Mr. SPARKMAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had concurred in the amendment of the Senate numbered 1 to the bill (H.R. 9388) entitled "An act to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the

Atomic Energy Act of 1954, as amended, and for other purposes."

The message also announced that the House had concurred in the amendment of the Senate numbered 2 to the aforesaid bill, with an amendment in the nature of a substitute in which the concurrence of the Senate is requested.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H.R. 9020) entitled "An act to amend the Egg Products Inspection Act to provide that certain plants which process egg products shall be exempt from such act for a certain period of time."

The message also announced that the House had passed a bill (H.R. 10061) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. 10061) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related agencies, for the fiscal year ending June 30, 1972, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

AMENDMENT NO. 334

The PRESIDING OFFICER (Mr. BENTSEN). Under the previous order, the Chair lays before the Senate the amendment of the Senator from Indiana, which will be stated.

The second assistant legislative clerk proceeded to read the amendment.

Mr. BAYH. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 1, line 9, insert the following: after the word "Chairman," insert "the Secretary of Health, Education, and Welfare,".

On page 2, line 8, delete the word "two" and insert in lieu thereof the word "three".

On page 2, line 19, after the word "loans", insert "to business and public or private nonprofit higher educational or health care enterprises".

On page 3, line 1, after the word "economy", insert "or health or welfare".

On page 3, line 6, after the word "pledged," insert "and the likelihood of Federal, State, or other public or private assistance within the loan guarantee period,".

On page 4, line 8, after the words "common stock" insert ", if any".

On page 8, line 8, after the period insert "No more than 50 per centum of all outstanding loans guaranteed by the Board shall be loans to business enterprises."

Amend the title so as to read: "A bill to authorize emergency loan guarantees to major business and public or private nonprofit educational or health care enterprises."

Mr. CURTIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. CURTIS. Mr. President, I have sent the following telegram to President Richard M. Nixon——

Mr. BYRD of West Virginia. Mr. President, the Pastore germaneness rule is operating.

The PRESIDING OFFICER. Does the Senator make a point that the statement is not germane?

Mr. BYRD of West Virginia. I ask the distinguished Senator whether the statement is germane.

Mr. CURTIS. The statement is not germane.

Mr. BYRD of West Virginia. I thank the Senator.

Mr. President, I ask for the regular order.

The PRESIDING OFFICER. Regular order is called for. The Senator from Indiana is recognized.

Mr. STEVENS. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. BAYH. I yield.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

Mr. STEVENS. What is the time circumstance on this amendment, and when is the next scheduled vote?

The PRESIDING OFFICER. There is no time limit on this amendment. The vote on cloture will come after a quorum is established at 12 o'clock noon.

Mr. STEVENS. I thank the Chair.

Mr. BAYH. Mr. President, I feel that it would be inappropriate, inasmuch as we are limited to a time certain between now and the cloture vote, to spend a great deal of time discussing my amendment. Inasmuch as it has been brought up and has been made the pending business, I should like Senators to know what it is about. I understand that immediately following the cloture vote, we will proceed to the sugar bill and that immediately following that, the Bayh amendment, which is now the pending business, will again be before the Senate. I do not see any reason for prolonged debate, and at that time I would be glad to discuss with Senators present a reasonable time limitation so that we can vote on the amendment.

The amendment now before the Senate, which I presented to the Committee on Banking, Housing, and Urban Development, was considered in the committee. In essence, this amendment would bring into sharp focus the entire question of priorities. We have had a great deal of discussion in this country about the need to reorient our priorities and how we expend the resources of the American system. If we are going to establish a $2 billion loan guarantee fund for corporate interests that are in trouble, if we are going to insure loans to protect jobs and keep corporations functioning to employ people, it is my opinion that at least 50 percent of these loans should go to a wide number of educational and health institutions that are in dire straits.

I will go into some detail when the amendment is before us, after the vote on cloture.

The PRESIDING OFFICER (Mr. BENTSEN). The hour of 11 a.m. having arrived, and pursuant to the previous order, the time between now and 12 o'clock noon will be equally divided and controlled by the Senator from Texas (Mr. TOWER) and the Senator from Wisconsin (Mr. PROXMIRE).

Who yields time?

Mr. TOWER. I yield 3 minutes to the Senator from Georgia (Mr. GAMBRELL).

The PRESIDING OFFICER. The Senator from Georgia is recognized for 5 minutes.

Mr. GAMBRELL. Mr. President, under the automatic operation of rule XXII providing for the termination of debate, a motion for cloture having been filed in regular order, the time has now arrived under the rule for a period of 1 hour of controlled debate, after which there will be an automatic quorum call, a live quorum, and following that a vote on the cloture motion, the question there being, shall debate continue on the pending bill, the so-called Emergency Loan Guarantee Act, or shall debate be brought to a close following 100 hours of debate, 1 hour being allocated to each Senator.

Mr. President, I think there are two considerations that give rise to a vote in favor of this motion to terminate debate, one being that there has been adequate debate and consideration given to this proposal. The legislation has been before this Congress for 2 months. For at least 6 months, to my knowledge, Congress and the Nation have known of the economic disaster which is about to befall us in the event of the financial collapse of Lockheed Aircraft Corp.

The bill itself is described as an emergency measure. If, after all of this allowance for debate and discussion of the principle of the bill, and the urgencies of the situation, Congress cannot act after that period of time, we might as well adopt a rule that Congress cannot adopt any emergency legislation.

If we are about to have an emergency, or if we are having an emergency, if the economy of the country is about to suffer a serious blow, if Pearl Harbor is about to be attacked, or whatever the emergency may be, we have sent out notice that we are not able to deal with emergencies.

The PRESIDING OFFICER (Mr. BENTSEN). The time of the Senator from Georgia has expired.

Mr. TOWER. Mr. President, I yield such additional time as the Senator from Georgia may require.

The PRESIDING OFFICER. The Senator from Georgia may proceed.

Mr. GAMBRELL. The other consideration that suggests a vote in favor of this motion is directed specifically at the Lockheed Corp. itself. It has been charged on the Senate floor that this is a special bill for Lockheed. In a sense, this is so. The Lockheed situation has brought to the attention of the country, the Senate and the House of Representatives, the necessity for just such legislation as this.

It is suggested to the Banking, Housing and Urban Affairs Committee that we need to have on our books as a generic proposition some sort of credit assistance for major business enterprises so that

their collapse will not destroy a lot of smaller businesses and that a lot of individual jobs will not be wiped out. What a paradox it would be if Congress enacted such generic legislation and the example which brought the problem before the people and before Congress were permitted to go down the drain.

The PRESIDING OFFICER (Mr. BENTSEN). The time of the Senator from Georgia has expired.

Mr. TOWER. Mr. President, I yield 1 additional minute to the Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia is recognized for 1 additional minute.

Mr. GAMBRELL. I will take another moment, Mr. President.

It seems to me that it would be one of the most paradoxical situations in the history of this country if that were permitted to develop. All they have in the record indicates that if this legislation is not adopted prior to the August recess, if those concerned with the Lockheed problem are forced into waiting until September or October to find out whether this country will "belly up" to its responsibilities to protect the economy, Lockheed will be precipitated into bankruptcy, and a lot of individual pieces will fall out of the puzzle, never to be retrieved. Therefore, we suggest to our colleagues that this debate be brought to a conclusion.

The legislation itself is experimental, in the sense that it is something that has not been tried before. The committee put a 2-year limit on the authorization to enter into loan guarantees of this type, recognizing that it might appear to be desirable to let the authority expire or a new form of legislation to be adopted.

What we suggest to you at this time, Mr. President, and to our colleagues, is that if we are to initiate this experiment, if we are to try out the solution of some of our economic problems by this method, we need to get on with it. The time that we have devoted to it is sufficient—more than sufficient to determine whether there is a need for such legislation.

So I suggest to our colleagues and to the Congress as a whole that we dispose of this issue this week and get it behind us and let us get on to more urgent concerns.

The suggestion has been made that there is no concern for small business. I would say that most if not all the members of the committee would like very much to have devoted this week, the previous week, and the week before that to the legislation we have been concerned with, which would afford similar assistance for smaller businesses but where we have been over here wrestling with this problem fighting against an obvious effort to destroy Lockheed—and that is all the opposition to this is—"let us shoot down a big, fat turkey." There is a lot going down the drain when one shoots a turkey like that because in fact, most of the turkey is composed of many small businesses and employees who, in good faith, attach their future to the future of Lockheed. Now they are being told, "Well, face the discipline in the free enterprise market. Bite the bullet that you have taken up for yourself."

I suggest, Mr. President, that this country cannot afford this approach to such a serious problem.

I yield the floor.

Mr. PROXMIRE. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Wisconsin may proceed.

Mr. PROXMIRE. Mr. President, it is most ironic that the backers of this legislation are so insistent upon invoking cloture when they themselves have used delaying tactics against the very amendment we just voted on, against the Stevenson amendment. The supporters of the Stevenson amendment were ready to vote on it last Monday. However, I understand that an objection was raised by those who now seeks to invoke cloture and prevent us from debating our amendments. The Senator from Illinois offered to enter into a 1 hour time limitation on his amendment on Tuesday last. However, the Senator from Texas objected. The Senator from Texas on Tuesday resorted to classic filibustering tactics.

He refused to agree to a time limitation. He asked for two lengthy quorum calls, a device which has not been used by those of us who want more discussion on the bill. Yet, we are accused of conducting a filibuster and are threatened with cloture.

Mr. President, I can well understand why opponents of the Stevenson amendment would not agree to a time limitation. As a matter of fact, they were absolutely right in not agreeing to it. And what happened a few minutes ago bears that out.

There was not enough understanding of the amendment and this discussion was needed.

Although I am disappointed that the Stevenson amendment did not pass, the fact that they were able to switch a substantial number of Senators to their viewpoint, shows what free and open debate can do.

The Senator from Georgia and the Senator from Texas were obviously worried that they did not have the votes to defeat the Stevenson amendment on Monday or Tuesday. What did they do? They did not agree to an immediate vote, the way they are asking us to do on all of our amendments. They delayed the vote until they had time to educate Senators to their position.

As I say, the Senator from Texas (Mr. TOWER) and the Senator from Georgia (Mr. GAMBRELL) were well within their rights in postponing a vote on the Stevenson amendment. I have no complaint. They won fair and square. They won by a big margin—60 to 35. They turned around the viewpoints of a number of Senators.

Mr. President, I cannot understand why the Senator from Texas and the Senator from Georgia now seek to deny the same rights to those of us who want additional time in which to educate Senators to support particular amendments or to reject the bill as a whole. It seems to me that the backers of this legislation are applying a double standard. They want to take all the time they feel they need to defeat amendments—amendments they are opposed to. But they want to deny the same right to those Senators who are opposed to the bill.

Mr. President, we are told that we must act by the August 6 deadline or that Lockheed will run out of cash and be forced into bankruptcy.

Mr. President, I do not think there is any basis for that argument. As I pointed out in my remarks on the Stevenson amendment. Lockheed's financial projections indicate that it can do without any additional borrowing through the end of September. They still have $26 million in their cash account. Thus there is nothing magic about the August 6 date. If we do not finish our debate by that date, we can continue our discussion when we come back in September.

The Senator from Illinois (Mr. STEVENSON) pointed out that the vote would come no later than September 28. Lockheed will still be around according to its own projections. It will have enough cash to last well into October.

Mr. President, we are also told that we need to act before the recess, because, if we do not, the tentative agreement with the Rolls-Royce Co. will expire on August 8 and may not be renewed.

They argue that with no engine for the L–1011, Lockheed would be forced into bankruptcy.

I had hoped that the committee would have called on a representative of the British Government to testify so that we could ask questions on that point. Nonetheless, the British Embassy did send a letter to the committee. That letter was dated June 23.

While that letter indicates that the existing contract between Rolls-Royce and Lockheed will expire on August 8, the British Government made no claims that the contract could not be renewed if Lockheed had not obtained a loan guarantee by that date.

Should the U.S. Senate limit debate and cut off an opportunity to explain our position simply because a foreign government has taken the position that this is what they want?

I think it is foolish at any rate to assume that the Rolls-Royce would cancel their contract with Lockheed if Congress has not enacted the emergency loan guarantee bill into law by that time. Just think, Rolls-Royce and the British Government have already invested well over $100 million in the program. Moreover, they have 30,000 jobs at stake, plus their reputation in the jet engine field.

If the British Government causes Rolls-Royce to cancel the Lockheed contract, the British Government loses $100 million. The British economy loses 30,000 jobs. The British industry loses its position in the jet engine field.

For the same reason, it is unlikely that the U.S. airlines which have ordered the L–1011, would cancel their orders if Congress does not act by a certain date.

The airlines have already deposited $250 million in the L–1011. They cannot afford to withdraw their orders and lose their deposits merely because they are unwilling to wait for Congress to come back in early September.

Mr. President, I hope that we can complete an orderly debate on S. 2308 by the start of the recess. However, if we must go beyond the recess, I do not see any national catastrophe which would warrant the use of cloture to cut off debate.

It was not the Senator from Wisconsin who expanded the original administration bill into a generic bill. The backers of the Lockheed bill made that decision since they chose to come in with a completely new bill which would obviously require, and should require, more debate and discussion than a simple Lockheed bill. They have no one to blame but themselves for having vastly complicated the debate.

We have before us an unprecedented and far-reaching measure, a measure which in the judgment of every independent witness who testified before the committee would, in the judgment of the economists and in the judgment of the outstanding experts on antitrust, do irreparable harm to our economy.

Whatever the merits of a Lockheed bill, the generic bill now pending before the Senate is strongly opposed, as we all know, by the Under Secretary of Defense, a man who knows more than most people exactly how the private enterprise system works.

I think anyone who can read between the lines knows how pressure is brought to bear on members of the administration.

The generic bill is opposed by the Department of Defense who admit there was a difference within the administration. If the administration itself is divided on the wisdom of the legislation, why are we trying to rush it through the Senate with such uncommon haste?

The bill is strongly opposed by the business community, other than those with a direct financial stake in keeping Lockheed alive.

Virtually the entire economic profession opposes the bill. All of the disinterested witnesses who testified were against the Lockheed bailout. Indeed, some of the strongest opposition testimony was directed to the generic bill—not to the Lockheed bill, but to the generic bill.

I would estimate that the vast majority of the American people are against legislation to bail out big corporations. And one of the criteria here is that obviously if they are going to meet the criteria, they have to be big, very big.

Mr. President, I would hope that the opponents of the legislation will be given a chance to convince the Senate that this legislation can do irreparable harm to the economy, that it can destroy an essential ingredient in the free enterprise system.

There is nothing magic about the August 6 recess. There is still plenty of time to act if we cannot finish our debate by then. If necessary, let Members of the Senate go back to their States during the recess and find out what the average person really thinks about this legislation.

We know of the tremendous pressures the Senate is under to move this bill along. We know, as I have said, that all the lobbying from labor and business and the banks is entirely on one side. There is no one representing this broad principle in which those of us who are opposing the bill so deeply believe.

We are not dealing with a matter of national security. That was laid to rest by the top security officials of our Government, the Secretary of Defense and the Deputy Secretary of Defense. Nor do we have a financial emergency on our hands. If Lockheed does go into bankruptcy no one has argued this would cause a panic, a liquidity crisis, or have a domino effect on American industry. That precise question was answered by the strongest proponents of the bill who appeared as witnesses, and who said they did not think Lockheed bankruptcy would cause any serious financial emergency of that kind.

There is no danger to the public health or welfare.

The only issue is one of time. Backers of the legislation hope to rush it through the Senate before the people are alerted to its dangers. That is the real reason why I believe cloture is being attempted.

The proponents of the legislation more and more are coming down to one issue. Over and over again they hammer away at it. That one issue is that jobs are at stake. This is a very appealing issue when reference is made to unemployment. No one wants to throw workers out of work, especially workers in the aerospace industry.

The evidence is very clear that the effect of passing this bill would be to aggravate unemployment in the aerospace industry. After all, there is a finite demand for the airbus. The L–1011, the Lockheed plane which would be subsidized by this legislation, has 40 percent foreign labor content in it. It would displace the DC–10, which has about 10 percent foreign labor content in it. It is perfectly obvious that a vote in favor of this bill, on the basis of the testimony by representatives of the CAB and the FAA before the Committee on Banking, Housing and Urban Affairs, that the lion's share of the L–1011 production, which would be lost if Lockheed went into bankruptcy, would go to the DC–10. Under these circumstances, to say jobs would be lost if we do not pass this bill overlooks the obvious consequence that more jobs will be lost if we do.

I hope those Senators who are uncertain about the merits of the Lockheed bill or the generic bill will vote against cloture in order to permit the thorough and searching examination of the legislation which is so badly needed.

Mr. President, I reserve the balance of my time, and I yield the floor.

Mr. GAMBRELL. Mr. President, will the Senator from Texas yield to me?

Mr. TOWER. Mr. President, I yield to the Senator from Georgia such time as he may desire.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. GAMBRELL. Mr. President, I would like to comment briefly on the comments of the Senator from Wisconsin.

The Senator from Wisconsin made the statement that the so-called generic form of legislation was developed by the proponents of Lockheed. I think the Senator will recognize that is probably an overstatement of the situation. In fact, the Senator from Wisconsin introduced a form of generic bill in the deliberations for committee consideration. I would not say that the fact the committee rejected this plan was an indication that the proponents of Lockheed were the only ones who had a generic plan; I would say virtually everyone on the committee had some form of generic plan as a substitute for the bill proposed.

The facts are that the Senator from Wisconsin opposes any credit extension to Lockheed Aircraft Corp., whether it be specific, generic, or whatever it may be. The so-called filibuster, whether it be a real filibuster or a partial filibuster, is not being conducted against generic legislation but against Lockheed in the hope that a fat turkey will be brought down and possibly mounted as another trophy in a trophy room.

It concerns me, as I said before, that we reduced the whole thing to a question of whether we are going to make a subsidy to some large corporation that we do not make for small corporations, when, in fact, the records of the Federal Government show we offer just this very kind of credit support to the extent of $142 billion today to enterprises large and small, including the McDonnell Corp. which, when it was about to go into bankruptcy in 1967, received just such a loan guarantee as this under a generic plan for $75 million.

I have not read the record of proceedings at that time but I doubt the Senator from Wisconsin opposed such a loan on the ground it might deprive someone at Lockheed of a job or that it might unfairly create competition in the airframe business at that time.

In closing these remarks I might say that it is amazing to me that the Senator from Wisconsin and others who were here yesterday during the discussion of the Sugar Act did not mention, and I did not hear anything mentioned about the disciplines of the free enterprise system.

When we were talking about sugar, where the subsidies for sugar are much more involved than this and there are big as well as small businesses involved, there was not a single word about the disciplines for the free market in sugar. I am not sure why that was. Someone agreed to controlled time and I do not know why that is not so here. In fact, the limitation on debate which the Senator from Wisconsin is so unhappy about is not really a limitation to any less than 100 hours. There can be plenty of discussion after the vote today. Each Senator would have an additional hour and it seems to me if we are talking about emergencies that is plenty of time.

Mr. PROXMIRE. Mr. President, before the Senator yields to the Senator from Connecticut, I wish to reply to the Senator from Georgia.

First, on the sugar bill which he mentioned at the end of his remarks, we debated that bill many times over the years. It has been before this body many times since I have been in the Senate and most Senators were thoroughly familiar with it. Furthermore, as far as I am concerned, I am against the whole sugar bill; I will vote against it. I do not think it is necessary for me to speak against it. I think it is a giveaway; I agree it is unjustified interference with

the free market, but it has been considered at great length.

As far as the so-called Proxmire generic bill is concerned, I was perfectly frank in the committee. I said I would not vote for the bill myself, but if we were going to have a generic bill we should have a bill that provided protections.

My bill would not permit a bailout because of bad management. One of the requisites of my bill as compared to the pending bill was that in my bill these funds would not be provided as a result of financial difficulties because of bad management.

Second, in my generic bill there would be no discrimination. The October 1 date was out of my bill, so that Lockheed and every other firm would have to come before the Congress, if any Member of Congress wanted to require a negative veto. In addition, the loans would be administered by what I think is a far more objective process—exclusively and completely by the Federal Reserve Board, and not by a political board the chairman of which was a member of the President's Cabinet.

Other provisions were in the bill but, needless to say, I think the generic bill I introduced would have provided some protections. As I have said, I would not vote for the measure anyway, and I indicated I would have voted against it if it had come to a vote on the floor of the Senate.

Mr. President, I yield the Senator from Connecticut such time as he may require.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I thank my colleague from Wisconsin for clearly stating the circumstances behind this legislation.

I would like to spend a few minutes this morning specifically addressing myself to some of the comments that have been made by the proponents of the bill. First of all, as has been mentioned by the Senator from Connecticut, I do not thing anybody in the Chamber enjoys a favored position of righteousness with regard to controlled time, filibusters, and so forth. We, the opponents of the bill, have said all along that we felt it was necessary, in order to develop the facts, that we do spend time on the bill. I think it is important to note, in the context of what people usually conceive of as a filibuster, that there has been no reading of magazines, articles, or extraneous materials. This bill is so full of holes that one could stand here for months and be absolutely germane—absolutely and strictly germane.

By the same token, yesterday, when it was necessary for the proponents of the bill to rally the troops, get the forces back in town they certainly did not want any controlled time. They made that very clear in the debate that took place then.

I think that is fair enough. I think they felt that discussion was necessary to show how that amendment would do harm to their position. I think it is also fair that those of us who oppose the pending legislation have sufficient time to expose all of this bill's deficiencies.

The Senator from Georgia mentioned agricultural subsidies, sugar quotas, and so forth. I think they are excellent examples of what happens when the Government involves itself in the free economy of this country. I think the agricultural subsidy program, overall, if looked upon objectively, has been a disaster to the agricultural community of this Nation. It has been harmful, yet we have started it, and we cannot stop it. Now we are going to go ahead and get into another area—the airframe manufacture.

Comment was made by my colleagues, the proponents of the bill, that I indicated they were not sincere in pushing for this legislation. I in no way wanted to give the impression that they were not sincere. I think they are. However, I do not think they are enthusiastic. I do not think there is any degree of enthusiasm in their having to come here and push for this type of special-interest legislation.

To show the diversity of opinions even among the proponents of the bill, I would like to quote some of the statements that were made in the bill's behalf, and I really would like to warn my colleagues who are pushing the bill not to get carried away with their enthusiasm; otherwise they will find themselves in the same overoptimistic state that Lockheed found itself in when it launched on this program. Back in the CONGRESSIONAL RECORD of July 26, the Senator from Tennessee (Mr. BROCK) made the statement that the market for this plane in the next 10 years probably will amount to 1,000 planes. That is an interesting statement, because we just got through with the statement by Lockheed of 1,400 planes when they went into pursuit of this program. That was revised downward to 779, which was very much substantiated by the banks, and now the committee, in a burst of enthusiasm, is talking about the figure of 1,000. This is exactly the same kind of enthusiasm which got Lockheed into the difficulties in which it now finds itself.

I would like to address myself to the statement of the Senator from Texas, which appears in the CONGRESSIONAL RECORD for the same date, July 26, because he confirmed my fears when he indicated that not only are we excepting Lockheed by not making it come under the provision of the October 1 deadline, but that any corporation could come in and ask for a loan and there would be no congressional review. I remember the debate was that it would be only Lockheed; that everything else would fall into line. I quote the Senator from Texas from the CONGRESSIONAL RECORD of July 26:

> Mr. President, any company that comes in before October 1, not just Lockheed—if there be others, and I do not know of any others—but should there be any, any company would qualify that came in before October 1 for the immunity for the Congressional approval.

So there will be no congressional review of this $2 billion fund prior to October 1, 1971. Is the Senate willing to have this situation exist—a Senate which has concerned itself so deeply with the proper exercise of its authority? $2 billion. It is my administration. Actually, I think that is a pretty great thing to have at its disposal. But I am not willing to set that kind of precedent here, and I would not set it for any other administration, either. But until October 1 under this bill there would be no congressional review, and there would be $2 billion to apportion as the Board saw fit.

I come from a small State. I just wonder what kind of disadvantage my State would have in the bidding to tap that fund.

Again, in the minute left to me, I can only ask our colleagues to give us the time to develop the facts—facts that, when they come forth, are hard to defend. And yet the step which this body is being asked to take is precedent-shattering.

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

Mr. PROXMIRE. Mr. President, how much time do both sides have remaining?

The PRESIDING OFFICER. The Senator from Wisconsin has 3 minutes remaining; the Senator from Texas has 19 minutes remaining.

Mr. PROXMIRE. Mr. President, we will reserve our time.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I yield myself such time as I may require.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, let me first say that I appreciate the fact that the Senator from Connecticut (Mr. WEICKER) is candid on the matter of delay. I am prepared to freely admit that I wanted the vote delayed until this morning so certain absent Senators could return to the Senate. I confess that. I think that the opponents of the measure should perhaps show equal candor by admitting that they simply do not have the votes to defeat the bill.

That is why they want to prolong the debate.

Mr. WEICKER. Mr. President, will the Senator from Texas yield?

Mr. TOWER. I will not yield yet.

There is a cardinal rule in this body. Though it is not written down in the rulebooks anywhere, it is generally accepted custom around here that you do not carry on what Everett Dirksen used to call an attenuated educational dialog when you have got the votes.

The fact of the matter is that the opponents of the measure have not got the votes, and so they apparently are prepared to delay action on the measure until it is too late, so that a majority of the Senate will not have the opportunity to work its will.

Mr. President, I would be happy to yield to the Senator from Connecticut on his own time, if the Senator from Wisconsin would like to yield him time.

Mr. PROXMIRE. No.

Mr. WEICKER. Not even for a brief comment?

Mr. TOWER. I yield for a 15-second comment.

Mr. WEICKER. Mr. President, I concede to the Senator from Texas that at this point we do not have the votes, as he did not have the votes yesterday. Obviously, the eloquence of his debate managed to get the votes together, and he is willing to have it come to a vote.

I have no doubt that if he allows us to talk, our eloquence will convince our colleagues, and we will have a majority.

Mr. TOWER. Mr. President, the fact is that I eloquated very little yesterday. Most of the other people did the talking; I did not say very much. And we will never know whether we had the votes yesterday or not.

Mr. President, it is claimed that if the Lockheed loan is sound enough for the Government to guarantee, it is sound enough for the banks to make without a guarantee. This is not a valid claim.

The basic reason that the banks are unwilling to proceed with further loans without a guarantee is that they have already loaned as much as they prudently can to a company of this size and with its recent earnings history. They cannot justify participating further without a guarantee; they would feel better about forcing bankruptcy and getting back what they can on the first $400 million than to risk having to do it for $650 million.

The banks are willing, however, to yield priority to the Government on their collateral interests, in order to get the guarantee on the next $250 million of loans. What the banks get out of it is a chance for the company to survive over the long run and repay the original $400 million. In other words, under their loan-risk decision criteria, they are willing to trade prior security interests for a $250 million guarantee and a good chance that Lockheed will survive over the long run; but they are not willing to trade the additional risk on an unguaranteed $250 million for the long-run survival chance. That is a rational risk decision for a banker to make.

The Government's position in this matter differs from that of the banks. By taking over the security interests of the banks and adding some additional collateral to the pool, the Government's contingent liability is adequately covered in the event the company defaults on the $250 million loan.

I again underscore the fact that the Treasury Department has estimated that of the $250 million authority, if indeed that authority is granted, probably not more than $150 million would be used.

This full collateralization protects the $250 million contingent interest of the Government, and the absence of adequate collateralization is why the banks cannot afford to put up $650 million without a $250 guarantee.

It has been said that the banks could require additional collateral for the $250 million loan, such as the Missiles and Space Co., and thereby protect themselves on that additional money. But this course of action involves a substantial degree of risk that the additional collateral will not cover the additional loan amount, and it involves a delayed collection problem that the banks are not willing to assume. They need liquidity, and this is the whole purpose of the Government guarantee. If they did not need absolute liquidity to back up this additional money, clearly Lockheed would not have to be here undergoing this torturous process now.

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. PROXMIRE. Mr. President, as I understand, we have only 3 minutes left.

The PRESIDING OFFICER. The Senator is correct.

Mr. PROXMIRE. We cannot take any more of our time now; we will not have anything left.

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

Mr. TOWER. I yield the Senator from Georgia such time as he may require.

Mr. GAMBRELL. I would like to be sure, Mr. President, that the record is clear on the backing of the so-called generic bill. Not only did many members of the committee, as well as the chairman of the committee, suggest generic legislation, but Dr. Burns, the Chairman of the Board of the Federal Reserve System, came before our committee and testified in support of his own bill, which he prepared and which was introduced in the Senate.

Dr. Burns testified as follows before our committee:

> In extraordinary circumstances, however, even a large, well-established, and creditworthy enterprise may experience difficulty in obtaining needed credit, and failure to provide that credit could be extremely costly to the general public—in terms of jobs destroyed, income lost, financial markets disrupted, or even essential goods not produced. We should be able to find a way to deal with this problem without injuring the free enterprise system.

He went on to say:

> In testifying today, it is certainly no part of my purpose to suggest that Congress delay its decision about Lockheed. My aim is rather to recommend that your committee, with Lockheed fresh in mind, address itself to the question of devising more general standards and procedures to govern credit guarantees in possible future emergencies.

Mr. President, it is the hope of our committee that Congress does not wait until Pearl Harbor strikes the economy before measures are taken with reference to both large business enterprises and small business enterprises to protect the economy, to shore up the national economic condition so that all of our people, whether they be employed men, large businesses, or small businesses, will not suffer the effects of the ebb and flow of the cash market in this country.

I suggest that the record makes it clear that the head of our credit management agency in this Nation, the Chairman of the Board of the Federal Reserve System, himself, advocates such legislation.

The PRESIDING OFFICER. Who yields time?

So long as neither side yields time, the time will be charged equally to both sides.

Mr. PROXMIRE. Mr. President, I have learned a lesson in this cloture debate which I shall certainly bear in mind in the future, in utilizing my own time.

I yield my remaining 3 minutes to the Senator from Ohio.

Mr. TAFT. Mr. President, the long discussion which we have had on this bill has, I think, brought out a number of things. But it has also shown a need for further clarification of some of the issues.

Just yesterday, in a dialog with the Senator from Georgia, we got into the question of the effect of bankruptcy, and some of the provisions of the bankruptcy law. It was perfectly evident at that time that there was a misunderstanding on his part as to what the bankruptcy laws provided insofar as the avoidance of Government contracts is concerned, and I thought this was a pretty good example—I am sure the Senate generally did not have any better knowledge as to what the actual legal effect on that point was—of the complications, and the necessity for going into many, many details as to what effect this legislation might have.

For that reason, I should like to speak briefly with regard to clarifying the situation as to the effect of bankruptcy this morning.

The supporters of S. 2308 have advanced two fallacious propositions with regard to bankruptcy.

First, they have asserted that other suppliers could avoid their contracts with Lockheed, thereby greatly increasing the costs of manufacture to that company.

There is no authority whatever in the Bankruptcy Act for avoidance of contracts by suppliers. Avoidance is limited to the trustee.

Second, the converse argument has been made that the trustee could avoid certain important defense contracts with the U.S. Government thereby forcing reprocurement of those items now under contract at a greatly increased cost to the American taxpayer. This argument is similarly defective. Title II U.S.C. 516 provides:

> Upon the approval of a petition, the judge may, in addition to the jurisdiction, powers, and duties in this chapter conferred and imposed upon him and the court—
>
> (1) permit the rejection of executory contracts of the debtor, *except contracts in the public authority*, upon notice to the parties of such ocntracts and to such other parties in interest as the judge may designate.

And II U.S.C. 616 provides:

> A plan of reorganization under this chapter— * * * (4) may provide for the rejection of any executory contract *except contracts in the public authority.*

The two foregoing sections are contained within Chapter X and limit the avoidance power of the trustee—or the judge, for that matter—in such a reorganization, as I have indicated.

It is interesting to note in that regard that, apparently, even the Deputy Secretary of the Treasury, Mr. Walker, was in error as to this point. Secretary Walker, at page 921 of the hearings, attributed to Secretary Packard the statement that receivership "could increase cost on the C–5A by $100 million."

There is a firm contract on the C–5A. It is perfectly clear, under the code, that there could be no avoidance of that particular contract.

This, as I have said, is indicative of the lack of understanding and the necessity for a full discussion of the many complicated points and ramifications which are involved in this matter.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. TOWER. I yield 2 additional minutes to the Senator.

Mr. TAFT. I thank the Senator for yielding.

I should like to say this about it, also: Not only with regard to this bankruptcy point but generally as well, I think there is a need for prolonged discussion on this bill in order to get public opinion thinking about this problem and to express its opinions to Members of Congress on both sides of the Capitol.

I have had a number of those meetings. I was in my State last weekend and traveled around a good deal. I was in Cleveland and talked with a large nationality group and small business people in the Cleveland area. I then went into southeastern Ohio, into Jackson County, where I met with business leaders. Yesterday, I met in the Capital with a group of 20 men, businessmen and farmers, very solid, substantial citizens, who came here to talk to the Representative from the Fifth District of Ohio, the Honorable DELBERT L. LATTA, with Senator SAXBE, and with me. The one point they made was:

Don't vote for this legislation, because if you do, you will be bringing in Government, getting them involved in being influential in private fiscal matters, in competition between businesses.

Uniformly, I feel that all the public and the business area, except the banks, who have a good reason to be concerned, and except those companies that are directly affected by this contract, are against the proposed legislation. That word is going to come through to the people.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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. TOWER. Mr. President, I yield myself the remainder of my time.

The claim has been made that if the L–1011 program is continued, U.S. employment will decrease because of foreign labor content. I dispute this claim. The total value of the foreign content of the L–1011 is 17½ percent of the total cost. For the DC–10, this figure is 15 percent. The 2½-percent difference is more than made up for by the loss of foreign orders for the L–1011 which would be placed with the foreign A–300B aircraft rather than the DC–10. The total effect would be, then, the opposite of what the opposition claims—we would tend to lose more U.S. jobs net if the DC–10 monopolizes the U.S. market.

Mr. WEICKER. Mr. President, will the Senator yield on that point?

Mr. TOWER. I have so little time that I would prefer not to yield.

There are presently 30 to 35 foreign orders for the L–1011, based largely on the fact that it uses Rolls engines. If Lockheed folds, most of these orders can be expected to shift to the A–300B.

Domestic orders—in addition to the foreign orders, we would lose to the A–300B if Lockheed folds, even the domestic airlines which have downpayments with Lockheed would have to cut back on orders—Eastern Airlines testified that they would cut back from 33 airbuses to 20 if Lockheed goes under. Clearly, total reliance on the DC–10 will not only cost us some foreign orders, but domestic ones as well, thereby costing further U.S. jobs in the process.

The A–300B does use GE engines, but 40 percent of those engines are built in Europe, so that the offset for that factor is considerably reduced.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. STEVENSON). The hour of 12 o'clock noon having arrived, and pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion which the clerk will state.

The second assistant legislative clerk read the cloture motion as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises:

John Tower, Alan Cranston, Robert Griffin, Hugh Scott, Glenn Beall, John Tunney.

Jacob Javits, Henry Bellmon, Charles Mathias, Marlow W. Cook, Bill Brock, David Gambrell.

Henry Jackson, Charles Percy, Howard Baker, Wallace Bennett, Richard Schweiker, Clifford Hansen.

CALL OF THE ROLL

The PRESIDING OFFICER. Under rule XXII, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 170 Leg.]

Aiken	Fannin	Mondale
Allen	Fong	Montoya
Allott	Fulbright	Moss
Anderson	Gambrell	Muskie
Baker	Goldwater	Nelson
Bayh	Gravel	Packwood
Beall	Griffin	Pearson
Bellmon	Gurney	Pell
Bennett	Hansen	Percy
Bentsen	Harris	Prouty
Bible	Hart	Proxmire
Boggs	Hartke	Randolph
Brock	Hatfield	Ribicoff
Brooke	Hollings	Roth
Buckley	Hruska	Saxbe
Burdick	Hughes	Schweiker
Byrd, Va.	Humphrey	Scott
Byrd, W. Va.	Inouye	Smith
Cannon	Jackson	Sparkman
Case	Javits	Spong
Chiles	Jordan, N.C.	Stennis
Church	Jordan, Idaho	Stevens
Cook	Kennedy	Stevenson
Cooper	Long	Symington
Cotton	Magnuson	Taft
Cranston	Mansfield	Talmadge
Curtis	Mathias	Thurmond
Dole	McClellan	Tower
Dominick	McGee	Tunney
Eagleton	McGovern	Weicker
Eastland	McIntyre	Williams
Ellender	Metcalf	Young
Ervin	Miller	

The PRESIDING OFFICER (Mr. STEVENS). A quorum is present.

The question is, is it the sense of the Senate that the debate on the pending bill (S. 2308) to authorize emergency loan guarantees to major business enterprises be brought to a close? On this question the yeas and nays are mandatory under the rule, 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 Rhode Island (Mr. PASTORE), is 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 yeas and nays resulted—yeas 59, nays 39, as follows:

[No. 171 Leg.]

YEAS—59

Allott	Gambrell	Packwood
Anderson	Goldwater	Pearson
Baker	Griffin	Pell
Beall	Gurney	Percy
Bellmon	Hansen	Prouty
Bennett	Hollings	Randolph
Bentsen	Hruska	Ribicoff
Boggs	Humphrey	Roth
Brock	Inouye	Saxbe
Byrd, W. Va.	Jackson	Schweiker
Case	Javits	Scott
Cook	Jordan, Idaho	Smith
Cooper	Magnuson	Sparkman
Cotton	Mathias	Stevens
Cranston	McGee	Talmadge
Curtis	McIntyre	Thurmond
Dole	Metcalf	Tower
Dominick	Miller	Tunney
Fannin	Montoya	Young
Fong	Moss	

NAYS—39

Aiken	Ellender	McClellan
Allen	Ervin	McGovern
Bayh	Fulbright	Mondale
Bible	Gravel	Muskie
Brooke	Harris	Nelson
Buckley	Hart	Proxmire
Burdick	Hartke	Spong
Byrd, Va.	Hatfield	Stennis
Cannon	Hughes	Stevenson
Chiles	Jordan, N.C.	Symington
Church	Kennedy	Taft
Eagleton	Long	Weicker
Eastland	Mansfield	Williams

NOT VOTING—2

Mundt	Pastore

The PRESIDING OFFICER (Mr. STEVENSON). On this vote the yeas are 59 and the nays are 39. Two-thirds of the Senators present and voting not having voted in the affirmative, the motion is rejected.

ORDER FOR STAR PRINT OF S. 2223, THE CONSOLIDATED FARMERS HOME ADMINISTRATION ACT OF 1961

Mr. HUMPHREY. Mr. President, I ask unanimous consent that, in order to correct certain technical errors, there be a star print of the bill (S. 2223) to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes.

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

SUGAR ACT AMENDMENTS OF 1971

The PRESIDING OFFICER. Under the previous unanimous consent agreement, the Chair lays before the Senate H.R. 8866, which the clerk will state by title.

The second assistant legislative clerk read the bill by title, 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.

Mr. BYRD of West Virginia. Mr. President, may we have order in the galleries and in the Chamber?

The PRESIDING OFFICER. There will be order.

Mr. BYRD of West Virginia. The time is under control and is running.

The PRESIDING OFFICER. There will be order in the Senate and order in the galleries.

Under the agreement, the Senate will now proceed to consider the amendment to be offered by the Senator from Massachusetts (Mr. KENNEDY), which the clerk will read.

Mr. KENNEDY. Mr. President, I send to the desk an amendment in behalf of myself, the Senator from Oklahoma (Mr. HARRIS), my colleague the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. JAVITS), the Senator from Kentucky (Mr. COOPER), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Michigan (Mr. HART), and the Senator from Maine (Mr. MUSKIE).

Mr. President, as I understand it, there is a limitation of 1 hour, with a half-hour accorded to each side.

The PRESIDING OFFICER. The time limitation is one-half hour, to be equally divided.

Mr. KENNEDY. Fifteen minutes to each side?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The clerk will first read the amendment.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 35, line 18, strike out the word "sub-section" and insert in lieu thereof "sub-sections".

On page 37, after line 11, insert the following new sub-section:

"(j) recognizing that the policy of apartheid as practiced by South Africa is repugnant to fundamental human rights, the quota for South Africa is hereby suspended and a quantity of sugar equal to such quota shall be prorated among domestic sugar producing areas in accordance with their apportionments under this Act: *Provided* that, when the President of the United States in his discretion finds and determines that—

"(1) the Government of South Africa does not discriminate against any military personnel, private citizens or public officials of the United States with respect to their entry into South Africa or their freedom of movement within South Africa;

"(2) substantial benefits from the quota for South Africa will be received by field and mill workers in the sugar industry in South Africa; and

"(3) substantial progress is being made by South Africa toward recognition of fundamental human rights,

this sub-section suspending the quota of South Africa shall not apply."

Mr. KENNEDY. Mr. President, I ask unanimous consent that the amendments be considered en bloc.

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

Mr. KENNEDY. Mr. President, I will take just a very brief moment to explain the amendment. Last evening, by a very close vote of 47 to 45——

Mr. BYRD of West Virginia. Mr. President, the Senator is entitled to be heard on his amendment. The time is rather short. May we have order?

The PRESIDING OFFICER. There will be order.

Mr. KENNEDY. Mr. President, last evening, by a vote of 47 to 45, almost an even split in the Senate, the Senate rejected the outright ban of the sugar quota for South Africa. We have attempted to modify the amendment and provide that the sugar quota would be suspended, but would be reinstated if there should be an executive determination along the following lines: First of all, if the President made a finding that there was not discrimination against American servicemen, public officials, and private citizens; second, if the President made a determination that the benefits of the sugar program were reaching the mill workers and field workers in South Africa; and, thirdly, if the President made a determination that there was substantial progress being made to afford the citizens of South Africa fundamental and basic human rights.

So what we are attempting to do is provide a suspension. The suspension could be lifted if the President were to make these findings. If the President did not make those findings and the quota was suspended, it would be distributed among domestic producers of sugar cane and sugar beets, for the benefit of people here in the United States.

Mr. President, this seems to be an eminently fair amendment and to reach many of the objections that were raised rather briefly last evening in the course of the discussion. I think, as was stated last evening, that there is only one nation in the world which, as a matter of governmental policy, believes in the separation of the races; that this is an overwhelming consideration in our policy toward that government, which not only strengthens sugar companies there, but which can also be interpreted as being in support of that government. When we are considering this bonus act, which the Sugar Act is, I think this amendment will bring the Sugar Act more in accord with our basic and fundamental traditions.

I yield 3 minutes to the Senator from Oklahoma (Mr. HARRIS) and the Senator from Massachusetts (Mr. BROOKE).

Mr. HARRIS. Mr. President, as a cosponsor of this amendment, I rise in support of it. This amendment would delete from the bill the figure of 57,745 short tons of sugar representing the full quota and prorations for South Africa.

I concur in the statement made by the distinguished Senator from Massachusetts in regard to the statement. We drafted it very carefully to provide for discretion in the President of the United States, so that this amendment would not automatically and for all time cut out the entire quota of the Republic of South Africa, but would state the findings that the President of the United States could make, and in that case provide for this amendment or this section not to be effective.

It seems to me that this treaty statement of the conditions under which the President could decide that the suspension of the South Africa quota should not be effective is a rather fundamental change that Senators should be able to agree to.

For example, we are sending our military personnel around the world. Many of them who have been drafted, like our public officials, go around the world on business, and our private citizens on business and on pleasure go around the world. I think they are entitled to respect from any country with which we have peaceful and diplomatic relations, and the assurance that they will be treated equally, without discrimination.

That presently is not the case in regard to South Africa, despite the fact that that country enjoys a special subsidy, a special benefit in the price for sugar which they receive above the world market, at the expense of our customers.

Military personnel and public officials, including black Members of Congress, have been either ill-treated or refused admission to the Republic of South Africa. That policy could be rather easily changed, and if changed, it would be easy for the change to be detected.

The President of the United States could find that that kind of discrimination no longer exists, that substantial benefits of the quota system were getting down to the field workers and millworkers, and that substantial progress was made toward the recognition of fundamental human rights. If that were done by him, within his discretion, South Africa's quota could be continued and no longer suspended.

I think that is a fair way to go about this, Mr. President, and therefore I am pleased to go forward with the amendment, and join with those who cosponsor it, and I hope that it may be agreed to.

There is neither economic nor political justification for granting a sugar quota to South Africa. More important—and I will address my remarks first to this consideration—there can be no moral justification whatsoever for granting a sugar quota to South Africa, a nation that practices racism as conscious national policy.

The issues at stake in our decision whether to continue this sugar quota are grave ones. We hear a great deal today about preserving and protecting our national image. What we do with respect to the South African sugar quota will directly affect this national image. We cannot equivocate: either we do or we do not hold to a fundamental belief in the freedom and equality of all mankind. There must be no discrepancy between our declared ideals and our national policy on this. By condemning the policy for which the South African Government stands on the one hand, and on the other bestowing upon them a special and valuable subsidy, we will once again bring the question of our morality and honesty into serious question.

I am not now suggesting that we discontinue diplomatic relations or cease to trade with South Africa. I simply maintain that we should not specially reward—as this bill would do—a country whose national policy is antithetical to the democratic ideals we share.

Mr. President, before the Senate Finance Committee on June 22, 1971, Representative CHARLES C. DIGGS, JR., Democrat of Michigan, the chairman of the House Foreign Affairs Subcommittee on Africa, gave eloquent testimony concerning the inhumane nature of the South

Africa apartheid policy. He spoke of South Africa as being—

> The only country in the world where economic, social and political discrimination is the proclaimed policy of the Government and is instituted and implemented by law.

He explained how "blacks, coloreds, and Indians" are lumped together as nonwhites in South Africa, and because of this are denied any political representation or rights.

Mr. President, I wonder whether the American people are actually aware of what life is like for nonwhites in South Africa. The facts, even when they do reach us, are often hard to believe.

In 1967, the United Nations Commission on Human Rights appointed a special rapporteur to study and report on the policy of apartheid and its effects in Southern Africa. A summary of his report, entitled "Apartheid and Racial Discrimination in Southern Africa," described a series of laws and practices of the Government of South Africa that pertain to the policy of apartheid and its implications for nonwhites.

According to his report, the Parliament of the Republic of South Africa consists of two chambers—a 170-member House of Assembly and a 54-member Senate. Membership in either chamber is restricted to Europeans. Non-Europeans, with the exception of a small group of "Coloured Persons" in Cape Province, do not have the right, if it can be called that, to vote for Europeans as their representatives in the legislature. It is the Parliament of South Africa, as that nation's supreme legislative body, that provides the foundations for the policy of apartheid.

The report of the special rapporteur states that:

> While discrimination is to be found in every sector of life in South Africa, two measures form the cornerstone of that discrimination: the classification of the population into different racial groups, and the division of the territory.

The first of these measures, officially called the Population Registration Act, was passed in 1950. The act divides the population into three categories: "white person," "Bantu," meaning any "person who in fact is or is generally accepted as a member of any aboriginal race or tribe of Africa," and "Coloured person," meaning any "person who is not a white person or a Bantu."

According to the provisions of the act, every person in South Africa must be classified, and, after the age of 16, must produce on request to any authorized person an identity card registering this classification.

In America, our ideal—though not always realized—is for every citizen, regardless of his background, to have the opportunity to determine his own future, a future as limitless as one wishes to make it. In South Africa, a person's racial classification determines his future, including where and how he may live, what type of work he may do, what type of education he will receive, what, if any, political rights he will have, whom he may marry, and generally his freedom of action, expression, and movement.

The second major policy designed to perpetuate apartheid is the division of South Africa into areas specified for the occupation of different racial groups. Of the several statutes affecting this division, the Bantu Trust and Land Act of 1936 is the major one. It designates as the area reserved for Africans 13 percent of the total area of South Africa in spite of the fact that approximately 70 percent of the 18,298,000 people living in that country are Africans.

Similar statutes designate the areas open to "Coloureds" and Asians.

Once an area has been set aside for a particular group, it is illegal for persons other than the selected racial group to occupy land in that area except by special authority.

In addition to the fundamental policies of racial classification and the division of the territory according to such classification, the European population of South Africa, has as the special rapporteur stated —

> Consented to the enactment of what must be among the most Draconian systems of security legislation ever devised.

This system curtails or denies completely, the most fundamental rights of man in any civilized society.

Freedom of peaceful assembly and association can be and is drastically restricted in South Africa, where the State President is given the sole power to ban any organization that he feels is dangerous to public safety. This power has been used mainly to prohibit African political activity. This is especially true with respect to the banning of the African National Congress and the Pan African Congress, which prior to their banning were the center of such activity.

To discourage any alliances between blacks and whites in South Africa, members of one racial group are prohibited from participating in the activities of organizations of another racial group.

Finally, in urban ghetto areas, local officials have complete control over African meetings or assemblies.

Freedom of opinion and expression is also restricted in South Africa by a number of legislative measures.

One measure prohibits the publication or distribution of any "undesirable" material.

Another makes it virtually impossible for the press to give an honest account of conditions in South African prisons.

A third restricts the news coverage of military or police matters in South Africa.

Government interference with the freedom of expression has included banning orders, detention, and deprivation of passports for many journalists.

For those who would claim these examples only represent laws on the books, and not actual government practice, I call to attention an article that appeared in the Washington Post on Tuesday, June 28—the day the Finance Committee rejected my amendment. The article, entitled "House Detention Ordered for South African Priest," reported that the South African Government served 5-year banning and house arrest orders on a 35-year-old Roman Catholic priest. His crime—to write of the primitive conditions existing in a nonwhite township.

Freedom of religion can also be a victim of South Africa's repressive system of law. Those South Africans whose religious beliefs are opposed to apartheid run the risk, if they give voice to their convictions, of being subjected to banning orders or other government sanctions.

Even the right to marry and the right of protection of family life are not sacred in South Africa.

The policy of racial classification has caused the break-up of families when one member has been given a different racial classification than another. One statute specifically voids all marriages between Europeans and non-Europeans.

Another Government policy that affects African family life permits Africans to enter white areas to work only as single men.

Because lack of job opportunities forces them to leave the reserves to seek work, African men must spend long periods of time away from their families.

The special rapporteur also described severe restrictions on the freedom of movement and residence within South Africa.

Africans, either individually or as a tribe or part of a tribe, may be moved like cattle around the countryside by order of the state president whenever he deems this to be in the "general public interest." Farm colonies, which we might call concentration camps, also exist for the purpose of relocating Africans.

Mandatory possession of identity cards, working papers, and travel permits adds to the restriction of free movement within South Africa, as do the curfews that can prevent Africans in urban areas from appearing in public places after dark.

Mr. President, I wonder if I need to continue. I know I have neglected such policies as imprisonment without trial or charge, or "job reservation"—a policy whereby Africans or other non-Europeans are excluded from the more skilled and better paid types of jobs. But the list of repressive laws and practices in South Africa is seemingly endless.

I do not think the taxpayers of our country want to continue to reward this type of government—a government whose policy of apartheid has been proclaimed by the United Nations to be a "crime against humanity."

Mr. President, I realize that it may not always be possible to draw exact lines of morality in every single international situation. But morality's tone and practice should clearly permeate our policy. And, at the very least, a clear-cut line can be drawn in respect to a government that officially forces the subjugation of one race by another.

That line must be drawn by deleting the special sugar quota for the Republic of South Africa.

If we do not take this action, if we continue to allocate a sugar quota to South Africa, we owe an explanation to the people of the world. We should tell them why our words mean one thing and our actions another.

We will also owe an explanation to the black people of South Africa, whose subjugation we help to support by our sugar quota—a point I will return to later. We will have to tell them that the United States does not care enough about their plight.

We will owe an explanation to the

black people of our own country, who might rightfully agree with Representative DIGGS' statement that "support of apartheid is an insult to the 25 million black Americans."

We will owe an explanation to our children, who may be too young to understand when we tell them that our belief in the freedom and equality of all people only applies some of the time, to some of the people.

Worst of all, we will owe an explanation to ourselves. We will have to live with the knowledge that once more our ideals and hopes are being compromised.

Mr. President, there are no political or economic considerations that can compel us to overlook our moral revulsion over South Africa's apartheid policy. Indeed, these considerations intensify the demand to delete their sugar quota.

The House Committee on Agriculture has listed, in its December 31, 1970, print entitled "The United States Sugar Program" six "Criteria Applicable to Foreign Quotas." South Africa violates three of the six criteria.

First, the South African situation violates the criterion that calls for "friendly Government to Government relations, including nondiscrimination against U.S. citizens in the quota country."

United States citizens, including Members of Congress, have repeatedly been victims of South Africa's discriminatory racial policies.

Second, South Africa is in violation of the criterion calling for consideration of the quota country's economic dependence on a U.S. sugar quota.

South Africa's economy is in no need of assistance through a sugar quota. By our own standards, South Africa is recognized as a developed country. Representative DIGGS, in the statement from which I quoted earlier, reminds us that South Africa—with its abundance of gold and diamonds and its highly developed scientific and engineering ability—does not depend on its sugar exports for financial stability. Sugar amounts to only 2.5 percent of its total exports. Clearly, on financial grounds alone, South Africa is not deserving of a guaranteed market and the added bonus of a premium price for its sugar.

Lastly, South Africa violates the criterion for calling consideration of the extent to which benefits from the sugar quota filter down to the small farmers and workers in the quota nations.

This last violation is so flagrant that it alone should be sufficient cause to discontinue South Africa's sugar quota.

First, let me state exactly what our sugar quota means to South Africa. During the 9 years that country has had a United States sugar quota, it has been assured of a guaranteed market for more than one and a half billion tons of its sugar, for which we have paid over $105 million. This figure is $34 million higher than what South Africa would have received from selling its sugar on the world market.

Now we must ask ourselves to what extent the financial advantages of the quota ever reach the African sugar grower.

Representative DIGGS, in his statement to the Finance Committee, has provided us with some interesting information and statistics on this subject. His figures for 1969, the most recent we have, came from the South African Sugar Association, which handles that country's sugar exports.

Out of the $3.9 million quota premium paid to the South African Sugar Association in 1969, Africans got 1.5 percent and Indians 3.7 percent of the total amount, with the remainder almost equally divided among the white growers and millers. This amounts to the sum of $59,800 for 4,286 African sugar growers, $145,470 for 1,837 Indian growers, and $3,689,400 for 2,127 white growers and millers.

Carrying out the computation, Representative DIGGS finds that the individual African grower in 1969 received $13.95 extra because of our sugar quota. This amounts to approximately $1.16 a month.

One other argument is sometimes made to justify a South African sugar quota: Without the quota, many African workers would not receive decent wages. The fact is African workers do not receive subsistence wages.

The average daily wage for all unskilled and semiskilled African laborers is $1.67 per day, or $41.75 per month. This figure—which is provided by the South African Sugar Association and which probably represents, as Representative DIGGS has said, "the optimal view of the wage structure situation"—is $62 less per month than the poverty datum line of $103 per month set for Africans by the Johannesburg Associated Chambers of Commerce. It is obvious that the United States sugar quota is no bonanza for African sugar workers.

Mr. President, the time has come for us to make a decision on the South African sugar quota.

By our decision, let us reaffirm our belief in humanity and in the fundamental equality of all people.

Let us reaffirm our belief in the decency owed by each man to his fellow man.

Let us reaffirm our belief in justice.

Let us reaffirm our belief in ourselves—in our ideals, our hopes, our consciences.

Mr. President, I urge the Senate delete the South African sugar quota and adopt the present amendment.

The PRESIDING OFFICER. Who yields time?

Mr. LONG. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. LONG. Mr. President, I have prepared a memorandum, a copy of which I have asked to have placed on each Senator's desk, including the desks of the sponsors of the amendment, explaining why, from the point of view of those of us who advocate this bill, the amendment should not be agreed to.

What the memorandum points out is that to begin with, no one really believes that this suspension is anything other than a repeal. South Africa is not going to let the United States determine what the social policies ought to be within that country, and, as a matter of national pride, they will just say "forget it."

Mr. President, what is the difference between this amendment and last night's version of the amendment? The idea is that this sugar would be redistributed among Puerto Rico, the domestic beet area, the Hawaiian area, and the mainland cane area.

Mr. President, I have here a letter from the honorable people who represent all of those areas. Without exception, knowing that this amendment was to be offered, they have sent me a letter which I ask unanimous consent to have printed in the RECORD. They unanimously agree that none of them want it.

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

JULY 28, 1971.

Memorandum from domestic sugar industry.

To: Senator RUSSELL B. LONG, Chairman, Senate Finance Committee.

It is our understanding that an amendment may be proposed to eliminate the South African Quota and redistribute this quota to the Domestic Beet and Mainland Cane sugar areas. The Domestic Industry has consistently taken no position as to how the foreign share of domestic consumption requirements are divided among foreign countries. We are, however, interested in any proposal affecting domestic quotas.

As reported by the Senate Finance Committee, H.R. 8866, in line with recommendations of both the Administration and the Industry, provides for a 300,000 ton increase for the Mainland Cane area and also provides for a 100,000 ton expansion in new continental cane areas. The Bill further provides for continuing the present Domestic Beet area quota, and also includes provisions for further expansion of the beet area up to 100,000 tons.

The Bill continues to provide that the Domestic Beet and Mainland Cane areas will continue to receive, as under present law, their respective shares of 65% of all growth in domestic consumption.

As the witness for the Domestic Sugar Industry testified before the Senate Finance Committee, all segments of the domestic industry believe—and the view was supported by witnesses appearing on behalf of the Administration—that provisions of H.R. 8866 as reported by the Senate Finance Committee, provide equitable quotas for the continental domestic producing areas for the three-year term of the extension of the present law.

In summary, all segments of the domestic producing and refining industry are opposed to any changes in the continental area quotas provided for them in H.R. 8866, as reported by the Senate Finance Committee, but reiterate that the Domestic Sugar Industry has not taken any position with regard to the proration of quotas among foreign suppliers to the U.S. market.

For the industry:

Irvin A. Hoff, U.S. Cane Sugar Refiner's Association.

John C. Bagwell, Hawaiian Sugar Planters Association.

Wm. Requa, Association of Sugar Producers of Puerto Rico.

Horace D. Godfrey, Florida and Louisiana Sugarcane Producers and Processors.

Robert A. Shields, United States Beet Sugar Association.

Richard W. Blake, National Sugarbeet Growers Association.

Aldrich O. Bloomquist, Red River Valley Sugarbeet Growers Association.

Loren S. Armbruster, Growers of Farmers and Manufacturers Beet Sugar Association.

Malcolm M. Young, California Beet Growers Association, Ltd.

Mr. LONG. Why do they not want it? For the simple reason that these people all have an industry agreement. It involves the refiners, the farmers produc-

ing beets, and the farmers producing cane; and they have said, "All right, now, the bill will provide 300,000 tons for our domestic producers," which is——

Mr. KENNEDY. Mr. President, will the Senator yield? Does it involve the consumers also, this carefully worked out agreement in the industry?

Mr. LONG. Mr. President, I think I represent the consumers, and the Senator contends he represents them, so let us leave it at that.

Mr. KENNEDY. I was just inquiring about this agreement that has been worked out.

Mr. LONG. Mr. President, I think it is fair to say that the sugar bill represents the consumers, to assure that they have a dependable source and that they get it cheaper than if they had to rely upon the domestic supply alone.

The people who are supposed to benefit by the redistribution of the sugar quota do not want it. For one thing, most of them could not produce the sugar if they had it. Puerto Rico cannot fill its present quota. The beet area is producing sugar at capacity levels, and could not increase its production except at higher cost. The Hawaiian area cannot use the increased allocation since it, too, is producing sugar at capacity levels. This leaves only the Louisiana and Florida cane areas, and we do not want it.

And why? Because, Mr. President, we entered into an industry agreement, under which Louisiana and Florida are able to have 300,000 tons of additional sugar production. That is all we can use. That agreement was years in being worked out.

In some respects, the best producers had to give something, and we tried to cooperate with them. In some respects, the east coast refiners had to make room for us, and we tried to cooperate with them.

But this was an industrywide agreement, approved by the administration, the Department of Agriculture, and the State Department, and also by the House of Representatives.

Mr. President, a little 1-percent increase in the sugar we can sell is a very small price to offer men of honor to separate themselves from their honor. We did not expect it; we had no reason to think we ought to have it; we were accorded every reasonable consideration that these people were entitled to have.

Those from Louisiana certainly do not ask for it, and those who represent the Florida cane producers do not ask for it.

On an overall basis, we would be a lot better off to rely upon the honorable agreement made by those from the beet areas, those from the cane areas, those from Hawaii, and the refiners, saying this is how it should be done.

If the sugar could be bought somewhere else, it ought to be the offshore areas, and not the domestic areas.

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

Mr. LONG. I yield.

Mr. KENNEDY. If we struck out the distribution features, and just provided for suspension, with the presidential option, would the Senator still object to it? I am sure the sponsors will be glad to ask unanimous consent to adjust our amendment to accomplish that, if that is acceptable to the chairman.

Mr. LONG. Mr. President, we gave the Senator the chance last night to modify his amendment anyway he wanted to, and he got down to the simple proposition, where he should have had the most votes, of just simply striking South Africa, and he could not even carry that. But here they are, coming back, trying again. All I am saying is, this is a worse amendment than the previous one. It asks people in the domestic areas to break their word each to the other, and they do not care to break their word to one another. It is just that simple.

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

Mr. LONG. I yield.

Mr. BENNETT. I think some figures might be interesting.

The size of the average sugar beet farm in the United States is 60 acres. This provision would allow one-half acre additional production. The average production per farm is 135 tons. This would give each beet farmer the privilege of producing 1 more ton of sugar.

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

Mr. BENNETT. I yield.

Mr. LONG. The beets are already planted, anyway, so it could not do them any good at all this year; is that not correct?

Mr. BENNETT. That is right.

The thing that the proponents of this amendment do not realize is the negative effect of the amendment on the economy of their own areas, because the sugar that comes in from South Africa is refined on the east coast, and we would be taking 57,000 tons of finished sugar away from the refineries in Boston, in New York, and in Philadelphia. This is a sizable amount, when you relate it to a few refineries, and could represent a reduction in employment in those areas.

Mr. LONG. Presumably, the people who would benefit from that would be our refineries in Louisiana and Florida. We do not want it, because we do not think it is right. We agreed that we were not going to try to do this sort of thing, and, as people of honor, we do not think we ought to break our word.

Mr. BENNETT. There is another angle, too. The Senator from Massachusetts mentioned the consumer; 57,000 tons of refined sugar will not be created on the east coast, and that vacuum must be filled by sugar which must come from the South or West at an increased freight cost. So it is making the cost of sugar more expensive, not less.

Mr. LONG. Keeping in mind that Representative ABERNETHY, of Mississippi, put in the quotas for the African countries on the House side, I read from this morning's Journal of Commerce:

House conferees are known to be adamant on retention of the South African quota now in both bills. One observer said if the quota is cut out on the Senate floor, House conferees will press for elimination of their previous increases awarded to other black African countries, including two new quotas to Uganda and Malawi already dropped from the Senate bill.

The Senator is doing nothing for Uganda or Malawi, and he is now going to say that we will just as soon drop them back out again, since we thought the idea was that if you would respect South Africa as an honorable trading partner, we would help you with Uganda and Malawai. Now they say that does not seem right.

If the Senator is taking the view that black America should not eat white sugar, I suppose we will have to take the view that the same policy must work in reverse, also. It does not make any sense at all. It all works out to one simple thing. This is a much worse amendment than last night's version. Last night's version did not upset the industry at all, because they would not undertake to tell us from what foreign countries we ought to buy sugar, just pick and choose on any basis.

But when you take it from the foreign quota and put it into the domestic quota, you unfairly prejudice the east coast refiners, and they are honorable businessmen who have given their word to the producers of beet and cane sugar. They will keep their word in good times and bad, and they expect us to keep ours. I would be curious to know what the Boston refiners think of the amendment.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from Massachusetts has 8 minutes remaining.

Mr. KENNEDY. I yield 4 minutes to my colleague from Massachusetts.

Mr. BROOKE. I thank the Senator.

Mr. President, we have been attempting for some time now to get a distribution formula which would be equitable. I quite agree that the distinguished chairman of the Finance Committee has made a point that some of the States and countries that would benefit from the amendment are perhaps not the States and countries that we would like to benefit from this.

The chairman of the Finance Committee also makes a point of the social impact of this amendment, but we are here concerned with more than just the social impact. Certain criteria have been established for these quotas. The countries I set forth last night—Malawi, Uganda, and Mauritius—and other black African countries that are dependent upon these quotas, dependent upon their agricultural crops more than the nation of South Africa, obviously should be the countries to which these quotas would be granted. South Africa does not qualify. It does not meet the criteria that have been established. It is not a friendly government which does not discriminate against U.S. citizens. It has been said time and time again, and it is true, that South Africa does discriminate against U.S. citizens, U.S. servicemen, even Members of the U.S. Congress.

That South Africa is not a dependable source of supply is a question of argument: Trade reciprocity with the United States, need for access to prime markets as measured by the relative importance of sugar as a source of foreign exchange and by the country's own state of de-

velopment, the extent to which participation in the U.S. market is shared with the workers and the people of the country.

Actually, South Africa is not dependent upon these sugar quotas, and only 2.5 percent of its export is in sugar.

The proponents of this amendment have been desirous of a division, desirous of first striking out the quota for South Africa and then distributing the quotas on a more equitable formula.

My question to the chairman of the Finance Committee at this time is whether he would agree that we could divide the present amendment and then leave it to the President, if possible, to establish the distribution formula for these quotas.

Mr. LONG. I forsook that right last night, giving the Senator the right to draft this amendment any way he wished. The Senator has drafted it, and all I can say is that he drafted one on which I had to give him unanimous consent to get out of his own trap last night, which I was willing to do, and put the Senator in the best parliamentary situation for which he could ask. It would just strike South Africa, and then the Senator could decide what he wanted to do with the sugar, after he struck out that nation.

The Senator had one chance. I foreclosed myself on that, as it is, to ask for a division, and I think the Senator ought to live by the same rulebook. I have to object.

Mr. KENNEDY. Of course, we run into that problem even if the points made by the Senator from Louisiana are well taken. If the President makes a finding that they are not discriminating and that the benefits are getting to the workers, that they are making progress, we will not have all the domestic turmoil that has been spelled out by the Senator from Utah and the Senator from Louisiana.

Mr. BROOKE. That is my understanding, and that is why I questioned the Senator from Louisiana.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KENNEDY. I yield 1 additional minute.

Mr. BROOKE. I ask the distinguished chairman of the Finance Committee whether we could have a unanimous-consent agreement to amend the present amendment.

Mr. LONG. I cannot agree to that. I foreclosed myself of the right to amend last night, and that gave the Senator the right to bring this amendment in in any way he wished. I do not have the right to amend it. It gets down to the point that those who live by the sword should die by the sword. Last night I gave up my right to amend this amendment, and when the Senator agreed to the yeas and nays, he foreclosed his right to amend it.

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

Mr. BROOKE. I yield.

Mr. HARRIS. The distinguished Senator from Louisiana said this amendment makes no sense.

Mr. BENNETT. Mr. President, whose time is being used?

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Massachusetts has 10 minutes remaining.

Mr. KENNEDY. Mr. President, when the distinguished chairman of the Finance Committee was speaking, was that time charged against the Senator from Massachusetts?

The PRESIDING OFFICER. The Senator from Massachusetts yielded to the Senator from Louisiana, and that period of time was charged against the Senator from Massachusetts.

Mr. KENNEDY. I yield 1 additional minute.

Mr. HARRIS. The distinguished Senator from Louisiana said this amendment makes no sense.

I ask the Senator, does it not make this kind of sense: While charging more money that housewives and other consumers must pay for sugar, to subsidize the only country in the world that practices racism as official policy, hopefully they will change their ways, and there will be no impact at all on the domestic market. It makes that kind of sense, does it not?

Mr. BROOKE. It certainly does make that kind of sense. The United Nations expressed deep concern over continuation of the sugar quota for South Africa.

The PRESIDING OFFICER (Mr. CHILES). The additional minute of the Senator has expired. Who yields time?

Mr. LONG. Mr. President, how much time remains to me?

The PRESIDING OFFICER. Six minutes.

Mr. LONG. Mr. President, there are quite a few black nations that bar white Caucasians from holding public office in their land, but we are not seeking to blackball those countries for that reason. There are some liberal Senators here who would like to trade with Red China, too.

Mr. HARRIS. We are not asking that Red China have a sugar quota.

Mr. LONG. Yon will be asking us to trade in sugar with them next. Not today, I admit. [Laughter.]

Now, Mr. President, let me read what I regard to be a roll of honor of honorable men who agreed that we were entitled to this much sugar and no more. The refiners gave their word. When confronted with the opportunity to sell their sugar they said, "Thanks, no. We gave our word and we shall keep it."

Here is a list of those men of honor:

John C. Bagwell, Hawaiian Sugar Planters Association.

Wm. Requa, Association of Sugar Producers of Puerto Rico.

Horace D. Godfrey, Florida and Louisiana Sugarcane Producers and Processors.

Robert A. Shields, United States Beet Sugar Association.

Richard W. Blake, National Sugarbeet Growers Association.

Aldrich O. Bloomquist, Red River Valley Sugarbeet Growers Association.

Loren S. Armbruster, Growers of Farmers and Manufacturers Beet Sugar Association.

Malcolm Young, California Beet Growers Association, Ltd.

Then there is Irvin A. Hoff, U.S. Cane Sugar Refiner's Association, who would be injured by this amendment.

Mr. President, may I applaud those men of honor. They made that statement and when offered the opportunity to get an advantage out of the backwash of negative racism, they said, "Thanks, no. We gave our word and we shall keep it." They did not have to be importuned into that. They came charging in with their "thanks, no."

That is how we do business in this country. I am very proud that we still have some of this old-fashioned honor and ethics, even if in some areas it has diminished in its intensity.

Mr. BENNETT. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. Mr. President, how much time do I have left?

The PRESIDING OFFICER. Three minutes.

Mr. BENNETT. Will the Senator yield me 2 minutes?

Mr. LONG. I yield 2 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 minutes.

Mr. BENNETT. Mr. President, I can understand the concern of the proponents of the amendment because time has run out on them. I should like to remind them that it was over a month ago when we began hearings on the bill. The Senator from Massachusetts appeared. The Senator from Oklahoma is a member of the committee. At that time, they were interested only in taking the quota away from South Africa without concern for the problems that would create. They have had all this time to consider the problems thus created, to decide what countries, in their opinion, should have the quota. They have had an opportunity, when we were working on this question of foreign trade, to suggest to us, if South Africa were deleted, that the quota should be so divided; but now they come in at the last minute and feel aggrieved that their time has run out and that the proposal they make to give the quota to the domestic producers who do not want it, in fact injures the other countries in South Africa whom they had hoped to help.

There will be another sugar bill in 3 years. Perhaps they will be a little more forehanded when we concern ourselves with that.

Mr. KENNEDY. Mr. President, I yield 3 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 3 minutes.

Mr. COOPER. Mr. President, I am not very much concerned as to the disposition of the quota for South Africa. That can be arranged in conference. What I am concerned about is the question of policy.

The question is, Should our Government officially provide to South Africa access to sugar allotments, when those who will produce a major part of the sugar are subject to the governmental policy of apartheid?

We have known here for many years, all about the policy of apartheid. Let me say first that I do not want to interfere in any way with private trade or investments. Our trade with South

Africa is $700 million and their trade with us, is $43 million. The United States has already acted, and has as its declared policy a prohibition upon any army equipment, ammunition, or materiel going to South Africa.

Why? Because our country wanted to show its disfavor with South Africa's policy of apartheid. We know that there is discrimination all over the world. We might even include Rhodesia, but I do not know of any other country which has officially and governmentally made discrimination its national policy. Not only has it made discrimination a policy both economically and socially, but it has passed laws to prevent the courts from adjudicating or giving due process to all its citizens.

What we are talking about today is official policy toward South Africa because of its apartheid policy and not toward private enterprise or private trade. I think the least we can do as a congressional body in disapproval of apartheid is to show in this respect of a sugar quota that we do not have to give to South Africa access to a public program of the U.S. Government. I think we can do that at the very, very minimum.

Mr. HUMPHREY. Mr. President, I support H.R. 8866, the Sugar Act Amendments of 1971. It is an inprovement over previous legislation—both to domestic producers and foreign producers. My concern is primarily centered on stable prices for the consumer which depends so much on availability of supplies both from domestic and foreign sources. I am also concerned about the improvement of trade—foreign trade and in particular with countries in the Western Hemisphere. It gives recognition to the performance of our nearby Latin-American neighbors. It also gives priority to the Western Hemisphere area. This area, along with our own domestic beet and cane producing areas, offers us the best assurance of prompt delivery of accessible sugar from dependable sources. This corrects a major deficiency of the House bill, which failed to make the fullest use of the protection available to the American consumer from these nearby sources.

As good as the Finance Committee's bill is, however, one element seems to be lacking which I believe should be corrected and strengthened in conference to add further protection for American consumers. It involves a reconstitution of the "bottomless sugar bowl" theory within the Western Hemisphere in the form of sugar reserves to be maintained by major suppliers such as Brazil, Mexico, and the Dominican Republic—to be made available at any time to meet emergency demands of U.S. consumers. When Cuba—prior to Castro—gave us this protection the Sugar Act worked well in time of shortage. Prices were stable and supplies were adequate to meet U.S. needs even during the world shortages of 1951 and 1957.

We all know what happened in 1963–64 when for 15 months of world shortage U.S. prices exceeded world prices. The refined sugar price at retail increased from a level of under 12 cents per pound to as high as 16.8 cents in June 1963 and remained over 2 cents above normal. On the other hand, during the period 1951 to 1957, when the world price rose above the U.S. price, refined sugar at retail in the United States was unaffected. We learned by the 1963 experience that we had made a mistake by giving up country-by-country quota protection in favor of a global concept that failed to provide the sugar we so desperately needed in time of world shortage. The results were disastrous. We experienced the worst sugar crisis in 40 years at an unnecessary cost to the consumers of this country of more than $500 million. It is important to prevent a repetition of that situation.

It recently has been brought out by many competent sugar authorities, both private and in Government, that in the next 2 or 3 years, or during the life of this act, world sugar production will lag behind world sugar consumption, with the result that world sugar stocks could depreciate to the same dangerous percentage level that existed in 1962, prior to the 1963–64 situation when the world prices were higher than U.S. prices.

World sugar shortages seem to occur in about one out of every 6 or 7 years. However, the consumers of the United States have been protected from this changing phenomenon through the operation of the Sugar Act, which has resulted in stable prices throughout these years since 1934, with the exception of the 1963–64 period. They have every right to expect that protection to continue.

It, therefore, seems to necessarily follow that appropriate encouragement of prompt and reliable suppliers of sugar is imperative, particularly at this time and in this bill which the Senate is considering today. The bill, in permitting the established domestic cane industry additional quota of 300,000 tons to permit increased production, is a step in the right direction. Also, making provision for another 100,000 tons of domestic cane sugar production outside the established cane area and encouraging the needed expansion of domestic beet sugar production is a definite asset. Perhaps, however, the Senate bill does not go far enough in requiring that foreign suppliers, particularly Western Hemisphere countries, maintain a reserve as a backup to insuring a stable and continuing supply of sugar. If there is a weakness in the committee bill it is this. In my judgment, the bill should recognize the investment of major suppliers in maintaining stocks and the protection that such reserves offer the U.S. consumer, rewarding those countries who are willing to provide this assurance.

An important objective of the Sugar Act is the promotion of foreign trade, and it is significant that our largest Western Hemisphere suppliers are also our most important purchasers of agricultural commodities. We have much more wheat here in the United States than we can consume. It is, therefore, very important that these markets outside our borders, particularly in Latin America, be preserved. Much of our hard red winter wheat moves to these markets south of the border—over 6 million tons in the past 6 years to one country alone. Our substantial sugar purchases provide a sound trade foundation.

The encouragement and continuation of these trading partnerships are vital to each country and particularly to our own wheat farmers.

I hope, Mr. President, that our Senate conferees will give careful consideration in the conference in dealing with these matters and iron out the basic quotas between the two bills and in arriving at the Cuban reserve that the principle of adequate reserves will be recognized and preserved in order to strengthen the U.S. supply prospects for the next 2 or 3 years, correcting those provisions which could present a serious threat to the protection offered by the act to the U.S. consumer.

Mr. STEVENSON. Mr. President, this legislation extends for 3 years the system of price-fixing, quotas, and subsidies for domestic sugar producers.

In order to assure the 28,000 U.S. sugar producers of high prices and profits, the Sugar Act imposes a large but hidden tax on 200 million American consumers and hundreds of thousands of U.S. food processors. The continuation of this subsidy flies in the face of sound international economic policy and contains inflexible new expropriation procedures which could cause major foreign policy complications.

I cannot vote for a bill which retains benefits for South Africa and Haiti, but which refuses to guarantee housing and fair representation for 150,000 overworked and underpaid sugar workers. The sugar worker protection amendment which I offered would have mitigated the negative effects of the Sugar Act by spreading the benefits of the subsidy to those who need it most.

I recognize that if the Sugar Act were to be abolished today, these innocent farmworkers would suffer. For that reason, I voted for a 1-year extension which would have afforded ample time for the Government to come to grips with the problem of job loss, but I cannot justify the long-term continuation of inflationary subsidies which this bill calls for.

I also recognize that the artificially high U.S. price of sugar works to the disadvantage of U.S. confectioners and food processors, causing them to lose business and jobs to foreign competitors who pay the free market price for sugar. They should be freed from the competitive disadvantages imposed on them by the sugar subsidy.

The victory which the sugar lobby will undoubtedly win today is won at the expense of American consumers and farmworkers and grocers and food processors. I hope it is its last victory.

SUGAR ACT SHOULD BE EXTENDED

Mr. FONG. Mr. President, I urge Senators to support the passage today of H.R. 8866, Sugar Act Amendments of 1971.

Before commenting on the provisions of the bill, I want to commend most highly the distinguished chairman of the Finance Committee, Mr. LONG, and the distinguished ranking minority member of the committee, Mr. BENNETT, for their leadership and skill in writing such a carefully reasoned and balanced bill.

Without question, the sugar program is one of the most complex and far-reaching subjects on which Congress must legislate. Senator LONG and Senator BENNETT, with the help of the majority of the Finance Committee members, have done a fine job of drafting a bill that conforms with the goals of the Sugar Act: To assure American consumers adequate supplies of sugar at reasonable prices; to maintain a healthy and competitive U.S. sugar industry; and to promote U.S. export trade.

The bill before the Senate does an excellent job of reconciling the diverse concerns of U.S. sugarcane and sugar beet growers, refiners, industrial users, and housewives, together with the necessity to import sugar from other nations.

H.R. 8866 as reported by the Senate Finance Committee retains the essential elements of the Sugar Act which has operated so successfully for more than 30 years.

American consumers have had dependable supplies of sugar at fair and reasonable prices. Since 1934, when the present sugar program began, the index for the refined price of sugar has generally stayed below the overall food price index. The sugar price index has generally been lower and more stable than sugar prices in the years 1860–1934, before the Sugar Act was passed.

Since 1940, sugar prices have increased at a lesser rate than the index of retail prices of all foods. This situation continues. For example, in 1969, the retail price index of all foods was 125 percent of the 1957–59 average. But the retail price of sugar was only 111 percent of the 1957–59 average sugar price.

Compared with most other developed countries, which like the United States must import sugar, our U.S. consumers fare better.

On January 1 this year, the retail price of a pound of sugar in America averaged 13.4 cents. In Italy, the retail price was 18.6 cents; in Japan, 18.4 cents; West Germany, 17.7 cents; Sweden, 14.8 cents; and Denmark, 14.5 cents. Sugar prices in the U.S.S.R. are several times the U.S. price.

In terms of purchasing power, U.S. sugar prices are typically the lowest in the world. In the United States, it takes 2.4 minutes to earn a pound of sugar. In Japan, it takes 16.9 minutes; in Italy 14 minutes; France 8.9 minutes; West Germany 6.9 minutes; Great Britain 4.9 minutes; and Sweden 4.1 minutes.

By any standard of measurement, sugar prices to American consumers have remained fair and reasonable.

And, housewives and industrial consumers alike have been able to rely on a dependable supply. They do not have to stockpile sugar against skyrocketing prices and against production shortages. Our Sugar Act, which the pending bill would extend, provides enough suppliers to assure that the sugar needed by our people will be available year after year.

The American taxpayer also has had a good break under the Sugar Act. Over the life of the act, the U.S. Treasury has received a net gain of $634 million. The reason is that the excise of 50 cents per hundredweight of both foreign and domestic sugar refined in the United States has exceeded compliance payments to sugar beet and cane growers by $634 million.

It is estimated that during the next 3 years of the Sugar Act, as provided in the pending bill, the U.S. Treasury will benefit by a net gain of $78 to $83 million.

The sugar program is the only self-financing commodity program we have. It deserves to be extended.

I am somewhat disappointed that the Finance Committee did not extend the program for 6 years. Particularly from the standpoint of sugar cane growers, a 6-year extension of a program involving a crop that requires 2 years in Hawaii to harvest would give additional stability to this important industry.

I do, however, understand the reasons the committee decided on a 3-year extension.

Mr. President, having mentioned compliance payments to sugar producers, I would like to discuss this feature of the Sugar Act. To do so, I must also discuss the excise taxes on sugar, which though paid by the refiners, is passed back by the refiners to the growers in the form of a lesser price for the raw sugar the growers furnish.

The excise tax-compliance payment provisions of the Sugar Act are crucial in helping American sugar growers compete with low-cost, low-wage, often Government-subsidized foreign sugar. So, of course, are the quotas in the act.

In order to qualify for compliance payments, American sugar growers must pay fair wages, must not employ child labor, must agree to production and marketing quotas, and if the growers are also processors, they must agree to pay fair prices for the cane sugar and beet sugar they buy from other growers.

Sugar growers are not paid for plowing under their fields or allowing them to lie fallow.

Smaller sugar growers receive more per ton of sugar produced than large growers, under a scale-down compliance payments formula. Those producing 350 tons of sugar or less receive 80 cents a hundred pounds for their production. The payment rate decreases progressively to a minimum of 30 cents a hundred pounds on all sugar produced in excess of 30,000 tons.

The average payment is 46 cents in Hawaii, where 93 percent of the sugar produced is on large farms, to 83 cents in the beet areas where farms are generally family-size. The 700 small growers in Hawaii receive the highest payment per ton.

Keep in mind that growers bear the burden of the 50-cent excise tax on each 100 pounds of sugar refined from their output.

In my State of Hawaii, 23 sugar companies produce 93 percent of all the sugar cane grow in Hawaii. The excise tax paid on the sugar produced by most of these companies exceeds what they receive in compliance payments.

In fact, since 1937, the excise tax paid on refined Hawaii sugar, which tax the refiner passed back to Hawaii growers, totaled $334.8 milion through the 1969 crop year, the latest for which figures are available.

In this same time period, Hawaii sugar producers received a total of $306.1 million in sugar compliance payments.

Over the life of the present Sugar Act, Hawaii's sugar industry has paid $28.7 million more in taxes to the Federal Treasury than its sugar growers received in compliance payments from the Treasury.

In order to remain competitive in the marketplace with mainland beet sugar, Hawaii's sugar industry has had, through its own self-financed research and modernization programs, to increase sugar yields per acre by mechanization and irrigation and improved strains of cane. Today Hawaii's sugar industry is the most efficient and productive per acre and per man-hour in the world. At the same time, Hawaii's field sugar workers receive the highest wages in the world.

Also, more than 700 independent sugar growers in Hawaii depend upon the Sugar Act for their livelihood. The extension of the act as proposed by the pending bill is imperative.

The sugar industry in Hawaii is a mainstay of our island economy. It provides year-round employment for 10,500 Hawaii workers. It brings into Hawaii's economy $200 million a year. Using the multiplier factor, the impact on Hawaii's economy is several times greater. Hawaii's sugar industry pays more than $20 million a year in Federal and State taxes. There are 12,500 stockholders, two-thirds of whom live in Hawaii.

The extension of the Sugar Act with its tax-payment-quota provisions is crucial to Hawaii's future.

Hawaii supplies one-sixth of all the sugar produced in America. So extension of the Sugar Act is vital to our Nation, as well as to Hawaii.

We in Hawaii are grateful to the administration, to the House Agriculture Committee, to the House of Representatives, and to the Senate Finance Committee for recognizing the critical importance of the Sugar Act to the people and the economy of Hawaii. Now we ask that the Senate also approve the Sugar Act extension. Failure to extend the act would spell economic disaster for Hawaii.

The PRESIDING OFFICER. All time has now expired.

Mr. LONG. Mr. President, I yield back the remainder of that time.

The PRESIDING OFFICER (Mr. CHILES). All time has now been yielded back.

The question is on agreeing to the amendment of the Senator from Massachusetts (Mr. KENNEDY).

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 Rhode Island (Mr. PASTORE) is 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 Connecticut (Mr. WEICKER) is detained on official business.

The result was announced—yeas 42, nays 55, as follows:

[No. 172 Leg.]

YEAS—42

Bayh	Hatfield	Nelson
Boggs	Hollings	Pell
Brooke	Hughes	Percy
Case	Humphrey	Proxmire
Church	Jackson	Ribicoff
Cook	Javits	Roth
Cooper	Kennedy	Schweiker
Cranston	Mathias	Scott
Eagleton	McGovern	Stevens
Fulbright	Metcalf	Stevenson
Griffin	Miller	Symington
Harris	Mondale	Taft
Hart	Moss	Tunney
Hartke	Muskie	Williams

NAYS—55

Aiken	Dole	McClellan
Allen	Dominick	McGee
Allott	Eastland	McIntyre
Anderson	Ellender	Montoya
Baker	Ervin	Packwood
Beall	Fannin	Pearson
Bellmon	Fong	Prouty
Bennett	Gambrell	Randolph
Bentsen	Goldwater	Saxbe
Bible	Gravel	Smith
Brock	Gurney	Sparkman
Buckley	Hansen	Spong
Burdick	Hruska	Stennis
Byrd, Va.	Inouye	Talmadge
Byrd, W. Va.	Jordan, N.C.	Thurmond
Cannon	Jordan, Idaho	Tower
Chiles	Long	Young
Cotton	Magnuson	
Curtis	Mansfield	

NOT VOTING—3

Mundt	Pastore	Weicker

So Mr. KENNEDY's amendment was rejected.

Mr. SYMINGTON. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. SYMINGTON. What was the vote?

The PRESIDING OFFICER. Forty-two yeas and 55 nays. The amendment fails of passage.

Mr. SYMINGTON. I thank the Presiding Officer.

The PRESIDING OFFICER (Mr. CHILES). Pursuant to the previous order, no other amendments are in order.

The question is on the engrossment of the amendment as amended and third reading of the bill.

The amendment as amended was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 8866) was read the third time.

Mr. LONG. Mr. President, I ask for the yeas and nays.

The ayes and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Rhode Island (Mr. PASTORE) is 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 result was announced—yeas 76, nays 22, as follows:

[No. 173 Leg.]

YEAS—76

Aiken	Eastland	McIntyre
Allen	Ellender	Metcalf
Allott	Ervin	Miller
Anderson	Fannin	Mondale
Baker	Fong	Montoya
Beall	Gambrell	Moss
Bellmon	Goldwater	Muskie
Bennett	Gravel	Packwood
Bentsen	Griffin	Pearson
Bible	Gurney	Pell
Brock	Hansen	Prouty
Burdick	Hart	Randolph
Byrd, Va.	Hartke	Scott
Byrd, W. Va.	Hollings	Smith
Cannon	Hruska	Sparkman
Case	Hughes	Spong
Chiles	Humphrey	Stennis
Church	Inouye	Symington
Cook	Jackson	Talmadge
Cooper	Jordan, N.C.	Thurmond
Cotton	Jordan, Idaho	Tower
Cranston	Long	Tunney
Curtis	Magnuson	Williams
Dole	McClellan	Young
Dominick	McGee	
Eagleton	McGovern	

NAYS—22

Bayh	Kennedy	Saxbe
Boggs	Mansfield	Schweiker
Brooke	Mathias	Stevens
Buckley	Nelson	Stevenson
Fulbright	Percy	Taft
Harris	Proxmire	Weicker
Hatfield	Ribicoff	
Javits	Roth	

NOT VOTING—2

Mundt	Pastore

So the bill (H.R. 8866) was passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BENNETT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LONG. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. CHILES) appointed Mr. LONG, Mr. ANDERSON, Mr. TALMADGE, Mr. BENNETT, and Mr. CURTIS conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, with the passage of H.R. 8866, Order No. 296, the Sugar Act Extension, a special note of thanks should be given to the able Senator from Louisiana (Mr. LONG) for his splendid presentation of this legislation to the Senate. His detailed knowledge, and thorough explanations to questions assured the expeditious disposition of this bill by the Senate.

The thoughtful assistance of the senior Senator from Utah (Mr. BENNETT) demonstrated once again that this Chamber can cooperate extremely well in disposing of important legislation. I wish to thank the Senator for his service to the Senate.

The various amendments offered by the different Senators today certainly assured a complete review of all aspects in this legislation. The Senator from Arkansas (Mr. FULBRIGHT) contributed greatly to the ongoing debate with his amendment. His thoughtful comments I am sure were noted by many of his colleagues. The senior Senator from Massachusetts (Mr. KENNEDY) revealed important matters that needed to be discussed. His judicious counsel is always appreciated by this Chamber, and his comments here today certainly contributed to a better understanding of some of the problems involved. Similarly, the senior Senator from New York (Mr. JAVITS) and the Senator from Illinois (Mr. STEVENSON) by offering their amendments brought forth many issues that were the concern of many people.

The comments of Senator INOUYE and Senator FONG were most helpful to a better understanding of particular parts of this legislation. The contributions of the Senator from Nebraska (Mr. CURTIS) helped remind the Senate of its vast constituency. Senator CURTIS' comments are always appreciated. Senator PERCY's experience in the business world is always helpful in discussions on the floor, and today was no exception. His comments are to be commended. Senator HARRIS and Senator RIBICOFF through their participation in the debate raise many salient points. The Senate notes with appreciation their individual contributions.

The Senate has had a most productive day today, and I wish to thank all Members for their willingness to spend long and dedicated hours in seeing that action was completed. Again, our thanks go to Senator LONG and Senator BENNETT for their work on the Sugar Act Extension. The Senate is again in their deep debt.

EMERGENCY LOAN GUARANTEE ACT

The PRESIDING OFFICER (Mr. CHILES). Under the previous order, the Senate will now resume the consideration of S. 2308, which the clerk will state.

The legislative clerk read as follows:

Calendar No. 264, S. 2308, a bill to authorize emergency loan guarantees to major business enterprises.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAYH. Is the amendment of the Senator from Indiana the pending order of business at this time?

The PRESIDING OFFICER. That is the pending question.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the pending amendment by the distinguished Senator from Indiana (Mr. BAYH) is disposed of, the next order of business be the amendment to be offered by the distinguished Senator from South Dakota (Mr. MCGOVERN).

Mr. TOWER. Mr. President, reserving the right to object, is this satisfactory to the Senator from Alabama?

Mr. SPARKMAN. Yes; it is.

The PRESIDING OFFICER. The Senator from Montana has made a unanimous-consent request. The Senator from Texas reserved the right to object. Is there objection?

Mr. TOWER. There is no objection.

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

Mr. TOWER obtained the floor.

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

Mr. TOWER. I yield.

NASA AUTHORIZATION APPROPRIATIONS, 1972—CONFERENCE REPORT

Mr. CANNON. Mr. President, I submit a 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) 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.

I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. CHILES). Is there objection to the present consideration of the report?

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

(The conference report is printed in the House proceedings of July 21, 1971, pp. 26442–26445, CONGRESSIONAL RECORD.)

Mr. CANNON. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a comparative tabulation showing the amounts requested by the National Aeronautics and Space Administration, the House action, the Senate action, and the conference action.

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

SUMMARY OF ACTION OF CONFEREES ON H.R. 7109, NASA AUTHORIZATION FOR FISCAL YEAR 1972

[In thousands of dollars]

	Budget request	House action	Senate action	Conference action
Research and development:				
Apollo	612,200	612,200	612,200	612,200
Space flight operations	672,775	745,275	672,775	702,775
Advanced missions	1,500	10,000	1,500	5,500
Physics and astronomy	110,300	112,800	110,300	112,800
Lunar and planetary exploration	311,500	311,500	291,500	301,500
Space applications	182,500	182,500	185,000	185,000
Launch vehicle procurement	146,100	146,100	146,100	146,100
Aeronautical research and technology	110,000	134,500	110,000	122,500
Space research and technology	75,105	75,105	75,105	75,105
Nuclear power and propulsion	27,720	67,620	70,720	70,720
Tracking and data acquisition	264,000	264,000	264,000	264,000
Technology utilization	4,000	6,000	4,000	5,000
Total	2,517,700	2,667,600	2,543,200	2,603,200
Construction of facilities:				
Ames Research Center	6,500	6,500	6,500	6,500
John F. Kennedy Space Center	15,200	17,530	15,200	17,300
Various locations	31,100	31,100	31,100	31,100
Facility planning and design	3,500	3,500	3,500	3,500
Total	56,300	58,630	56,300	58,400
Research and program management	697,350	706,850	681,350	693,350
Grand total	3,271,350	3,433,080	3,280,850	3,354,950

Mr. CANNON. Mr. President, the total authorization request for the National Aeronautics and Space Administration for fiscal year 1972 was $3,271,350,000. The House approved a total authorization of $3,433,080,000. The Senate in its action on the authorization bill amended H.R. 7109, approving a total of $3,280,850,000, an amount $152,230,000 less than that voted by the House. The conferees are recommending a total authorization of $3,354,950,000, an amount $83,600,000 above the NASA request, $78,130,000 below the House bill, and $74,100,000 above the amount approved by the Senate.

Mr. President, in adjusting the difference between the Senate- and House-passed versions of H.R. 7109, the conferees agreed upon $2,603,200,000 for the 12 programs in the research and development section of the bill. The Senate had authorized $2,543,200 for these programs, an amount $124,400,000 less than the House. The conference agreement therefore is $64.4 million less than provided by the House and $60 million more than provided by the Senate.

For the construction of facilities the conferees agreed to an authorization of $58,400,000, an amount $2.1 million above the NASA request and that approved by the Senate. The final agreement is $230,000 below the amount approved by the House, and adopts the identification of each facility authorized as set forth in the Senate amendment.

For research and program management the NASA requested $697,350,000. The House authorized $706,850,000 and the Senate approved $681,350,000 with a limitation of $517,916,000 on the amounts that could be spent for personnel and related costs. The conferees agreed to $693,350,000, an amount $4 million below the NASA request, $13.5 million below the House bill, and $12 million above the amount approved by the Senate. The limitation on personnel and related costs was retained by the conferees at $529,916,000, an amount $12 million above the amount included in the Senate amendment to H.R. 7109.

Mr. President, the actions taken by the conferees on the individual research and development programs and the other items included in the authorization bill are recorded in the Joint Statement of Managers accompanying the conference report—CONGRESSIONAL RECORD, July 21, page 26444. I believe that the agreement reached by the committee of conference will permit the National Aeronautics and Space Administration to carry out a good program for fiscal year 1972. The final act represents the work of many conscientious people dedicated to achieving a mutually satisfactory objective.

Mr. President, I move adoption of the conference report.

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

Mr. CANNON. I yield.

Mr. CURTIS. Mr. President, I shall support the conference report.

I think it is significant that as Apollo XV is on its way to the moon, we in the U.S. Senate are passing an authorization act for 1 more year of activity for the space program.

Several things in this bill are worth noting. One is an improvement in the authorization language over what it has been in the past. I refer particularly to the construction. Heretofore, we have authorized, in rather block manner, construction at a certain location.

In this bill, the Senate provided for naming specific facilities to be built, modified, or improved. That view prevailed in the conference, and I believe it is a gain toward good Government and more efficient Government.

When we stop to consider that in 1966 the space program was spending almost $6 billion and that it is down now to a little more than $3 billion, we can see the benefits of annual authorizations. I regret very much that our authorization bill is not completed each year before the appropriation bill starts on its way through the House of Representatives and the Senate, because in many instances the action of the legislative committees, in a sense, is predetermined by action already taken by the appropriations committees or the House or the Senate as a whole.

During this time of retrenchment—and I believe that is in accord with what the American people want—NASA has done a good job of reducing its bureaucracy at higher echelons. I believe that much of the credit—in fact, I know that much of the credit—for this accomplishment goes to the distinguished Senator from Maine (Mrs. SMITH), and she should be commended for this.

Mr. President, I shall support the conference report, and I hope that it may have the unanimous support of everyone in this Chamber.

Mrs. SMITH. Mr. President, I would like to thank the distinguished Senator from Nebraska, who has taken over the leadership on the minority side of the Space Committee and has done an admirable job.

The chairman and Senator CURTIS could not be asked to do more than they have done to bring about results that are good for both NASA and the country.

I commend the distinguished chairman of the committee, the Senator from New Mexico (Mr. ANDERSON), for his excellent work on this bill, and the acting chairman, the distinguished Senator from Nevada (Mr. CANNON), for his effective floor management of the bill.

Mr. CANNON. Mr. President, I express my appreciation to the distinguished Senator from Nebraska, the ranking minority member of the com-

mittee, for his fine work on the bill, particularly on the construction of facilities, and to the distinguished Senator from Maine for her fine work particularly in the area of research and program management. They did much painstaking work. I also want to express appreciation to our committee chairman, the distinguished Senator from New Mexico (Mr. ANDERSON), for his outstanding work in the development of the bill.

Mr. President, I move adoption of the conference report.

The motion was agreed to.

THE FEDERAL MEAT INSPECTION ACT—A UNANIMOUS-CONSENT AGREEMENT

Mr. BYRD of West Virginia. Mr. President, will the Senator from Indiana yield to me for a unanimous-consent request only, subject to his retaining his right to the floor?

Mr. BAYH. I yield.

Mr. BYRD of West Virginia. Mr. President, I have cleared this request with the minority, and also with the leaders and interested parties on both sides of the question, and on both sides of the aisle with respect to the pending bill. I make this unanimous-consent request with approval of the distinguished majority leader:

I ask unanimous consent that debate on S. 1316—a bill on the calendar to amend section 301 of the Federal Meat Inspection Act—be limited to 1 hour, the time to be equally divided between the distinguished Senator from Nebraska (Mr. CURTIS) and the distinguished Senator from Georgia (Mr. TALMADGE); that time on any amendment thereto be limited to 20 minutes, to be equally divided between the mover of such amendment and the manager of the bill; and that Senators in control of time on the bill may yield time thereon to any Senator on any motion or appeal, except a motion to table.

The PRESIDING OFFICER (Mr. TAFT). Is there objection to the unanimous consent request of the Senator from West Virginia?

Mr. PROXMIRE. Mr. President, reserving the right to object, what bill is this?

Mr. BYRD of West Virginia. S. 1316, a bill to amend section 301 of the Federal Meat Inspection Act.

Mr. PROXMIRE. I thank the Senator.

Mr. BYRD of West Virginia. I thank the Senator from Wisconsin.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

ORDER FOR FEDERAL MEAT INSPECTION ACT TO BE PENDING BUSINESS TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, on tomorrow, immediately following the conclusion of routine morning business, the Senate proceed to the consideration of Calendar No. 291, S. 1316, a bill to amend section 301 of the Federal Meat Inspection Act. This, too, has been cleared with all sides.

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

The unanimous-consent agreement reads as follows:

Ordered, That, at the conclusion of routine morning busiess on Thursday, July 29, 1971, the Senate proceed to the consideration of S. 1316, a bill to amend section 301 of the Federal Meat Inspection Act, as amended, with the time for debate on the bill to be limited to 1 hour to be equally divided and controlled by the Senator from Nebraska (Mr. Curtis) and the Senator from Georgia (Mr. Talmadge). *Provided*, that debate on any amendment be limited to 20 minutes to be equally divided and controlled by the mover of the amendment and the manager of the bill (Mr. Curtis).

Provided further, That, time for debate on the bill may be yielded on any pending amendment, motion or appeal, except a motion to table. (July 28, 1971)

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 10 a.m. tomorrow morning.

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

THE RAILROAD STRIKE

Mr. CURTIS. Mr. President, I have today sent the following telegram to President Richard M. Nixon:

I again urge that action be taken to halt the railroad strike and prevent the strike from spreading. It is not only the producers and handlers of grain, livestock, and meat that are subjected to an unfair economic loss but a loss is facing many industries with resulting unemployment. The Government has acted quickly before and it can be done again. I am ready to vote for whatever legislation is necessary.

Mr. President, I have also sent the same telegram to the Secretary of Transportation John Volpe; to the Senator from New Jersey (Mr. WILLIAMS), chairman of the Committee on Labor and Public Welfare; to the distinguished Senator from New York (Mr. JAVITS), the ranking minority member on that committee; to the Honorable HARLEY O. STAGGERS, chairman of the House Committee on Interstate and Foreign Commerce; and to the Honorable WILLIAM L. SPRINGER, the ranking minority member on that committee.

Mr. President, this strike, apparently, will not end until Congress takes action to bring it to an end. It is the responsibility of everyone. I urge that it be met.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

QUORUM CALL

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

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

PRIVILEGE OF THE FLOOR

Mr. BAYH. Mr. President, I ask unanimous consent that an additional member of my staff, Mr. P. J. Mode, be permitted the privilege of the floor during debate.

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

Mr. BYRD of West Virginia. May I just ask the Senator a question—I do not intend to object—this would not include during the rollcall vote.

Mr. BAYH. That is why I specifically said "during debate."

Mr. BYRD of West Virginia. I thank the Senator from Indiana.

Mr. BAYH. Mr. President, the Senate has been debating this bill now for about 5 days. I personally do not think that a bill such as this—which would have great impact if it were to pass, and, according to its sponsors, great impact if it were not to pass—should be rushed through the Senate. That is why I voted against cloture to cut off debate on the bill.

I think we all need sufficient time to study it and think about it before we take any final action.

Just reading through the hearings would take many days in itself. I, for one, would not want to be in a position—and I do not think that any of us would—where we would be voting on something as important as this bill without having an adequate amount of time to go over all of the ramifications.

I have looked through the hearings and followed the debate on the floor with a great deal of interest. I am greatly troubled to find that the question which I think is most important in this whole matter has not been addressed at all.

That question is the basic question of national priorities. When I brought this question before the Senate Committee on Banking, Housing and Urban Affairs, I said that if we were to decide that what this country needed was a program of Federal emergency guaranteed loans, then I, for one, wanted to see that these emergency guaranteed loans went where the real emergencies were.

It seemed clear to me then, and it seems even more clear to me now, that there could be no better opportunity for us in the Senate to deal with the question of national priorities than now, at a time when we are being urged to have emergency financing for giant corporations.

I believe that we can—that we must—pose the question of emergency loan guarantees as a question of national priorities. Does the need for $2 billion to rescue giant corporations in distress rise to the top of the priorities list? Or are there other needs which are going unfilled in this country? Are there other institutions in this country which are just as important to the people of this Nation as giant industrial corporations, and are facing severe financial difficulties, and need the help of a federally guaranteed loan to enable them to continue to provide vital services for all?

I think that there are these other needs and that there are these other institutions that need help. They are in desper-

ate need of help. They need emergency help, and they need it as badly as the Lockheed Corp. or any other corporate giant. I am speaking of our hospitals and our medical schools and our colleges and universities.

My amendment which was considered in the Senate Committee on Banking, Housing, and Urban Affairs, is quite simple. I appreciate the courtesy of the distinguished chairman of the committee, the Senator from Alabama, in hearing my testimony and having considered it in the committee.

The amendment does not say that we cannot or should not bail out floundering corporations. There has been significant debate on this subject. The question I discuss is one of national priorities.

What the amendment does say is that if we make the judgment that we should aid these failing corporations, we should make the same judgment about these other institutions—that they also need saving. Thus, my amendment provides that at least half of all the outstanding loans guaranteed by the Federal Government shall be loans to public or private educational or health care enterprises.

I think this kind of emergency financing could be of tremendous value to this Nation's educational and health care institutions. In fact, I would venture to say that if this amendment were to pass, and become law, that there would be a long line of hospital administrators, deans of medical schools, and college and university presidents streaming into Washington to try to get a share of these emergency loan guarantees.

The reason is that the financial crisis these institutions are now facing is an extraordinarily serious one. At a time when this country is faced with a physician shortage of 50,000, it is extraordinary that 43 of the 107 medical schools in this country are receiving what the Director of the National Institutes of Health calls "disaster grants." It is extraordinary that without millions of dollars in emergency aid from State governments—governments that are already overburdened with demands upon their inadequate financial resources—medical schools in many parts of the country would actually have to close their doors. I cannot understand how we can be aware of this kind of serious and alarming situation and not be willing to do whatever we can on an emergency basis to help these medical schools out.

And so I pose this as a question of priorities—do we feel that the extremely grave financial crisis facing this Nation's medical colleges is just as important as the serious financial difficulties in which some of our largest corporations might find themselves?

That is the question posed by this amendment.

The situation is no less disturbing with regard to hospitals. The Nation's hospitals employ more than 2.4 million workers. I have spoken with Leon J. Davis, president of the National Union of Hospital and Nursing Home Workers. The union represents more than 75,000 hospital and nursing home workers across the country. He tells me that this union is squarely behind the amendment.

I am very concerned about problems of employment, but I think it is an ancillary question. The main question concerns keeping the Nation's hospitals, medical schools, and other type of medical institutions open. The question involves the health of the country.

The purpose of the $250 million loan guarantee which we are debating is to provide employment opportunities at this particular moment for some Lockheed workers. I think we need to consider what employment opportunities will be available if the jobs are snatched away from those working in hospitals if the hospitals have to go into bankruptcy.

I particularly feel, when we are talking about the employment impact of this bill, that we ought to realize that the hospital workers in this country are among the lowest paid workers in the Nation. Probably the main reason that their wages are so low is that the hospitals for the most part just do not have the money with which to pay their people a real living wage. The operating revenue of hospitals in this country last year fell more than $662 million short of their expenses. Public hospitals alone all across the Nation incurred an aggregate operating deficit of almost $75 million last year alone; $35 million of that deficit was in New York City alone, where the loss amounts to some $25 per patient per day. In Los Angeles the operating deficit came to $15 million and in St. Louis the public hospitals lost more than $4.5 million last year.

The credit of these hospitals is terrible. I know of a hospital—one of the most prestigious in the country—located in a fashionable part of town and with generally affluent patients—that must pay the milkman each morning in cash. If they do not have the cash, they do not get the milk, because their credit rating is gone. The dairy is concerned that the hospital may not be able to pay its bills at the end of the month, so business is done not on a business as usual basis but on a day-to-day basis. I am told that if this particular hospital does not have the cash they simply do not get the milk.

Hospitals which cannot meet expenses have to cut back on services. Boston City Hospital cut back so much that it lost its accreditation last year. And when hospitals cannot afford to provide services, people die. That is the crisis we face in health care.

And so I would like to pose this too as a question of priorities. Do we feel that the health of our people is as important as the health of some of our major business enterprises?

I think we ought to take a quick look at the financial picture facing our colleges and universities as well. Professor Turner from Harvard testified at the hearing on this bill, and he referred to education as being a legitimate place for the Government to enter the market with a subsidy, because, he said:

> Society benefits enormously from having a highly educated population . . . this is an activity which society is wise to subsidize because unsubsidized it will go on at a much lower level than it should; that is to say, a level below what would confer the appropriate benefits on society.

I think it is abundantly clear that education in this country—especially higher education—needs assistance, and lots of it. The recent Carnegie Commission report indicated that 540 colleges and universities—enrolling some 21 percent of all students in the country—are presently in "financial difficulties"—and that an additional 1,000 colleges and universities, enrolling some 4 million students—56 percent of all the Nation's college students—were "heading for financial trouble."

Now that is a pretty bleak picture.

That is a pretty bleak picture for a Nation that prides itself on its technological progress. It is ironic to find us debating the need to support one of the largest corporations in America that has a work force with a high degree of technical sophistication, but they are now faced with bankruptcy—because of our great successes in providing higher education and the institutions of higher education that make this all possible are now facing financial crisis. That is discouraging. And it is equally as discouraging for public colleges and universities as it is for private colleges and universities. A Fortune survey of 20 selected private colleges projected a $45 million annual operating deficit by 1973, and $110 million by 1978. Sixty-nine public institutions are now running deficits, or have had to drastically cut back their programs to remain solvent. Penn State, which is one of our great public institutions, has had to borrow more than $8 million in the last 2 years, while the University of South Carolina has been able to avert heavy deficits only by borrowing from unrestricted endowment principal.

I do not think any of us will dispute the fact that the future of this country depends in large part on the kind of education we provide our young people. That goes without saying. Unless and until we provide permanent and large scale assistance on a regular basis to these colleges and universities we may have to resort to these emergency measures to relieve the serious financial bind that is crippling higher education in this country today.

And so higher education must also be presented as a question of priorities. Are we as willing to expend our resources on our children's future as we are to expend them on behalf of the future of some large corporation?

I put these questions, and offer this amendment, because I believe that these are profoundly important questions—questions that we should confront at every available opportunity—directly, honestly, and openly. If we do not do so, if we do not take advantage of this opportunity, then all our talk about our willingness—indeed our need—to reorder our national priorities—all our questions about the ways in which this Nation's resources are spent—becomes empty rhetoric and tired sloganeering, the kind of which we have had an excess over the last period of time.

I think we have a unique opportunity here to make the kind of priorities decision we have been talking about for so long—and make it now.

With the distinction that exists between the authority of the executive branch and those of us in the legislative branch to make broad policy decisions, and particularly the distinction that exists on the floor of the Senate and in the committee structure, where we have the authorization process on one hand to make broad, long-range policy decisions, and the appropriation process on the other, it is rarely possible for us to find a way in which we can make a determination as to which priorities are most important, or to address ourselves to the broad picture of how to invest the limited tax resources available to us in this country.

But here in this amendment on this particular bill each of us as individual Senators has a right to stand up and say, "All right, I am concerned about business strength and jobs, but I am also equally concerned about the problems of patients and hospitals, doctors and nurses in our medical institutions, and all the many millions of students throughout the country who are working toward higher education."

I would like to read a short excerpt from the hearing record, a letter from Prof. Robert Eisner of Northwestern University. I want to read part of it, as I think it pretty much sums up what I have been trying to say here this morning:

> There is much talk of reconsidering national priorities . . . I am a trustee of Roycemore School, a small independent educational institution in Evanston, Illinois. This school currently educates some 235 children. It has been struggling for several years for financial survival with substantial debts and great difficulty in obtaining credit. We indeed would like government guaranteed loans which would help us meet our current problems and enable us to develop a fine modern educational plant to educate the youth of our area . . .
>
> That is how the question of priorities comes home, both in a broad and in a very personal way. I would hope that considerations of this kind are very much in mind when the Congress acts on the proposed authorization for a federal loan guarantee to the Lockheed Aircraft Corporation. . . .

I have not had a chance to meet Professor Eisner.

I have not been to Roycemore School. I am not familiar with how this testimony got in the RECORD. But here, it seems to me, is a unique example of unsolicited concern, printed on page 1187 of the hearings entitled "Emergency Loan Guarantee Legislation"—one seemingly isolated example of the evidence that we need this type of measure—that we need to address ourselves to the reordering of our priorities in this country.

I think the question of priorities comes home to all Americans—just as it did to Professor Eisner—in a broad, and also in a personal way. And I would hope that we here in the Senate can today take the kind of action to begin to reset our goals, and reorient our priorities, and get on with the unfinished business of this Nation.

Mr. TOWER. Mr. President, has the Senator yielded the floor?

Mr. BAYH. I yield the floor.

Mr. TOWER. Mr. President, I have been listening with great interest to what the Senator from Indiana has said. He testified in the same vein before the committee on this bill.

I think we would all have to concur in the statement that the mental and physical health of our people certainly is the No. 1 domestic national priority. I do not think anyone would dispute that. I think here in the Congress we have recognized that health and education are high on the priority list, because we have passed considerable education measures to provide a better physical and mental climate for our people in this country.

I would say the only reason, probably, why we did not pursue at length the consideration of the proposal of the Senator from Indiana in the Committee on Banking, Housing, and Urban Affairs was because of the question as to whether we had the jurisdiction to do so.

I would like to ask the Senator from Indiana if there is any similar legislation pending before the Committee on Labor and Public Welfare.

Mr. BAYH. Yes, there is.

Mr. TOWER. There is, or there was, some discussion as to whether we should assert jurisdiction in the matter at the time we were considering this measure while such legislation was pending before the committee of which the Senator from New Jersey (Mr. WILLIAMS) is chairman, who is also a member of the Committee on Banking, Housing and Urban Affairs.

There is another problem involved here. May I say that I am certainly identified with much of what the Senator from Indiana has said, because I serve on the boards of trustees of two universities, Southwestern University in Georgetown, and Southern Methodist University in Dallas, and I know very well how the educational institutions are facing a financial crunch. My daughters attend private educational institutions, and it is costing me a great deal of money. I am paying through the nose. So I understand very well what the Senator from Indiana is driving at. I think there is great merit in his proposal. But I wonder if this is the appropriate vehicle for such legislation.

I am afraid that if we went to conference with the House with this provision the House conferees would insist on not taking it, because they would raise the rule of germaneness. As the Senator from Indiana knows, the House in conferences this year has been very tough on germaneness on matters that are in conference between the Senate and the House, and I wonder if they would not raise objections to this amendment on those grounds.

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

Mr. TOWER. I yield.

Mr. BAYH. I think the Senator has raised a legitimate point. As I recall, in the dialog before the committee, the Senator from Texas has had some experience in this matter. I think he is on the board of trustees of one university——

Mr. TOWER. Two.

Mr. BAYH. Or two educational institutions, and so is familiar with the financial problems of those institutions. I think the question of jurisdiction perhaps could be raised over the pending bill if we are looking at it in a traditional, categorical sense. It would seem to me that assistance like this, to assure that a large company could continue in business, should be handled, probably, in the Commerce Committee; but it is the loan guarantee aspect that gives the Committee on Banking, Housing, and Urban Affairs jurisdiction. I respectfully suggest to the Senator from Texas that if the committee has jurisdiction over business loan guarantees, then I think the committee could certainly assert jurisdiction over loan guarantees to other institutions that are in trouble—medical and educational institutions.

The response I made relative to the bill which is now before the Committee on Labor and Public Welfare, and which I understand is meeting in conference right now, is that we are dealing here with emergency loan guarantees. We do not know what is going to come out of that conference. As I said in testifying before the committee, I think this is not the best way to address ourselves to the problem of more funds for health and educational institutions. Some of our health and educational institutions may not take advantage of this particular type of loan guarantee, because they can get loans and grants on a much more favorable basis; but neither will most of our large corporations need to take advantage of this $2 billion loan guarantee fund. What we are establishing here is a loan guarantee fund for emergency situations—emergency situations that have a unique and significant impact on society generally.

That is the only criterion—I am sure—that permits some of the strong supporters of the free enterprise system like my friend from Texas to propose that the Federal Government should get itself involved, with taxpayers' dollars, to shore up a private corporation. It is the unique quality of the situation.

I suggest that if we are going to deal with a unique situation as far as a large business corporation is concerned, we ought to deal also with the unique emergency situation which confronts some of our hospitals and medical education institutions and institutions of higher learning.

Mr. TOWER. I do not think anybody would contest the Senator on the particular point of whether we should address ourselves to the need. I think we should. The question is, Is this the appropriate vehicle for it? Could not the Senator's objective be better served in a specific piece of legislation tailored specifically to that kind of problem rather than to a piece of legislation tailored to the problem of a failing business?

Also, and I do not know the answer to this question myself, but based on experience in previous conferences with the

House, I feel that probably the House conferees might raise the jurisdictional question and raise the question of germaneness, which would mean we would reach an impasse in trying to get this bill passed.

Mr. BAYH. The Senator from Indiana would be perfectly willing to accept the judgment of the conferees. If the House raised a legitimate issue on jurisdiction that seemed credible to the Senate conferees, and this provision could not be sustained, the Senator from Indiana would be willing to accept that judgment. But for us in the Senate to anticipate this kind of jurisdictional confrontation, which may not even be reached, is to establish a strawman that I think we do not need to anticipate.

Mr. SPARKMAN. Mr. President, I have listened with a great deal of interest to the presentation by the esteemed Senator from Indiana, as I did when he testified eloquently before us in the committee.

I share with the Senator from Texas the feeling that all of us undoubtedly were sympathetic with his presentation. But I do not think we should take lightly—and the Senator knows that we raised the question in the committee hearings—the question of jurisdiction.

I do think it is a very serious jurisdictional matter. I have discussed it with the chairman of the Committee on Labor and Public Welfare, the Senator from New Jersey (Mr. WILLIAMS). I have discussed it briefly with the Senator from Massachusetts, who is chairman, I believe, of the Education Subcommittee of the Committee on Labor and Public Welfare. Both of them told me that legislation was under consideration at the present time, in one stage or another, dealing with most of these things proposed in the amendment of the Senator from Indiana.

For instance, as the Senator from Indiana has pointed out, there is a conference right now—and I believe the Senator from Massachusetts (Mr. KENNEDY) is attending that conference as one of the conferees—a bill that would provide a stable level of financial assistance to medical schools. It includes, in addition, a provision to give emergency grants to help schools which find themselves in financial distress. In other words, it is right along the line of what the Senator has been talking about. It has actually passed both Houses, and is in conference now.

Mr. BAYH. Mr. President, will the Senator yield just a moment at that point?

Mr. SPARKMAN. I yield.

Mr. BAYH. I know of no Member of this body who has been more vigorous in support of assistance to education generally and to medical schools and hospitals in particular than my friend and colleague, the Senator from Alabama. Since he did raise the subject, in connection with the bill now being discussed, and the Senator, I am sure, is familiar with all the details of this bill—are there any provisions for emergency loans as far as hospitals are concerned?

Mr. SPARKMAN. Does the Senator mean the bill now under consideration?

Mr. BAYH. The bill before the Senate.

Mr. SPARKMAN. I think that was pretty well understood in the committee discussions. But we have enacted the type of legislation the Senator is discussing, and as I say, there is a conference in progress between the House and the Senate at the present time.

Also, I am told that the Committee on Labor and Public Welfare has ordered reported a higher education bill giving new institutional support, including, among other things, a provision to make emergency grants to colleges and universities in severe financial distress.

That is one of the things the Senator from Indiana is seeking to accomplish by his amendment, and yet the Committee on Labor and Public Welfare has already ordered that bill reported to the Senate floor.

In other words, the Committee on Labor and Public Welfare, which rightfully has jurisdiction in these things, is working on it, and it does not seem to me that we ought to confuse the issue.

There was an amendment last year to the Hill-Burton Act, which included new money, both grants and loan guarantees, for modernization of hospital facilities. This will ease economic crises, and bring about more efficient care and better hospital protection.

In other words, we are acting on these matters. We are acting through the committees that have jurisdiction over them, and I do not believe we ought to undertake, in this case, to try to handle these priorities, as the Senator from Indiana has so well expressed it.

Mr. BAYH. Mr. President, I am familiar with the two pieces of legislation that the Senator from Alabama has referred to. They do, indeed, deal with the medical school problem, and they do deal with the educational problem. They do not deal sufficiently, in my judgment, with the hospital problem, and I would like to suggest, while I may be in error, that as I recall both of those bills deal with the authorization process. Is that not accurate? There is no money definitely committed, and no check written.

Mr. SPARKMAN. Oh, yes, that is correct, just as this is an authorization bill.

Mr. BAYH. I respectfully suggest that it is not an authorization bill, but that it provides for a guaranteed loan, which is much closer to solid cash than the authorization process.

Mr. SPARKMAN. No, no. The Senator knows this is authorizing legislation. It does authorize a loan guarantee, but we do not appropriate any money. We authorize, under certain conditions spelled out, the Government of the United States to make a guarantee, just as we have done in housing and so many other activities that we carry on in this country. Certainly I do not think anyone would ever characterize that as anything other than authorizing legislation.

Mr. BAYH. Am I in error, or is it possible, if this measure passes, for Lockheed to obtain loans from banks which will be guaranteed by the Federal Government, to the tune of some $250 million, with a total of $250 billion of Federal guarantees, the same as hard cash?

It may not be an appropriation, but we are establishing a vehicle.

Lockheed does not stay in business by an authorization process. They take this authorization to the bank, and the Federal Government says, "We guarantee, if you go bankrupt, that we will pay the bill. Here is $250 million."

Am I in error on that?

Mr. SPARKMAN. The Senator is splitting hairs, I think. I do not think anyone would agree with the Senator from Indiana that this is anything other than authorizing legislation. It certainly is not appropriating. It is authorizing the transaction to be undertaken, provided certain conditions are met, just as, in the case of the Federal Housing Administration, we authorize insurance to be granted, or loans to be guaranteed, in other words, on home mortgages, under certain conditions.

That is not an appropriation measure. A fee is paid that sustains the guarantee, just as a fee would be charged in this present case; and I do not think the Senator from Indiana can really be serious when he argues, if he really is arguing, that this is not authorizing legislation.

Mr. BAYH. I think we might be splitting hairs by debating the validity of the word "authorization." I think perhaps the distinction between the normal authorization process and this authorization process is the distinction between a check that has not been signed and one that has been signed.

To just try to bring the matter into proper perspective, our Committee on Public Works, during the earlier part of this session, reported an accelerated public works bill, which became the source of great controversy. I think it had about a $2 billion authorization. It was vetoed by the President.

But is it possible for that $2 billion to be spent in the same manner that it is possible for the $2 billion involved here to be spent, that is—actually to be received by the grantees?

Mr. SPARKMAN. Would the Senator mind repeating that? I did not understand his reference to the accelerated public works bill.

Mr. BAYH. Yes. The accelerated public works authorization was a traditional type of senatorial authorization, which does not give to one—I was going to say dam builder, but I shall say instead builder of a dam—road builder, or sewage and municipal disposal plant contractor, $1, in that authorization process. They have to come here and get an outright appropriation under the appropriation process of the Senate.

Mr. SPARKMAN. Yes. That is true of all legislation.

Mr. BAYH. But it is not true of this. The Senator from Indiana respectfully suggests to the Senator from Alabama that it is not true of this measure. Once this bill is passed it is possible for those who make the determination to say that company X—now, specifically, of course, Lockheed—there may be some others, at some other time—meets the criteria. And that is the same as getting $250 million from the bank out of this particular vehicle.

Mr. SPARKMAN. I do not agree with the Senator from Indiana. I find it dif-

ficult to think that any Member of the Senate would agree with the argument that is being made. It is an authorization bill, and it authorizes some action to be taken only in the event that the conditions laid down in the law are met.

The bills to which I refer here, which were reported by the Labor Committee, are the same type. They authorize loans and grants, provided certain conditions are met. It is the same with a great deal of other legislation. However, before any money can be spent, an appropriation is required, and the same would be true here.

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

Mr. BAYH. Let me pursue this further. Is the Senator from Indiana correct in his understanding of what the Senator from Alabama has said, that Lockheed Corporation will not be able to get the $250 million they want by the passage of this bill, but that they will have to come back to the Senate and have the passage of a $250 million appropriation?

Mr. SPARKMAN. No. I did not say that. This is authorization for a guarantee, and it does not provide a single cent to be paid to Lockheed. The money is coming from the banks, just as in the case of small business loans, where the banks make the loans and the Small Business Administration guarantees them. It is an authorization.

Mr. BAYH. The Senator from Indiana is familiar with that, but I——

Mr. SPARKMAN. I felt certain he was, and I was rather amazed that he presented this type of argument.

Mr. BAYH. The Senator from Indiana is looking at a different part of the horse than is the Senator from Alabama.

Mr. SPARKMAN. I believe that in the fable it was an elephant, was it not?

Mr. BAYH. I prefer not to use that animal, out of deference to the Senator from Connecticut and others who might feel that this was a low blow or something like that.

We have permitted ourselves, I think—and I accept the burden of the blame here—to be deterred from at least the intended focus of the amendment of the Senator from Indiana. I think it is obvious to all of us, and I think we cannot quarrel with it, that whether it is an authorization or a loan guarantee, this will make it possible for Lockheed to have $250 million of additional liquidity. It is providing for an additional $1,750 million of liquidity through loan guarantees for other corporations—$250 million for each one.

The next question we ask, of course, is, What happens if Lockheed fails and the bank that granted one of these guaranteed loans is then faced with paying the paper which the Federal Government guaranteed? At that time, the bank comes back, and the guarantee is an obligation of the Federal Government.

So it is just one step removed from the normal traditional appropriation process.

Let me make one other observation. I understand that two other Senators want to participate in this debate with the Senator from Alabama.

I think it is important for us to recognize that some of us, such as the Senator from Alabama, have been kind and generous in support of funding for hospitals and education, whether they are medical schools or other schools. The Senator from Alabama has been a leader in the Hill-Burton program that built hospitals in every community in America. But we have to face the cold fact of reality. Last year, this body passed a significant Hill-Burton hospital program, an appropriation bill. Is that right? And what happened to it? It was vetoed by the President.

Why? Because it had too much money in it.

Here we have a chance to say, "While you are going to have these moneys available for corporate interests, while you are doing that, we are going to tie in the same legislative package the requirement that you make similar dollars available to hospitals and schools and medical institutions."

Perhaps this is a pragmatic instead of an idealistic argument, but this puts the fire to the feet of those who might otherwise be inclined to veto this type of legislation.

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

Mr. BAYH. I yield.

Mr. KENNEDY. I apologize for not having had a chance to study this amendment in great detail prior to coming to the Chamber a few moments ago.

As a matter of fact, I just came from a conference with the House of Representatives that broke up in matters of disagreement, subject matters which are related to the amendment of the Senator from Indiana.

With respect to the various health facilities, the health care enterprises, referred to in the Senator's amendment, does he intend to leave it completely flexible in terms of interest rates which are charged? We have seen quite clearly, even if this is included, in terms of hospitals, for example, under the Hill-Burton Act, that there has been no success in taking advantage of loans and loan guarantees. The impression I have is that medical schools are in the same situation.

In this respect, I am wondering whether there is sufficient latitude, sufficient authority, in terms of health care enterprises, to effectively underwrite completely any interest, or what the provisions would be. I think a very wide ranging impact can be gathered.

The concern I have, unless some of these matters are clarified, is that it might appear that we are doing a great deal in terms of health and educational facilities, without providing any significant assistance whatever.

Mr. BAYH. I think the point raised by the Senator from Massachusetts is a a good one.

I discussed this issue in the committee, and I said I would have no objection—in fact, I would prefer—if we provided this type of flexibility to these institutions. I do not think we want to provide this type of flexibility to the traditional corporate business enterprises, but I would have no objection to including this kind of flexibility for hospitals-medical schools and colleges in my amendment. In fact, I have asked one of my staff members to sit down with a staff member of the distinguished Senator from Massachusetts and see whether this type of language can be worked out.

I know of no member of this body who has worked more arduously in pursuit of adequate funding for the health and educational institutions with which we are dealing here than has the Senator from Massachusetts.

I would prefer that the measure that the Senator from Massachusetts is now considering be passed, be agreed upon, be sufficient in size and authorization; that the problem of these institutions be dealt with in that way. But what concerns the Senator from Indiana is the issue I raised with the Senator from Alabama. If the authorization process was all that was necessary to tie these funds down to make them available for medical schools and all other institutions of higher education and hospitals, fine.

But, as the Senator from Massachusetts knows, we have been subjected to two presidential vetoes in the last year—one in the area of health, another in the area of education. So the authorization process is only one part of the program. Right here, while we have the chance, I would like to tie guaranteed emergency loan funds at a rate acceptable to the Senator from Massachusetts with the flexibility necessary. The Secretary of HEW perhaps could make that determination, but the point raised by the Senator from Massachusetts is a good one.

Mr. KENNEDY. I raise the question because, as I understand it, there are no interest subsidies in terms of this legislation. What we have seen is, if we provide loans in terms of construction, the Hill-Burton Act is the best example where hospitals have not taken advantage of the loan guarantees, as well as medical schools. It is difficult for them because they are doing so by having to pass on the increased costs to their students in terms of the cost of education. Other facilities like neighborhood health centers, area educational centers, health maintenance organizations, they will try to provide that, so that it will be a sort of new wave of the future in providing quality health. That will be difficult for them to do over a period of years, to return the high interest rates.

As debate continues, I should like to give that some thought, to see whether there may not be some opportunity to provide some kind of interest subsidies, or at least to spell out more clearly what the authority will be for the operating officials of Government in the nonprofit agencies. The situation can be somewhat more clarified because otherwise its impact, particularly in the area of health, would be extremely limited.

Could I ask the Senator, as I understand it, this would be used only for existing deficits. Would or would not the funds be available for any kind of new construction? I am thinking in terms of trying to provide more expansive health centers in local communities, the development of additional kinds of medical schools, and other facilities which may be needed.

Mr. BAYH. I appreciate the fact that the Senator raised that question. His bill, which is now in conference, deals

with some of the inequities that face us in financing medical schools. I may be wrong, but I do not feel that the particular bill deals with the problem of operational expenses in hospitals. The distinguished Senator from Rhode Island (Mr. PELL) has another bill that deals with operational expenses for institutions of education.

What our bill deals with is operational not construction grants—operational funds when emergencies exist, and only when emergencies exist.

This is strictly an emergency-type situation. The proponents of Lockheed suggest that their emergency has come up in the normal course of business; that it is an emergency loan to big business so why not make an emergency loan available to hospitals and medical schools and institutions of higher learning across the board?

Mr. KENNEDY. I appreciate that response. There are a number of hospitals and other health facilities that are not nearly so well run as they should be. What we always have to be careful of is not providing just additional loans to continue poor administration of existing hospitals or other facilities, but I point out here that to a great extent the financial condition of hospitals is almost related to the awareness of their responsibilities in terms of local community needs. Time and time again we have seen that hospitals retain a balanced budget only by turning away disadvantaged people within a given community.

The hospitals running the greatest deficits are those providing the most broadly-based range of services, mostly in the inner city, and a few in the rural communities, so that the areas of greatest need in hospitals would be those in the urban areas.

Let me ask the Senator this: How would this amendment affect municipal hospitals, as this is where the great mass of primary care is being provided today; in the District of Columbia Hospital, in the Boston City Hospital, in the Denver City Hospital, in the Cook County General Hospital, all of which are run by municipalities. Would the municipality be able, through the hospital association, to be eligible for this?

Mr. BAYH. Yes, indeed. In fact, the Senator mentioned the Boston City Hospital. It has really felt the crunch. It has not closed down but is trying to stay open. It has lost its accreditation because it has had to cut down its services so much. It is a tough battle for hospitals to wage. Certainly, we would be wrong if we did not emphasize the fact that the municipal hospitals to which the Senator alluded are the ones in greatest need for this kind of assistance.

Mr. KENNEDY. The municipal hospitals themselves and the associations, they would be able to be eligible for that kind of loan, would they not?

Mr. BAYH. Very definitely, public or private.

Mr. KENNEDY. Public or private. I thank the Senator. I am interested in studying the Senator's amendment further and I appreciate his responses.

Mr. BAYH. Mr. President, I appreciate not only the concern, but the expertise that the Senator from Massachusetts brings. As chairman of the Health Subcommittee of the Committee on Labor and Public Welfare, the Senator is in a unique position to make a significant contribution.

I want to say unequivocally to the distinguished Senator from Massachusetts, and for the RECORD, as I have said earlier, that this emergency loan guarantee program is in no way designed to subvert, supplement, or take the place of the efforts that are being made by him, and others, to try to deal effectively with the great needs of our hospitals and schools. This is an emergency loan designed to deal with emergency operational problems. The Hill-Burton hospital program—the granddaddy of legislation in the hospital field—does not provide a single dollar for the operational emergencies now confronting the hospitals.

Mr. KENNEDY. As I understand it, the Senator would not be averse to providing an interest-free loan guarantee in terms of hospitals, would he? I know that is not included, but I would be enormously sympathetic to that kind of concept. I believe that is one of the problems we would be running into there, if we provided this kind of money to hospitals that have operating deficits primarily because of services. I think it really is unrealistic to expect that they would be able to pay it back.

Then, in effect, what the Senator is doing is providing additional moneys, in effect, to the various hospitals. I am extremely interested in getting more resources into the hospitals of the country, but I think this would be the result of the amendment, because there is nothing in any of the municipal hospitals, where there is the greatest need, that would provide any return on income. They, in effect, are providing services to medicare and medicaid patients and are running very sizable deficits. I think this is part of the reality—the tragedy, I might say—of the situation.

But I can see some of the logic of the Senator from Indiana when he points out that in terms of our own sense of priorities, being willing to help or assist in terms of hospitals, we may be thinking in terms of some of the other financial institutions. But this is a feature which is, I think, of importance.

I raise these two items, and I would be interested in any response the Senator from Indiana could give.

Mr. BAYH. As I said earlier, in response to the original question of the Senator from Massachusetts, I am not only willing to accept such a provision, but I would prefer it. I think we are, in a sense, a step or two away from working out acceptable language.

Mr. President, I understand that the Senator from Wyoming wishes to present a conference report.

Mr. President, without losing my right to the floor, and without causing the pending amendment to lose its germaneness, I ask unanimous consent that I might yield to the Senator from Wyoming to deal with the agricultural conference report.

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

Mr. McGEE. Mr. President, I express my appreciation to the distinguished Senator from Indiana for his courtesy.

THE AGRICULTURE-ENVIRONMENTAL AND CONSUMER PROTECTION PROGRAMS APPROPRIATION BILL, 1972—CONFERENCE REPORT

Mr. McGEE. Mr. President, I submit a 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 the agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1972, and for other purposes.

I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. TAFT). Is there objection to the present consideration of the report?

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

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of July 22, 1971, at p. 26656.

Mr. McGEE. Mr. President, I shall not report on the details of the conference agreement, since the full text of the conference report and the statement of the managers on the part of the House and the Senate has been printed as House Report No. 92–376.

Mr. President, the House passed this bill on June 23—the Senate on July 15. The bill as passed by the Senate contained 43 different numbered amendments, comprised of more than 60 individual differences. The conferees met and reached agreement after an all-day session on July 21.

SUMMARY TOTALS

The conference agreement on this bill totals $13,276,900,050. This is $3,727,992,500 over the 1971 appropriation and is $1,172,086,200 over the 1972 budget estimates.

Mr. President, I would inject at this point that this is the first year this subcommittee has handled appropriations for the environmental and consumer protection agencies which were added to the subcommittee's jurisdiction early this year.

The major items of increase in the bill over the budget estimates consist of $500 million for grants for basic water and sewer facilities in the Department of Housing and Urban Development; approximately $200 million for the food stamp program, and more than $200 million for the Rural Electrification Administration. The bill also exceeds the budget requests for rural water and waste disposal grants of the Farmers Home Administration by $44 million. Various programs of the soil conservation service were also increased as was the rural environmental assistance program of the Agriculture Stabilization and Conservation Service. The bill also contains $104 million for the special milk program which was an unbudgeted item and thus this entire amount represents an increase over the Department's budget estimates.

The foregoing items represent an in-

crease over the budget estimates of more than $1.1 billion, of the total increase of $1,172,086,200.

Mr. President, before moving for adoption of the conference report, I would like to mention a couple of items of general interest. The conference agreement concurred with the action of the Senate in eliminating language from the House-passed bill which would have the effect of limiting price support payments to $20,000. The conference also concurred with the action of the Senate in fully restoring the net realized losses of the Commodity Credit Corporation.

On pages 27298–27302 of the CONGRESSIONAL RECORD of July 27, 1971, there is printed a detailed table showing comparisons of the bill as recommended by the conferees with the 1971 level, the budget estimates for 1972, and the bill as it was passed in the House and the Senate. Since this information is already contained in the CONGRESSIONAL RECORD, I shall not offer it for printing in the RECORD at this time.

Mr. President, I understand that some Senators have questions they would like to raise in regard to the report. I yield now to the Senator from Wisconsin.

DAIRY CATTLE FORAGE LABORATORY

Mr. PROXMIRE. Mr. President, I want to congratulate the Senator from Wyoming on the way in which he has handled the agriculture appropriations bill as chairman of the Agriculture Appropriations Subcommittee. The Senator from Wyoming has worked hard. He has worked long hours and has held very extensive hearings. It has been a difficult and at times a thankless job.

Mr. President, there is some language in the conference report on the bill that distresses me, however. As the Senator from Wyoming will recall, the Senate included $680,000 for the planning of a dairy cattle forage laboratory which would have been in my State and would have primarily benefited dairy farmers in the North Central region of the United States but would have had a substantial impact on dairy forage practices throughout the country.

Strong resistance to this proposal was encountered in conference because it was new construction. The point was made that existing facilities were not fully staffed, so we should not begin building new ones—as if new construction were not exactly what we need in view of the present unemployment in the building trades. Certainly it would be extremely difficult, if not impossible, to argue against the laboratory on the merits. It would return almost $100 for every dollar invested. The yearly savings to the dairy farmer would be a whopping $357 million.

The annual cost of operation would be $3.5 million. I have seen a lot of public works programs since I have been here. However, I have never seen one that has a 100 to 1 cost-benefit ratio.

Despite this impressive return coupled with an extensive 57-page study by the Department of Agriculture on the feasibility of the laboratory the conference report calls on the Department to "restudy the need for such laboratory on a smaller scale or perhaps in connection with research at other centers."

To my mind, Mr. President, this move, although it may be penny wise is most assuredly pound foolish. The laboratory would cost $8,500,000 to build. This is considerably less than one of the F–14 fighters that the Defense Department intends to acquire in great numbers. It is much less than one C–5A—in fact it would cost about one-sixth as much. Yet the benefits to the dairy farmer—helping him to meet the cost-price squeeze—are immense.

Mr. President, I ask the Senator from Wyoming if it is his understanding that the conference report merely intends to instruct the Agriculture Department to consider alternatives.

Mr. McGEE. Mr. President, the Senator from Wisconsin lost me with the talk of the C–5A's and a couple of other items.

Mr. PROXMIRE. I was trying to put this in its proper perspective. We do not have to provide billions of dollars for planes that will not work. We get turned down year after year after year on a laboratory which the feasibilities studies have overwhelmingly shown should be established.

Mr. McGEE. Mr. President, I might say somewhat facetiously, that if Lockheed were a Government corporation, we could locate it in Wisconsin and help compensate for this gap there.

Mr. President, in response to the Senator's question, he knows full well how vigorously the Senate conferees for 3 years running have battled for this project in Wisconsin. This is not because it is a Wisconsin project nor because the Senator from Wisconsin is a member of the subcommittee, but because dairy farming all over the country would benefit from it. We felt it had very great merit in the national interest. That is the reason we recommended it. At no time did we intend, in my recollection in the conference, that the language be so strict as to suggest that the proposal be reduced or that the services sought to be provided there be included somewhere else and thus, in effect, to abandon the project. We think that would be unwise.

I am prepared to accompany this dialog and the statements I have just made with a letter to the Secretary of Agriculture to make it clear what our intent is, as the Senate understands it, and what the intent was. We could not reach agreement with the House on this matter this year, but we are not through trying and therefore we want to encourage the Secretary of Agriculture "to get with it," and to have another look at this approach. Hopefully the Secretary will come up with this in his budget request for fiscal 1973.

Mr. PROXMIRE. I would like to ask if upon further study it appears that the most efficient way to deal with the problem is to follow the course proposed by the Department in 1968—the dairy cattle laboratory—is it the Senator's interpretation of the conference language that we should follow this course rather than take a 'second best' approach?

Mr. McGEE. Indeed, so. The Senator was there at the same time as I was during the conference. Our recollections are identical in that regard.

I might check with the ranking Republican member of the conference and my colleague in the entire matter.

Mr. HRUSKA. It is my understanding the Senator from Wisconsin takes exception to the language in the report.

Mr. PROXMIRE. That is correct.

Mr. HRUSKA. I would say that it was not the type of language on this subject that this Senator contemplates. It was pretty well agreed that the item could not be allowed, that it would be deleted in the overall consideration of the bill. There was no discussion. If there was, it escaped my attention. There was no acquiescence that there would be a restudy of the need for such a laboratory on a smaller scale or perhaps in connection with research at other centers.

To that extent I would take exception to the language in the report and I would say there is justification for the concern of the Senator from Wisconsin in that regard.

Mr. PROXMIRE. I thank the Senator for reaffirming my recollection. I thank the Senator from Wyoming. I hope that he and the Senator from Nebraska understand that none of this is criticism of them or the vigorous job they did in committee to try to save this amendment. I would like to say that both Senators have been most helpful and cooperative. The lack of cooperation and refusal to fund the project arose only after we took the appropriation bill to conference.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement in connection with this matter.

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

STATEMENT

The dairy farmer in this country, and particularly in the Midwest, continues to be faced by a cruel cost-price squeeze. As a result, the average Wisconsin dairy farm family is contributing long hours of backbreaking work at a poverty level wage.

One certain way out of this impasse is a reduction in the cost of feed—the single largest cost of milk production. This is exactly what the proposed Dairy Cattle Forage Utilization Laboratory would do according to a Department of Agriculture study made in 1968.

The cost of constructing such a laboratory would be $8,500,000 and it would cost $3,500,000 a year to operate, but its return in reduced feed costs would be a fantastic $350 million annually. In other words the project would return almost $100 in benefits for every dollar invested. This is a most efficient use of Federal funds.

The impact of improved forage practices on the small family farm, which continues to be the backbone of the nation's dairy industry, would be substantial. These farms are uniquely fitted to efficiently use grazing lands while large centralized operations have greater problems in transporting bulky forage to feeding sites and pursuing effective grazing management practices. A reduction in forage costs as a result of the efforts of the proposed laboratory thus would be of particular benefit to the family dairy farm.

Economic growth in the farm sector of the seven North Central states is particularly keyed to the effective use of forage lands.

One-third of the farmland in the area is used for forage. One-half of the farmland in my own state of Wisconsin is utilized for this purpose. By improving the production, handling, storage and use of this forage crop, the proposed laboratory would give a real boost to the seven-state farm economy.

But this is far from a regional program. The benefits from this laboratory would assist the dairy industry in every state in the Union. In fact, since dairying ranks second only to cattle production nationally in cash receipts from agriculture, this laboratory could have a significant impact on the nation's farm economy as a whole.

Finally, the University of Wisconsin's College of Agriculture is ready, willing and able to provide free land for the facility. Thus, the taxpayer would not have to spend one red cent on land acquisition.

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

Mr. McGEE. I yield.

Mr. BURDICK. Mr. President, now that the bill is in final form I wish to commend the able Senator from Wyoming as chairman of the subcommittee and the entire committee on what I consider to be an excellent job.

The Senator referred to the increases. I want to pay particular attention to the over $200 million increase in REA funds. This is good news to rural areas. This money is needed for there is a very heavy backlog. I wish to thank the Senator for the consideration given to rural electrification.

Now, on page 43 of the report on the original bill I find the following language in regard to the Water Bank Act:

This appropriation would enable the department to enter into agreements and would fund the cost-sharing and annual payments on these agreements for the full 10 years of the agreement term.

An appropriation of $10 million is recommended, the same as the House bill and the budget estimate for 1972.

The figure of $10 million was retained? Is that correct?

Mr. McGEE. The Senator is correct.

Mr. BURDICK. My question is: What period of time does that $10 million cover?

Mr. McGEE. The $10 million was designed to cover the initial contracts for 10 years, but the law authorizes a $100 million program over the 10-year period. The $10 million does not necessarily represent the entire program but will fund for the entire 10-year period the initial contracts that will be entered into later this year.

Mr. BURDICK. I thank the Senator and again, I thank the committee.

Mr. McGEE. Mr. President, the junior Senator from North Dakota has been a real leader in this body and in committee deliberations in obtaining sufficient loan funds for the REA. I appreciate the activity of the Senator in that regard.

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

Mr. McGEE. I yield.

Mr. TAFT. I thank the Senator for yielding.

I wish to raise a question about some of the language in the report that disturbs me considerably. The language to which I refer is found on page 6 of the conference report where it is stated very clearly in reference to Amendment No. 15 that:

It is to be noted that, under the various laws passed by the Congress and signed by the President, a commitment was made to make payments under certain terms and conditions at not to exceed $55,000 per person or corporation per crop.

At the time the bill was before us, we debated this matter fully. I offered an amendment which was rejected to change the word "person" to "owner" to try to tighten up the administration of this provision to avoid the effect of dividing ownership and to avoid the effectiveness of a limitation that Congress intended.

Now I find language in this report which goes further, I think, than either the committee report of the House or the Senate, and it goes further than the present law, and further, indeed, than the present regulation.

The language in connection with amendment No. 15 to which I have referred is found in the third paragraph where it is stated:

It is to be noted that, under the various laws passed by the Congress and signed by the President, a commitment was made to make payments under certain terms and conditions and not to exceed $55,000 per person or corporation per crop.

As far as I know, the words "or corporation" are novel and, I think, contrary to the intent of the regulation and the present law.

The regulation at the present time, which I quoted to the Senate when the matter was under original discussion, states that:

§ 795.7 Corporations and stockholders.

A corporation (including a limited partnership) shall be considered as one person, and an individual stockholder of the corporation may be considered as a separate person to the extent that such stockholder is engaged in the production of the crop as a separate producer and otherwise meets the requirements of § 795.3, except that a corporation in which more than 50 percent of the stock is owned by the individual's spouse and minor children), or by a legal entity, shall not be considered as a separate person from such individual or legal entity. Where the same two or more individuals or other legal entities own more than 50 percent of the stock in each of two or more corporations, all such corporations shall be considered as one person.

This language, if taken literally, might indicate an intent to make exception—what I call a sieve—because it is not at all meaningful—considering corporations as separate entities, as exists under the SEC or the tax law. But nevertheless this provision included in the conference report might be interpreted as trying to broaden the present interpretation of the language of the statute referring only to persons, over and beyond the present interpretation. Both regulations in accordance with the original congressional intent, should be tightened.

Can the Senator comment on that?

Mr. McGEE. The Senator's misgivings in connection with the phrase "per person or corporation" are understandable. That certainly does not reflect the intent of the conferees. It is likewise understandable that one with legal training in the legal profession could regard this otherwise as a redundancy or expansion for some other purpose. I suspect it was spelled out to take care of the illiterates among us, like the chairman of the Senate conferees, who is not a lawyer. It was not intended as a ruse, or screen, or subversion to permit dummy corporations or other devices to be used to try to get around the law. I think this legislative record ought to make that very explicit. I assure the Senator that was not the intent, or the outcome. We will require vigilance in riding herd on its application to make doubly certain that it is not exploited to get around the intent of the law.

As the Senator will recall, we had strong language in the Senate report directed to this problem and I can assure the Senator we will follow this up.

Mr. TAFT. I appreciate that statement from the chairman. This would provide guidelines for the effective administration of the law.

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

Mr. McGEE. I yield.

Mr. BOGGS. I think it is clear, but a question has been raised, and I would like to have a clarification. On page 7 of the conference report, under "Environmental Protection Agency," it reads:

The conferees agreed to provide an additional $7,500,000 for solid waste disposal grants.

As I understand it, this language refers to the House bill—that is what we are talking about in the conference report—which originally contained an appropriation of $4 million for this item and a provision to carry over an additional $4 million which was not expended during fiscal year 1971.

Am I correct in my understanding, therefore, that there will be a total of $15.5 million available for solid waste disposal grants; that is, a new appropriation of $11.5 million plus the $4 million in carryover money?

Mr. McGEE. That is correct. There was a $4 million carryover from last year. This increase was the recommendation the conferees agreed to over the figure that was included from the House side.

Mr. BOGGS. Very good. I take this opportunity to commend the chairman, the distinguished Senator from Wyoming (Mr. McGEE), and the ranking minority member, the distinguished Senator from Nebraska (Mr. HRUSKA), for the fine job they did on the conference report and on the bill.

Mr. HART. Mr. President, a provision in the joint explanatory statement of the committee of conference on the agriculture appropriation bill has caused some concern, and I would like to address myself to it before the final vote on the conference report. The language referred to is as follows:

The conferees believe it most important that the various agencies of Government and the Congress in the review and appraisal of Federal Government programs, projects and activities, have full information available not only as to the impact upon the environment but also the significant economic impact on the public and the affected areas and industries.

The conferees, therefore, direct that, in addition to the environmental effects of an action, all required reports from depart-

ments, agencies or persons shall also include information, as prepared by the agency having responsibility for administration of the program, project, or activity involved, on the effect on the economy, including employment, unemployment, and other economic impacts.

The conferees expect the agencies involved to spend such additional sums as may be necessary, out of general funds available, to cover any additional costs of preparing such statements.

This requirement will apply primarily to the environmental impact statements required under section 102 of the Environmental Quality Act, and the reports required under the permit dumping programs based on the Refuse Act of 1899.

Mr. President, with regard to this language, I would like to express my understanding that these words will not have the force of law. In the House, the Committee on Appropriations, in the bill it reported, provided for $6.3 million for the writing of economic impact statements. On the motion of the distinguished Congressman from Michigan, Mr. DINGELL, this provision was stricken from the bill on a point of order as legislating on an appropriations bill. The Senate did not provide for any funds for such impact statements. It thus seems clear that the question of whether funds should be appropriated for this purpose was not before the conferees.

Had appropriations for this purpose been included in the conference report itself, the provision would have been subject to a point of order both on this ground and on the ground asserted by Mr. DINGELL on the House floor. While reference to economic impact information appears not in the report, but rather in the joint statement accompanying the report, it would appear that it should not be entitled to binding effect of law.

Mr. McGEE. As the Senator has indicated, the language to which he takes exception is contained in the joint statement on the part of the managers of the bill and is not contained in either the bill itself or in the official conference report. As was brought out on the floor of the other body when this matter was under consideration, this language, in my opinion, cannot serve either to expand or to restrict the basic legislative authority of the Environmental Protection Agency or other agencies involved.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

The report was agreed to.

The PRESIDING OFFICER. The clerk will state the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 4 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum named in said amendment, insert: "$70,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 34 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: "$1,410,000, of which $450,000 shall be transferred to the Consumer Products Information Coordination Center for necessary expenses, including services authorized by 5 U.S.C. 3109".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: "$25,000,000 (of which $6,500,000 shall be placed in contingency reserve to be released on determination of need)".

Mr. McGEE. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 4, 34, and 38.

The motion was agreed to.

Mr. McGEE. Mr. President, I ask unanimous consent that the requirement that the conference report be printed as a Senate report be waived, inasmuch as under the rules of the House of Representatives it has been printed as a report of the House.

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

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, informed the Senate that the Speaker had appointed Mr. HASTINGS, of New York, as a further additional manager on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 8629) to amend title VII of the Public Health Service Act to provide increased manpower for the health professions, and for other purposes.

The message also informed the Senate that the Speaker had appointed Mr. HASTINGS, of New York, as a further additional manager on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 8630) to amend title VIII of the Public Health Service Act to provide for training increased numbers of nurses.

ORDER FOR YEAS AND NAYS ON PUBLIC WORKS APPROPRIATION BILL

Mr. BYRD of West Virginia. Mr. President, I ask for the yeas and nays on the public works appropriation bill.

The yeas and nays were 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. BAYH. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. BYRD of West Virginia. Mr. President, what is the pending business?

The PRESIDING OFFICER. The question is on the amendment of the Senator from Indiana.

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. WEICKER. 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. WEICKER. Mr. President, speaking to the amendment of the Senator from Indiana and the discourse on it, I would like to make a few observations. Much of this is repetitive, but I think it is important to make absolutely, crystal clear what this body is being asked to do.

The Senator from Texas and I had, I thought, arrived at some kind of an agreement as to how we were going to try to portray the $250 million when the proponents were rather disturbed that others were trying to portray the $250 million as being something for the Lockheed Aircraft Corp. in cash, and the opponents were getting upset over the $250 million being portrayed as something the taxpayers had no connection with.

Let us make it very clear that the Government is not—and as an opponent of the bill I want to make it clear that the Government is not—giving $250 million to the Lockheed Aircraft Corp. But it is equally true that the Government could give $250 million to the Lockheed Aircraft Corp.

Insofar as the provisions of the bill are concerned, the figure $250 million is used. May I point out that what is being requested here is $2 billion, with the maximum loan to anyone being $250 million—a rather coincidental figure to the needs of the Lockheed Aircraft Corp. But certainly in the proper functioning of Government, as in the proper functioning of budgeting in one's home or in the finances of a town or a State, when there is the possibility of having to fork over $250 million, some provision in the budgeting process has to be made.

If any one of us is asked to cosign the note of a friend, we must be prepared to cover the amount of that note. True, we are doing nothing more than putting our signature on it, but the day might come when it would be necessary to make good the full amount of the note.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. WEICKER. I yield.

Mr. PROXMIRE. Is it not true that under those circumstances we have, in effect, backdoor financing and backdoor appropriations? The Appropriations Committee would not have any opportunity to consider it. The full faith and credit of the U.S. Government would be behind that guarantee, and no member of the Appropriations Committee, no Member of the Senate, and no Member of the House could say, "We cannot make that guarantee good. We did not mean it. We cannot afford it. We are going to take another look at it in the appropriation process." That money would be gone. As it is, it is a conditional backdoor appropriation process and this is the last time we have a crack at it. After the emergency board is created, Congress will not have anything more to say

on that particular loan to Lockheed or any other loan made before October 1.

Mr. WEICKER. The Senator from Wisconsin is absolutely correct in his observation. I think it is necessary to point it out, so if the worst happens the taxpayers of the country will not throw up their hands and say, in surprise, "But we were told we were not putting out any money. We were told by the Senator from Texas and the Senator from Alabama that not one dime"—I believe was the expression used—"would be coming out of our pockets." I think, win or lose, it is necessary for men like the Senator from Wisconsin and the Senator from Indiana to point out to the American people what they are doing, and not gloss over it as just a simple matter of the Senate's passing the bill and the United States signing its name, and that is all we are liable for.

We could be liable for $250 million.

Point No. 2: In the course of the discussion by the Senator from Indiana, he indicated a deep concern over the priorities in this Nation. Certainly, this has to be in the back of many minds in this Chamber, and indeed throughout the country, and I commend the Senator from Indiana on pointing up this issue of priorities as it relates to the Lockheed loan.

There will be those who say, "Every time we get into one subject or another around here, someone raises the issue of priorities." But, Mr. President, that concern properly belongs here, as the Senator from Indiana has pointed out.

I do not agree, and I have so stated to the Senator from Indiana, that this is a proper method, on this particular bill, to introduce the issue, but he is absolutely correct in again explaining to the people of this country that the whole business of Government is the business of choosing, and when we choose to set aside $2 billion—$250 million for the Lockheed Aircraft Corp.—we have made a choice at the expense of some other possible endeavor of this Government.

The proponents of the bill have said that actually we should be happy to encourage the Lockheed Aircraft Corp. in this particular endeavor, which is civilian in nature, as compared to the defense aspects of their business. True, I think it is a wonderful thing that there is a civilian or commercial aspect to Lockheed's business. But the question here is not merely as between commercial and defense priorities. I do not particularly care to make, or have pushed down my throat, the choice of an airframe manufacturer. Undoubtedly that is a great endeavor, but compared to the rest of the needs of the country these days, it is quite far down on my list of priorities. No doubt it is within the list of our civilian needs, but in the order of our civilian priorities, airframe manufacturing does not sit high on my list.

I think, again, the point made by the Senator from Indiana is right on the button when he asks us to reexamine within the framework of all of our needs what really needs to be done. Make no mistake about it—and I repeat, because I do not wish to plagiarize, I believe it was Winston Churchill who used the words that governing is choosing, and we are making one choice among many that will come before the Senate, but it is one, and I think we should express ourselves on each one as they come along.

This is the technical point on which the Senator from Indiana and I disagree. But we will have made our choice to guarantee $2 billion, now, to major corporations, and in any event $250 million to the Lockheed Aircraft Corp.

I did want the opportunity, as I say, to commend the Senator from Indiana on, first, alerting the American public as to what it is we are signing off on, and, second, to commend the Senator from Indiana on pointing up the priorities that face the Nation at this time, and how this is a misplaced priority. I am only sorry that because of a technical matter—because I believe each one of these choices should come through by itself, and not be slapped on different bills—I find myself in disagreement with the Senator. But, as to the policy and purpose, I agree with the Senator from Indiana and commend him.

Mr. BAYH. Mr. President, will the Senator yield for a technical question that might be interpreted under the Senate rules as an observation but nevertheless is technically a question?

Mr. WEICKER. I yield.

Mr. BAYH. I appreciate the comments of the Senator from Connecticut. He certainly has put this whole question in proper perspective, in my judgment. I would like just to make the one observation that it seems to me that here, in one amendment, we have the chance to be both idealistic and pragmatic. We have the opportunity to be idealistic from the standpoint of the priorities question, but we also have the opportunity to be pragmatic by tying into one package the support of those who might otherwise be disinclined to support this additional assistance for health and education—to tie their support into this one particular measure, and then everyone is free, of course, to vote as he pleases on final passage.

But I think this is an important contribution we can make in the event this measure does pass, to say that at least we are going to distribute these funds across the board on a more realistic priority basis.

I thank the Senator for yielding.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield for a unanimous-consent request, with the understanding that the Senator not lose his right to the floor?

Mr. WEICKER. I yield for a unanimous-consent request.

UNANIMOUS-CONSENT AGREEMENTS

Mr. BYRD of West Virginia. I ask unanimous consent that time on the pending amendment be limited to 1 hour, to be equally divided between the distinguished mover of the amendment, the Senator from Indiana (Mr. BAYH) and the manager of the bill (Mr. SPARKMAN), and that time on any amendment to the amendment be limited to 20 minutes, to be equally divided between the mover of the amendment to the amendment and the manager of the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAYH. Mr. President, may I make a unanimous-consent request to precede that?

I ask unanimous consent that the yeas and nays, previously ordered, be withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. ALLOTT. Mr. President, reserving the right to object, may I inquire what the previous order was? I may not object.

Mr. BAYH. The Senator from Indiana asked for the yeas and nays, and I am now asking that the yeas and nays be withdrawn from my amendment, so that, with the minimum amount of inconvenience and the minimum amount of the Senate's time, I might be permitted to revise my amendment, after which I should like to ask for the yeas and nays to be granted again.

I do not want to have to go through the rather arduous and lengthy time required by the rules for amending, but if I am required to I will.

Mr. ALLOTT. I shall not object.

The PRESIDING OFFICER (Mr. TAFT). The Chair is of the opinion that the Senator has lost the right to modify his amendment by entering into the unanimous-consent agreement.

Mr. BAYH. I am asking unanimous consent that the order for the yeas and nays be withdrawn.

Mr. BYRD of West Virginia. I ask unanimous consent, Mr. President, that the Senator be permitted to modify the amendment.

The PRESIDING OFFICER. Is there objection?

Mr. TOWER. Mr. President, reserving the right to object, in what form will this modification be?

Mr. BAYH. The form will follow the general outline of the colloquy engaged in by the Senator from Massachusetts and the Senator from Indiana.

Mr. TOWER. Will the modification be germane to the Senator's amendment?

Mr. BAYH. Oh, yes, of course.

Mr. TOWER. I do not object.

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

Who yields time?

Mr. BYRD of West Virginia. Mr. President, I think I know the answer, but I want to be sure that the record is clear: Did the Chair put the question initially on the unanimous-consent request of the Senator from West Virginia?

The PRESIDING OFFICER. The question was put.

Mr. BYRD of West Virginia. And it was agreed to?

The PRESIDING OFFICER. By unanimous consent.

Mr. BYRD of West Virginia. I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WEICKER. Does not the Senator from Connecticut have the floor? Did he

not yield to the Senator from West Virginia without losing his right to the floor?

The PRESIDING OFFICER. The Senator from Connecticut is correct. But under the unanimous-consent agreement, all time for the next hour is under the control of the Senator from Indiana and the manager of the bill.

Mr. BYRD of West Virginia. Does the Senator wish time?

Mr. WEICKER. No, I was just inquiring.

Mr. BAYH. The Senator from Indiana sends to the desk a modification of his amendment.

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The legislative clerk read as follows:

"On page 3, line 20, after the period, add the following:

In the case of any loan guaranteed for any higher educational or health care enterprise, the Secretary of Health, Education, and Welfare shall provide grants to such institution for the payment of such interest. There is hereby authorized to be appropriated to the Secretary of Health, Education, and Welfare such sums as may be necessary for grants under this provision."

Mr. BAYH. Mr. President, just one word of explanation.

The PRESIDING OFFICER. Who yields time?

Mr. BAYH. I yield myself such time as I may need. Just one word of explanation for those who may not have heard the colloquy between the Senator from Indiana and the Senator from Massachusetts.

In the committee hearings, it was actually pointed out—certainly, the Senator from Indiana is aware of it—that in many instances it might be difficult for a nonprofit hospital or educational institution to take advantage of the measure, of the guarantee loan, at conventional interest rates. This amendment deals with that by alleviating the interest burden. Of course, the institution still will be required to repay the loan.

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

Mr. BAYH. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I should like to ask the Senator some questions about his amendment, because I think it is a helpful and interesting amendment.

As I understand, one of the provisions that remains in the amendment as modified is that the Board, the Emergency Loan Guarantee Board—which in the bill consists of the Chairman of the Board of Governors of the Federal Reserve Board, the Secretary of the Treasury, and the President of the Federal Reserve District in which the headquarters of the firm or association is located—be supplemented with the presence of the Secretary of Health, Education, and Welfare, so that it would be a four-man Board. Is that correct?

Mr. BAYH. That is accurate. We included the Secretary of HEW because, if we are going to deal with loans to the institutions that are his primary concern we feel that he should have a voice as to the criteria and the qualifications of the institutions seeking a loan guarantee.

Mr. PROXMIRE. That is logical. But the way it reads, the Board now consists of three members who are interested, concerned, and qualified with respect to the economy, with respect to its operations, and so forth, and only one member—who would be outvoted—who represents health and education, which, under the Senator's amendment, would be entitled to half of the $2 billion guarantee that is provided in the bill.

I am concerned about that, because I would think there would be some disposition, especially in view of the history of this matter, simply to provide funds for Lockheed and perhaps some other corporations and just to ignore the improvement of the bill which the Senator from Indiana has offered.

I think there still is plenty of money in here for corporations. It provides $2 billion all together, and they are asking for only $250 million.

The Secretary of the Treasury testified that they do not have any other firm in mind. I would be very much concerned about the possibility that the loans to Lockheed and other failing corporations might be the end of it. I think there is a provision here that takes care of that, but I am not sure. I read from page 2 of the amendment, line 6—

No more than 50 percentum of all outstanding loans guaranteed by the Board shall be loans to business enterprises.

I understand that, therefore, if the $250 million guarantee is made to Lockheed, they must guarantee at least $250 million to educational and health institutions. Is that correct?

Mr. BAYH. That is accurate. That question is indicative of the usual perception of the Senator from Wisconsin. This was a matter of some concern to the Senator from Indiana when we were trying to perceive how we could word this to really balance and redirect priorities. Just making 50 percent of these guaranteed loans available, did not require that the loan guarantees actually be made. So that the $250 million loan guarantee—or, indeed, a billion dollars worth of loan guarantees—could be made to businesses that were in financial difficulty with no specific requirement that $1 be guaranteed for loans to hospitals or schools.

Mr. PROXMIRE. That is very, very critical because, as the Senator well knows, the fourth member of the board, whom he has added, is the Secretary of Health, Education, and Welfare, but he is also the President's man; and, if it is the policy of the administration to use this simply to bail out big business, that is all it will be used for.

Mr. BAYH. Will the Senator just let me specifically say that the wording "50 per centum of all outstanding loans guaranteed," does, indeed, say that, if $250 million is loaned to Lockheed, the same amount must be made available to hospitals, medical schools, and other institutions of education.

Mr. PROXMIRE. All right. I am concerned about the time element. Suppose they say eventually, sometime, some year, "We will make $250 million available to educational institutions and hospitals." As I understand it, there is no precise or specific time limit specified here; and it does not say in the same calendar year, the same fiscal year, or within any limit that would make this in my view completely effective.

Mr. BAYH. I think we can make it more specific in the dialog here, and I appreciate the Senator's bringing it up so we can do so. But it would be the judgment of the Senator from Indiana that we are talking about outstanding loans; that is, at least 50 percent of those loans which have been guaranteed at any given time must be made to the institutions about which we are concerned.

Mr. PROXMIRE. If they are going to make the loan to Lockheed, and they have indicated they will if this bill is passed—say, it is passed before the recess, and they make the loan to Lockheed on August 10, and the Secretary of the Treasury has indicated that they would do this—that would mean that on the same day they would have to provide for a guarantee to hospitals and educational institutions in the same amount.

Mr. BAYH. Yes, that is accurate. And I am sure they will have many customers.

Mr. PROXMIRE. I appreciate that. I think that is a very helpful clarification. I can understand criticism of the amendment, because it is true we never get what we want. We would like to have had hearings in which the people involved—educational institutions, private educational institutions, hospitals, and so forth—could testify.

What the Senator from Indiana has done is to underline the priority considerations here. I do not see how any Senator can disagree with the argument that we should place a higher priority on health, a higher priority on education, than we place on the production of aircraft—although the production of aircraft is a highly respectable and very important industry.

I think the Senator from Indiana, both before our committee and on the floor, has provided ample documentation of the serious, urgent need of hospitals and educational institutions for exactly this kind of guarantee. The documentation is now replete with examples of educational institutions that may go bankrupt, of hospitals that may not be able to continue to provide services.

I think all of us know that we need both of those things.

The most inflationary element in our cost of living is health service. It has been true for several years, and it is almost assured to be true for the next 10 years.

Because of the very great difficulty in financing these institutions, some of them, as the Senator from Indiana has been able to demonstrate and document so well, have had to go under. We lose those facilities. This represents a far greater and more serious loss in any sense, it seems to me, than the loss of the Lockheed Corp., which can go through a bankruptcy procedure, and 90 percent of their jobs can be saved, and all of their defense contracts can be saved.

Mr. BAYH. I would just like to thank the Senator from Wisconsin for his

thoughtful remarks, as well as the contribution he has brought to the debate by helping us put in sharper focus what we are really trying to do.

The PRESIDING OFFICER (Mr. TAFT). Who yields time?

CLOTURE MOTION

Mr. TOWER. Mr. President, will the Senator from Alabama yield me time?

Mr. SPARKMAN. Mr. President, I yield such time as the Senator may require.

Mr. TOWER. Mr. President, pursuant to rule XXII, I send to the desk a cloture motion with 16 signatures attached thereto, and ask that it be read.

The PRESIDING OFFICER (Mr. TAFT). The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read the motion as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

John Tower, Bill Brock, Henry Jackson, Alan Cranston, William Saxbe, Jacob Javits, Hugh Scott, John Tunney, Wallace Bennett, Marlow W. Cook, Clifford P. Hansen, Henry Bellmon, Charles Percy, Richard S. Schweiker, Charles Mathias, and Robert Griffin.

UNANIMOUS-CONSENT AGREEMENT

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

Mr. SPARKMAN. I yield to the Senator such time as he may require.

Mr. BYRD of West Virginia. Mr. President, under the order previously entered, the Senate will convene at 9:30 a.m. on Friday next. The 1 hour on the cloture motion, under the rule, will begin to run at 9:30 a.m.

I ask unanimous consent that any time consumed by the two leaders under the standing order be charged against the hour, to be equally divided between both sides.

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

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent, further, that control of the time under the hour be equally divided between the distinguished Senator from Wisconsin (Mr. PROXMIRE) and the distinguished Senator from Texas (Mr. TOWER).

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

Mr. BYRD of West Virginia. Mr. President, I further ask unanimous consent—and I have not discussed this part with Senators and they may object if they wish—that all amendments at the desk at the time the vote on the motion to invoke cloture begins on Friday next be considered as having been read for the purpose of qualifying under rule XXII.

Mr. TOWER. Mr. President, reserving the right to object—and I do not intend to object—that means that at any moment prior to commencement of the rollcall vote on cloture, any Senator may file an amendment at the desk and it will be protected.

Mr. BYRD of West Virginia. The Senator is correct—at any moment prior to the time that the call of the roll is begun.

Mr. GRIFFIN. Mr. President, further reserving the right to object, this question has been asked before, but I think it is well for the information of Senators to bring it up again, that any such amendments must be germane; is that not correct?

Mr. BYRD of West Virginia. Yes. Under the rule, any such amendment would have to be germane, unless unanimous consent were to be granted otherwise.

Mr. GRIFFIN. The unanimous-consent request now proposed by the Senator from West Virginia (Mr. BYRD) does not affect that requirement.

Mr. BYRD of West Virginia. It does not.

Mr. GRIFFIN. I thank the Senator very much.

The PRESIDING OFFICER (Mr. TAFT). Is there objection to the unanimous-consent request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

Mr. BAYH. Mr. President, a parliamentary inquiry—on the double-headed or triple-headed unanimous-consent request that was just accepted by the Senate a few minutes ago. Do I correctly understand that when they were finally agreed to, the yeas and nays have still to be ordered?

The PRESIDING OFFICER. The yeas and nays are ordered on the amendment as modified.

Mr. BAYH. What is the time situation, please?

The PRESIDING OFFICER. The Senator has 19 minutes. The Senator from Alabama has 27 minutes.

Mr. BAYH. Mr. President, I do not feel that it is necessary to use all the 19 minutes remaining to me, but I would like to make a summarizing statement and yield myself such time as I may require in order to do so.

I think there has been adequate discussion here relative to the problems to which we are directing this amendment to—namely, the problems that exist in our hospitals, and our medical schools, and our colleges and universities. Indeed, the principal public hospital in the home city of the distinguished Senator from Massachusetts lost its accreditation because it was forced to cut back life-saving services in order to make necessary economies. A large number of hospitals are on the verge of bankruptcy. Many may have to take similar action as the Boston City Hospital. Most of our medical schools are in deep financial trouble.

I would suggest at this time that we are trying to find a way to bring health care into every community. Indeed, the Senator from Massachusetts, the Senator from New Jersey, and other Senators have been leading the way to accomplish that goal. We are really trying to make resources available to all citizens so that everyone can pay his hospital bills and his doctor bills. But we had better not lose sight of the fact that this will not help them if the hospital closes or if they cannot find a doctor because there just are not enough doctors to go around. That is true in many areas, whether in the rural areas—such as in the State of the distinguished Senator from West Virginia, or in my own State, that have no doctors, or in the inner cities where, for all intents and purposes, there are no doctors either. We have to keep the medical schools open. We are significantly short in this area.

A third area, of course, that this would deal with, is the whole problem of education in public and private institutions of higher learning. This is another area where we would make guaranteed loans available to these institutions.

Corporate enterprises are facing financial difficulties. These are emergency loans guarantees. This is not the normal course of business. No one here is pretending that we should rush out and easily make money available to corporations like Lockheed which are in trouble. But the proponents say it is an emergency, that Lockheed needs $250 million out of the $2 billion.

The junior Senator from Indiana would suggest respectfully that if we are going to make this kind of capital available to corporate enterprises—which can—and do—get into trouble in our free enterprise system, then we are really subsidizing the stockholders—and we are taking the average citizen's money to do so. If we are going to do this, then we should give at least as much attention—at least 50 percent of the guarantee fund should be devoted to shoring up hospitals and medical schools and institutions of higher learning.

The Senator from Indiana is not unaware of the character of the vehicle which is being used. If we were dealing normally with this, the normal type of authorization procedure, the normal type of appropriation would go to the committee that had immediate jurisdiction. This Senator feels that since this is a loan guarantee, a vehicle which is providing funds in the form of guaranteed loans to large corporate enterprises, and it is in a committee which, by the way, has parent jurisdiction for similar types of loan guarantees, that it is certainly within the jurisdiction of the committee to handle the same type of loan guarantee and make it available to hospitals and medical schools and colleges and universities.

One last thought, we can stand here the rest of the afternoon and debate the distinction between an authorization and a loan guarantee. But the fact of the matter is that we are making $2 billion worth of additional liquidity available to corporations in this country that are faced wth a financial crisis. This is not an authorization process in the traditional sense. We are providing a vehicle where money is immediately available. For those of us who have been concerned about the veto in higher education, those who have been concerned about the veto of the Hill-Burton, those who have been concerned about the veto of primary and secondary education, who have been concerned about the veto of the HEW research bill, this gives us an opportunity to say, "If you are going to come up with this additional liquidity for a corporation with serious financial problems, we are going to insist that an equal amount of

these moneys be spent to give additional liquidity for hospitals and schools."

Thus, it seems to me to bring to the side of those of us who feel that we ought to do more for education and more for health, some of those who, in the past, have not been so inclined.

Mr. SPARKMAN. Mr. President, may I ask how much time our side has remaining?

The PRESIDING OFFICER. The Senator has 27 minutes remaining.

Mr. SPARKMAN. Mr. President, I certainly do not intend for my part to take 27 minutes or anything like it.

I want to say to the Senator from Indiana that I have been for all of these educational measures he mentioned. I voted to override the President's veto. If I recall correctly, it was last year that we succeeded in overriding it. However, be that as it may, I have supported every single one of these measures that has come up.

I recognize the value of the suggestions the Senator has made. However, I just simply cannot accept the idea that they belong in this measure.

As I have said before, I think they are not a part of our jurisdiction. They belong to another committee, a committee that is working on these very things right now.

I regret very much to see the Senator offer this amendment. For my part, I hope that the Senate will reject it.

Mr. President, I do not know whether any other Senator desires any time on this matter. For my part, if the Senator from Indiana, is ready to do so, I shall be glad to yield back the remainder of my time.

Mr. BAYH. Mr. President, the Senator has asked if I was prepared to yield back the remainder of my time. I would like to make one observation if the Senator is through. I do not want to interrupt his discussion here.

I want the RECORD to show that the Senator from Indiana was the first in the early part of this discussion to point out the significant contribution of the Senator from Alabama toward all of these educational measures. Of course, I do not feel qualified to put thoughts in the Senator's mind, nor to interrupt his thoughts. However, I think I know him well enough as a colleague and as a friend to know that he believes we can do more and should do better in these areas. The Senator from Alabama is quarreling not with the need to do more for hospitals and medical schools. He questions whether this is the appropriate vehicle.

If, indeed, there are those who share this thought, I would like to point out that sometimes we have to be willing to stretch precedents a little in order to be able to accomplish worthwhile goals. I hope there are not too many in this distinguished body who are so bound up with precedents and jurisdiction that they will not take advantage of the opportunity—or refuse to recognize the opportunity that is available here—to use a vehicle which is going to have the enthusiastic support of some Senators who are enthusiastic about helping big businesses, but who have not supported efforts to override the veto of the health and education measures that we were faced with last year.

This is a unique opportunity.

I do not hesitate to use what some might call an exceptional means to deal with the problem of education and health. Having this bill before us, I respectfully suggest that it is such an exceptional means, and an exceptional opportunity.

I have been here 9 years, and I have not seen anyone come forward with a $2 billion loan fund to bail out corporations and stockholders. That is unique in itself.

If we are going to pass such a measure, let us make sure that 50 percent of the moneys contained therein go to deal with the serious problems in the area of health and education.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. SPARKMAN. Mr. President, I think, since we are cutting time short, that it may be well that we have a quorum call.

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

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

Mr. SPARKMAN. I yield back the remainder of my time.

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

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Indiana. 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 Oklahoma (Mr. HARRIS), the Senator from Minnesota (Mr. HUMPHREY), and the Senator from Rhode Island (Mr. PASTORE) are necessarily absent.

I also 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 result was announced—yeas 20, nays 76, as follows:

[No. 174 Leg.]

YEAS—20

Bayh	Hartke	Proxmire
Brooke	Kennedy	Ribicoff
Burdick	McGovern	Schweiker
Byrd, W. Va.	Metcalf	Spong
Church	Mondale	Stevens
Gravel	Nelson	Taft
Hart	Pell	

NAYS—76

Aiken	Case	Fulbright
Allen	Chiles	Gambrell
Allott	Cook	Goldwater
Anderson	Cooper	Griffin
Baker	Cotton	Gurney
Beall	Cranston	Hansen
Bellmon	Curtis	Hatfield
Bennett	Dole	Hollings
Bentsen	Dominick	Hruska
Bible	Eagleton	Hughes
Boggs	Eastland	Inouye
Brock	Ellender	Jackson
Buckley	Ervin	Javits
Byrd, Va.	Fannin	Jordan, N.C.
Cannon	Fong	Jordan, Idaho
Long	Packwood	Stevenson
Magnuson	Pearson	Symington
Mansfield	Percy	Talmadge
Mathias	Prouty	Thurmond
McClellan	Randolph	Tower
McGee	Roth	Tunney
McIntyre	Saxbe	Weicker
Miller	Scott	Williams
Montoya	Smith	Young
Moss	Sparkman	
Muskie	Stennis	

NOT VOTING—4

Harris	Mundt	Pastore
Humphrey		

So Mr. BAYH's amendment (No. 334), as modified, was rejected.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. GAMBRELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CHILES. Mr. President, S. 2308, officially entitled "A bill to authorize emergency loan guarantees to major business enterprises," but more commonly known as the Lockheed bill, is expected to come to a vote sometime next week.

It is my intention to vote against this legislation at that time, having reached the conclusion that the people of this country stand to gain little and lose a tremendous amount if tax funds are used in the manner proposed.

S. 2308 emerged in an apparent effort to disguise the original loan guarantee bill submitted by the administration (S. 1891) which applied only to Lockheed. That bill would have guaranteed loans up to $250,000,000, exclusively for Lockheed. However, after 2½ weeks of hearings, the original bill was in serious trouble and the second bill came on the scene, providing for a total guarantee authority of up to $2 billion, effectively shoving the original bill into the background. The facts remain the same, however, and there are several reasons that I cannot justify support of the legislation.

First and most obvious is the good possibility of losing the $250,000,000 that would go to Lockheed. The bankers say they are unable to bear the risk for such a loan—although the banking industry already has some $400,000,000 in loans invested in the company—so I do not see why our taxpayers should assume such risk.

Also, the proposed legislation is grossly unfair to small business. The title says "major business enterprises" and this intent is found throughout the language of the bill. It seems to me we are trying to say big firms cannot be allowed to fail without concern for small ones. Last year more than 10,000 businesses, mostly little ones, failed with aggregate liabilities of $1.9 billion but no one rushed a bill to Congress to help them survive. It might be said we seek to practice socialism for big business and free enterprise for small business.

The legislation would likely perpetuate deceptive bidding practices used in the aerospace industry. Firms reportedly frequently bid too low in order to get a contract expecting the Government to come to the rescue when they cannot deliver at

the contract price. Perhaps this is why Lockheed has "lost" some $480,000,000 on four Government contracts. Deputy Defense Secretary David Packard prepared testimony for a committee hearing in which he opposed this bill. He said:

During the past two and a half years we have been trying to correct the procurement practices that have been followed in the past. For these reasons we in the Department of Defense don't need or want a broad loan guarantee bill that will only encourage a contribution of practices that have caused the trouble.

That this section of his testimony was withdrawn under pressure of the administration does not alter his opinion or the circumstances.

There are other considerations to keep in mind: that the TriStar project for which Lockheed wants the money is strictly commercial, not defense-oriented; that this could be a crack in the dam that could turn into a flood; that because the Government would be supporting the company, there would be an inclination to protect the guarantee by awarding "sweetheart" defense contracts; that it is very dangerous to establish a means whereby a firm may gain access to credit on the basis of political clout rather than economic merit; that the management of Lockheed has been strongly questioned and, therefore, the continued and successful operation of the company cannot even be insured by the desired loan.

The one thing that the proponents of this legislation present with which I can be sympathetic is the plight of employees of Lockheed. There is a great deal of disagreement on exactly how many will be directly affected if Lockheed does not get its loan with estimates—including subcontractors—ranging from 11,000 to 60,000. Today more than 5 million men and women are unemployed and adding to this figure—whatever the number—certainly concerns me deeply. In my home State of Florida we are feeling the deep bite of unemployment from a slowing space industry and general economic conditions.

Still, we are talking about setting a new course which would move us further away from the business system with which our country has enjoyed so much success. We should not do this in the interests of any firm. Instead, we should direct our attention to long-range solutions, to economic policies which will be conducive to general economic progress and expansion.

AMENDMENT NO. 326

The PRESIDING OFFICER. Pursuant to the previous order, the Chair lays before the Senate Amendment No. 326, offered by the Senator from South Dakota (Mr. McGOVERN), which the clerk will state.

The assistant legislative clerk read as follows:

On page 2, line 14, insert the following: "In the case of guarantees of loans to farmowners or proprietors of small businesses under section 4(a)(3), the Board may delegate its authority to consider and grant or deny loan guarantees under this Act to the Farmers Home Administration or the Small Business Administration."

On page 3, line 11, insert the following new paragraph:

"(3) The requirements of clause (1)(A) of this section shall not apply in the case of a loan guarantee to a farmowner or proprietor of a small business within the definition of section 3 (15 U.S.C. 632)."

On page 7 beginning with line 23 strike out all through line 2 on page 8 and insert the following:

"SEC. 8. The maximum obligation of the Board under all outstanding loans guaranteed by it shall not exceed at any time $4,000,000,000, except that not less than $2,000,000,000 of the foregoing authorization shall be reserved for loans to farmowners and proprietors of small businesses within the definition of section 3 (15 U.S.C. 632). In no event shall the Board guarantee loans to any one borrower in an amount greater than $250,000,000. The maximum obligation of the Board under all loans guaranteed by it during any calendar year to farmowners and proprietors of small businesses within the definition of section 3 (15 U.S.C. 632), shall not be less than the maximum obligation of the Board under all other loans guaranteed by it during such year."

The PRESIDING OFFICER. Does the Senator from South Dakota ask unanimous consent that the amendments be considered en bloc?

Mr. McGOVERN. I make that request.

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

PROGRAM

Mr. TOWER. Mr. President, will the Senator from South Dakota yield to me, so that I may ask the distinguished majority leader the plans for the remainder of the day?

Mr. MANSFIELD. Mr. President, will the distinguished Senator yield to the Senator from Massachusetts, without losing his right to the floor?

Mr. McGOVERN. I yield to the Senator from Massachusetts.

Mr. MANSFIELD. Now will the Senator yield to me?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. In answer to the inquiry of the distinguished Senator from Texas, it is anticipated that there will be some discussion on the pending amendment. In the meantime, there will be at least one conference report, having to do with the National Science Foundation, which has been cleared all around, and I believe another conference report to be presented by the Senator from Wisconsin (Mr. PROXMIRE).

Mr. PROXMIRE. No; I have a brief statement.

Mr. MANSFIELD. A brief statement. It is anticipated that no action will be taken on this amendment tonight, but it will be the pending business after we come in tomorrow, after we conclude with the Meat Inspection bill, S. 291, on which there will be a 1-hour limitation, which will be taken up immediately after morning business is concluded; and we will go back to the pending question, which will be the McGovern amendment at that time.

Mr. TOWER. I thank the Senator from Montana and the Senator from South Dakota for yielding.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT OF 1972—CONFERENCE REPORT

Mr. KENNEDY. Mr. President, I submit a 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. 7960) to authorize appropriations for activities of the National Science Foundation, and for other purposes.

I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. TAFT). Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report, which reads as follows:

CONFERENCE REPORT (H. REPT. No. 92-412)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7960) to authorize appropriations for activities of the National Science Foundation, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That there is hereby authorized to be appropriated to the National Science Foundation for the fiscal year ending June 30, 1972, for the following categories:

(1) Scientific Research Project Support, $271,000,000.

(2) Specialized Research Facilities and Equipment, $9,300,000.

(3) National and Special Research Programs, $144,600,000.

(4) National Research Centers, $40,200,000.

(5) Computing Activities, $17,500,000.

(6) Science Information Activities, $9,800,000.

(7) International Cooperative Scientific Activities, $4,000,000.

(8) Intergovernmental Science Programs, $1,000,000.

(9) Institutional Support for Science, $28,800,000.

(10) Science Education Support, $99,300,000.

(11) Planning and Policy Studies, $2,700,000.

(12) Program Development and Management, $24,300,000.

SEC. 2. Notwithstanding any other provision of this Act—

(1) not less than $2,000,000 of the sum stipulated in section 1 for Science Education Support shall be available for the "Student Science Training" program;

(2) not less than $4,000,000 of the sum stipulated in section 1 for Science Education Support shall be available for the "Undergraduate Research Participation" program;

(3) not to exceed $59,000,000 of the sum stipulated in section 1 for National and Special Research Programs shall be available for the "Research Applied to National Needs" program.

SEC. 3. Appropriations made pursuant to authority provided in sections 1 and 5 shall remain available for obligation, for expenditure, or for obligation and expenditure, for

such period or periods as may be specified in Acts making such appropriations.

SEC. 4. Appropriations made pursuant to this Act may be used, but not to exceed $5,000 for official consultation, representation, or other extraordinary expenses upon the approval or authority of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 5. In addition to such sums as are authorized by section 1 not to exceed $3,000,000 is authorized to be appropriated for the fiscal year ending June 30, 1972, for expenses of the National Science Foundation incurred outside the United States to be paid for in foreign currencies which the Treasury Department determines to be excess to the normal requirements of the United States.

SEC. 6. No funds may be transferred from any particular category listed in section 1 to any other category or categories listed in such section if the total if the funds so transferred from that particular category would exceed 10 per centum thereof, and no funds may be transferred to any particular category listed in section 1 from any other category or categories listed in such section if the total of the funds so transferred to that particular category would exceed 10 per centum thereof, unless—

(A) a period of thirty days has passed after the Director or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Labor and Public Welfare of the Senate a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(B) each such committee before the expiration of such period has transmitted to the Director written notice to the effect that such committee has no objection to the proposed action.

SEC. 7. (a) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has been convicted by any court of record of any crime which was committed after the date of enactment of this Act and which involved the use of (or assistance to others in the use of) force, disruption, or the seizure of property under control of any institution of higher education to prevent officials or students in such institutions from engaging in their duties or pursuing their studies, and that such crime was of a serious nature and contributed to a substantial disruption of the administration of the institution with respect to which such crime was committed, then the institution which such individual attends, or is employed by, shall deny for a period of two years any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c). If an institution denies an individual assistance under the authority of the preceding sentence of this subsection, then any institution which such individual subsequently attends shall deny for the remainder of the two-year period, any further payments to, or for the direct benefit of, such individual under any of the programs specified in subsection (c).

(b) If an institution of higher education determines, after affording notice and opportunity for hearing to an individual attending, or employed by, such institution, that such individual has willfully refused to obey a lawful regulation or order of such institution after the date of enactment of this Act, and that such refusal was of a serious nature and contributed to a substantial disruption of the administration of such institution, then such institution shall deny, for a period of two years, any further payment to, or for the direct benefit of, such individual under any of the programs specified in subsection (c).

(c) The programs referred to in subsections (a) and (b) are as follows:

(1) The programs authorized by the National Science Foundation Act of 1950; and

(2) The programs authorized under title IX of the National Defense Education Act of 1958 relating to establishing the Science Information Service.

(d)(1) Nothing in this Act, or any Act amended by this Act, shall be construed to prohibit any institution of higher education from refusing to award, continue, or extend any financial assistance under any such Act to any individual because of any misconduct which in its judgment bears adversely on his fitness for such assistance.

(2) Nothing in this section shall be construed as limiting or prejudicing the rights and prerogatives of any institution of higher education to institute and carry out an independent, disciplinary proceeding pursuant to existing authority, practice, and law.

(3) Nothing in this section shall be construed to limit the freedom of any student to verbal expression of individual views or opinions.

SEC. 8. This Act may be cited as the "National Science Foundation Authorization Act of 1972".

And the Senate agree to the same.

EDWARD KENNEDY,
CLAIBORNE PELL,
THOMAS F. EAGLETON,
ALAN CRANSTON,
WINSTON PROUTY,
PETER H. DOMINICK,
BOB PACKWOOD,
Managers on the Part of the Senate.

GEORGE P. MILLER,
JOHN W. DAVIS,
EARLE CABELL,
JAMES G. FULTON,
CHARLES A. MOSHER,
Managers on the Part of the House.

Mr. KENNEDY. Mr. President, the committee of conference agreed to accept the Senate amendment with certain amendments and stipulations. The committee has recommended a total budget for salaries and expenses of $655,500,000 for fiscal year 1972. This sum will allow the National Science Foundation to continue many of its worthwhile activities, and to undertake new or expanded programs. The bill stipulates $271,000,000 for scientific research project support. Although below the Senate authorization for this item, the compromise sum will enable the agency to continue its ongoing programs, and to support additional worthwhile projects being dropped by mission-oriented agencies. The budget authorization for specialized research facilities and equipment has been increased over the original Senate figure in order to permit the Foundation to move more efficiently in the provision of facilities and equipment requiring considerable leadtime.

The program category of national and special research programs has been increased by $8,600,000; this figure is $22,000,000 below the Senate authorization.

The entire difference is accounted for within the research applied to national needs program. This is a new program, and it was thought prudent to somewhat limit its rate of growth pending further evaluation.

The Foundation's two major educational programs—institutional support for science and science education support—have been restored to essentially their full fiscal year 1971 levels, despite the Agency's proposed 40-percent reduction of those programs. Although the Senate bill contained a 2-year authorization, the conferees agreed upon a 1-year authorization, but have asked that the Agency provide Congress with a 2-year budget request and justification at the time when they will be considering the Foundation's request for funding next year.

Mr. President, I believe the final bill as agreed upon in conference will enable the National Science Foundation to continue and expand its programs of basic scientific research, research as applied to national needs, and support of education, in a reasonable and balanced way.

Mr. President, earlier this month I cosponsored an amendment to increase the appropriations for the National Science Foundation by $25,000,000. The amendment was accepted by the Senate, but later lost in conference. It was designed to enable the Foundation to support meritorious research projects dropped by other agencies which had been directed to limit their activities to mission-oriented projects. The problems of unemployment among scientists and engineers are grave, and the purpose of the amendment was to have enabled the Foundation to provide support for these projects, which the Director of the NIF estimates will reach $100,000,000 by the close of fiscal year 1972. I hope the Appropriations Committees will consider the problem of unemployed scientists and engineers when taking any supplemental budget requests into account. In conclusion, I hope we are able to deal with the problem in a more generous way in next year's legislation.

I would like to commend the members of the subcommittee for the fine work they have done on this important legislation. I would like to thank Senators PROUTY and PACKWOOD in particular for the outstanding thought, effort, and suggestions they have made in helping to bring this legislation to its final form.

Mr. President, I move the adoption of the conference report.

The report was agreed to.

EMERGENCY LOAN GUARANTEE ACT

The Senate continued with the consideration of the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

Mr. McGOVERN obtained the floor.

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

Mr. McGOVERN. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I thank the distinguished Senator from South Dakota.

Mr. President, yesterday I referred to a critical report on the L–1011 prepared by the McDonnell Douglas Corp. That reference to McDonnell Douglas was not correct. The report was mailed to my office with no identifying information, and we had erroneously assumed that it had been sent by the McDonnell Douglas Corp.

Since that time, my staff has been able to verify the origin of the report. It did

not come from McDonnell Douglas. It came from a group of knowledgeable executives and engineers employed by a number of highly reputable aerospace firms. These executives and engineers prepared the report on their own time and at their own initiative. They have asked that their identity be withheld so that they do not lose their jobs. One member of the group said that his firm had been threatened by Lockheed's bankers not to intervene in the debate on this legislation.

This employee said he could lose his job if his employer found out that he took part in preparing the report.

Mr. President, the report raises a number of critical questions about the L–1011. While some of the material may be self-serving, it is obvious that a good deal of careful research and documentation has gone into the report. For this reason, I am inserting the entire report in the RECORD, so that it may be available to the entire Senate.

The main conclusions of the report may be summarized as follows:

The U.S. economy will gain $6.4 billion in GNP over the next years if the L–1011 is canceled, because of the lower foreign labor content of the DC–10.

There would be a $1.7 billion favorable impact on our balance of payments in the next decade for the same reason.

Lockheed is likely to lose as much as $2 billion on the L–1011 program, and those losses will only increase if the program is continued.

The L–1011 contains serious technical deficiencies, including inadequate engine thrust, excessive weight, and questionable design features for a commercial aircraft.

There is not enough business for the three firms in the widebodied jet field, and Lockheed's entry will severely cripple the present dominant United States position.

National employment would be increased if the L–1011 were terminated.

Short term unemployment in California as a result of canceling the L–1011 should be offset in 6 to 9 months by higher DC–10 employment.

Mr. President, I ask unanimous consent that the report be printed at this point in the RECORD.

Mr. GOLDWATER. Mr. President, reserving the right to object, I do not think it proper to offer material of a critical nature such as this for the RECORD without identifying the people who prepared the report.

I might state that I do not intend to vote for the Lockheed loan, but I do not think it is fair to castigate this company by an underhanded method of attacking aerodynamics, equipment, speed, power, and so forth, without our having the benefit of the names of the people who proposed it, and I therefore object.

Mr. PROXMIRE. That means we are going to be in session for quite a while tonight, because I intend to read the entire report into the RECORD. I regret that this is necessary, but I do not have any other alternative.

It is obvious why these employees and executives could not give their names. I indicated why. Their jobs were threatened. If their names have to be given, we don't get this report, we can get no benefit from their analysis. It seems to me that it makes sense for us to make this material available to all Senators.

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

Mr. PROXMIRE. I yield.

Mr. SYMINGTON. Would the able Senator from Wisconsin tell us what companies they were involved in?

Mr. PROXMIRE. Unfortunately, they have asked that the names of the companies also be withheld.

Mr. SYMINGTON. I thought that perhaps that would satisfy the distinguished Senator from Arizona. If that cannot be done, it cannot be done.

Mr. PROXMIRE. I thank the Senator from South Dakota (Mr. MCGOVERN).

Later this evening, I will read this into the RECORD.

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

Mr. PROXMIRE. I yield.

The PRESIDING OFFICER. The Senator from South Dakota has the floor.

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

Mr. MCGOVERN. I yield.

Mr. LONG. As one who is intrigued by the information the Senator speaks of, when it just comes from someone who is alleged to be a member of a working force of some concern and who figures he might lose his job, and so forth, it just does not shape up as a very credible document, unless the Senator can tell us that he knows who some of these people are.

Mr. PROXMIRE. This Senator knows. We verified their identity. I had this report yesterday and was anxious to use it, but we were not able to verify who they were. We tried to verify it with McDonnell Douglas, and they said it was not theirs.

We persisted all day and finally have determined who the people are, that they do work for reputable aerospace firms. I know who they are, but it is a situation in which I cannot disclose the source without prejudicing their positions.

Mr. LONG. Then, is the Senator in a position to vouch for the fact that these are credible experts, or is this just something that somebody thinks, without the Senator being in a position to give us any assurance that these people are credible or worthy of belief or that they know what they are talking about?

Mr. PROXMIRE. I certainly can vouch personally for these people, inasmuch as I know the firms for which they work. I know what their jobs are. I know that if the Senator would glance through this report, he would be very impressed by the quality of the research and the quality of the analysis and the thought that went into it.

I admit that it is self-serving. There is no question about that. These people are working for firms which would be adversely affected by the L–1011. But I think the Senate should have the benefit of what I think is a remarkably good analysis.

Mr. LONG. If any one of us makes an argument from time to time, we are prejudiced. We are as prejudiced as any lawyer who ever pleaded a lawsuit, but we have a right to ask that our evidence be heard. That is why we have courts and legislative bodies, to hear the two sides. Prejudice does not necessarily mean that what a witness says is not correct. It is a question of how good his authority is and how good his argument is.

Mr. PROXMIRE. I thank the Senator.

Mr. MCGOVERN. Mr. President, I have been listening to the debate on both sides of this issue calling for guaranteed loans to Lockheed and other corporations.

I must say that the issue is not one that is black or white. Compelling arguments have been made on both sides.

Personally, no matter how I finally vote on this question, I think I am going to have some degree of regret for those who are affected on the other side of the issue. I think there are legitimate claims on both sides.

Because the proposal for guaranteed loans to major business concerns has progressed to the floor of the Senate and we will be resolving this matter soon, I am asking for some greater measure of economic justice by offering an amendment, which is the amendment now pending before the Senate, to establish an equal consideration for small businesses and for farm operators who are not presently benefited by the terms of the proposed legislation.

Just as the Lockheed Corp. faces problems, many farmers and merchants are suffering from the effects of inflation and tight credit, and every Member of the Senate knows that to be so. More than 10,000 small businesses across this country are now in danger of collapse, in this time of inflation and recession.

Far from helping the large percentage of those people—although some of them who are directly related to the Lockheed Corp. will be helped—many are not connected with that company, and granting this loan will make it all the more difficult for these other small business and farm operators to secure needed credit, for the simple reason that the thrust of this bill will be to encourage the banks to make loans to Government-protected firms of the kind benefited by the proposed legislation as it is presently drafted.

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

Mr. MCGOVERN. I yield.

Mr. LONG. That point troubles the junior Senator from Louisiana. If this Government-guaranteed loan is to be made, can we, in good conscience, stand idly by while small business tells us that they are out of money and do not have enough money to go around, and that for reasons of paperwork, or redtape, or one thing and another, it cannot be arranged to make a loan for a small business which is having difficulty, although this money is available for this large concern, which of course has major economic impact in the area where it has its major plants. How do we tell a small businessman that he cannot get his loan but, fortunately, we were able to arrange a loan for Lockheed? Would not

economic justice seem to suggest that it should work both ways?

Mr. McGOVERN. The Senator has made the point very well that I am trying to make. It will be hard for us, if this loan guarantee goes through, to answer the questions of the small businessman or the farmer who says, "If I could have had that kind of credit support, I would have made it this year. I could have hung on. I could have expanded my operation."

I frankly do not know how we can face the small merchants, the independent businessmen, or the farmers in our States, many of whom are in just as serious trouble as Lockheed, unless we make some provision to see that more credit is made available to them. That is the purpose of the amendment.

Mr. SPARKMAN. Mr. President, will the Senator from South Dakota yield?

Mr. McGOVERN. I yield.

Mr. SPARKMAN. I want to say to the Senator that I believe he knows I am greatly interested in small business.

Mr. McGOVERN. I surely do. I know of the Senator's long efforts in that field.

Mr. SPARKMAN. I have been working through the years and we have been able to enact a great deal of legislation to help them. It has helped lots of them. I believe that the Senator knows that I am also interested in agriculture. I was born and reared on the farm, and I am still a farmer, and I know something about their problems, particularly small, family-sized farms.

Now, I have already mentioned to the Senator, and make the suggestion that we let the amendment go over until the morning, at least that would be the plan of the leadership, to get out quite early anyhow, and in the meantime, I am hopeful that we may be able to present, let us say, a modification of the Senator's amendment which I believe he can accept, and which I believe will do what he is trying to do.

Let me say that according to my thoughts, it would not include the agricultural part, for one good reason, that there is already on the calendar now out of the Agricultural Committee and I believe out of the Senator's subcommittee——

Mr. McGOVERN. The Senator is correct.

Mr. SPARKMAN. A bill which I believe he will tell us does a very fine job toward bringing great help to farmers and particularly so to what we might call the family-sized farm or the smaller farmers. I believe that we should work our will on that committee, and I certainly hope that we will be able to develop a good program and enact it into law. But, so far as small business is concerned, the Senator from New Hampshire (Mr. McINTYRE) is chairman of the Small Business Subcommittee of our committee, and the Senator from Nevada (Mr. BIBLE) is chairman of the Select Committee on Small Business, and I would like to have an opportunity to discuss these matters with them since they are vitally concerned in such legislation. I believe we can prepare a modification that the Senator could go along with and count on his purpose being carried out.

Mr. McGOVERN. Well, the Senator knows how keenly aware I am of his concern about small business and the numerous pieces of legislation that bear his own efforts in this field. Of course I do not need any reassurance at all that the Senator will do everything he can to assist our agricultural producers. In view of what the Senator from Alabama has said, I am perfectly willing to let this matter lie overnight until the alternative proposal can be suggested and then take a careful look at it. I do not want to withdraw the amendment until I have had an opportunity to see just what the Senator from Alabama has in mind, because I think that justice demands we not move ahead on a program of this kind which is so clearly earmarked as a program to aid major business organizations. The very language of the bill limits it to companies that have almost a national impact because of their size.

Mr. SPARKMAN. I may say that, in the course of the immediate discussions, I said I was in favor of small business being included, and we finally did put in a brief clause that it was felt would make it possible for small businesses to get help, except it does not designate the small business. It could be any business, small or large, because of its having an adverse effect on the economy, not just the Nation as a whole but for the Nation as a whole or for a region thereof.

Mr. McGOVERN. I think the statement of the Senator from New York (Mr. JAVITS) which was published in the New York Times on July 11, 1971, makes the point very well.

He said:

> I think it would be a mistake for Congress to establish the principle that medium sized firms would be ineligible for extraordinary Government assistance simply because of their size.

Mr. SPARKMAN. I agree with that.

Mr. McGOVERN. So, I would be willing to listen to what the Senator has to say in the way of an alternative proposal. What I am anxious to do is not merely to get my proposal adopted but something that will guarantee that we give equal consideration to small businessmen. I want to examine what the current status of the agricultural credit legislation is, because the testimony before the committee was that the credit needs of agriculture will more than double before the end of this decade.

Mr. SPARKMAN. Is it not true that the Committee on Agriculture and Forestry is now in the process of holding hearings, not only here in Washington but all over the country. They went down to my State, for instance, and I had the privilege of testifying before that subcommittee a few days ago. They are working specifically on things that can be done for rural community developments, to take care of the small farmers and the rural areas generally.

Mr. McGOVERN. If the Senator and other members of the committee will help me with the proposal to assist small business and agriculture, this total package may reach the point where even I could see my way gladly to support it.

Mr. SPARKMAN. I think that the Senator could.

Mr. McGOVERN. I shall be interested in what the Senator has to say when we talk about this further tomorrow.

Mr. SPARKMAN. I hope to be able to submit it to the Senator before we leave tomorrow.

Mr. TOWER. Mr. President, will the Senator from South Dakota yield for a comment?

Mr. McGOVERN. I yield.

Mr. TOWER. I would like to say to the Senator that I am not insensitive to the liquidity crisis that confronts the agricultural community today. I think it is very good of the Senator from South Dakota that he has emphasized the fact that credit demands are great in the agricultural community, and that they are not being met. This is true in my area of the Southwest where we are afflicted by drought. Many of the farmers and ranchers have had to mortgage the equity in their land to try to get enough cash to continue to operate on. So I thank the Senator for his suggestion. Whether I would agree that it should be part of the legislation or not, at least his suggestion has great merit.

Mr. McGOVERN. I thank the Senator.

Mr. President, under the circumstances, I am going to reserve the remainder of my discussion on this matter until I have had an opportunity to talk with the manager of the bill and the ranking minority on the other side of the aisle. I hope that we can resume this discussion on the Senate floor tomorrow.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the amendment may be carried over until tomorrow and then become the pending business.

Mr. BYRD of West Virginia. Yes. The able manager of the bill is correct. There will be no final disposition of the amendment today and it will go over until tomorrow for further consideration at that time.

The PRESIDING OFFICER (Mr. TAFT). The amendment will be carried over until tomorrow when the Senate will turn to further consideration thereof.

Mr. PROXMIRE. Mr. President, if my understanding is correct, this is a very valuable and helpful report. I think that it is full of dynamite. I do not blame the Senator from Arizona for objecting to having it printed in the RECORD by unanimous consent. We do too much by unanimous consent. I think we ought to take our time and go into these things in detail.

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

Mr. PROXMIRE. I yield.

Mr. BYRD of West Virginia. Mr. President, is the Senator from Arizona going to be here to listen to the report to which he objected as far as its inclusion into the RECORD is concerned?

Mr. PROXMIRE. I do not know. I would hope so. He would be very much impressed by it. I hope that he will be.

Mr. BYRD of West Virginia. Mr. President, if the Senator from Arizona is not on the floor, perhaps he does not object to the report being printed in the RECORD.

Mr. TOWER. Mr. President, the Senator from Arizona has asked me to ob-

ject to having the report printed in the RECORD.

I think the Senator from Wisconsin is well aware that he can read it into the RECORD if he chooses to do so. Therefore, though I shall have to deal with the Senator from Arizona later, I will not object.

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

Mr. PROXMIRE. I yield.

Mr. SPARKMAN. Mr. President, I would say this, that I do not object to anything being printed in the RECORD, if we just remember that it is stating that particular person's viewpoint. However, I do feel very strongly that we are entitled to know whose viewpoint it is.

Mr. TOWER. I concur in that.

Mr. SPARKMAN. Mr. President, and if my friend, the Senator from Wisconsin, will not take affront, I want to say that I am utterly surprised that he, of all people, would ask for something of this kind to be printed in the RECORD anonymously. The Senator from Wisconsin has a reputation here on Capitol Hill of going after the facts and the names and the conditions. He goes to the Defense Department and he insists that the persons, their bodies, come in and say these things and let people know. This is not a court of law.

However, everyone knows that the Constitution grants to every accused person the right to be confronted by his accusers and witnesses. However, here we have something that is anonymous. We ought to keep that in mind.

Mr. PROXMIRE. Mr. President, will the Senator yield for a minute? I said that this is from people—and there is no question about it—who work in aerospace firms which will be adversely affected. If newspapers in this country would refuse to print anything concerning which the person who provides the information does not identify himself, we would be deprived of a great deal of information we should have.

The Pentagon papers were printed. If the identity of those who made the study had been required we would not have had those papers printed. There may be some Senators who think they should not have been. However, it is my view that we are a better informed Nation because of it.

There is nothing here that will damage anyone's reputation. There is nothing here that will hurt anyone.

Mr. SPARKMAN. Mr. President, I am not talking about newspapers. I am talking about material submitted in the Senate of the United States to be used as evidence in this case, in this controversial situation that we have before us now.

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

Mr. PROXMIRE. Mr. President, I will yield to the Senator from Louisiana in a minute.

Mr. President, I have not identified where these men work. I have indicated that they are executives of top aerospace firms. I have indicated that they have a great deal of competence in this area. I asked my staff to investigate it carefully. And under these circumstances, their names and addresses cannot be identified, because if they were, they would suffer loss of employment and their firms would suffer greatly. Yet, under these circumstances and with the kind of pressure that has been exerted—in fact, the whole history of the bill has been one of intimidation and pressure in trying to ride it through the Senate without giving us an opportunity to discuss it adequately.

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

Mr. PROXMIRE. Mr. President, I will yield to the Senator from Louisiana in a minute. I have never been involved in a situation in my 14 years in the Senate in which the opposition has tried to intimidate me by boycotting the products that my State produces. They have a lot of money with which to do it. They have a big organization. They are boycotting the products of Wisconsin.

Under these circumstances, I understand why these people who would like to have the information made available to us have to be concerned about intimidation. That is why I do it.

Mr. SPARKMAN. Mr. President, may I make a comment on that before the Senator from Louisiana speaks. I have been interested in what the Senator said about pressure. I have been in Congress for 35 years. I have never paid any attention to the people who try to intimidate me. If I had threats, I threw them in the wastebasket. I did not make a great to-do about it. But let me say with regard to all of this talk about pressure, that since I have been here I have never paid any attention to pressure. I have always talked with anyone about anything. However, that does not mean that they persuade me.

Mr. PROXMIRE. Mr. President, the Senator from Alabama is a great and a courageous man. He also does not have to worry about losing his job. However, that is not true with respect to all people. I could understand how people who work for an aerospace firm find it very hard when their jobs are in jeopardy. They are very reluctant to take any action that might cost them their jobs.

Mr. LONG. Mr. President, may I say to the Senator, as one who is not committed, that I have heard the debate on this bill when I could find time to do so in addition to tending to my other duties. I am not involved in the bill. However, I have voted on each amendment as they came up. Not having been involved in it on either side, I am sure, as short tempered as some Senators are, that perhaps nerves have been rubbed raw. However, I cannot understand why anyone would object to material that a Senator wanted to have printed in the RECORD, no matter what it was, even it were just a rumor, a piece of paper. It does not insult anyone's intelligence. It is just a memorandum. If it is just a memorandum, and unsigned, even if I found it in the hall, do not know who dropped it in the hall, it makes pretty good sense to me and I would like to put it in the RECORD for what it is worth.

The point I make is why not.

If they do not let the Senator have it printed in the RECORD, he can read it anyway. And frankly, this would be a credit in the RECORD compared to some speeches I have seen in the RECORD. For the life of me, I cannot understand why anyone would want to object.

Mr. PROXMIRE. Mr. President, the reason is perfectly obvious. This report is dynamite. It gives us some answers on what is going to happen to jobs and what is going to happen if we go ahead with the guarantee for Lockheed. They want to stop me from having it printed in the RECORD. They say that it is taking an unprecedented step to put material in the RECORD under these circumstances. They do so because they are afraid of what it would reveal.

Mr. TOWER. No one has objected.

Mr. LONG. Mr. President, the last thing I would want to do would be to prevent a Senator from having something printed in the RECORD. If I objected, he could read it anyway. It would draw attention to the matter. This is like the Pentagon papers. No one had filed a lawsuit. They could have said, "Print anything you want. We have 50 barrels of that stuff up in the Pentagon. Print it."

We know that no one wants to read it anyway. But once there is objection and someone says that it must not be printed in the RECORD, everybody wants to know why not. So everybody in the press wants to know what it is. Frankly, I do myself. I would not have bothered to read it if there had not been an objection.

Most Senators do not read anything in the RECORD except their own speeches, unless there is something classified, and then they all want to read it.

Senators are getting tired. They have worked hard on this bill and are doing the best they can to work on a bill that involves a matter of national interest.

I have personally been told, and I saw an article, but I was in a hurry and did not read it, that there would be an effort to boycott Wisconsin products because a Senator of the United States made an argument and opposed a piece of legislation involving some very large American investments. Of course, it may be they have that right. It is a free country and people sometimes do some pretty unfair and brutal things.

However, I do not have any doubt that the Senator is sincere in what he is doing and I do not know of anything to cause the country to rise up against even a great corporation like Lockheed.

I am sure that the Lockheed Corp. has a fine record, although they are in bad times at the moment.

For an organization of businessmen, and I mean men involved in major industries, to boycott products—I do not care if it is only a little carton of milk—because the Senator had the intellectual honesty and the courage of his convictions to stand up and oppose a piece of legislation because he thought it was a bad piece of legislation, and a great many other people do—the New York Times does, as well as other people, what are they trying to do? Are they trying to boycott a State because a Senator is doing what his convictions suggest he should do, and destroy a State, and gag the Senator.

All that is needed is a two-thirds vote of the Senate, which they have not been able to muster.

It seems to me that some people take rash action and act out of haste, anger, or irritation of the moment and do things that calm reflection would cause them not to do.

I believe it is a good way to cause them to lose their case.

Mr. PROXMIRE. Mr. President, I want to thank the distinguished Senator from Louisiana. I deeply appreciate his remarks.

I would say that the Wisconsin boycott—there is no question in my mind—has really boomeranged insofar as its purpose was concerned. Nobody from my State has been intimidated. It was a silly and most unfortunate step to take. If that kind of action should catch on, one could imagine the havoc. We would have 49 separate countries, in effect, that would be boycotting the State of Louisiana because they did not like what the State of Louisiana voted for. They would not be buying some of their oil.

Mr. LONG. Mr. President, I would say I wish they would not buy natural gas. I wish they would boycott Louisiana natural gas; I would appreciate that. But there are a number of things we would like to sell, so I do not want a boycott on Louisiana. I must say that does seem to me to be a very misguided way of doing business. One does not persuade people to see things his way by brutality or by coercion or by trying to crucify a State because the Senator from that State is doing his conscientious duty as his conscience dictates.

My guess is that the average person in Wisconsin does not have the slightest idea what the relative arguments are on both sides.

Mr. PROXMIRE. Well, frankly, many more now have an idea of the arguments since this boycott started.

There has been a great deal more support both for me and for my position on this issue since they started boycotting our products.

Mr. BYRD of West Virginia. Will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from West Virginia.

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

May I say for the RECORD that it does not make any difference to me one way or the other whether the report is inserted by unanimous consent or whether it is read into the RECORD. The distinguished Senator has a perfect right to ask unanimous consent that it be included in the RECORD. The able Senator from Arizona had an equally perfect right to object to its insertion, whereupon the able senior Senator from Wisconsin has an equally perfect right to stand on his feet and read it into the RECORD; but when he does this, it seems to me that any Senator—I do not say this as any reflection on the distinguished Senator from Arizona at all—who wishes to object to the Senator from Wisconsin inserting the matter into the RECORD ought to be willing to remain on the floor to listen to the Senator from Wisconsin read it into the RECORD. I do think the Senator ought to be present to make his own objection.

Mr. PROXMIRE. Of course, I can imagine some Senators would regard that as cruel and unusual punishment.

Mr. BYRD of West Virginia. I just do not feel that any Senator should object to the insertion of matter into the RECORD and then leave the floor and let the rest of us who have entered no such objection have to sit here and listen to the reading of it—which I am perfectly willing to do; I am not complaining at all on my own part.

Let the Senator from Wisconsin make his request again, and if any Senator wishes to object, he will be perfectly within his right to do so, but any Senator who objects ought to be willing to stay here and listen to it, because the Senator from Wisconsin is going to read it into the RECORD and it will require well over an hour.

Mr. TOWER. Will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield to the Senator from Texas.

Mr. TOWER. The Senator from Arizona is not on the floor. If the Senator from Wisconsin would propound his request, I am sure that nobody would object, because we would like to leave.

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

Mr. PROXMIRE. I yield to the Senator from Ohio.

Mr. TAFT. I would like to point out that I had a similar experience.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield to me briefly?

Mr. TAFT. I yield.

Mr. BYRD of West Virginia. Could the Senator from Wisconsin make the unanimous-consent request first?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the report to which I have referred on the L–1011 be printed in full at this point in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears no objection, and it is so ordered.

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

(Figures and illustrations referred to in text are not printed in the RECORD.)

L–1011 MARKET POTENTIAL

The long-term forecast of any market is uncertain. Commercial air transport forecasting is even more uncertain since the replacement market is typically less than 20% of the total future market with the other 80% being fully dependent on future growth of the economy and population. As such, the gross market can easily be missed by 33% or more. The forecasted market for a specific class of commercial airplane is even more uncertain since competing air and surface systems and technical obsolescence also must be considered. Estimates, because of the many variables, tend to vary widely depending on the optimism or conservatism of the estimator and the intended end use of the estimate, i.e., is it for internal financial planning or for external purposes. The trijet market is no exception. However, past performance is still the best guide to the future. In 1967 Lockheed was publicizing a total market of 800 trijets through 1980. This was progressively escalated so that by 1970 the Lockheed estimate had grown to 1400. Now in 1971 Lockheed uses 775 as a new official number for just the medium-range trijet and largely concedes an additional long range trijet market of 600 aircraft to the McDonnell-Douglas DC–10 and/or the Boeing B–747. The current DC–10–20 and –30 long-range version aircraft have already obtained commitments from airlines representing over 40% of this long-range market.

An independent industry estimate is for a total of 500 of the current medium-range trijets with an added 500–600 in the long-range and long-range derivatives market. Accepting the assumption that the major development costs (over $500 million) of a version of the L–1011 required to compete with the B–747 and the existing long-range DC–10 is totally incompatible with a company in such dire straits, then the gross market for potential L–1011 penetration is 500 to 775 aircraft.

The attached table shows the current commitments of the 25 top airlines in the world. Approximately 63% of that prime market is either committed to the DC–10 or so influenced by contingent commitments that if a trijet is purchased, it will apparently be a DC–10. This is a four to one advantage over the L–1011's penetration. The DC–10 has announced 19 airlines, the L–1011 six airlines. The sales penetration to date predominantly favors the DC–10 with only 21% of this top 25 airlines market completely uncommitted and only 6% accessible to the current medium-range L–1011 airplane.

Viewed from a time basis, the comparison is even more weighted. After the initial Lockheed market coup of capturing Eastern Air Lines, TWA, Delta and Northwest in April 1968 by an abrupt underpricing of the competition by some $1.5 to $2.0 million per airplane, the market failure of the L–1011 has been apparent. Since November 1968 (two and one-half years ago when Air Canada ordered), Lockheed has had Northeast cancel their order and Delta place a parallel order for the DC–10. These negatives are offset only by initial commitments from Air Jamaica (an airline only 8% the size of Northeast) and Pacific Southwest Airlines (60% the size of Northeast). Two and one-half years of marketing has resulted in a net market loss. In the same time period, 15 new airlines have committed to the DC–10.

Long before the publicized Rolls Royce problem, the L–1011 became essentially unsalable. During this time, L–1011 base prices averaged over $1,000,000 an airplane below its prime competitor, the DC–10. The L–1011 problem has not been price but rather the product and the company credibility.

The L–1011 order book for using customers—as contrasted to intermediary leasing or marketing functions who recompete for the same user market—consists of 101 firm orders: 33 TWA, 37 Eastern, 18 Delta, 10 Air Canada, 1 Air Jamaica and 2 Pacific Southwest. With the current U.S. airline recession, options are of questionable significance and even firm orders can be reduced as demonstrated by United Air Lines action. The large Air Holdings "order" is only a low-cost option 100% funded by Rolls Royce, underwritten by the UK Government and accurately described by UK Minister of Aviation Supply Corfield to Commons, ". . . the 50 Air Holdings order which is little more than a bookkeeping transaction and a somewhat bogus one at that." Independent analysis of the current L–1011 customers, assuming all can be held for all their medium-range trijet requirements, indicates a total sales potential of 195 aircraft through 1980; a Detla loss would reduce this to 150 aircraft. Further customer attrition is possible—perhaps probable.

With the past record and the adverse credibility, schedule, and price impact of the last six months' disclosures, the future capture of new customers is most questionable. Nearly 80% of the 1980 market for current medium-

range trijets is committed already to one or the other types of trijets by virtue of an initial airline order. This number of airlines "committed" and their eventual requirement are much more significant than the number of aircraft currently on order which is influenced by near-term factors. Only 20% or some 100–155 airplanes are left to compete for. Even a wildly optimistic⅓–⅔ split would yield only 33 to 50 airplanes to add to the Lockheed total. A total sale over the next decade of 200 L–1011 aircraft would seem to be an upper bound; the lower bound is possibly zero.

The historic result of such low quality commercial airline production, aggravated by being stretched out over a long time period, has been financial catastrophy—witness the 102 airplane Convair 880/990 program and the 172-airplane Lockheed Electra program. Each of these programs, scaled for airplane size and escalated into 1973 dollars, indicates a loss *after* production of some $1.5 to $2.0 billion on the Lockheed L–1011.

This market rejection is the fundamental cause of Lockheed's problem—not the Rolls Royce fiasco.

TOP 25 FREE WORLD AIRLINES [1]

[Measured in revenue passenger-miles flown in 1970]

Airline	Revenue passenger-miles (millions)	Airline commitments: DC–10	Open	L–1011
1. United	25,281	DC–10		
2. TWA	20,023			L–1011 partial.[2]
3. Pan American	19,281		Open [3]	
4. American	18,170	DC–10		
5. Eastern	15,493			L–1011.
6. Delta	9,722	DC–10 [4]		L–1011.[4]
7. Air Canada	7,166			L–1011 partial.[2]
8. BOAC	6,733		Open [3]	
9. Air France	6,622	? [5]		
10. Continental	5,824	DC–10		
11. Japan	5,587	? [6]		
12. Braniff International	5,418		Open	
13. Northwest	5,410	DC–10		
14. Lufthansa	5,334	DC–10		
15. Western	5,159	? [7]		
16. Alitalia	4,988	DC–10		
17. Iberia	3,538	? [5]		
18. KLM	3,517	DC–10		
19. QUANTAS	3,337		Open [3]	
20. SAS	3,291	DC–10		
21. BEA	3,271		Open	
22. Caledonian	3,024		do	
23. Swissair	2,794	DC–10		
24. All Nippon	2,727	? [6]		
25. National	2,644	DC–10		
Total	194,354			
Total certains (excluding Delta)		[8] 77,253		[9] 31,842
Total including probables (with Delta and ?'s)		[10] 121,448		[9] 31,842
Total no commitment (i.e. open)			[11] 41,064	

[1] Data source: "Air Transport World" magazine, May 1971.

[2] Require long-range international (greater than 5,500 statute miles) trijets in addition to medium-range domestic trijets now on order. Routes longer than transcontinental approximate 40 percent of TWA and 45 percent of Air Canada total. For conservatism, 100 percent included in Lockheed "Certains".

[3] Almost exclusively a long-range international operator requiring very long-range trijets and hence an unlikely L–1011 customer. These 3 long-range airlines in total represent 70 percent of the open airlines in the top 25.

[4] Ordered medium range trijets from both companies. DC–10 most recent decision so Delta included in DC–10 probable totals.

[5] Member of Atlas airline group (Air France, Lufthansa, Sabena, Alitalia, and Iberia) who have made a group DC–10 decision. Air France and Iberia have not announced individually a trijet decision.

[6] Japan Air Line (JAL) announced in May a decision not to consider the L–1011 because of the Lockheed situation. All Nippon is probably bound by this also since Japanese Government policy has resulted in common equipment for their national airlines.

[7] Currently in merger process with American and therefore effectively a DC–10 customer.

[8] 40 percent.

[9] 16 percent.

[10] 63 percent.

[11] 21 percent.

LOCKHEED AS A COMMERCIAL AIRCRAFT COMPETITIVE FORCE

Lockheed must be acknowledged as having been a competitive force in the U.S. commercial aircraft manufacturing field. However, competition can be both constructive and destructive—competition for competition's sake is not automatically self justifying.

Measured by sales volume, Lockheed has not been a significant competitive factor since the 1950's and the era of propeller-driven airplanes. At that time, the Lockheed piston engined Constellation was in production, the last airplane being delivered in 1959. In aggregate, the DC–6/7 captured approximately 63% of the competitive market and the commercial Constellation program consequently was a probable financial failure.

The Constellation was followed by the Lockheed Electra which was first delivered in 1958. This propeller-driven turbine-engined airplane was a marketing failure since the high-speed jet age was simultaneously ushered in during 1958/59 by the Boeing 707 and the Douglas DC–8. In addition, major technical problems—three aircraft lost wings in airline service—helped truncate this program at 172 airplanes in 1960. At its peak in 1959, this airplane represented about 34% of the total market, but by 1960 this was reduced to less than 8%. The Electra program was a financial catastrophy with a pre-tax loss of $150–$200 million when Lockheed equity was only some $140 million.

Since 1959, Lockheed commercial airline sales have been aggregated less than 3% of the total U.S. manufacturers' sale and this has predominantly been in spares and commercial cargo derivatives of the military C–130 airplane. These estimated commercial market shares are tabulated on the attached data sheet. It is apparent that by sales measure, Lockheed has not been a significant market force for over a decade. The real question is not whether to retain Lockheed as a significant commercial market factor but whether, by government subsidy, to reintroduce Lockheed as a third competitive factor to the established two company market. There is no evidence that a profitable commercial program has existed at Lockheed since World War II, so as an independent viable economic commercial competitor, Lockheed has not and obviously does not today qualify.

Lockheed has however, created a major competitive impact with the L–1011 but the effect has been largely destructive. Lockheed, in total over the last decade, has been the number one DOD supplier and continues so today. Operating from this very large government business base, Lockheed attempted to re-enter the commercial market with the L–1011. In cooperation with Rolls Royce, the business tactic adopted, either by ignorance or by deliberate management design, was to undercut prices and terms—essentially a loss-leader competitor-breaking policy; an attempt to dominate a market by deliberately selling at a loss.

After losing the first competition—American Airlines in February 1968, a brief L–1011 marketing success was achieved. In a three day period, April 1 to April 3, four airlines were captured before forced competitive reaction could take place. This was a direct result of abruptly decreasing prices by $1.5–$2.0 million; reducing the cash advance payment terms from 40% to 33% (a reduction in cash supplied Lockheed by the airlines in advance payments of approximately a million dollars per airplane) and offering subsidized (i.e., some 2% below market interest) long term financing to the airlines using funds advanced by Rolls Royce and British banks. These funds were undoubtedly underwritten by the UK Government as a favorable British trade balance subsidy. On the 101 firm airline orders for the L–1011, these actions increased Lockheed's cash requirements by more than $250 millions—a striking coincidence with the funds now being requested.

This underpricing competitive strategy, compounded with apparent major cost miscalculations, has bankrupted Rolls Royce forcing nationalization; brought Lockheed to mandatory reorganization; lured U.S. airlines into advancing funds which may well be lost and, most important of all from a national viewpoint, largely removed the future profits from the entire commercial aircraft manufacturing industry.

Essentially all the profit in a commercial airplane program exists in the last 10–20% of the program production and sales. This is a consequence of the enormous costs of creating and placing into production such complex products and the resultant large quantity production required for cost recovery. A third weak competitor may only achieve a 10–20% market penetration but in effect, he also removes the total profit from his competitors and his own financial results are catastrophic.

The breakeven points of the B–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 world position in commercial aircraft has been severely crippled. A private enterprise SST with ecology-relieving technology to compete for the world market is one potential casualty, for example. A giant step toward heavy government subsidization or even nationalization has been set in motion by financially reckless Lockheed action.

Because of long term pricing commitments in contracts coupled with the continued fierce competition between Boeing and McDonnell Douglas and the ever-present threat of new international competition, no significant change in pricing is possible now. Hence the manufacturers are faced with a relative long bleak period with a price base set by a "loss-leader" company. Only increased volume production offers a way out.

Facing international consortiums, essentially 100% funded by their governments, this is not the time for the United States

Government to artificially force a three-way split and an accompanying national economic weakening on the U.S. commercial aircraft industry. Secretary Connally testified* that from the data shown him he did not foresee a Lockheed profit even if the L–1011 was funded by government action and built an indicated 220 aircraft but that "*this should not be a concern of the government.*"

* Aerospace Daily, June 8, 1971.

A subsidized desperate competitor building aircraft at a loss where each aircraft built denies a profitable airplane to any manufacturer must be a prime national concern since it threatens the financial strength of the entire industry. Such a parochial view of Lockheed or the U.S. Government $250 million is illogical and dangerous.

The natural action of the free enterprise market by eliminating the inefficient is strengthening our national capability to compete in the world market—a strength that in the last 5 years has resulted in a net trade balance for commercial aircraft exceeding one-third of the total United States net favorable trade balance. The two company competition of the 60's demonstrated its adequacy to protect the airline customer and further the national interest. The 60's were the golden age of U.S. airlines. A third competitor is not mandatory or even healthy for the United States.

ANNUAL COMMERCIAL AIRLINER SALES SHARES

	Total dollar volume (millions)	Percent Boeing	Percent MDC [1]	Percent GD [2]	Percent Lockheed
Year:					
1956	349		58	8	34
1957	575		60	5	35
1958	449	9	57	6	28
1959	776	47	14	4	35
1960	1,161	45	44	3	8
1961	788	52	30	15	3
1962	737	54	20	21	5
1963	496	48	25	19	8
1964	852	76	16	3	5
1965	1,221	75	20		5
1966	1,715	68	27		5
1967	2,571	59	37		4
1968	3,813	56	44		
1969	3,194	54	44		2
1970	3,425	82	18		
Total	22,122	58	33	3	6
Total since 1960	19,973	62	33	2	3

[1] McDonnell Douglas Corp. (MDC) sales shown are estimated for the Douglas Aircraft Co., now a division of the McDonnell Douglas Corp.

[2] General Dynamics (GD) sales shown are estimated for the Convair division of General Dynamics

NATIONAL EMPLOYMENT IMPACT OF L–1011 TERMINATION

Much has been made of the ability of the L–1011 program to sustain employment in the aerospace industry and it's national importance. At peak employment four months ago the Secretary of the Treasury indicated a total L–1011 employment of 31,000 people—17,000 at Lockheed and 14,000 in suppliers plants. Since the total U.S. labor force is some 85,800,000 people and the total peak L–1011 employment is less than 4/100 of 1% of that, the L–1011 employment is at least marginal as a major impact classification. To classify it as so critically important that dangerous government precedents must be established appears facetious when compared with other components of the aerospace industry. The attached chart shows that the actual employment impacts at Boeing and McDonnell Douglas have already exceeded that of Lockheed by a 4 to 1 ratio even assuming an L–1011 termination. 113,600 Boeing and McDonnell Douglas employees have been laid off in the past two years as compared to 10,800 at Lockheed and a theoretical 26,000 obtained by adding an L–1011 termination effect.

On 1 June, L–1011 employment at Lockheed was stated to be 8,000—a 53% reduction from peak. The status at the complex of suppliers is unknown but the largest single supplier, AVCO, indicated that it had had 1,000 L–1011 employees of 4,000 total employees at the specific Tennessee plant building the L–1011 wing and in May the L–1011 employment was reduced by 750 people—a 75% reduction. Hence it is probable that over half of the L–1011 employees have already been laid off. Any specific impact from this first 50% layoff is impossible to find.

However any of the L–1011 employment impact numbers are misleading since they only look at the L–1011 reductions and ignore the obvious compensating increases. The L–1011 airplanes were intended to provide a certain productivity or capacity need to the airlines. This need will be filled in any event by some type of wide bodied advance technology aircraft.

There are only three types of such aircraft available as potential replacements—the Boeing B–747, the McDonnell Douglas DC–10 and the European A300B. The L–1011 design mission is a full passenger load (270–330 people) carried non-stop transcontinental which requires a practical range of some 3400 statute miles. The A300B is a short range smaller airplane with a full passenger (230 passenger) range of some 1500 statute miles. Obviously the A300B is not a practical replacement. This is confirmed by the 25 airline competitions decided to date between the DC–10 and the L–1011. In none of these cases was the A300B a contender, much less a winner. Thus far only the national airlines of France (Air Inter and Air France) and Germany (Lufthansa) have placed even a letter of intent for the A300B in the nearly four years since September 1967 when the French and German governments agreed to fund the program.

The L–1011, if terminated, will be replaced with either the B–747 or the DC–10. The B–747 is in service by 10 U.S. airlines for transcontinental and shorter domestic routes down to 250 miles. The DC–10 will start deliveries in July 1971 for this same service and since it was optimized for exactly the L–1011 mission will probably be the airlines choice. The airplanes will be built in the United States.

The L–1011 airplane has a high foreign labor content. The exact amount is unknown but a reasonable approximation will illustrate the point. The announced new base price of the L–1011 is $15.7 million. The Rolls Royce engines now have a base production price of about $950,000 each. In addition the engine nacelles, also manufactured in England cost $450,000 per airplane set. A summary of the Lockheed announced additional contracts in England for ailerons, spoilers, wing tips, main landing gear doors, navigation systems and numerous instruments, actuators, etc., amount to an additional $450,000 per airplane. These total $3,750,000 an airplane set or 24% of the total L–1011 built in the U.K. There is additional work in Canada and Japan. Therefore 24% understates the total foreign content. In effect, for every 3 U.S. workers there must be at least the equivalent of a 4th overseas on the L–1011.

Substituting either the B–747 or the DC–10 with their American engines will increase the total U.S. employment by elimination of this high foreign content. The gain will not be as dramatic as the 33% (25%/75% = 33%) gain the simple analysis indicates because either Boeing or McDonnell Douglas would build the added replacement aircraft more efficiently than Lockheed with its relatively low production. Also Boeing has a few percentage points of the B–747 in foreign countries and the DC–10 has some 11% primarily in the McDonnell Douglas Canadian factory. A more sophisticated analysis indicates a net gain of 5–10% in national employment from termination of the L–1011.

Employment discontinuities would be inevitable in the interim but the major portion of this has already happened and been absorbed. With the prime L–1011 competitor, the DC–10, also being built in Los Angeles, even the regional impact should not extend over 6 to 9 months while new subcontracts are determined, facilities reorganized and the necessary added employees hired to increase production. To sacrifice the next decade's employment for such a brief interim cause is hardly a reasonable tradeoff. To risk taxpayers money for the tradeoff is unjustifiable.

EMPLOYMENT TREND COMPARISON

	Yearend, 1968	Yearend, 1969	Yearend, 1970	Decrease, 1968–70 Employees	Decrease, 1968–70 Percent
Boeing	142,400	120,500	61,000	81,400	57
McDonnell Douglas	124,700	107,500	92,500	32,200	26
Lockheed	95,400	97,700	84,600	10,800	11
			[1] 69,600	[1] 25,800	[1] 27

[1] Assumes a potential net 15,000 L–1011 employee layoff.

CALIFORNIA EMPLOYMENT IMPACT OF L–1011 TERMINATION

The most probable replacement airplane for the current medium-range L–1011 airplane is the McDonnell Douglas DC–10–10 medium-range version. The short-ranged (approximately 1500 statute miles with full passenger payload) European A300B has demonstrated its non-applicability to the medium range market (approximately 3400 statute miles) served by the current Trijets by its non-appearance in the 25 Trijet competitions concluded to date. The long range (approximately 6000 statute miles) Boeing B–747 is direct competition for the DC–10–20 and –30 long-range versions but only is a very few high traffic density medium-range international markets has it become a significant competitive factor. Hence essentially all of the L–1011 replacement market will be

filled by the similar sized DC–10–10 airplane.

The net employment impact of the L–1011 termination and the DC–10 replacement of these aircraft can be determined in principle by the relative amount of each airplane which is built in California. The attached data sheets detail the elements of each airplane which are done in California and the exploded view of the L–1011 serves as a rough gauge of the relative importance of each element.

In brief, the table speaks for itself. With the identicality of the first six major elements and the long additional list of added DC–10 elements in California, the higher California work content of the DC–10 is obvious. From a quantitative evaluation, the L–1011 flap structures are approximately the same work content per airplane as the last four items on the DC–10 list consisting of the various doors and the wing-fuselage fairing structures. The remainder of the items—most notably the heavy work content engine pods, pylons, and aft fuselage tail duct work—represent added work for Californians. A detail quantitative evaluation indicates a basic California work content for the DC–10 which is 10% to 15% higher than the L–1011 accounting for the greater number of elements.

Because McDonnell Douglas would build the added replacement aircraft more efficiently than Lockheed with its relatively low production, this basic work content advantage would be somewhat attenuated. However, two of the current L–1011 customers, TWA and Air Canada, would most likely buy the heavier long-range DC–10–20 or –30 airplane to replace the lighter medium-range L–1011's. This is an offsetting increase in DC–10 work. All in all, a 5% to 10% total net increase in California work content—i.e., employment—should result from an L–1011 termination and a DC–10 replacement program.

It does take time to negotiate new and additional subcontracts, reorganize facilities and hire additional people to accelerate DC–10 production. This should not extend beyond 6 to 9 months but an inevitable adverse transient employment impact will occur. In addition, local labor unions will prevent large scale migration of specific Lockheed workers into the McDonnell Douglas and suppliers plants until existing recall lists are exhausted. However, some 100 Lockheed L–1011 workers have already been hired by Douglas in some specialties and if the L–1011 is terminated promptly, the overall Douglas recall list will be exhausted by early spring 1972. Then the normal Southern California labor mobility will permit large scale hiring. Burbank and Palmdale will be hit hard although not critically since the L–1011 employment today is some ½ of the Lockheed plant employment. This will be partially offset by the rising employment on the new S–3A production program in Lockheed.

In the long term, industry, labor, and the general California economy will benefit from an L–1011 termination. A truncated and desperate L–1011 program of questionable durability, competing in price with a DC–10 program which is marginally profitable without added production quantites, hardly makes for a firm prosperious forecast for the commercial aerospace industry in California. State industrial income tax revenues will obviously be lowered and the California areospace industry's ability to compete and expand by introduction of new programs will be crippled to the long-term detriment of all.

CALIFORNIA [1] TRIJET WORK CONTENT

L–1011		DC–10 [2]	
1. Final airplane assembly	Palmdale.	1. Final airplane assembly	Long Beach.
2. Fuselage nose section	Burbank.	2. Fuselage nose section	Santa Monica.
3. Fuselage barrels assembly	Burbank.	3. Fuselage barrels assembly	San Diego.
4. Fuselage underwing section	Burbank.	4. Fuselage underwing section	Long Beach.
5. Fuselage tail section assembly	Burbank.	5. Fuselage tail section assembly	Long Beach.
6. Center wing box	Burbank.	6. Center wing box	Long Beach.
7.	(Canada).	7. Fuselage tail section subassemblies	Long Beach.
8.	(Canada).	8. Tail engine duct	Long Beach.
9.	(England).	9. Wing engine pods	Chula Vista.
10.	(Texas).	10. Wing engine pylons	Santa Monica.
11.	(England).	11. Tail engine pod	Chula Vista.
12.	(Texas).	12. Main landing gear struts (1 of 2 sources)	Pamona/Burbank.
13.	(Ireland).	13. Main gear doors	Long Beach.
14.	(Canada).	14. Nose gear door	San Diego.
15.	(Japan).	15. Passenger cargo doors	San Diego.
16.	(Washington).	16. Wing fuselage fairing structure	Long Beach.
17. Flap structures	Torrance.	17.	(St. Louis, Mo., Tulsa, Okla., Baltimore, Md.).

[1] All significant elements of either airplane manufactured in California are tabulated.
[2] Exact comparability not possible since DC–10 covers a series of models ranging up to 30 percent heavier takeoff weight long range models. Hence on identically named elements there is more pounds and more work content on the average DC–10 than the L–1011.

BALANCE OF TRADE IMPLICATIONS OF THE L–1011 PROGRAM

Commercial aircraft produced in the United States have dominated the equipment fleets of the free world airlines. Boeing and Douglas built airplanes constitute 85% of the number of aircraft and 95% of the productivity of the free world's 25 biggest airlines. The favorable economic impacts of this massive export flow can be sized both in absolute dollars and as a percentage of our net exports of goods and services. Since 1965, commercial aircraft exports have totaled some $4.8 billions or approximately 26% of the total net U.S. exports. In the last three years, this percentage is 47%.

How will the L–1011 contribute to this favorable balance?

To answer this question one has to evaluate the export success of those new aircraft that are currently being introduced as "new generation airplanes". The Boeing 747, the McDonnell Douglas DC–10 and possibly the Lockheed L–1011 will transport the bulk of air passengers for the next two decades.

Present orders and options for these airplanes are divided as follows between domestic and export. The DC–10 thus far has announced commitments from 11 foreign airlines; the L–1011 from 2 foreign airlines.

	Domestic	Export	Total	Percent export
B–747	114	90	204	44
DC–10	148	91	239	36
L–1011	[1] 128	12	140	8.5

[1] Includes 5 ordered by leasing companies.

From the above tally, it is obvious that the B–747 and the DC–10 are heavily export oriented and are, therefore, highly favorable to the U.S. balance of trade while the L–1011 has had little export success.

An extremely important factor not apparent from the order book is the fact that the L–1011 has a much higher foreign cost content than either the B–747 or the DC–10.

The exact foreign content of the L–1011 is unknown without a detail breakdown from Lockheed. However, a reasonable approximation can be made. With the Rolls Royce engine now priced at some $950,000 apiece, the 3 engine nacelles at $450,000 a ship set, announced additional Lockheed subcontracts placed in the British Isles for another $450,000 per airplane and an estimated $300,000 to $400,000 in Canadian and Japanese content, a total foreign content of over $4,000,000 per L–1011 is reasonable. This is approximately 25% of the total L–1011 airplane rationing on the announced L–1011 base sales price of $15,700,000. A conservative view of the foreign content, both absolute and relative, is reached by assuming an even $4 million foreign content and an L–1011 base price of $16 million even which slightly overstates the U.S. content.

The DC–10 is the prime competition of the L–1011 and, if the L–1011 is terminated, will in all likelihood be the direct one-for-one replacement airplane. The net foreign value added to the DC–10 is approximately $1.8 million per airplane with virtually all of that being done in the McDonnell Douglas subsidiary located in Canada which assembles the wing structure of the DC–10. This predominantly Canadian content is not all lost to the U.S. economy. Thirteen percent of the Canadian Gross National Product (GNP) is spent in the United States. Using the commonly accepted conservative economic multiplier of 2.0, the dollar value added to the Canadian economy by assembly of the DC–10 wing is doubled in its GNP effect, or in practical terms, some 26% of the foreign content of the DC–10 rapidly "leaks" back in to the U.S. economy. To be conservative, this favorable "leakage" effect has been ignored for this analysis:

Balance of trade implications of the L–1011 program

The 747 airplane has a yet lower foreign content. Therefore, for a comparative trade balance study, only the DC–10 is considered as an L–1011 replacement.

The initial airplane sale and its foreign content is only part of the story. The engine is the highest major consumer of spares dollars for an airline. Typically, the engine spares to be purchased, both in the form of complete engines and engine spare parts, will aggregate over two times the initial cost of the flyaway installed engines. In contrast, the airline airframe spares would aggregate about one-fifth of the initial airframe cost to the airline. Hence the fact that some 70% of the L–1011 foreign content is accounted for by the engines makes the adverse trade balance impact of the L–1011 much more severe.

A summary analysis of the trade balance is presented in the attached chart. In brief, on a per-airplane basis, the L–1011 has a total lifetime foreign content of $10.3 million per airplane or 42% by dollar content in contrast to the DC–10 which has a lifetime foreign content of 9% or $2.2 million per airplane. In consequence, if the current L–1011 airline

and lessees' order book of firm and option orders is filled with L–1011's, an adverse trade balance of $1,144 million will result. If the L–1011 is terminated and the L–1011 order book filled with DC–10's, this adverse balance would be held to only $11 million—an improvement in U.S. trade balance of over $1.1 billion. Should the British Government be successful in convincing British European Airways (BEA) to fill the Air Holdings options and add an arbitrary assumed 30 additional export aircraft to the L–1011 order book, this adverse balance is increased, not decreased. With the 30 added export aircraft, the net balance of trade favoring a DC–10 increases to $1,376 million. Added sales of L–1011's in lieu of DC–10's (or 747's) only worsens the situation. The L–1011 with its very high foreign content offers no hope of a favorable trade balance.

The above data summarizes only the more immediate direct adverse impact. The L–1011 program may well cause a long-term adverse trade balance effect far more serious than the over $1 billion direct impact. The success of Boeing and McDonnell Douglas in capturing large foreign commercial sales has been a direct result of having both the Financial strength and the technical know-how to launch programs of new superior aircraft. Because of the enormous costs of launching new commercial programs, high quantity production is required to ever deliver a total program profit. Consequently, the total program profit—the source of funds to launch the next program—is drawn from the last 10–20% of the production run. Introduction of a subsidized third competitor—even a weak one which might only capture 10–20% of the market—into the established two-company market threatens to severely reduce or eliminate the total industry profits required to produce new programs later in the 70's. With rising government sponsored international consortiums, in both Europe and Japan, financial strength of the two historic U.S. manufacturers will be mandatory to cope with the increasing international competition problem. The alternative could well be a forced nationalization or total subsidization of the industry—a step already taken by every major foreign nation. The long-term trade balance impact cannot be calculated, but the implications are clear and are serious.

In the final analysis, it is bitter irony that the U.S. government is sponsoring a bill that, at the potential expense of the U.S. taxpayers, will create an unfavorable effect on the trade balance in excess of $1 billion and simultaneously reduce the future international competitive strength of the U.S. commercial aircraft manufacturing industry.

TRADE BALANCE SUMMARY

[Constant dollars—millions]

I. PER AIRPLANE EFFECT

	U.S. content		Foreign content		Total	
	L–1011	DC–10	L–1011	DC–10	L–1011	DC–10
Original airplane sale:						
Airframe	$12.0	$11.4	$1.2	$1.8	$13.2	$13.2
Engines	0.0	2.8	2.8	0.0	2.8	2.8
Total airplane	12.0	14.2	4.0	1.8	16.0	16.0
Lifetime spares:						
Airframe at 21 percent [1]	2.5	2.4	0.3	0.4	2.8	2.8
Engines at 215 percent [1]	0	6.0	6.0	0	6.0	6.0
Total airplane	2.5	8.4	6.3	0.4	8.8	8.8
Total	14.5	22.6	10.3	2.2	24.8	24.8
Minus (percent)	58	91	42	9	100	100

II. L–1011 PROGRAM EFFECT

	If filled by L–1011	If filled by DC–10	Net difference
Current order book:			
Imports on 128 [2] airplanes	−$1,318	−$282	+$1,036
Exports on 12 [2] airplanes	+174	+271	+97
Net trade balance (millions)	−1,144	−11	+1,133
Assumed an added 30 [3] United Kingdom sales:			
Imports on 128 airplanes	−1,318	−282	+1,036
Exports on 42 airplanes	+609	+949	+340
Net trade balance (millions)	−709	+667	+1,376

[1] Based on industry estimates of spares consumptions for life of airplane—i.e., through 1989.
[2] Based on current orders and options, ignoring air holdings bookkeeping transactions.
[3] Approximate effect of a BEA buy.

LOCKHEED COST CREDIBILITY

The forecasting of cash requirements, earnings and breakeven points in the commercial aircraft business is a very difficult task, all because of the same reason. Each of these prime business measurements is dependent upon the relatively small differences between the two very large independent variables of total cost and total receipts. The total cost of the first 100 trijets is in the vicinity of $3.0 to $3.5 billion. A 20% error in cost estimating is $600–$700 millions error in cash required and program profit at that quantity. A commercial airplane contract is truly fixed price so cost overruns—unlike the government contract situation in many cases—all impact directly on cash requirements and program profits.

At best the estimating of the cost of any complex product over a 5–8 year span is extremely difficult. The actual performance of the aircraft industry testifies to that fact. The Lockheed cost estimating experience, as shown on the attached sheet is hardly one to encourage confidence in the ability to hold an actual cost to even within 20% of the original estimate.

If Lockheed can so grossly underestimate government program costs such as shown on the attached page, one must surely suspect their ability to accurately estimate the future costs of the commercial aircraft L–1011 program and therefore whether a $250 million government guarantee is but the second installment in support of Lockheed with additional installments to come. (The first bailout was to save Lockheed from bankruptcy and assure production of the C–5A and other government programs at a cost to the taxpayer of $981 million.) Secretary of the Treasury Connally indirectly acknowledged this fundamental problem when he testified, ". . . in fact, even with the loan guarantee, Lockheed might go bankrupt in a few years."

The spokesmen for the Administration have shed some light on the consequences of a cost estimating error:

Secretary Connally disclosed that Lockheed's government business will fall from $2.7 billion this year to $1.05 billion by 1974—a 61.5 percent drop—and 33 percent below Lockheed assumptions in establishing a cost estimating labor base for overhead absorption.

Connally also disclosed that with the nominal estimates, Lockheed will not make any profit on 220 L–1011 aircraft deliveries over the next five years.

Deputy Defense Secretary Packard testified that the Defense Department estimated that Lockheed will need to sell "substantially over 300 aircraft" to break even on its TriStar airbus. (This was the result of an analysis done before the Rolls Royce announcement brought the L–1011 troubles out into the open. Since then, the breakeven has undoubtedly moved out further due to the layoffs, delay, and learning curve interruption* of the L–1011 development and production program. If this increases total costs by only $250 million, the breakeven would be moved out by roughly 75 additional airplanes.

It would appear then that Lockheed, faced with $484 million current loans and interest payments, the $100 million C–5 penalty payback, plus the $250 million government guaranteed loan, may still have to declare bankruptcy. As is obvious, considering the poor cost performance (losses) which they have demonstrated on previous Government programs, there is every reason to suspect that the current Lockheed request for a $250 million loan guarantee may just be a down payment and that they might really need an additional $500 million (200 percent over their estimate) or more.

LOCKHEED COST CREDIBILITY

1. C–5A

Lockheed originally estimated they could build a fleet of 115 C–5A airplanes for $2 billion. Current Lockheed estimate is to build only 81 airplanes for $4.585 billion. This is 230% of the original cost estimate for 34 less C–5A airplanes (a 130% cost increase or estimating error).

2. Cheyenne helicopter

Lockheed originally estimated they could develop a new helicopter under a contract with the Army which had a ceiling price of $96 million. The current estimate for the program is $261 million. This is 273% of that originally estimated (a 173% cost increase or estimating error).

3. SRAM (Short Range Attack Missile)

The original contract target price to the prime contractor, Boeing, for the SRAM missile motor was only $5 million, but following Government approved changes, the contract was raised to $23 million with an absolute ceiling of $26 million. The latest estimate for the program is at $54 million. This is 208% of the absolute ceiling agreed to with the Government (a 108% cost increase or estimating error).

Starting from updated Lockheed estimates of late 1969 and early 1970, the specific additional increased costs to the U.S. Government and taxpayers to date after all negotia-

*Once having been interrupted, Boeing estimated the start-up costs for the SST to be between $500 million and $1 billion—rather than the $342 million originally needed to complete 2 prototypes.

tion on changes, inflation, etc., has amounted to the following sums:**

	Million
C–5A	$758
Cheyenne helicopter	141
SRAM	20
Ship building	62
Total	981

It would appear that in a relatively brief recent interval, the Lockheed costs are essentially still out of control and hence actually unestimable.

COMMERCIAL AIRPLANE PROGRAM ECONOMICS

It is important that Congress evaluate the economic viability of the Lockheed L–1011 program before acting on the Administration's request to assist this program. The intent here is to develop a basic understanding of the economics of a commercial airplane program so that the Congress can determine for itself the prospects of financial success.

Manufacture of commercial transports is a unique financial situation. Enormous development and production start-up costs (program launching costs) result from the large highly-complex product. Cost estimating is at best an imprecise art as demonstrated on military airplane programs. Total financial exposure will typically be 2-3 times the manufacturers' total equity. Also, all early aircraft are sold for a fraction of their manufacturing cost so that early production only increases the losses. The first cash profitable airplane is usually close to the 50th airplane. Only by achieving large scale production under tight cost control can sufficient net receipts be generated to ever recover the large program launching expenditure so that a program "breakeven" point can be reached. It is undoubtedly the riskiest major industrial undertaking routinely accepted by American industry. Let's examine the major factors which determine financial success or failure for a commercial airplane program.

The manufacturer's economics of a commercial airplane program are determined by three critical criteria:

1. Controlled total cost of initially launching the program.
2. Normal production cost reduction with successive units produced ("learning curve")
3. Sufficient number of airplanes produced (market penetration).

If any of these criteria is not met, the financial results of the program are in jeopardy. If two or all three of these criteria meet with adversity, the manufacturer's financial impact ranges between major losses with smaller programs and total disaster on big programs. If the last criteria is missed, the program is doomed financially, regardless of all other factors.

Controlled total program launching cost

A true picture of total L–1011 cost spent so far would require opening of Lockheed's books as well as the books of the L–1011 subcontractors. Lockheed did indicate in early May that the total L–1011 investment to date was $1.365 billions. Even accepting that number, the estimating of costs left to go until the development is completed and the airplane certified is very difficult. Massive layoffs have been in effect now for nearly five months, skills are dissipated, program scheduling is confused and uncertain, morale is shattered, there is rebellion among the suppliers on continuing to "swallow" their increased costs, flight test is so delayed that the scope of the technical problems other than those of the current interim engine and the extreme overweight condition of the airplane are unknown, etc. No one—including Lockheed—has the ability to accurately estimate their future costs now.

** *New York Times*, 2 February 1971.

However, some relative conclusions can be drawn by comparing the currently projected certification dates of the L–1011 and the McDonnell Douglas DC–10. Both these programs received management Authority to Proceed (ATP) in April 1968. Both originally projected certification dates in the fall of 1971. The latest information compares the two programs as follows:

	L–1011	DC–10
Flight test hours completed (through mid-June 1971).	250	1,250.
Certification	April 1972. (LAC estimate).	July 1971. (committed).

Some high officials in the FAA have privately indicated that even accepting the new Rolls Royce schedule and the current Lockheed intention to certify with a non-specification interim engine, certification cannot be accomplished until mid-summer 1972 at best. The airplane with production specification engines is now scheduled to be certified in April 1973. This indicates that the L–1011 has slipped a minimum of 6 months by Lockheed estimate while the DC–10 program is beating its schedule by some 3 months. A good industry estimate is that there is almost direct correlation between cost and the time spent in development. A 6 to 9 months delay in the originally estimated time span of 42 months between start of program and initial certification is a 14% to 21% delay. A minimum program launching cost overrun of 14% to 21% on the L–1011 program is therefore highly probable.

A direct consequence of just this additional cost ($200–300 million) is that it will take at least 50 additional airplanes to now get the program to a breakeven point from that contemplated at the beginning of 1971.

Normal production cost reduction with successive units produced ("learning curve")

The industry uses mathematical "learning curves" to approximate the normal unit by unit reduction in production costs which results from learning how to build the new product. Total cost in constant dollars would typically go with an 88–90% "learning curve"—i.e., for each doubling of production quantity total unit costs would reduce 10–12%.

However this is just the estimator's tool for estimating future costs. The real phenomenon is the team learning process—the correction of engineering errors found in flight test, tooling and manufacturing planning corrections, and the learning by each worker of his unique job—all elements fully dependent on a smooth continued learning process. Interruption reverses the learning curve and a slow costly recovery period of re-learning must be gone through.

At this point in time very little is known even by Lockheed about this criteria since essentially no production units have rolled off the assembly line and any cost data obtained to date is largely invalidated by the complete derailment of the program for the past 5 months. It is obvious that production efficiency has been badly damaged. If the program could retain substantial production quantities, this adverse trend might be eventually reversed and unit costs progressively reduced back toward normal. However, a permanent cost setback exists that keeps the average unit cost up. Past commercial programs in trouble have had cost increases of at least 15%. 30% is quite possible. The program breakeven is again moved out by this production learning curve disruption.

If market quantities are reduced, then the learning rate is further reduced. In addition lowered production rates in themselves increase unit costs by necessarily greater unit absorption of the fixed costs. Hence, the quantity is doubly critical. If market penetration quantities are significantly reduced from that originally planned, then massive losses are unavoidable. Lockheed has tacitly admitted that a 50% or greater reduction has actually taken place already since the factory, tooling, and suppliers were sized to 10 aircraft per month and a new maximum scheduled rate of 4 a month is being implemented.

Sufficient number of airplanes produced (market penetration)

How many L–1011's will it take to prevent economic disaster? Lockheed officials in recent testimony used a "195–205 aircraft" as a breakeven. Under questioning this was increased to 260 aircraft with the explanation that the initial number excluded all general and administrative costs (where, for example, some $40 millions annual interest payment on the total proposed bank loan is accounted for). The 260 value was further qualified in that spares profits on 260 aircraft were included although they would be earned at a later time. The 260 number is at best a low credibility estimate. With the major reductions (1½-2 million) in sales price from the initial program plan and the large cost increases due to disruption ($350 millions increased borrowings for example to get by the 22nd airplane per Lockheed data), it implies that the initial Lockheed planned breakeven must have been only slightly over 100 aircraft—hardly a logical value in a competition for a Lockheed 1968 quoted market of 1400 aircraft.

Secretary Packard testified that the DOD breakeven analysis done before the disruption of the L–1011 program was in excess of 300 aircraft. With the simultaneous increases in development costs and unit production costs coupled with a price increase that only covers the current estimated British engine cost increase, breakeven has probably moved to at least 400 aircraft even if these were produced in a reasonable time span. It is interesting to note that the untroubled McDonnell Douglas DC–10 program will require "an awful lot" more sales than its current 228 to reach breakeven per the recent statement of Mr. Douglas in Paris.

The attached chart graphically portrays L–1011 program economic calculations under normal and abnormal situations. To be conservative, a normal program breakeven point of 350 aircraft was selected and a round estimate of 1.3 billion used as an initial program launching cost ignoring the impact of the disruption. The remainder of the data comes from standard industry mathematical learning curves. The two recent previous commercial disaster programs (Convair 880/990 and Lockheed Electra) corrected for the size of the airplane and inflated from actual losses to losses expressed in 1973 dollars are shown for reference. Obviously looking at the 102 airplane Convair jet transport program, even the so-called derailed program curve (fitted to the last Lockheed commercial adventure) is potentially optimistic.

Since industry experts now project a maximum total market of 200 L–1011 airplanes with no customer attrition, it is abundantly clear that the road ahead spells disaster if this program is continued. Remembering that the chart is based on constant 1973 dollars, if the deliveries are dribbled out through time, then losses exceeding $2 billion are quite probable. It is also clear that the least probable amount of loss will be sustained if the program were abandoned immediately—continuation will only increase the losses.

U.S. TAX IMPLICATION OF L–1011 TERMINATION

Since corporate income tax is one of the main sources of government revenues, it is in the interest of the government to promote those industrial programs and products that yield tax revenues and to advocate discontinuation of industrial programs and products that absorb tax revenues. The latter is

even more important if a corporation does not yield tax revenues due to the fact that taxable income from profitable programs is offset by taxable losses from unprofitable programs. The situation worsens if the unprofitability of a program is not just of a temporary nature (with subsequent years of tax yields) but has no possibility of ever recovering its early losses. The net result is a non-recoverable drain on the tax revenues of the governments, both federal and state.

In view of the fact that the Administration is presently proposing a bill to subsidize a $250 million loan for the Lockheed L–1011 commercial airplane program, the U.S. Congress must consider, among other important related factors, the tax revenue implications of a continuation or discontinuation of the L–1011 before acting on the Administration's proposal.

Due to the provisions of the Internal Revenue Code, the certain "front end" income losses of the L–1011 program will result in an at least eight-year drought on tax revenues from the Lockheed Aircraft Corporation (three years' loss carry-back and five years' loss carry-forward). Combined with losses on four military programs on which write-downs started in 1969, the three years' loss carry-back advantage has already been fully exercised by Lockheed, resulting in refunds by the Federal Government of $114 million of taxes paid by Lockheed since 1965. Hence, the five-year period (1966–1970) has already been non-revenue yielding to the government. Future tax yields by Lockheed will primarily depend on the profitability of the L–1011 program.

For the stockholders, the Security Exchange Commission and the public, Lockheed's books capitalize as an asset the very large "front end" program expenditure, commonly called "development", but in actuality covering the total cost of the first aircraft excluding only two elements. These are the sales price recovery and the general and administration (G&A) expenses. This expenditure for an L–1011 airplane program is some $500–$700 million. However for tax books, all this is an "expensed" item; that is, it is written off as incurred. In consequence, all commercial programs show large income losses in their early phases. In addition, the production tools, which in the L–1011 program should be a $200–$250 million dollar item, are usually written off over the assumed breakeven quantity which by Lockheed testimony is, for accounting purposes, 195 to 205 aircraft. With the 173 L–1011 aircraft planned for delivery through 1975 by the new Lockheed master financial plan presented to the Senate Banking Committee, essentially all the tooling costs will also be written off in the next few years. An optimistically estimated future military sales box (excluding the C–5A which has been agreed to be a cost reimbursement contract) is perhaps $1.2 billion. Secretary Packard indicated a $1.05 billion estimate by 1974 as more probable. Using historical (pre-1968) Lockheed pre-tax earnings rates of 5%, the five-year military program earnings would not exceed $300 million. Hence, if the L–1011 program is continued, with its inherent "front end" losses greatly exceeding $300 million. Hence, if the L–1011 program is continued, with its inherent "front end" losses greatly exceeding $300 million, Lockheed will not pay any income taxes from 1966 to 1976.

Industry experts currently project maximum L–1011 sales of 200 aircraft through 1980 with little additional sales beyond that. The fact that the Lockheed order book has actually declined since November 1968 while its two U.S. competitors have increased lends credence to this 200 aircraft estimate as a maximum.

U.S. tax implication of L–1011 termination

Secretary Packard indicated that a breakeven analysis done by the Department of Defense prior to the Rolls Royce disruption indicated a breakeven of "substantially over 300 airplanes." Using Lockheed's requested additional funds as a criteria of the added cost of the 6–8 months of confusion, broken continuity, stretched out production planning and reduced production rates, this impartial breakeven analysis would undoubtedly show a minimum of 400 aircraft if updated to today's knowledge. Based on these projections and standard industry learning curves, the L–1011 program will lose approximately $800–$1,000 million pre-tax by 1980.

Continuing the Lockheed government business at $1.2 billion per year and 5% pre-tax earnings rate would result in an offsetting ten-year Lockheed total pre-tax income of $600 million on government business. Arithmetic therefore indicates a ten-year aggregate Lockheed loss for the 1970's of at least $200 million in spite of the probable continued major profits on the government business base, Lockheed's traditional major product line. The Lockheed tax-exempt period, if the L–1011 is continued, may well extend from 1965 to 1980. Should the L–1011 program collapse after several years in spite of government assistance—a definite possibility admitted by the Administration spokesman, Secretary Connally—then this Lockheed tax-exempt status would certainly extend to the end of the 1970's. This would be a 15-year operation of the nation's largest defense producer with no tax liability—essentially all because of a commercial misadventure.

If the L–1011 program were terminated now, Lockheed would have an L–1011 inventory write-off of approximately $850 million. This would also exempt Lockheed from paying income tax in the next five-year period. Hence, with or without the L–1011 program, Lockheed will operate exempt of income tax for the next five years.

However, if the L–1011 is terminated, the replacement of the forecasted 200 L–1011 aircraft with McDonnell Douglas DC–10's or Boeing 747's would add this quantity to large production bases with every one of the replacement 200-aircraft being a profitable addition. It is estimated that pre-tax profits on these additional 200 aircraft (using the 500th to 700th aircraft and a standard industry total cost learning curve) will be approximately $4–$5 million per airplane or between $800 million and $1.0 billion for the same 200 airplanes on which Lockheed will lose $800 million to $1.0 billion. This is a total taxable income swing of over $1.6 billion.

Even with the certain Lockheed tax shelter which makes some $300 million of government program profits tax exempt in the 1971–76 five-year period, government tax benefits in the 1970's derived from a switch to the DC–10 or the 747 would be a minimum of $650–$850 million from the prime aircraft manufacturers. This does not count the additional tax revenues the U.S. Government would collect from the U.S. engine builders (General Electric or Pratt and Whitney) supplying Boeing and McDonnell Douglas. Over the lifetime of a commercial program, the sale of the original engines, spare engines and spare engine parts amounts to approximately 60 percent of the total initial airplane sales. Hence, with the L–1011 Rolls Royce engine obviously not being a U.S. tax revenue generator, the tax revenues from the American engines are all added U.S. government income—an amount that should approach $200–$250 million.

With a net total tax revenue loss of roughly $1 billion from continuing the L–1011 program, it is obvious that the Administration's proposal of subsidizing Lockheed with a $250 million loan guarantee for the L–1011 is not in the best interest of the U.S. economy from a standpoint of tax revenues.

L–1011 TECHNICAL STATUS

Over the past six months, all the information emphasis has been on the Rolls Royce engine for the L–1011 airplane and most of that oriented to the delivery problems and the consequent added financial problems for both Rolls Royce and Lockheed. Only passing reference has been made to engine overweight and requirements for added thrust. Nothing, beyond the usual enthusiastic pilot reports from Lockheed pilots or L–1011 customer airline pilots, has been released relative to the airplane itself. The impression of a program suddenly disrupted by Rolls Royce financial collapse drastically over simplifies the situation. The Rolls Royce financial problems merely partially opened the curtain—the play has been going on since early in 1970 when the technical problems emerged. A quick review of the major areas is in order:

1. Engine thrust deficiency

Current BR 211 engines are flying at 32000 to 35000 lb. of thrust instead of the specified 40,600 lb. promised for early 1971. Even the recently publicized new promise of 42000 lb. of thrust is misleading since it is limited to a cool day temperature of 66.5 degrees F, whereas the original 40,600 lb. was based on the more normal airline critical criteria of an 84 degrees F day. On the 84 degrees F day, the so-called 42,000 lb. is only about 38,500 lb. The engine and airplane overweight situation will require significant additional thrust increases to at least 45,000 lb. at 84 degrees F to maintain the performance originally quoted for the 40,600 lb. engine.

2. Engine fuel consumption

Rolls Royce has acknowledged over specification engine fuel consumption without stating the size of the deficiency. Trade intelligence is that it is 2% to 5% high. These low numbers are deceptive. A 2% change in fuel consumption on the transcontinental mission is 1700 pounds of fuel—roughly equivalent to 8 passengers in gross payload effect.

3. Engine overweight

Current Rolls Royce estimated weights for the 3 engines on the L–1011 are 3500 pounds over the guarantee used to sell the airlines in April 1968. To help compensate for this engine overweight, Rolls Royce has increased their promised thrust to 42,000 pounds. However, aircraft with those engines at specification temperatures cannot be certified and delivered until April 1973—a year beyond the highly publicized April 1972 date when only an interim engine is now promised. It is interesting that in November 1970, their 42,000 pound engine at 84° F was promised for November 1971—a data which now has slipped 17 months.

4. Engine pollution

In sharp contrast to modern American engines which operate at a smoke emission level roughly 60% below visibility thresholds, the L–1011 emits the traditional highly visible 3 black smoke trails as shown on the attached Lockheed Public Relations photograph. A significant added technical effort is required to eliminate these.

5. Airplane overweight

In Lockheed model specification LR 20111 dated 1 May 1968, the operational empty weight is shown as 225,491 lbs. In Lockheed L–1011–1 alternate engine presentation for the L–1011 customer airlines dated March 10, 1971, the operational empty weight for Lot 6 aircraft (about the 56th airplane) is shown as 243,246 lbs, or an increase of 17,775 lbs. However, Lot 6 aircraft have assumed 6578 lbs, of weight saving compared to initial deliveries. Initial delivered aircraft will be 24,300 lbs, heavier than the promised specification level. This, plus the added fuel required to carry the higher weight and the higher engine fuel consumption would require an increase in takeoff weight of about 33,000 lb. to maintain the 1968 range capability. Such a takeoff weight increase would require approximately 12 to 17% more engine thrust,

i.e., to 45,000 lb, 84° F, to maintain 1968 airport takeoff capability and would still result in a noiser airplane than originally promised.

This existing fundamental Lockheed design error—some 11% in empty weight, with Rolls Royce being only about 1½ percentage points of that, has been well known since early 1970 and has certainly helped chill the market enthusiasm long before the Rolls Royce problem surfaced.

Should Rolls Royce not be successful in controlling increased weights with their promised increased thrust, additional total airplane overweight problems could develop. Wing flutter—a dynamics problem—is increasingly aggravated by increases in engine weight and could require major wing redesign. Only high speed flutter testing will determine this.

6. Questionable commercial design practices

The L–1011, undoubtedly influenced by the predominantly military aircraft background of Lockheed, has departed from proven safe commercial transport design in several areas.

Lockheed has chosen a military fighter type one piece horizontal tail, when the safest commercial transports in the world use conventional redundant horizontal stabilizer and elevators. Such a one piece design gives the pilot a control that can easily overstress the airplane and a system difficult to make "fail-safe". Certification for this is still unsettled within the Federal Aviation Agency.

The design of commercial airplane structure for long life is a highly specialized technology radically different from military aircraft. Lockheed has not demonstrated full knowledge of that technology. For example, the L–1011 wing-fuselage intersection design is conducive to introducing residual stresses during manufacture. The stringer-frame-skin joint creates stress concentrations. Wing carry-through structure tends to induce high loads in fuselage. All these contribute to reduced fatigue life and not surprisingly, several failures have already occurred during ground fatigue testing.

L–1011 makes extensive use of bonded structure in primary structure even though in today's operating aircraft, most corrosion problems have occurred in the bonded structure.

The certainty of airline service structural problems cannot be stated now. That remains to be seen, but it should be remembered that Lockheed has had major structural problems on their last commercial transport, the Electra, and their most recent military transport, the C–5A.

7. Inadequate testing

At present, less than 300 hours of the original planned 1695 hours of flight testing has been accomplished. Obviously the bulk of the testing is still to come and the problems to be uncovered are still unknown. Critical high speed and/or high weight testing is unaccomplished.

A modern transport airplane is a complex product and the best of engineering staffs are imperfect. The program and technical management has been changed extensively during the critical creative period of the L–1011 and the last new passenger carrying airplane that Lockheed certified was the Electra, 13 years ago. There is a sizable unknown technical risk remaining in the L–1011—perhaps one as critical as the dynamics problem which resulted in airline losses of 3 Lockheed Electras through wing failure; perhaps only a life problem like the Lockheed C–5A. Obviously such a technical risk carries with it a concurrent financial risk not in the Lockheed financial projections.

LOCKHEED AND NATIONAL SECURITY

1. The language of the Administration's suggested bill, H.R. 8432, "Emergency Loan Guarantee Act of 1971," and the accompanying documents from the Secretary of the Treasury imply that the continued operation of the Lockheed Aircraft Corporation is of major importance to the national security of the United States. In reality, the requested $250 million loan guarantee is designed to attempt to salvage a single troubled "commercial" program.

In testimony before the Senate Banking Committee, Secretary Connally stated, "I do not think it's essential for national defense that the corporate structure of Lockheed be maintained . . . it is a question of accumulation and preservation of their skills and talents. . . . " There is no fundamental reason why the skills and talents of Lockheed devoted to national security should be more than vaguely aware of the changes in top management which would result from reorganization. If anything, a positive inflow of the most talented people should result from termination of the L–1011 an end of dilution of Lockheed effort. Deputy Secretary of Defense Packard before the same committee emphasized that he regarded the issue of a loan guarantee to Lockheed as an economic rather than a defense matter. He also stated, "Our defense programs would be less troublesome if the company survives, but it isn't an absolute disaster if it goes the other way." And from his prepared statement, ". . . there is no barrier, legal or otherwise, which would inhibit our ability to contract with a firm in bankruptcy. . . ."

2. In the past decade (1961–1970) the Lockheed Aircraft Corporation was clearly established as the leading recipient of defense contracts, having received a total of $16.4 billion in prime defense contract awards. During this same period 93% of the $19.8 billion in corporate sales were accounted for by DOD, NASA and other Government contracts. (See Table 1.) Defense business has been Lockheed's primary business line and they have done very well in capturing business from the U.S. government.

This level of business generated by Government sales alone is the envy of all aerospace companies, indeed of most industrial corporations. Lockheed has been the number one defense contractor over the past decade. And diversified as it is from aircraft and shipbuilding to missiles and space, it is fully capable of continuing competitively as a "Government only" defense contractor. While the C–5A losses, etc., have been well publicized, the significant Lockheed problems all stem from its adventure into the commercial aircraft business and departure from its real field of expertise.

3. The L–1011 program is the first significant attempt to re-enter the highly competitive commercial air transport field since the abortive "Electra" program of the late 1950's. The Electra experienced technical problems and only 172 aircraft were produced, resulting in a pre-tax loss of $175–200 million. With this as an experience base and in the context of the period in which the decision was made to proceed with the much more ambitious commercial L–1011 venture, the L–1011 must be judged not only a courageous or foolhardy undertaking but as a deliberate and reckless dilution of corporate resources.

Lockheed has bid and won the huge ($2.3 billion) Air Force C–5A contract with multiple technical unknowns and the attendant financial risks. This program was to expand to over $4.5 billion with the Government paying for all but $200 million of the $2.2 billion increase. Also under contract was the development of the AH–56 armed compound helicopter for the U.S. Army, presenting an additional array of technical and financial problems, the Poseidon missile, the SCRAM missile propulsion, the S–3A antisubmarine airplane competition and all other national security programs that made Lockheed number one.

Despite these potentially overwhelming challenges to management capacity and to corporate resources, an intensive L–1011 sales campaign was initiated with the airlines in 1968. The motivation was a stated desire for less dependence on defense procurement and a belief that the two traditional suppliers of transport aircraft were otherwise too occupied to enter the competition for an identified medium range market. (Boeing with the new 747 and McDonnell Douglas with implementation of the merger between McDonnell and Douglas forced by Douglas financial problems on its new DC–9 and improved DC–8 aircraft.)

Faced with McDonnell Douglas and the DC–10 as an unexpected competitor with a greater depth of experience in the commercial arena, subsequent events have proved to be close to overwhelming. After losing the American Airlines trijet order Lockheed captured Eastern, TWA, Delta and Northeast in four days, by a dramatic drop in the base price of about $1.5 million per aircraft. In the cost/price relationships there are nagging parallels between the L–1011 program and each of the four military programs Lockheed was forced to renegotiate with the Defense Department last year (i.e., a low entering price followed by requests for additional funding by the customer as the programs matured and cost problems became apparent). (See Table 2.)

4. During the 1970 investigation the magnitude of the C–5A overrun must have seemed sufficient cause for a Lockheed cash flow crisis and the added cash requirement of the L–1011 program was never fully acknowledged by the Government. However, regular weekly 90 percent plus progress payments and special milestone payments, together with Government ownership of the plant and equipment at Lockheed-Georgia, meant that most of the investment for the C–5A was being made by the Government. This being the case, Senator Proxmire was convinced that Lockheed's problem was caused by "its commercial venture, the L–1011 aircraft. . . ." And General Glasser, Deputy Chief of Staff for Air Force Research and Development testified, ". . . I am saying that the financial straits the company (Lockheed) finds itself in are in a major way aggravated by the 1011 problem."

5. The heavy cash flow demands of the L–1011 program have unquestionably complicated Lockheed's operations and detracted from the corporation's capacity to meet its contractual requirements. Less subject to quantification is the effect of having diverted the attention of top management and the dilution of technical skills by superimposing a large new advanced commercial program on the C–5A, AH–56 and other demanding development programs. What is known, is that at its peak the L–1011 program employed over 15,000 people and certainly the key management and leading technical personnel were chosen from among the most qualified throughout the corporation. Well documented in the CONGRESSIONAL RECORD, trade journals and daily newspapers are the travels, statements and testimony of Mr. Houghton, Mr. Kotchian and numerous other senior Lockheed officials. The search for orders, funds and loan guarantees developed itineraries that included Washington, New York, London and the important capitals of Europe and Asia.

Clearly the managament of Lockheed's defense programs would have benefited from less dilution and greater attention of top management personnel. It is a fair statement to say that the U.S. taxpayers have already paid hundreds of millions to Lockheed as the result of their commercial adventure—all in the form of neglected government contracts and consequent overruns.

6. There is every reason to believe that a reorganized Lockheed, unencumbered by a large commercial program and with its man-

agement giving full attention again to its primary product lines of defense programs, could continue to provide the development and production of systems necessary for national security purposes. With the cooperation of its creditors and banks a reorganized Lockheed with a traditional "government contract" line of business could conceivably produce a cash flow level adequate to meet debt service requirements and a reduction to normal debt levels in about seven years. Under these conditions it is probable that no creditors would fail and the nation would retain a viable and better qualified defense contractor.

LOCKHEED GOVERNMENT BUSINESS VOLUME

TABLE 1

[Dollars in billions]

	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	Total
Lockheed DOD contract awards	$1.18	$1.42	$1.52	$1.46	$1.72	$1.53	$1.81	$1.87	$2.04	$1.85	$16.4
Lockheed sales:											
Government	$1.358	$1.699	$1.901	$1.564	$1.749	$1.975	$2.213	$1.873	$1.840	$2.280	$18.45
Total	$1.446	$1.753	$1.930	$1.603	$1.818	$2.085	$2.336	$2.217	$2.075	$2.533	$19.80
Percent Government	94	97	98	98	96	90	95	84	89	90	93

TABLE 2

[Dollars in millions]

Program	Initial Lockheed bid	Current cost estimate	Lockheed's latest claim for increased cost	DOD settlement [1]
C–5A	2,300 (115 aircraft)	4,585 (81 aircraft)	[2] 758	558
Cheyenne	96	261	261	141
Shipbuilding	Not available	Not available	160	62
SRAM (subcontract)	5 (renegotiated to 23 M)	54	54	20

[1] Source: New York Times, Feb. 2, 1971.

[2] Prior overruns settled by Government at no cost to Lockheed.

LONG-TERM IMPLICATIONS OF L-1011 SUBSIDY

Before discussing the longer term implications of the proposed L–1011 loan guarantee or direct government loan, the near-term facts of the L–1011 situation should be reviewed as a data base:

1. Although there would be a transient (6–9 months) loss in aerospace jobs, thereafter the termination of the L–1011 program and its immediate replacement with other U.S. airplanes will produce 5–10% more U.S. jobs, due to the high (approximately 25%) foreign content in the L–1011. Both the Boeing 747 and the McDonnell Douglas DC–10 have very much lower foreign labor content than does the Lockheed L–1011.

The real job beneficiary in continuing the L–1011 program is Great Britain where UK government officials have stated that 40,000 jobs are dependent on U.S. government support. The U.S. government should not foster a world-wide engine competitor in the UK with U.S. taxpayers' money at the direct expense of the two U.S. engine builders who supply Boeing and McDonnell Douglas.

2. Half or more of the original L–1011 workforce has been laid off for over 4 months now without catastrophic national impact. Lockheed, with the collapse of its L–1011 market, has publicly stated that even with their optimistic market penetration forecasts they will not need to hire back all these laid off workers.

3. Employment on Lockheed government programs, which today constitute about 88% of total Lockheed employment, will not be affected. Both Secretaries Connally and Packard have testified that Lockheed and the L–1011 termination impact is not a national security problem.

4. California work content in the DC–10 is 10% to 15% higher per airplane than the L–1011.

5. McDonnell Douglas is steadily hiring ex-Lockheed employees—admittedly in small quantities so far—and is advertising for additional skilled commercial airplane workers.

6. Since the Lockheed Electra fiasco (1958–1960), Lockheed has not been a commercial aircraft competitive force. The L–1011 program has been an unsuccessful attempt after 13 years' absence to re-enter the commercial airplane market which cannot economically support 3 major U.S. competitors plus the many emerging foreign competitors as shown on the attached chart.

7. Boeing and McDonnell Douglas each have sufficient production capacity on hand at present to fill all the world market for wide-bodied aircraft. Additional production capacity is not only not required, but it is undesirable. Boeing and McDonnell Douglas in fierce competition with each other have sold 85% of the commercial transports for the free world's 25 biggest airlines, and having done so, have produced 26% of the total net U.S. exports since 1965. (In the last three years, this percentage is 47%.) Additional government-sponsored competition will only weaken the existing U.S. companies and the total industry's ability to create new products to compete in the world markets.

8. The Lockheed L–1011 with its very high foreign work content and only 11% international sales in contrast to the 35–40% export performance of Boeing and McDonnell Douglas will create an unfavorable effect on the trade balance in excess of $1 billion.

9. Continuation of the L–1011 program will cost the U.S. Government over $1 billion in tax revenues by substituting unprofitable L–1011 aircraft for profitable B–747's and DC–10's. Lockheed will pay no corporate income tax from 1965 to 1977 whether the L–1011 goes ahead or not.

10. Lockheed's poor Government program cost performance and inability to live up to contracts on the C–5A, Cheyenne Helicopter, SRAM, and ship building programs has already cost the Government and taxpayers an additional $981 million. L–1011 cost estimates are suspect.

The longer term consequences of the proposed L–1011 subsidy are almost impossible to visualize, as the very roots of our American free enterprise way of life would be changed. The subsidy would obviously set a precedent for hundreds of additional cases and for even broader appeals to the government in the future. There are over 422 of the 500 largest companies that have as many or more employees on their payrolls from the L–1011 program had in March of this year. Any one or all of these companies could take advantage of the precedent and claim area unemployment distress; and of course the smaller firms would ultimately claim discrimination and force legislational change to include government assistance to them.

Obviously, Lockheed is the precedent. Recent Congressional developments in substituting a broad base generalized bill with an Emergency Loan Guarantee Board or a National Development Bank for the specific Lockheed bill is only acknowledgment of government using the Lockheed precedent to broaden its participation in both industrial and banking industries.

Another long term implication of the proposed L–1011 subsidy, which is most difficult to discuss, is regarding the government-industry-union relationship which would develop. Probably the best illustration of the awkward, or suspicious, position the government would find itself in is represented by the UK Government-BEA (British European Airways) situation. The UK Government is going to considerable lengths trying to convince the world that they are not going to influence BEA's selection of the L–1011. Meanwhile the UK Government funds the L–1011 engine. Simultaneously, direct union political pressure is being exercised to force the state controlled BEA airline to buy the L–1011. Many new products have been brought out in many foreign countries, not because of their economic viability but because of their makework potential to satisfy the labor pressures exerted through government channels. Is this the right direction?

When a government finds itself allied with a financial interest with one company which competes with other companies not so allied, the temptations and suspicions abound. Were the competitions for future business in the government aircraft, missiles or space fields fair or were they biased? Did the regulated airline really order the L–1011 because it was a superior aircraft for their airline or were they pushed or threatened? Was the proposed merger between airlines turned down by the Civil Aeronautics Board or by the Justice Department for legitimate anti-trust reasons or because the survivor airline refused to order airplanes from the government-subsidized company? Did the union negotiation turn out the way it did because it was fair or was there Administration pressure applied to favor their business partners? The government as major customer, major regulator and potential partner in its supplier is beset by conflict of interests.

Weak, poor, or inefficient management would not be eliminated in this system and the government would find itself in partner-

ship with those inefficient companies who cannot survive without successive capital infusions and in competition with the efficient companies who generate our tax base. How would the government force the company to quit trying to profit from non-economic products? Isn't the government forced then to enter into the management and direction of the business? To obtain government contracts and airline business in the future, to obtain low-cost loans, to obtain favorable administration pressure on unions, special tax legislation, and the other benefits of having the government as a partner, the other aerospace companies would have to invent emergencies to press for their own subsidization. Isn't the end of that road nationalization of the affected industries to solve the basic dilemma of competition between the government and free enterprise?

Most difficult of all long-term implications to assess is that one which was the Achilles' heel of the Reconstruction Finance Corporation scandal. Give a board of three people life-and-death decisions on individual companies and the temptations are massive. Putting the approval within Congress on each specific case removes most of that temptation but threatens a Congress which would be bogged down in individual company problems. The most obvious desirable step is to adopt the same $20 million limit as used on "V" loan grants on the authority of the agency and require individual specific Congressional approval of any loan or guarantee of over $20 million. This would reduce Congressional participation to the more important cases but actually does little to eliminate the very real corruption possibility on the smaller loans.

Questions have been raised on the "monopoly" aspects of an L–1011 termination. Competition in commercial transports tends to be product lines—not specific products. The Boeing 727 has no direct competition but is competing against smaller DC–9's and larger DC–8's. The Boeing 747 has no direct competition but is heavily competing against the smaller DC–10 and L–1011. Both of these two "monopoly" products have been sold to the airlines at competitive prices and are both well accepted. The L–1011 termination does not pose a long term monopoly threat—just as the B–727 and B–747 are not monopoly threats.

The U.S. commercial aircraft business has survived in the world market against nationalized or very heavily subsidized foreign industry because of the long term adverse effects of such subsidization. Quality, schedule, cost control, low product operating cost, superior service and support are all the hallmarks of the U.S. free enterprise industry. These have been the very elements hurt in our foreign competitors by the foreign government guarantees of "success" regardless of performance. Any threat to this American advantage threatens our existing world market for commercial airplanes.

It would appear that an L–1011 subsidy would not only be a very poor bargain in the near term, but it would also be extremely disruptive to the highly successful American competitive system. It is an undesirable—and unnecessary—step down the wrong road.

COMMERCIAL AIRLINE TRANSPORTS OF THE WORLD (CURRENTLY IN PRODUCTION/DEVELOPMENT)

Country and manufacturer	Designation	Number of passengers	Comments
Airbus industries:			
France: Aérospatiale	A–300B–3	261	Twin jet, wide bodied/short range.
Germany: Deutsche Airbus of Germany			
Netherlands: Fokker, VFW (European consortion)	A–300B–7	285	Twin jet, wide bodied/medium range.
Britian:			
British Aircraft Corp	BAC–111	89 to 100	Short/medium range, twin jet.
Hawker Siddeley	H.S. 748 (Andover)	40 to 58	Twin turboprop.
	Trident 3B	122	3 jets, medium range.
Concorde SST program:			
France: Aérospatiale	Concorde	144	4 jets, supersonic-Intercontinental.
Britain: British Aircraft Corp., Rolls-Royce			
France:			
Aérospatiale	Caravelle (12)	128	Twin jet, short/medium range.
Dassault	Mecure	116 to 155	Twin jets, short/medium range wide bodied.
Germany: VFW, Fokker (Germany)	VFW 614	36 to 44	Twin jet short haul.
Japan:			
NAMCO	YS–11	40 to 60	Twin turboprop, short/medium range.
Japanese consortium	YX	180 to 250	Twin jet, short range, wide bodied.
Netherlands: Fokker VFW	F–27 (friendship)	28 to 40	Twin turboprop, short range.
	F–28 (fellowship)		
United States of America:			
Boeing	707	150 to 190	4 jets, long/medium range.
	727 (100,200)	116 to 163	3 jets, medium range.
	737 (100,200)	103 to 120	Twin jet, short/medium range.
	747 (100,200)	300 to 350	4 jets, long range, wide bodied.
Fairchild-Hiller	F–27/227 (licensed by Fokker)	28 to 40	Twin turboprop, short/medium range.
	F–28 sales rep	65 to 79	Twin jet, short range.
Lockheed Aircraft	L–1011	250	3 jets, wide bodied, transcontinental range.
McDonnell Douglas Aircraft	DC–8	189–250	4 jets, long range.
	DC–9	125 to 130	Twin jet, short/medium range.
	DC–10–10–20/30	254 to 345	3 jets, wide bodied. Transcontinental and intercontinental range.
United Soviet Socialist Republic:			
Ilyushin	IL–62 (classic)	150	4 jets, long range.
	IL–86	350	Wide bodied, medium range.
Tupolex	TU–134	64	Twin jet, medium range.
	TU–144	100 to 114	4 jets, long range, supersonic.
	TU–154	158	3 jets, short/medium range.
Yakovlev	Yak–40	24 to 27	3 jets, short range.

ECONOMIC IMPACT ON THE NATIONAL ECONOMY OF L–1011 TERMINATION

A comprehensive detailed study has been conducted using the Wharton Econometric Industry Forecasting Model to evaluate the total direct and indirect economic impact on the U.S. economy should the L–1011 be terminated. The model is a representation of the functioning of the economy formulated in terms of a system of mathematical equations. It is sponsored by a group of corporations whose economists set up the assumptions for computer runs and is recognized as one of the superior models now being extensively employed throughout government and industry.

The assumptions used in employing the model has recognized the following facts:

Approximately 25% of the L–1011 is of foreign content whereas the DC–10 foreign content is about 11%.

If the L–1011 is produced, DC–10 foreign sales as demonstrated by existing sales will be approximately 3.5 times that of the L–1011.

Employment on Lockheed government programs, which today constitutes 88% of total Lockheed employment, will not be affected.

If the L–1011 is produced, corporate taxes paid by Lockheed will not commence before 1976.

Two cases were considered and compared to the most recent total U.S. economy forecast as done by the Wharton model. Case I assumes the L–1011 program will continue and that the optimistic total of 345 L–1011's would be delivered by 1980 with a breakeven of 250 airplanes as contended by Lockheed officials. In order to be conservative, the independently calculated L–1011 breakeven of some 390 aircraft as done by the Department of Defense before the latest Lockheed difficulties, was ignored. Case II assumes termination of the L–1011 program and that a total of 1,060 DC–10's would be delivered by 1980 with the attendant increase in General Electric sales of engines for the DC–10 program.

The results of the study are summarized in the charts attached. The upper chart shows a total cumulative increase in GNP of 20.486 billion in constant 1970 dollars for Case I (L–1011 program continues). The impacts on GNP for the separate programs of McDonnell Douglas, L–1011 (including the effects of Rolls Royce engine imports) and General Electric are 11.590 billion, 2.133 billion and 4.447 billion respectively. The total cumulative increase in GNP for Case II (L–1011 terminated) is 26.935 billion dollars, a net increase of 6.449 billion of constant 1970 dollars. For this Case II, the contribution to GNP by McDonnell Douglas is 19.187 billion and the contribution to GNP by General Electric is 7.740 billion. The fact that the contribution of McDonnell Douglas in Case II is larger than the sum of McDonnell Douglas plus L–1011 program in Case I can be accounted for since the 2.133 billion dollar impact of the Lockheed program reflects the negative multiplier effect of imports of the Rolls Royce engines and other foreign subcontract work.

Of significance is the result that not only is the net impact positive (six billion dollars) on a cumulative basis but that the negative transitional impact on the near term is nominal—5/100 of one percent of the total GNP.

The termination of the L–1011 program would also exert a positive effect on the balance of trade, in the order of 1.786 bil-

lions of constant 1970 dollars over the period 1970/1980 (see bottom chart). Most of this positive impact on the balance of trade stems from the fact that under Case II the engines and their life time spares, which typically equal over two times the initial engine purchase, will be manufactured in the U.S. rather than imported.

In contrast with some recent allegations citing only the Lockheed reductions but neglecting the additional favorable economic impact of McDonnell Douglas and General Electric operations, the results of this study reveal that the short-term negative effects on the U.S. economy generated by the termination of the L–1011 program are minor and are more than offset by the additional stimulus of the U.S. General Electric program together with productivity improvements of the DC–10 program.

Any consideration to risk taxpayers' money to thwart an L–1011 because of a fear of the economic consequences appears unwarranted.

Mr. BYRD of West Virginia. I thank the Senator.

Mr. TAFT. Mr. President, with regard to the point just covered by the Senator from Wisconsin and ably commented upon by the Senator from Louisiana, I should say, in regard to both points the Senator from Louisiana made, the pressures are built up the minute the Senate gets into a competitive situation, as in this bill.

Mr. President, you are starting to build up pressures, not only on this board and on other Federal officials, but officials of financial institutions and the entire structure, as it occurs when the Government comes in to save some concern.

I have had information provided to me under the same type restrictions by companies concerned not only with the loss of jobs but financing, because financial institutions are involved in the outcome of this bill and the outcome of the decision of the board and other officials.

It points out once more, and I would like to emphasize as I have throughout the debates, the tremendous pressures that can and will be brought up, the corrupting influence, and the undesirable influence that is involved the minute the Government is brought in to guarantee in these circumstances.

Mr. PROXMIRE. Mr. President, I wish to say to the Senator from Ohio that he is exactly right. Of course, the fundamental problem is that whether or not a firm survives will not be determined by the objectivity and discipline that has served America so well, but it will be determined by just plain political clout—who knows officials in the administration or the President. All of us, if we reflect on that, recognize that would be a most unfortunate consequence, but a definite consequence of passing the present bill.

Mr. President, I yield the floor.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business with statements therein limited to 3 minutes.

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

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

H.R. 9181. An act to amend the Northwest Atlantic Fisheries Act of 1950 (Rept. No. 92–313).

By Mr. INOUYE, from the Committee on Commerce, without amendment:

S. 1257. A bill to authorize an appropriation for fiscal year 1972 to carry out the metric system study (Rept. No. 92–309).

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

S. 1275. A bill to amend the maritime lien provisions of the Ship Mortgage Act of 1920 (Rept. No. 93–310).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, with amendments:

S. 489. A bill to authorize the Secretary of the Interior to establish the Lincoln Home National Historic Site in the State of Illinois, and for other purposes (Rept. No. 92–308).

By Mr. HUGHES, from the Committee on Veterans' Affairs, without amendment:

H.R. 943. An act to provide mortgage protection life insurance for service-connected disabled veterans who have received grants for specially adapted housing (Rept. No. 92–311).

Mr. HUGHES. Mr. President, today I file the report to accompany H.R. 943, a bill to provide for group mortgage insurance for service-connected paraplegic and quadriplegic veterans.

This legislation will provide Government financing of mortgage insurance for severely disabled and paraplegic veterans, most of whom live in specially adapted housing. In the event of the death of the veteran, the benefits of the policy would be payable to the holder of the mortgage loan, which means that the spouse and children of the veteran would receive a clear title to the house.

During hearings of the Subcommittee on Housing and Insurance—Committee on Veterans' Affairs—which I have the honor of chairing, disabled veterans described the mental anguish which these brave men suffer because they cannot purchase mortgage insurance at the same rates available to other home buyers. The reason for higher rates is the severe disabilities inflicted on these men during their military service.

One disabled veteran told me it is ludicrous to expect the widows of severely disabled veterans to pay off a costly mortgage on a house and raise their children in dignity with the meager benefits that are left after the death of the disabled veteran. I can only agree. Simple justice demands that we provide the same kind of mortgage insurance for these severely disabled veterans that is available to any other home buyer. It is not a giveaway program. The cost to the Government is only the difference between commercial rates and the extra charge levied by the insurance company because of the disability. These men have made enormous sacrifices for their country and they deserve this protection for their peace of mind. The administration opposes this legislation, but the Committee on Veterans' Affairs has decided to report H.R. 943 favorably without amendment and recommend its approval by the Senate.

The committee has reported H.R. 943, which was passed by the House on March 1, 1971. This bill is identical to S. 783, introduced by the Senator from Tennessee (Mr. BAKER), and S. 925, introduced by the Senator from Texas (Mr. BENTSEN), to provide mortgage protection life insurance for service-connected disabled veterans who have received grants for specially adapted housing.

Mr. President, these brave men deserve the protection this legislation will afford, and I am hopeful that the Senate will act favorably as soon as possible.

By Mr. EASTLAND, from the Committee on Agriculture and Forestry, without amendment:

H.R. 3146. An act to authorize the Secretary of Agriculture to cooperate with the States and subdivisions thereof in the enforcement of State and local laws, rules, and regulations within the national forest system (Rept. No. 93–312.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

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

William H. Timbers, of Connecticut, to be a U.S. circuit judge, second circuit;

Malcolm M. Lucas, of California, to be a U.S. district judge for the central district of California;

Lawrence T. Lydick, of California, to be a U.S. district judge for the central district of California;

Spencer M. Williams, of California, to be a U.S. district judge for the Northern District of California;

C. Stanley Blair, of Maryland, to be a U.S. district judge for the district of Maryland;

Herbert F. Murray, of Maryland, to be a U.S. district judge for the district of Maryland;

Joseph H. Young, of Maryland, to be a U.S. district judge for the district of Maryland;

Charles L. Brieant, Jr., of New York, to be a U.S. district judge for the southern district of New York;

Paul Benson, of North Dakota, to be a U.S. district judge for the District of North Dakota;

Albert V. Bryan, Jr., of Virginia, to be a U.S. district judge for the eastern district of Virginia; and

Brereton Sturtevant, of Delaware, to be an examiner in chief, U.S. Patent Office.

By Mr. MAGNUSON, from the Committee on Commerce:

Charlotte T. Reid, of Illinois, to be a member of the Federal Communications Commission;

Benjamin Oliver Davis, Jr., of Virginia, to be an Assistant Secretary of Transportation;

Zelma George, of Ohio, to be a member of the Board of Directors of the Corporation for Public Broadcasting; and

Frederic G. Donner, of New York, to be a member of the Board of Directors of the Communications Satellite Corporation.

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. MAGNUSON:

S. 2357. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the development of a consumer information program concerning the damage susceptibility and crashworthiness of passenger cars, and for other purposes. Referred to the Committee on Commerce.

By Mr. BAYH (for himself, Mr. BIBLE, Mr. BURDICK, Mr. CRANSTON, Mr. EASTLAND, Mr. FONG, Mr. GRAVEL, Mr. HARTKE, Mr. HART, Mr. HUGHES, Mr. INOUYE, Mr. JAVITS, Mr. MCGOVERN, Mr. MILLER, Mr. STEVENS, Mr. TAFT, and Mr. TUNNEY):

S. 2358. A bill to amend the Disaster Relief Act of 1970. Referred to the Committee on Public Works.

By Mr. TOWER:

S. 2359. A bill for the relief of Willard O. Brown. Referred to the Committee on Foreign Relations.

By Mr. WILLIAMS:

S. 2360. A bill to provide for a national educational campaign to combat the lack of consciousness of the public as to the danger of improper uses of motor vehicles on the highways. Referred to the Committee on Public Works.

By Mr. STEVENSON:

S. 2361. A bill for the relief of Bianca Panozza. Referred to the Committee on the Judiciary.

By Mr. HARTKE:

S. 2362. A bill to restore and maintain a healthy transportation system, to provide financial assistance, to encourage investment, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes. Referred to the Committee on Commerce.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MAGNUSON (by request):

S. 2357. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the development of a consumer information program concerning the damage susceptibility and crashworthiness of passenger cars, and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the development of a consumer information program concerning the damage susceptibility and crashworthiness of passenger cars, and for other purposes, and ask unanimous consent that the letter of transmittal be printed in the RECORD with the text of the bill.

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

THE SECRETARY OF TRANSPORTATION,

Washington, D.C., June 16, 1971.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: The Department of Transportation has prepared as part of its legislative program for the 92nd Congress, 1st Session, the attached draft of a proposed bill:

"To amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the development of a consumer information program concerning the damage susceptibility and crash-worthiness of passenger cars, and for other purposes."

Public concern over the safety and damageability of passenger cars has increased markedly in recent years. This concern is readily understandable in light of the fact that the passenger car is the primary means of transportation for most people and one of the most costly investments for many. The ability to differentiate between levels of safety and damage resistance in passenger cars, however, has been limited by a lack of information and objective data on these matters. For this reason, we are submitting the "Automobile Owners Information Act of 1971."

The public is aware that all new passenger cars are required to comply with all applicable Federal motor vehicle safety standards. However, the public does not know the extent to which particular makes and models of passenger cars exceed the prescribed minimum safety performance levels. Further, many consumers are not aware of the existence of differences among the various makes and models of passenger cars as to their safety and damageability.

This legislation envisions a major program to inform consumers of the damageability and safety of all major makes and models of passenger cars. To this end, the Secretary of Transportation will first undertake a study of the feasibility and best way of establishing a consumer information program that would reduce this problem of insufficient information. The Secretary would gather data and conduct the research and testing necessary to enable him to complete the study. He would submit his final conclusions to the Congress not later than July 1, 1973. If the Secretary determined that development of consumer information were feasible, he would be required to include in his report an outline of procedures for assuring the accuracy of the consumer information. If, prior to the submission of his final conclusions, he determined that development of certain kinds of preliminary consumer information was feasible, the Secretary would immediately proceed with the development of such information. However, before disseminating any information relating to the safety and damageability of a manufacturer's passenger cars, the Secretary would be required to make this information available to the manufacturer at least 30 days prior to its publication and to provide the manufacturer with an opportunity to comment on this information. Information concerning insurance companies would similiarly be made available to them prior to its dissemination. Thus, the Secretary could ensure that the information disseminated was of the highest accuracy.

If a consumer information program were commenced as a result of the Secretary's study, it would assist the consumer in selecting the make and model of passenger car that possessed the combination of safety and damageability that best suited his taste and needs. To ensure the realization of the maximum possible benefits from this program, the Secretary is directed to develop the information in a manner that is most comprehensible to the public and disseminate it as widely as possible. To carry out this directive, the Secretary would use whatever means of distribution he deems appropriate.

One of the major sources of "real life" consumer information would be accident claim data of passenger car insurers. Consequently, this legislation authorizes the Secretary to request and, if necessary, require insurers to furnish him with accident claim data, according to make, model, and model year of passenger car, relating to (1) the type and extent of physical damage and the cost of remedying the damage; and (2) the type and extent of personal injury. This data would be especially valuable in determining the safety and damageability of recent model-year passenger cars. Along with other data, engineering analysis, simulation and crash testing, the accident claim data would furnish the basis for developing consumer information relating to new passenger cars. The Secretary may also furnish the accident claim data directly to the public after having refined and analyzed it.

The consumer information would be developed by a variety of methods. This legislation authorizes the Secretary to conduct or contract for such research and testing, including the crash testing of passenger cars, as he deems necessary. A major purpose of the research and testing program would be to determine the feasibility of reducing the damageability of passenger cars without reducing their safety. Not all makes and models of passenger cars would be crash tested because the expense of such testing would be prohibitive. With respect to a group of passenger cars that were nearly identical in weight, configuration and construction, the Secretary might select part of the group for crash testing. Then, using the test results, other data, simulation and engineering analysis, he would develop the consumer information for the other passenger cars in the group.

This legislation also authorizes the Secretary to require passenger car manufacturers to furnish him with information concerning the improvements they have made in the safety and damage resistance of their passenger cars. This information would be especially useful in aiding efforts to extrapolate data relating to new passenger cars from existing data relating to older passenger cars.

In addition to assisting the consumer in making an intelligent selection of a passenger car, this legislation would also promote competition among the passenger car manufacturers in the production of safer and more damage resistant passenger cars. This legislation would accomplish this result by informing the public as to which makes and models or groups of makes and models of passenger cars were safest and most damage resistant and by inducing the establishment of passenger car insurance rates that reflect the variations in the damage susceptibility and crashworthiness of the different makes and models of passenger cars. For this purpose, the Secretary is authorized to require the insurers to furnish him with a description of the extent to which the insurance rates or premiums charged by the insurers for passenger cars are affected by the safety and damageability of the various makes and models of passenger cars. The Secretary is required to report this information annually to the Congress and, if he deems it appropriate, State regulatory agencies.

All orders establishing, amending or revoking regulations established by the Secretary under this title are required to conform with the Administrative Procedures Act. Consequently, the Secretary would issue notices of proposed rulemaking and provide opportunity for comment by interested persons before issuing any final rules.

To ensure its effective administration the legislation prohibits the failure or refusal to furnish the Secretary with the reports or information required thereunder and the failure to comply with any rules or regulations promulgated thereunder. Whoever violates these prohibitions is subject to a civil penalty to the same extent and in the same manner as a person who violates section 108 of the National Traffic Safety Act. Further, these violations are restrainable to the same extent as violations of title I of the Act are under section 110.

We strongly urge the introduction and enactment of this legislation.

The Office of Management and Budget has advised that enactment of this legislation is consistent with the objectives of this Administration.

Sincerely,

JOHN A. VOLPE.

S. 2357

A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to provide for the development of a consumer information program concerning the damage susceptibility and crashworthiness of passenger cars, 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 "Automobile Owners Information Act of 1971".

SEC. 2. It is the purpose of this Act to provide for the publication of objective information concerning the damage susceptibility and crashworthiness of passenger cars to enable consumers to make a more informed choice in purchasing passenger cars and passenger car insurance; to promote competition among passenger car manufacturers in the production of passenger cars that are more crashworthy and less damage susceptible; and to induce the establishment of passenger car insurance rates that reflect the variations in the damage susceptibility and crashworthiness of the different makes and models of passenger cars.

SEC. 3. Section 102 of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1391) is amended by substituting for the word "title", wherever it appears, the word "Act".

SEC. 4. The National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1381 et seq.) is amended by adding at the end a new title to read as follows:

"TITLE V—CONSUMER INFORMATION

"SEC. 501. As used in this title—

"(1) 'Passenger car' means a motor vehicle with motive power designed for carrying 10 persons or less, except a multipurpose passenger vehicle, motorcycle, or trailer.

"(2) 'Multipurpose passenger vehicle' means a motor vehicle with power, except a trailer, designed to carry 10 persons or less which is constructed either on a truck chassis or with special features for occasional off-road operation.

"(3) 'Insurer of passenger cars' means any insurance company or group of insurance companies under common ownership engaged in the business of issuing passenger car insurance policies or issuing passenger car insurance that is reinsured (in whole or in part) and licensed to do business under the laws of more than one State.

"(4) 'Damage susceptibility' means the physical damage incurred by a motor vehicle involved in a crash or collision.

"(5) 'Crashworthiness' means the protection that a motor vehicle affords its passengers against personal injury or death as a result of a crash or collision.

"(6) 'Person' means any individual, association, corporation, government agency or other public or private entity.

"SEC. 502. (a) The Secretary shall gather data and conduct or contract for research and testing necessary to enable him to determine the feasibility of developing information that will inform the public as to the damage susceptibility and crashworthiness of all major makes and models of passenger cars.

"(b) The Secretary shall include in the annual report required by section 120 of this Act an account of his progress in reaching the determination required by subsection (c) of this section. Each account shall include a description and analysis of the research and testing performed pursuant to this section, the information considered by the Secretary, and any preliminary conclusions he has reached. Each account shall also describe the nature and purpose of future research and testing to be conducted to subsection (a) of this section.

"(c) The Secretary shall, not later than July 1, 1973, report to the Congress his determination of the feasibility of developing the information specified in subsection (a) of this section, together with the basis for his determination and an outline of procedures for assuring the accuracy of the information developed or to be developed and any recommendations, including recommendations for additional legislation. If the Secretary determines that the development of this information is feasible, the information shall be developed in a manner that, in the judgment of the Secretary, will best enable the public to comprehend the damage susceptiability and crashworthines of passenger cars or classes of passenger cars and shall be disseminated in a manner that, in the judgment of the Secretary, will assure the greatest possible availability to prospective purchasers.

"(d) The Secretary is authorized to conduct or contract for such research and testing as he deems necessary to carry out the purposes of this section, including but not limited to, the acquisition and crash testing of passenger cars.

"(e) The Secretary is authorized to sell or otherwise dispose of tested passenger cars and apply the proceeds of such sale or disposal to the miscellaneous receipts of the Treasury; *Provided,* That the Secretary shall inform prospective purchaser or acquirer of the crash-tested passenger cars that they have been so tested.

"(f) Any person who purchases or otherwise acquires a passenger car that has been crash-tested by the Secretary and who knows or has reasons to know that the passenger car has been so tested, shall inform in writing each prospective purchaser or acquirer of the passenger car that it has been crash-tested.

"SEC. 503. (a) Insurers of passenger cars, or their designated agents, shall, upon request by the Secretary, make such reports and furnish such information as the Secretary may reasonably require to enable him to carry out the purposes of this title.

"(b) Such reports and information shall include, but not be limited to—

"(1) accident claim data relating to the type and extent of physical damage and the cost of remedying the damage according to make, model, and model year of passenger car.

"(2) accident claim data relating to the type and extent of personal injury according to make, model, and model year of passenger car.

"(c) In determining the reports and information to be furnished pursuant to this section, the Secretary shall—

"(1) consider the cost of preparing and furnishing such reports and information;

"(2) consider the extent to which such reports and information will contribute to carrying out the purposes of this title; and

"(3) consult with such State insurance regulatory agencies and other agencies and associations, both public and private, as he deems appropriate.

"(d) The Secretary shall, to the extent possible, obtain such reports and information from the insurers of passenger cars on a voluntary basis. If the Secretary deems it necessary, he may require that such reports and information be furnished at such times and in such manner as he shall prescribe by regulation or otherwise.

"(e) The Secretary shall not, in disseminating any information received pursuant to this section, disclose the name of, or other identifying information about, any person who may be an insured, a claimant, a passenger, an owner, a driver, an injured person, a witness, or otherwise involved in any motor vehicle crash or collision, unless the Secretary has the consent of the persons so named or otherwise identified.

"SEC. 504. (a) Every insurer of passenger cars, or its designated agent, shall, upon request by the Secretary, furnish him with a description of the extent to which the insurance rates or premiums charged by the insurer for passenger cars are affected by the damage susceptibility and crashworthiness of the various makes and models of passenger cars.

"(b) The information required by this section shall be furnished at such times and in such manner as the Secretary shall prescribe by regulation or otherwise.

"(c) The Secretary shall report annually to the Congress and, if he deems it appropriate, State insurance regulatory agencies, the extent to which the insurance rates or premiums charged during the preceding calendar year to insure the various makes and models of passenger cars were based upon differences in the damage susceptibility and crashworthiness of such makes and models.

"(d) The Secretary shall ensure that information disseminated pursuant to this section shall be distributed as widely as possible so that it is readily available to purchasers of passenger car insurance.

"SEC. 505. (a) Passenger car manufacturers shall, upon request by the Secretary, furnish him with information that describes the measures that the manufacturers have taken to improve the crashworthiness and reduce the damage susceptibility of each make and model of the passenger cars they produce, and data and information relating to crashworthiness and damage susceptibility gained by the manufacturers from their testing of passenger cars.

"(b) This information shall be furnished at such times and in such manner as the Secretary shall prescribe by regulation or otherwise.

"(c) The Secretary may disclose to the public any or all of the information contained in the reports obtained under this section, except for information which is the result of a test method development program or of a test method which the manufacturer determines is not representative, accurate or reliable. The Secretary may disclose information that contains or relates to a trade secret or other matter, as defined in section 1905 of title 18 of the United States Code, only if he determines that it is necessary for protection of the public health and safety.

"SEC. 506. Not less than thirty days prior to his public disclosure of any information obtained under this Act, the Secretary shall provide such information to each manufacturer or insurer to which such information pertains, if the manner in which the information is to be promulgated will permit the public to ascertain readily the identity of the manufacturer, or insurer, and shall provide the manufacturer or insurer with a reasonable opportunity to submit comments to the Secretary in regard to the information. Upon the request of the manufacturer or insurer, the Secretary shall publish such comments or a fair summary thereof, or a statement of the manufacturer or insurer of reasonable length in lieu thereof, concurrently and in association with the disclosure of the information to which such comments or statement appertain. The Secretary shall take reasonable steps to assure, prior to his public disclosure thereof, that information from which the identity of the manfacturer or insurer may be readily ascertained is accurate. If the Secretary finds that, in the administration of this title, he has made public disclosure of inaccurate or misleading information, he shall in a manner similar to that in which such disclosure was made, publish a retraction of such inaccurate or misleading information.

"SEC. 507. The Administrative Procedure Act (5 U.S.C. 551 et seq.) shall apply to all orders establishing, amending, or revoking regulations established by the Secretary under this title.

"SEC. 508. The Secretary is authorized to issue, amend, and revoke any rules and regulations he deems necessary to carry out the purposes of this title.

"SEC. 509. No person shall—

"(1) fail or refuse to furnish the Secretary with the reports or information required under this title; or

"(2) fail to comply with any rules or regulations issued under this title.

"SEC. 510. Whoever violates section 509 shall be subject to a civil penalty to the same extent and in the same manner as one who violates section 108 of this Act.

"SEC. 511. Violations of this title shall be restrainable to the same extent as violations of title I of of this Act are under section 110."

SEC. 5. There are authorized to be appropriated such funds as are necessary to carry out the purposes of this Act.

SEC. 6. This Act shall take effect on the date of enactment.

By Mr. BAYH (for himself, Mr. BIBLE, Mr. BURDICK, Mr. CRANSTON, Mr. EASTLAND, Mr. FONG, Mr. GRAVEL, Mr. HARTKE, Mr. HART, Mr. HUGHES, Mr. INOUYE, Mr. JAVITS, Mr. MCGOVERN, Mr. MILLER, Mr. STEVENS, Mr. TAFT, and Mr. TUNNEY):

S. 2358. A bill to amend the Disaster Relief Act of 1970. Referred to the Committee on Public Works.

Mr. BAYH. Mr. President, last year Congress enacted a comprehensive new disaster relief law—Public Law 91–606—which was designed to extend and codify previous legislation and to provide a number of new programs for assistance to disaster victims. This act marked the culmination of many years' effort directed toward enlarging and making more effective the Federal role in assisting State and local governments and individuals incurring severe losses in major disasters. Those who were directly involved in its preparation and passage attempted to foresee and include provisions which would be adequate to cope with most basic needs following a natural catastrophe.

Nevertheless, the experience of a few short months indicates that some problems and contingencies have not yet been provided for by the new law. Less than 6 weeks after the President signed the new act on the last day of the year, a highly destructive earthquake occurred in the San Fernando, Calif. area on February 9, 1971. Although only moderately severe—6.6 magnitude on the Richter scale—in comparison to some others, the earthquake caused more than 60 deaths, 1,000 injuries, and an estimated half billion dollars in property damages.

Coming as it did such a short time after the new 1970 Disaster Relief Act had been adopted, the California earthquake forced a quick and difficult test of its many new provisions. I am pleased to report that 3 days of hearings held June 10–12 by the Senate Public Works Committee in San Fernando demonstrate clearly that on the whole the new omnibus act proved to be of great benefit in helping to repair and restore public services, provide essential shelter, food, and clothing, demolish unsafe structures, remove debris, and minimize personal hardships and financial losses.

To my knowledge none of the more than 60 witnesses who testified at the hearings, which I was privileged to chair, were critical of the basic provisions of the new act, although there were several suggestions for additions or amendments. While most State and local governmental officials, as well as many private citizens, expressed their satisfaction with and gratitude for the aid which Congress has authorized, certain gaps and special needs were clearly evident which give rise to my proposals today.

Some complaints were voiced about unnecessary administrative delays and redtape, insufficient coordination, lack of adequate relief personnel, slowness in processing applications for disaster loans the many weeks which elapsed before damaged buildings were inspected for safety purposes and, in some cases delays encountered in razing hazardous structures and in removing debris. I was personally very displeased to learn that the Small Business Administration appeared to be unjustifiably slow in handling disaster loan requests and did not bring into the Los Angeles area enough loan officers, especially those possessing bi-lingual ability, until some two months after the disaster occurred. Despite some deficiencies and errors, however, which might be attributable in part to the fact that this was the first major disaster under the new act, I believe General Lincoln, Director of the Office for Emergency Preparedness, Ralph Burns, the Federal coordinating officer in direct charge of all relief activities, and the many other Federal officers who participated in the San Fernando operation, should be commended for a job well done.

The San Fernando hearings conducted by the Senate Public Works Committee provided a unique opportunity to review the effectiveness of both the terms and the administration of a significant new statute little more than 6 months after its enactment. It will be recalled that the 1970 act, in addition to bringing together scattered sections of existing law, made permanent several innovations which had been adopted temporarily in 1969 and also added a number of important new types of Federal aid not previously available. On the whole these provisions functioned well in the aftermath of the California earthquake and will provide sizable new benefits, both to public agencies and to private property owners. Before suggesting a number of amendments which I believe the evidence indicates are needed to perfect the act, however, it might be worthwhile to summarize briefly some of the outstanding features of the 1970 act.

To help achieve unified direction of assistance in major disasters, the new law required the appointment of a Federal coordinating officer who would have full authority and responsibility to manage and coordinate relief activities of all governmental agencies as well as those private organizations handling or distributing Federal funds or supplies. Emergency support teams of Federal personnel, to be deployed in major disaster areas, were authorized. All disaster assistance activities were required to be carried on impartially and without discrimination on the grounds of race, color, religion, nationality, sex, age, or economic status. To the extent practicable and feasible, preference must be given to local firms and individuals in the expenditure of Federal funds for such purposes as debris clearance, distribution of supplies, and reconstruction.

For the first time the act authorized the President to use all Federal resources to help avert or lessen the effects of a threatened major disaster which he determines to be imminent. For the first time also Federal agencies were given the power to waive any administrative procedural conditions in the administration of grant-in-aid programs which might otherwise preclude the giving of assistance if a disaster should make it impossible to meet those conditions. Priority can be given to the processing and consideration of applications received from public bodies in major disaster areas under a number of Federal aid programs, including the planning, repair, and construction of public facilities and the building of low-rent housing.

Several new types of aid were made available to communities suffering serious damage in major disasters, including the establishment of emergency—but temporary—communications and public transportation services if deemed necessary by the Director of OEP. The President was also authorized to make grants to any local government which loses substantial property tax revenue because reassessment following a major disaster results in lower property tax valuations. In addition, in those areas where major sources of employment have been forced by a disaster to cease doing business, both SBA and FHA loans without limit to size can be made to enable those employers to resume operations in order to restore economic viability to the area. Most important of all, Congress last year doubled from 50 to 100 percent the amount of Federal contributions which could be made to State and local governments for the repair, reconstruction, or replacement of all public installations, such as streets, highways, buildings, sewers, disposal plants, water mains, water supply works, and flood control facilities.

The 1970 act likewise made significant increases in assistance for the private sector. Temporary housing for disaster victims can now be provided without any rental charge for up to 12 months, and emergency housing can be sold later to temporary occupants at fair and equitable prices. Mortgage or rental payments without charge were authorized to be made for individuals or families who, because of hardship caused by a major disaster, have received notice of eviction from their residence as the result of a foreclosure of a mortgage, termination of a lease, or cancellation of a contract for sale.

The amount of Small Business Administration or Farmers Home Administration disaster loans which could be cancelled was increased from $1,800 to $2,500 on that portion of any loan above $500. Such disaster loans must be made to any adult loan applicant without any consideration of age, with the interest rate fixed at an amount 2 percent less than the average market yield of U.S. bonds but in no case more than 6 per-

cent. Any repairs, restoration, or reconstruction of residential structures with disaster loans must be done according to applicable standards of safety, decency, sanitation, and building codes. Eligibility for relocation assistance under the Housing Act is not to be denied because a major disaster might make it impossible to reoccupy property from which the owner had been displaced.

The President was authorized to make special compensation payments to persons losing jobs because of a major disaster but who are not eligible for regular unemployment compensation under the laws of their State of residence. Also, whenever a major disaster prevents low-income households from purchasing adequate amounts of nutritious food, the President is authorized to distribute food coupons and surplus commodities as long as he deems necessary. The programs authorized by the act are to be conducted by the Director of OEP with the advice of appropriate Federal agencies and State and local bar associations in order to assist low-income individuals unable to secure legal services because of a major disaster.

A number of important provisions were adopted in modified form from previously enacted legislation. Federal agencies can be directed by the President to provide equipment, supplies, medicine, food, personnel and other resources for assistance in disasters. Federal facilities may be repaired, restored, reconstructed, or replaced without delay if the President determines such action cannot be deferred until authorizations and appropriations are made by Congress. Special adjustments may be made in the terms and obligations of Veterans' Administration and Rural Electrification Administration loans. Grants can be made to States to help suppress any fire on publicly or privately owned lands which threatens to become a major disaster. Debris removal from both publicly and privately owned land and waters can be accomplished either through direct use of Federal agencies or by grants to State and local governments. The civil defense communications system may be used for warnings needed in areas endangered by imminent major disasters. Grants not to exceed an initial $250,000 on a matching basis, with subsequent grants up to $25,000 for updating and improvement purposes, can be made to States for the preparation and revision of comprehensive disaster relief plans. Finally, special precaution must be taken to guarantee that no person, business concern, or other entity receives Federal assistance or benefits for any loss in a major disaster for which there has been compensation from insurance or any other program.

As I pointed out earlier, Mr. President, those who participated most directly in the formulation and adoption of the Disaster Relief Act of 1970 intended and hoped that, except for the possibility of disaster insurance, it would fulfill most of the needs for legislation in this field for many years. The act was based substantially on S. 3619, a bill which I introduced March 20 of last year after holding extensive hearings on the tragic suffering caused by Hurricane Camille. It also relied heavily on the Disaster Relief Acts of 1966 and 1969, both of which stemmed largely from bills which I had introduced in the Senate. While there seems to be general consensus that the new law is superior to the old and provides additional worthwhile benefits, I am convinced that certain further steps should be taken.

In my opinion it is unfortunate that all private property cannot be insured against losses caused by every type of major disaster. One of the titles of the disaster relief bill which I introduced in 1970 would have provided for a Federal Government operated and subsidized system of all-risk disaster insurance unless the private insurance industry within a limited time period made such coverage available at reasonable rates. Although this title was eliminated from the bill before it was reported by the Public Works Committee, I introduced a similar measure—S. 903—on February 22 of this year and hope it will receive serious consideration.

The need for and merits of all-risk disaster insurance have been explored at length elsewhere, and there is no need for further discussion now. I cannot let this opportunity pass, however, without calling attention to the fact that the terrible earthquake in California on February 9, strengthened my conviction that some type of contributory system of insurance protection against disaster losses must be established. Economic damage caused by unexpected natural catastrophes has escalated higher and higher each year. While I have been in the forefront of those who have advocated increased public contributions to assist disaster victims, the economic cost has risen to such a high point that special thought must be given to determine how best the burden can be managed.

We must ask ourselves whether the National Government, with revenue derived from general taxation, can and should continue to absorb a significant portion of the ever-mounting property losses which always follow in the wake of major disasters. My impression is that most Americans would prefer to purchase in advance, perhaps at a somewhat subsidized rate, adequate protection for their property against disaster loss than to depend on subsequent governmental subsidies or private charity. Until such time as a workable system of all-inclusive disaster insurance has been established, however, few would question the necessity or justification for continuing and even expanding the Federal role in assisting victims of natural disasters.

Consequently, Mr. President, I am today introducing a bill which proposes a series of amendments designed to supplement and make more effective the 1970 Disaster Relief Act. Most of the changes are aimed at solving particular problems raised in the recent hearings or preventing and alleviating possible serious tragedies in the future. Let me outline them briefly one by one.

1. ECONOMIC STATUS OF DISASTER LOAN APPLICANTS

Section 235 of the act, which now prohibits the consideration of the age of any adult loan applicant in determining whether a disaster loan shall be made or its amount, would be amended to include also the factors of employment and welfare status.

The purpose of this proposal is to guarantee that SBA, FHA, and VA disaster loans would not be denied solely on the grounds that homeowners might be unemployed or on public welfare. Despite the fact that section 209 of the act specifically forbids discrimination in disaster assistance, including the processing of applications, on the grounds of "economic status prior to a major disaster," there apparently have been instances in which disaster loans were not granted because a homeowner was either not employed or was receiving public welfare benefits.

It seems to me that homeowners who happen to be unemployed, especially if the loss of a job is related to the major disaster, or those who may be recipients of public welfare, are especially in need of Federal disaster assistance. One who lacks a steady income would be far less capable personally of improving his own residence than one who is employed or has other resources. The irony is that present policy, by refusing for these reasons to award a disaster loan for the repair or reconstruction of a dwelling, would deny to many economically distressed homeowners the present $2,500 subsidy received by others who borrow more than $500. I can see no reason for continuing to penalize in this fashion those who are most needy. Without such benefits society may well be forced to assume the burden of caring for these homeowners in some other fashion.

2. DISTRIBUTION OF FOOD COUPONS AND SURPLUS COMMODITIES

This amendment would provide that the Federal coordinating officer could supervise and direct the distribution of food coupons and surplus commodities to low-income households in disaster areas where there does not exist a regular administrative system for such distribution or in those instances in which he determines that distribution has been inadequate, unnecessarily delayed or lacks coordination.

Testimony was received by the committee during the hearings in San Fernando which revealed an administrative snarl in the handling of food coupons and surplus commodities. For reasons not entirely clear, the program was very slow in getting started and never fully achieved its intended purpose. Although considerable quantity of free food was distributed by various charitable organizations and many meals were provided through mass feeding centers, food coupons and surplus commodities were not employed very extensively.

In situations of this type, or where local governments have failed to set up machinery to handle food stamps, the Federal coordinating officer should be empowered to fill this need directly, working, of course, in conjunction with the Department of Agriculture. As the one official in charge of administering all Federal assistance in a major disaster area, there should be no question about his authority to supervise or even handle this important function directly.

3. ELIGIBILITY OF PUBLIC RECREATIONAL FACILITIES FOR DISASTER CONTRIBUTIONS

Section 252 of the law authorizes the President to make contributions to State and local governments for the repair, restoration, reconstruction or replacement of all public facilities except those used exclusively for recreational purposes. I am proposing to delete this one exception so that recreational facilities will be treated equally with all other State and local facilities.

This limitation, which was not in my original bill or in the version which passed the Senate last year, was added during the conference with House Members. Although at first glance excluding recreational facilities from Federal benefits might seem to be logical, I am now convinced this was a mistake which should be rectified.

A swimming pool, tennis court, gymnasium, baseball, or football field, skating rink, golf course, or other recreational facility may in one sense be a luxury, but when it is owned and operated by a community which has been devastated by a vicious hurricane or a disruptive earthquake and which is not able to finance its return to normal use, the local citizens, young or old, who depend on that facility have suffered a grievous loss. If one assumes that providing for and encouraging public recreation is a proper function of local government, then it is difficult to argue that Federal assistance aimed at restoring a community to its predisaster status should specifically single out this one aspect of the full life for banishment.

4. ADVANCE PAYMENTS OF AUTHORIZED CONTRIBUTIONS

One of the primary needs brought to the attention of the committee in the hearings held in San Fernando was that for early release of a portion of Federal aid authorized for communities damaged by major disasters. In addition to their regular expenditures most local governments in disaster areas are confronted with many unexpected and unusual demands resulting from the emergency. Consequently, they may find it difficult to carry on necessary governmental activities and disaster relief operations simultaneously.

The 1970 disaster relief law authorizes the President to make grants to State or local governments for purposes of debris removal, supplementary payments to offset property tax losses, and repairing, restoring or replacing damaged or destroyed public facilities. Ordinarily payments for debris clearance or reconstruction cannot be made until a full and complete appraisal has been made, contracts been awarded, and the project is underway. Supplementary payments to offset property tax losses can not now be made until a reassessment of property has taken place in order to determine the exact amount of the loss.

I am proposing an amendment which would authorize the President to make advance payments of not to exceed 50 percent of the estimated amount of the total final contributions which are expected to be made for these purposes. Such advance payments could be made only after an application has been presented by the State or local government, certified as to its accuracy by the Federal coordinating officer, which sets forth a full description by competent and responsible officers of the damages incurred or the amount of property taxes lost. If the total amount of advance payments should ever exceed the total amount of the final grant to be made, which would seem to be highly unlikely because of the 50-percent limit, the amendment further provides that the State or local government would be obligated to reimburse the Treasury for any amount of overpayment.

Let me emphasize that this amendment would in no way increase the amount of Federal contribution for which the State or local government is legally eligible nor would it add measurably to administrative or other costs. Its sole purpose is to speed up the cash flow to hard-pressed communities which may be overwhelmed with abnormal demands for emergency services, overtime for personnel, new equipment, and special supplies. Officials of the cities of Los Angeles and San Fernando and of the county of Los Angeles all reported to us the tremendous cash squeeze under which they were operating because of unavoidable expenditures attributable to the earthquake. I believe it would be both reasonable and proper to permit such distressed communities in effect to draw in advance upon the credits which they have under the disaster law.

5. PRIVATE MEDICAL CARE FACILITIES

Hospitals and other medical care facilities suffered heavy damage in the San Fernando earthquake. In addition to the Veterans hospital and newly built, county owned, Oliver View Sanitorium at Sylmar, two private hospitals—Pacoima Lutheran and Holy Cross—were practically destroyed. More than 1,200 beds in hospitals with contracts to provide emergency medical services were rendered useless, and it was estimated not long after the disaster that about 95 percent of the hospital beds in the areas were occupied.

The Disaster Relief Act provides complete reimbursement for reconstruction costs of public hospitals, but there is no similar provision to assist privately owned hospitals. Permanent loss of these facilities in a disaster stricken area could create very serious health care problems. In many instances financing their replacement might prove more difficult than it would for public institutions because they have depended heavily on private associations and voluntary contributions for revenue and their resources are generally quite limited.

Therefore, I am proposing that the President be authorized to make grants for the repair, reconstruction or replacement of any medical care facility owned and operated by a private, non-profit organization which is exempt from taxation under the Internal Revenue Code and which has been damaged or destroyed by a major disaster.

This is very similar to a bill, S. 1237, which was introduced on March 12 by Senator TUNNEY with the cosponsorship of myself and some 30 other Senators. However, I am suggesting two additional provisions which were not in the original bill. First, my amendment would provide assistance for administrative and other support facilities essential to the operation of such medical care facilities, even though not contiguous thereto, such as laundry, food, or laboratory installations.

Second, the President would be authorized to make additional, supplementary grants to enable a private health care facility to resume or continue its full operations if the Federal coordinating officer determined that the normal costs of operation had been increased by the effects of a major disaster to such an extent that it had been inhibited or impeded in its ability to render needed health care services. Evidence is clear that hospital operating costs may increase dramatically because of added expenses caused solely by a major disaster; in such cases I believe supplemental assistance, without which needed health care services could not be provided, would be more than justified. This would have limited application for short duration only in those specific situations where the Federal coordinating officer found that such aid was essential.

6. EMERGENCY MEDICAL AND HOSPITAL SERVICES

The terrible devastation inflicted on hospitals in the San Fernando area by the recent earthquake, together with examples of similar damage suffered in other major disasters during recent years, has convinced me of the need for a careful study to determine the availability and adequacy of emergency medical and hospital services in potential disaster areas. In the confused and chaotic conditions which accompany most major disasters, it is of the utmost importance to have well prepared plans and arrangements which will permit use of all health care facilities.

This amendment would direct the Office of Emergency Preparedness to conduct a nationwide survey of the capability of and the needs for emergency medical and hospital services in areas which might be subjected to unexpected catastrophes. It would inquire into all phases of preparation and readiness for emergency health care during disasters deemed significant by the Director. Among other factors, the inventory should include the following: The status of emergency medical communications systems; coordination of U.S. military and veterans facilities and personnel with civilian health care resources; the availability of emergency water sources, potable water supplies, and sanitary facilities for hospitals, nursing homes, and other similar institutions; the quantity, location, and availability of portable or "packaged" hospitals, medical supplies, and equipment; problems of identification and tracing medical patients injured in major disasters; the status of local emergency medical plans and their coordination with State disaster plans; the granting of staff privileges by hospitals to nonstaff physicians during major disasters; and the need for additional funds to help support State and local emergency medical care programs.

In addition, the Director of the Office of Emergency Preparedness, working in

cooperation with other relevant Federal agencies, would be authorized to prepare through each regional director of the OEP, an emergency health plan for each metropolitan district of 50,000 or more population to coordinate during major disasters the medical facilities and personnel of the Federal Government with those of State and local governments and also wish those of private health care organizations and medical associations. The plan would be aimed at achieving the greatest amount of interrelationship and reciprocity possible for all health-care personnel and facilities in the event of a major disaster, and would be related also to the disaster plans of each State.

No more than 1 year after the survey of emergency medical and hospital services has been completed, the President would be requested to report to Congress on the need for any additional legislation or funding he believed to be necessary to obtain the overall goal.

7. GRANT PROGRAM FOR HOMEOWNERS

Reliable estimates indicated that more than 1,000 homes owned by moderate- and middle-income people were severely damaged or made completely uninhabitable by the San Fernando earthquake. These residences in general are in the $25,000 to $40,000 or more price range, many of which are encumbered by sizable mortgages or other types of liens.

Even though the 1970 Disaster Relief Act did authorize Small Business Administration and Farmers Home Administration disaster loans at fairly favorable interest rates, on which a maximum of $2,500 of the principal would be canceled on loans above $500, this subsidy obviously would be comparatively little help, for example, to an owner of a destroyed $40,000 home burdened with a $25,000 mortgage. While he might be able to secure a disaster loan which would be sufficient to refinance his present obligation and reconstruct his home, the total debt of more than $60,000 could easily entail monthly payments far more than his income could bear.

The present $2,500 subsidy has its origin in the special act Congress passed in 1965 to bring relief to the victims of Hurricane Betsy. The $1,800 forgiveness feature on SBA and FHA loans, which was provided then for this one disaster, was later incorporated in the 1969 Disaster Relief Act, and in 1970 the amount was increased by $700. A subsidy of this amount is of great help to those who incur limited damage to their homes or business in many kinds of disasters, or where the property itself may not exceed $10,000 to $15,000 in value. It provides a floor of support which, coupled with the disaster loan itself, has enabled many owners to repair or rebuild their homes, and I fully support it.

Nevertheless, there is a real need for additional assistance for those who are purchasing more expensive property on long-term contracts or with sizable mortgages. With the spiraling costs of housing in the last few years many moderate income families, especially in metropolitan areas where price levels have risen rapidly, have been forced to go heavily in debt to obtain decent and livable homes. Younger couples with children especially have often committed themselves so extensively for the purchase of suitable accommodations that loss of their equity by a disaster against which insurance is unobtainable constitutes a real tragedy to their family.

In searching for a proper way in which to provide additional assistance to this group of homeowners, I joined with Senators TUNNEY and CRANSTON in sponsoring a bill—S. 1427—which would permit cancellation up to a total of $20,000 of SBA or FHA disaster loans. There is merit to this approach and it may be the most expeditious method to accomplish a desired goal. However, as now drawn it would make no distinction between those who are affluent and possess ample resources and those who have been severely squeezed by the loss of their property in a major disaster. Moreover, it would tend to intermix to a much greater degree the management of long-term loans by agencies oriented primarily toward a repayment philosophy with a purely humanitarian, nonbanking type function.

Consequently, my amendment would authorize the President to make grants for loss or damage caused by a major disaster to an owner-occupied dwelling totaling more than $3,000 and not compensated by insurance or otherwise, if such loss constitutes a severe economic hardship to the homeowner. This is a function which the President might want to assign to the Secretary of Housing and Urban Development, although my amendment would not limit the President's discretion in this matter. Grants made under these circumstances could not exceed 50 percent of the net cost of repairing, restoring, reconstructing, or replacing an owner-occupied residence as it existed immediately prior to the disaster and in conformity with applicable codes, specifications and standards, nor be in excess of a total amount of $15,000.

Returning for a moment to the hypothetical example cited before, this would mean that a homeowner faced with refinancing a present $25,000 mortgage on a destroyed home which had been valued at $40,000 prior to the disaster, would be eligible, if justified by his own personal financial circumstances for a total subsidy of $17,500. He could receive outright cancellation of $2,500 on a disaster loan above $500 plus a maximum of $15,000 from the special grant program. In addition he could refinance the rest of his total obligation with a long-term, interest-subsidized disaster loan, on which payments of both interest and principal could be deferred for as long as 3 years under present law.

I believe this extra assistance should be limited to those homeowners who can prove beyond any doubt that their own resources are not sufficient to absorb the damage to their dwellings without severe financial distress. While all of us sympathize greatly with anyone who has been caused grief and hardship in a major disaster and while everything possible should be done to provide emergency aid, the special bonus contemplated by my amendment should not be available to those whose personal fortune or large income make it possible for them to finance their own housing costs.

To those who might question the wisdom of outright grants of this type to disaster victims, let me point out that this is not a new concept. The disaster relief bill—S. 1861—which I introduced more than 6 years ago and which was adopted without objection by the Senate in July 1965, contained a very similar provision. That bill contemplated a grant-in-aid program whereby assistance would have been provided to the States to assist homeowners suffering property losses in major disasters. Under that bill, the Federal Government would have agreed to assume disaster losses up to 50 percent of $30,000 on homes if the State would have provided 25 percent of the same amount. This would have meant that a homeowner would have been eligible for a maximum of $15,000 in Federal payment and of $7,500 from the State. Although the bill passed the Senate without difficulty, the House was not willing at that time to accept the grant provision.

I am now convinced after several years experience in this field that the requirement for a 25-percent matching grant by each State might prove impracticable. Because of the varying response which might have come from the States, it could have resulted in the unfortunate situation where disaster victims in adjoining States might have been treated differently and quite inequitably by Federal law. But I would like to remind my colleagues that 6 years ago they did approve a measure which would have authorized direct grants to homeowners which would be no greater than those contemplated by this amendment.

8. SEISMIC RESEARCH AND INVESTIGATION

Experts in the field of seismology testified extensively in the hearings on the need for additional funding for research on all aspects of earthquakes. Although there was no firm agreement on the total amount required, there seemed to be a consensus that as much as $150 million to $200 million should be devoted to this purpose in the next decade. Likewise, the Proposal for a "Ten-Year National Earthquake Hazards Program," which was published in December 1968 and was prepared for the Office of Science and Technology by an ad hoc interagency working group and for the Federal Council for Science and Technology recommended a 10-year total of $220,-300,000 for seismic research.

No more than a cursory examination, even by a nonexpert, of the dearth of accurate knowledge about the causes, potential locations, frequency, hazard reduction and effects of earthquakes, is necessary to convince the average person that this is a field which the United States has too long neglected. As has been pointed out, all areas of the Nation have experienced earthquake tremors and no area is truly free of potential hazard from this type of disaster. It is true that certain sections of the country are more prone to serious earthquake movements than others, but very destructive quakes have occurred not only in California and Alaska, but also in such scattered States as Massachusetts,

Washington, Missouri, South Carolina, Montana, Utah, and Hawaii.

The death and destruction which could be wrought by a severe earthquake in heavily populated metropolitan areas is almost too horrible to contemplate. Yet face it we must. It makes only good sense to develop guidelines for future urban growth and possibly remove and relocate present structures of certain types in order to minimize losses from future earthquakes as much as possible. But present knowledge is not sufficient to meet this need. To mention only a few tasks, much more must be learned about the location and nature of fault lines, seismic probability and risk maps must be prepared, methods must be found which would help determine the probable time and frequency of earthquakes, and analysis should be made of the practicability of and the values to be gained from seismic zoning restrictions.

The 1968 report mentioned above made the following significant assessment:

Anticipated earthquake damage and loss of life can be substantially reduced through more reliable information leading to earthquake prediction and through increased knowledge on how buildings with different construction and foundations and on how natural features will respond to the different ground shaking in different geologic environments when subjected to a large earthquake. Such information is vitally needed for planning purposes by the structural engineer, local governments, the insurance industry, the Department of Housing and Urban Development, the Atomic Energy Commission and the Public Utility Companies.

I believe it would be far better to invest a comparatively small sum now for the promotion of earthquake and other disaster hazard reduction than it would be to realize after some future great catastrophe that loss of life and property destruction might have been at least partially reduced by a more forward looking program in the past. Therefore, I am submitting four additional proposals to develop programs aimed at avoiding and minimizing as much as possible the potential dangers and destruction caused not only by earthquakes but other types of disasters as well.

This particular amendment would authorize a total funding for seismic research and investigation of $15 million a year for each of the next 10 fiscal years, for a total amount of $150 million. It is always difficult to estimate as much as a decade in advance the cost of on-going programs of this type, and it is possible that for various reasons this will not prove to be enough. However, it is most important that Congress authorize a long-range commitment of sizable proportions because of the highly specialized nature of the research involved and the need to develop instrumentation and to train personnel. If more financing is required later, the authorization could be increased at the proper time.

Because several Federal agencies already are engaged in or supporting a limited number of earthquake research programs, my amendment would authorize the President to allocate among those directly involved a total sum which would equal the difference between their total current annual expenditures for this purpose and the annual combined total expenditure of $15 million for each year. This would permit the President to budget varying amounts of funds as he deemed necessary to a number of different agencies interested in this problem, including the National Science Foundation, the National Academy of Sciences, the Office of Science and Technology, the National Oceanic and Atmospheric Administration, the U.S. Geological Survey, the Atomic Energy Commission, the National Academy of Engineering, and the Office of Emergency Preparedness.

9. DESIGN AND CONSTRUCTION OF NEW FEDERALLY OWNED AND LEASED BUILDINGS

In line with my comments on the previous amendment, there should be no doubt that every precaution is taken to be certain that all U.S. Government facilities in which sizable groups of people may be working or visiting are protected against unexpected natural disasters. It would be unconscionable for the national Government to be guilty of failure to do everything possible to avoid injury or death to its employees or others assembled in public buildings.

I am proposing, therefore, that in providing for the design, construction, extension, and remodeling of any federally owned or leased building regularly used by more than 50 persons, the Administrator of General Services should insure that all architectural, engineering, construction, and supervision services conform with the highest practicable standards and specifications which would help those structures withstand the destructive effects of catastrophic acts of nature. The purpose is to be certain that, in the interest of saving dollars now, no new construction would lack any structural soundness or special features which would help protect the lives and safety of all who use it.

10. STRUCTURAL SAFETY OF LARGE BUILDINGS

Perhaps even more important than guaranteeing the safety of newly built structures is the identification, demolition, and replacement of those existing ones which constitute potential hazards to life and limb during major disasters. Deaths and serious injuries were relatively small in the recent California earthquake, not only because of its location but also because it occurred very early in the morning before most people had begun their regular daily routine. Not only in the case of earthquakes but for all other types of major disasters, I believe it essential that a start should be made on a long-range program of upgrading the safety of all large buildings.

My amendment would provide for a nationwide, comprehensive survey to identify all public or private structures used by more than 50 persons, the safety of which would be in doubt during a major disaster of any type. Included in the inventory would be such gathering places as schools, hospitals, hotels, office buildings, auditoriums, theaters, gymnasiums, stadiums, and airport, railroad and bus terminals. It would, insofar as possible include an evaluation of the ability of such structures to withstand forces exerted by hurricanes, tornadoes, floods, earthquakes, and other natural catastrophes. It would also indicate which ones could be economically strengthened or protected against the type of major disasters which historically have occurred in a particular geographical section as well as those which should be demolished and replaced.

Within 1 year after the structural safety survey is completed, the President would be requested to submit a report to Congress proposing a specific program of Federal assistance to State and local governments which would help strengthen and protect basically sound, publicly owned buildings and would also help remove and replace those structures determined to be not able to withstand major disasters without endangering persons who use those facilities. At the same time State and local governments should be encouraged to take what action they can within their police powers to insist that privately owned buildings used by 50 or more persons be brought up to minimum safety standards.

11. IDENTIFICATION AND REMOVAL OF REPLACEMENT OF POTENTIALLY HAZARDOUS PUBLIC DAMS

Hasty evacuation of about 80,000 residents of the heavily populated San Fernando Valley following the partial collapse of the lower Van Norman Dam during the recent California earthquake dramatized a serious problem needing immediate attention. Scattered throughout the United States are innumerable dams, some of which are located in areas where failure of the structure during a major disaster could cause a terrible calamity. Hundreds of lives have been lost in similar situations in various parts of the world during the last few years. It is time a careful study be made of this potential hazard.

Consequently, this amendment would authorize the Office of Emergency Preparedness to conduct a nationwide survey of all publicly owned dams and reservoirs impounding water in populated areas which, if released in large quantities instantaneously because of an earthquake, heavy flood or other natural catastrophe, would endanger the life and safety of persons living or working in nearby areas. Within one year of the survey's completion, the President would be requested to present to Congress a report proposing a program for the strengthening, removal or replacement of any potentially hazardous dam owned by any agency of the U.S. Government and also a program for assistance to State and local governments for strengthening, removal or replacement of any other potentially hazardous publicly owned dam or reservoir.

12. MAJOR DISASTER DECLARATIONS APPLICABLE TO HIGHWAYS

While preparing the bill last year which led to the new comprehensive Disaster Relief Act, it was decided that there would be no need for any change in legislation dealing with Federal-aid highways. This determination was based on the fact that the law now authorizes full assistance to the States for this purpose. However, because of an unexpected and difficult to understand delay following the San Fernando earthquake in the official proclamation of a disaster with respect to highway funds, I am

proposing an amendment which would help eliminate any confusion which now exists.

Present law—section 125, title 23, U.S.C.—provides that funds from the emergency fund for disaster assistance may not be expended unless the Secretary of Transportation has received an application from the State highway department and unless an emergency has been declared by the Governor of the State with which the Secretary concurs. This provision is important because it permits the Secretary to extend assistance to States during less than major disasters which the Governor believes justifies such aid and if the Secretary agrees. The power of the Secretary of Transportation to extend assistance under certain circumstances of limited disasters without waiting for a Presidential declaration is in many respects similar to that of the Secretary of Agriculture or of the Administrator of the Small Business Administration, both of whom have independent powers to authorize certain types of assistance in minor disasters.

Despite the fact that the President issued a declaration of major disaster within a few hours after the earthquake occurred on February 9 and the Federal disaster machinery began functioning almost immediately, more than 3 days elapsed before similar action was officially taken by the Secretary of Transportation. Although no real loss of any kind resulted from the delay, and even though Federal highway officials became involved very early in surveying damage and estimating needs for repairs and replacement, local citizens and officials alike could not understand why a Presidential declaration would not apply automatically to aid for highways as it did for all other types of need. It was difficult if not embarrassing to attempt to explain this incongruous situation and to reassure local authorities that Federal-aid highways were indeed eligible for disaster assistance and would be fully reimbursable.

In order to resolve this difficulty my last amendment proposes adding a sentence to section 125 of title 23 which would make its provisions effective immediately upon a declaration of a major disaster by the President. At the same time it would in no way disturb the present authority or procedure for the extension of assistance by the Secretary in less than major disasters.

Mr. President, I believe these 12 amendments would help perfect the present major disaster relief law. They would bring additional assistance to those who are truly in need and would help plan against future losses in major catastrophes. I hope that this measure will receive prompt and favorable consideration.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at the conclusion of my remarks.

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

S. 2358

A bill to amend the Disaster Relief Act of 1970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 235 of the Disaster Relief Act of 1970 is amended by inserting after "applicant" the following: "and whether he is employed or receiving public assistance".

(b) Section 238 of such Act is amended by redesignating subsection (c) as subsection (d) and inserting after subsection (b) the following new subsection:

"(c) In any major disaster area in which a regular system for the distribution of food stamps and surplus commodities has not been established, or in any such area in which the Federal coordinating officer determines that distribution of food stamps and surplus commodities to disaster victims is inadequate or unnecessarily delayed, the Federal coordinating officer is authorized, in cooperation with the Secretary of Agriculture, to distribute such stamps and commodities in such area as long as he deems necessary."

(c) Section 252(c) of such Act is amended by—

(1) inserting after "development" a comma and "recreation,"; and

(2) striking "system, other than one used exclusively for recreation purposes" and inserting in lieu thereof "system".

(d) Title II of such Act is amended by adding at the end thereof the following new sections:

"ADVANCE PAYMENTS OF AUTHORIZED CONTRIBUTIONS

"SEC. 255. (a) In order to provide essential funds as quickly as possible to any State or local government within a major disaster area, the President is authorized to make advance payments to such government of not to exceed 50 per cent of the estimated total amount available to such government under section 224 (relating to debris removal), section 241 (relating to supplementing property tax losses), and section 252 (relating to repairing and restoring public facilities).

"(b) An advance payment may be made under this section only upon application by the State or local government setting forth a full description of the damages incurred and providing an estimate of the expected total cost of debris removal, property tax loss, and repairing or restoring public facilities made by competent engineers, architects, and responsible local officials and certified as to accuracy by the Federal coordinating officer.

"(c) Any State or local government which receives advance payments under this section in excess of the total amount finally authorized under sections 224, 241, and 252 for such government, shall pay to the United States an amount equal to the amount by which the amount of the advance payments exceeds the total amount finally authorized for such government under such sections.

"PRIVATE MEDICAL CARE FACILITIES

"SEC. 256. (a) The President is authorized to make grants for the repair, reconstruction, or replacement of any medical care facility which is owned by an organization exempt from taxation under section 501 (c), (d), or (e) of the Internal Revenue Code of 1954 and operated to carry out the exempt purposes of such organization which is damaged or destroyed by a major disaster. Such assistance shall be made available only on application, and subject to such rules and regulations as the President may prescribe.

"(b) A grant made under the provisions of subsection (a) shall not exceed—

"(1) 100 per centum of the net cost of repairing, restoring, reconstructing, or replacing any such facility on the basis of the design of such facility as it existed immediately prior to such disaster and in conformity with applicable codes, specifications, and standards; or

"(2) in the case of any such facility which was under construction when so damaged or destroyed, 50 per centum of the net cost of restoring such facility substantially to its condition prior to such disaster, and of completing construction not performed prior to such disaster to the extent that the cost of completing such construction is increased over the original construction cost due to changed conditions resulting from such disaster.

"(c) For purposes of this section, 'medical care facility' includes, without limitation, any hospital, diagnostic or treatment center, or rehabilitation facility as such terms are defined in section 625 of the Public Health Service Act, any similar facility offering diagnosis or treatment of mental or physical injury or disease, and administrative and support facilities essential to the operation of any such medical care facility.

"EMERGENCY MEDICAL AND HOSPITAL SERVICES

"SEC. 257. (a) The Office of Emergency Preparedness shall conduct a nationwide survey of the present capability of and need for emergency medical and hospital services in areas in which major disasters reasonably may be expected to occur.

"(b) The survey shall cover, in addition to such matters as the Director of such office determines to be significant for purposes of major disasters, the current status of and requirements for emergency medical communications systems; the coordination of United States military and Veterans' Administration facilities and medical personnel with local public and private health care resources; the availability of emergency power supplies, potable water and sanitary facilities for hospitals, nursing homes, and other health care establishments; the quantity, location, and availability of portable hospital facilities, medical supplies and equipment; problems of identifying and tracing medical patients injured in major disasters; the status of local emergency medical plans and their coordination with State disaster plans; providing staff privileges by hospitals to non-staff physicians during major disasters; and the need for additional funds to help support State and local emergency medical care programs.

"(c) The Director of the such Office is authorized, in conjunction with other Federal agencies, to prepare through each Regional Director of the Office of Emergency Preparedness an emergency health plan for each metropolitan area with a population in excess of 50,000 which would coordinate the medical personnel and health facilities of the United States with those of State and local governments and with those of private medical associations or health care organizations. The Director shall report to Congress within one year after completion of the survey on needs for additional funds and legislation.

"HOMEOWNERS GRANTS

"SEC. 258. (a) To the extent that loss or damage in excess of $3,000 to an owner-occupied dwelling resulting from a major disaster determined by the President (or a disaster determined by the Administrator of Small Business Administration or the Secretary of Agriculture) is not compensated for by insurance or otherwise, the President is authorized to make grants under this section where such loss constitutes a severe economic hardship to individual homeowners.

(b) A grant made under provisions of subsection (a) shall not exceed—

"(1) 50 per centum of the net cost of repairing, restoring, reconstructing, or replacing such owner-occupied residence as it existed immediately prior to such disaster and

in conformity with applicable codes, specifications, and standards; or

(2) a total amount of $15,000.

(c) No grant may be made under the provisions of subsection (a) if the owner of an owner-occupied dwelling had not contracted to purchase any applicable insurance which would have covered the loss or damage incurred in the disaster, and which was available for purchase in the area in which the property is located at reasonable rates within his economic capacity.

"SEISMIC RESEARCH AND INVESTIGATION

"SEC. 259. (a) For the fiscal year beginning July 1, 1972, and for each of the nine succeeding fiscal years, there is authorized to be appropriated an amount equal to the amount by which $15,000,000 exceeds the aggregate amount spent during the preceding fiscal year (not including any amounts made available under this section) for seismic research by all Federal agencies concerned with seismic research.

"(b) The President is authorized to make amounts appropriated pursuant to the authorization in subsection (a) available to such agencies for seismic research. Funds made available under this section shall be used primarily, but not exclusively, for the support of projects relating to—

"(1) the investigation of the causes, frequency, and effects of earthquakes;

"(2) the tracing and mapping of fault lines, particularly in heavily populated areas;

"(3) the preparation of seismic probability and risk maps;

"(4) the development of methods and data which would locate potentially dangerous earthquake areas and permit forecasting possible time and frequency of earthquakes; and

"(5) the analysis of the practicability and value of adopting and enforcing seismic zoning restrictions.

"DESIGN AND CONSTRUCTION OF NEW FEDERALLY-OWNED AND LEASED BUILDINGS

"SEC. 260. In providing for the design, construction, extension or remodelling of any Federally-owned or leased building regularly used by more than 50 persons, the Administrator of General Services shall insure that all architectural, engineering, construction, and supervision services conform with the highest practicable standards and specifications which would enable such building to withstand the destructive effects of major disasters which reasonably may be expected to occur in the area in which such building is located and to protect the lives and safety of all persons using those buildings.

"STRUCTURAL SAFETY SURVEY OF LARGE BUILDINGS

"SEC. 261. (a) The Office of Emergency Preparedness shall establish and conduct a comprehensive, nationwide survey of the structural safety for major disaster purposes of all public and private buildings used for assemblages of 50 or more persons, including, but not limited to, schools, hospitals, hotels, office buildings, auditoriums, theaters, gymnasiums, stadiums, and airport, railroad, and bus terminals.

"(b) To the extent feasible the survey shall include an evaluation of the ability of such structures to withstand any major disaster. The survey shall also indicate which buildings can be strengthened and protected against the type of major disasters which historically have occurred in the particular geographical area in which they are located and which ones should be demolished and replaced because they cannot be braced or strengthened sufficiently to guarantee that persons within them would not suffer injury or death in such a major disaster.

"(c) Within one year after the structural safety survey is completed, the Office of Emergency Preparedness shall submit a report to Congress proposing a program of Federal assistance to State and local governments designed to help strengthen basically sound public buildings and help demolish and replace those buildings found to be incapable of withstanding the effects of a major disaster without endangering life and limb of persons using such buildings.

"IDENTIFICATION AND REMOVAL OR REPLACEMENT OF POTENTIALLY HAZARDOUS PUBLIC DAMS

"SEC. 262. (a) The Office of Emergency Preparedness shall conduct a nationwide survey of publicly-owned dams and reservoirs impounding water near to populated areas which, if released in large quantities instantaneously because of an earthquake, heavy flooding, or other natural catastrophe, would endanger the life and threaten the safety of persons living or working in nearby areas.

"(b) Within one year after completion of the survey, the Office of Emergency Preparedness shall present to Congress a report proposing a program for strengthening, removal, or replacement of any potentially hazardous dam owned by any agency of the United States Government and for assistance to State and local governments for strengthening, removal, or replacement of any other potentially hazardous publicly-owned dam or reservoir.".

SEC. 2. The second sentence of section 125 (b) of title 23, United States Code, is amended to read as follows: "Except as to highways, roads and trails mentioned in subsection (c) of this section, no funds shall be so expended unless—

"(1) the highways, roads, and trails to be repaired or reconstructed are located in an area declared by the President to be a major disaster area under the Disaster Relief Act of 1970; or

"(2) the Secretary has received an application therefor from the State highway department, and unless an emergency has been declared by the Governor of the State and concurred in by the Secretary."

SEC. 3. This Act shall take effect upon the date of its enactment except that the provisions of subsection (c) of section 1 of this Act and the provisions of sections 256 and 258 of the Disaster Relief Act of 1970, as added by subsection (d) of such section, shall take effect as of January 1, 1971.

By Mr. WILLIAMS:

S. 2360. A bill to provide for a national educational campaign to combat the lack of consciousness of the public as to the danger of improper uses of motor vehicles on the highways. Referred to the Committee on Public Works.

AUTOMOBILE DRIVER EDUCATION ACT

Mr. WILLIAMS. Mr. President, while the tragic loss of life that accompanies the Vietnamese war is a source of concern, and rightfully so, to all Americans, there is another tragic loss of life which receives much less attention and is greeted with an almost calloused acceptance—the death toll resulting from traffic accidents.

If the danger of an epidemic that would kill 60,000 and injure 5 million Americans in 1972 were to be forecast, all possible means would be employed to stop or reduce the intensity of such an enormous catastrophe.

Such an epidemic for 1972 is forecast and the present prognosis is that it will continue indefinitely. One hundred and fifty Americans will die and more than 5,000 will sustain permanent injuries daily.

And, the killer is not a disease but the automobile or the driver of the automobile.

And while we are aware that the causes of almost 90 percent of these accidents are due to the driver and therefore could conceivably have been prevented, we have adopted, if you will permit the expression, a somewhat fatalistic attitude of resignation with regard to this daily carnage. Aside from the efforts at public education carried on by the National Safety Council and other concerned private organizations, and the rather limited activities of the National Highway Traffic Safety Administration—which had a budget in 1971 of under $43 million—only a little over what it is estimated that automobile accidents cost the United States each day—relatively little is being done to reduce this tragic waste.

The focal point of some of the more active efforts at present appears to be in the field of technological safety—the development of a stronger automobile body structure, or safety devices such as collapsible steering columns, padded windshields and air bags. It is surprising how little attention is paid to the preventive aspects of auto safety—the avoidance of the collision in the first place.

Mr. President, anyone who spends even an hour a day in an automobile, and most Americans are by now resigned to devoting at least that much time to this activity, can testify to the need for better driver education. Driving procedures and regulations have changed drastically over the last 10 years, due to the advent of multilane highways, and increased speed limits. While many accidents are caused by the reckless speeder or drunk driver, many others are caused by the mistakes of drivers who are simply ignorant of proper safe driving techniques. Very few of our States require retesting and many drivers are simply unaware of, or fail to appreciate the importance of the different procedures and/or courtesies required by modern driving conditions. High speed merges at freeway access points, the prevalence of traffic, circles, and the increased presence of motorcycle and motor bike traffic, are situations not often faced by drivers in the past, and now calling for differing responses.

Just how unfamiliar with the proper rules and regulations the average American driver is was illustrated graphically by a nationwide drivers test conducted by CBS in 1966; when 40 percent of those participating failed. This is a good indication of the ineptitude of many drivers and sufficient proof that we must take immediate steps to improve the level of the driving ability of all drivers.

While 50 percent of high school students are taking driver education courses, this, together with voluntary defensive driving courses and compulsory courses taken by our Armed Forces, comprises only a small percentage of the 115 million drivers in this country. Furthermore, pedestrian education could also prove effective in the reduction of 10,000 pedestrian deaths yearly.

It is clear that the present system of depending upon the licensing procedure to educate the driver is not adequate. The varying regulations from State to State result in driver education and testing which is far from uniform. In more than one State, the entire process of testing the applicant's knowledge of safety rules consists of little more than a series of multiple choice questions about stopping distances and traffic regulations.

Frequently, the applicant can memorize a sufficient percentage of the answers to these often obsolete and often irrevelant questions to pass the written examination without any true comprehension of traffic safety requirements.

I am also convinced that we cannot depend on the present approach of utilizing the occasional public service announcement to warn of the hazards of driving. I am therefore submitting today, along with Congressman JOHN MURPHY of New York, legislation providing for a national safety campaign of unprecedented intensity and scope. We propose a new positive approach of the use of our national media to reach all, and not a fraction of the drivers, on a continual basis with thoroughly researched, psychologically tested, expertly prepared presentations to teach, make aware and change the wrong attitudes inherent in the driving habits of many drivers.

Equally important will be the expected change in attitude of our children who will comprise the drivers of the future. The effect on children of the campaign against cigarettes is substantial proof of the positive impression our national media can make.

This legislation, called the Automobile Driver Education and Highway Safety Act, would place the responsibility of the campaign with the Secretary of Transportation.

He would be permitted to spend up to $85 million in fiscal 1972 and a sum not to exceed that for the two following fiscal years.

The Secretary would be mandated to carry on an education campaign designed to educate drivers, pedestrians and others with respect to the dangers of driving and walking on highways and to improve safety by improving driver skills, attitudes and knowledge of highway regulations.

I am hopeful that my colleagues will join with me in support of this badly needed national highway safety program. I ask unanimous consent to insert in the RECORD at this time, the full text of this bill.

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

S. 2360

A bill to provide for a national educational campaign to combat the lack of consciousness of the public as to the danger of improper uses of motor vehicles on the highways

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 "Automobile Driver Education Act".

SEC. 2. (a) The Secretary of Transportation, acting through such officers and agencies of the Department of Transportation as he deems appropriate, shall carry on a national educational campaign designed to educate drivers, pedestrians, and others with respect to (1) the dangers incurred when driving on, crossing, or otherwise using the highways, and (2) improving safety on the highways.

(b) In carrying out his functions under subsection (a), the Secetary may enage in research, provide training, and engage in any other activity which will effectuate the purposes of this Act.

SEC. 3. There are authorized to be appropriated not to exceed $85,000,000, for the fiscal year ending June 30, 1972, and for each of the two succeeding fiscal years, for carrying out the provisions of this Act.

By Mr. HARTKE:

S. 2362. A bill to restore and maintain a healthy transportation system, to provide financial assistance, to encourage investment, to improve competitive equity among surface transportation modes, to improve the process of Government regulation, and for other purposes. Referred to the Committee on Commerce.

INTRODUCTION OF "SURFACE TRANSPORTATION ACT OF 1971"

Mr. HARTKE. Mr. President, I have frequently expressed my concern over the growing crisis in transportation, particularly in surface freight transportation. The public spends about $100 billion a year for freight transportation—about one in every $10 of the gross national product. There are over 4 million jobs in freight transportation. One person in every 20 is engaged in the work of moving freight.

When transportation is in trouble, America is in trouble. When transportation shuts down, America shuts down.

I have been saying for months that the transportation industry is its own worst enemy. There are so many differences among the railroads, the truckers and the water carriers that we cannot make a start on solving the industry's problems. I have been saying that there has to be some unity of purpose in the transportation industry itself. We need a more modern, leaner, more efficient transport service. I have said the place to start on a program to produce improved service is with the industry itself. I have urged the railroads, the truckers and the water carriers to lay aside their differences and address themselves to a program to upgrade the ability of transportation to perform its vital public function. Improvements in freight transportation are more and more desperately needed every day.

Now the Association of American Railroads, the Water Transport Association and the American Trucking Associations have done what I asked them to do. It is long overdue; it combines the results of studies of various segments of transport as to what would really help to give the public a strengthened and improved common carrier surface freight transportation system. It is late, it is certainly not perfect; inevitably the railroads, water carriers and truckers have had to give up some of their favorite ambitions; but this proposal is in the right direction; it gives us a place to start; it gives us suggestive signposts to our goals so that a transportation system which serves the public well at the lowest possible cost can be produced.

The public has to have more efficient service out of transportation. That means greatly improved productivity, better utilization of equipment, simplification of the tariffs and above all, the use of the latest technology.

The public has to have a rapidly expanding transport plant that will keep up with the growth of the economy. We are told that transport capacity must double in perhaps 15 years. That means tremendous investment which in turn means more and better jobs.

The public has to have a safer system and one which does not pollute the air and water and which gives out tired eardrums less of a beating.

Incentives have to be provided for billions in new private investment. We have to face it; improving transportation is one big ticket item after another. Let me name a few.

Renewing railroad beds so that we can get freight cars moving faster than an average of 20 miles an hour.

Control systems for improving utilization of freight cars and trucks and barges.

More efficient and economical tugs, towboats and barges, both inland and oceangoing. The average age of the Great Lakes fleet is 44 years. That fleet has to be rebuilt and the other fleets have to be improved and expanded.

Computerization of tariffs to produce a drastic simplification of the process of finding out how much it costs to ship a piece of freight. Today, that is one of the great mysteries.

Drastic improvements in terminals. There are too many rail-freight yards in our many cities. They must be modernized and some must be consolidated. Truck terminals need major improvement and so do the ports.

All these things are going to cost money, but they are going to improve efficiency and cut costs. Building a much more efficient system is the only hope we have for containing rate increases.

Expansion and increased productivity are the goals. How does this bill meet those goals?

First. A system is proposed for Government help to faltering companies whose services are essential in the public interest. The system is modeled on the Reconstruction Finance Corporation which helped so many companies through the Depression. It will only apply if private credit is not available. It will operate in the Treasury Department, and I expect it to be staffed with tough-minded people who will rescue what is needed in the public interest and make sure we get the money back. We are not going to bail out incompetent management or keep in business branch lines no longer needed to keep trackage close enough together to serve the dictates of an age long since past. The object of this proposal is to get certain essential transport services over the hump, and on the road to financial viability. Also in the proposal is a provision for faster action by the ICC on abandonment of services.

Second. A proposal is made to determine adequate rate levels. It is aimed at providing the means for buying the new technology which will make possible drastic cost savings. Under the present system, the cash flow is not adequate to replace worn out equipment and buy better equipment, nor is it adequate to replace used-up capital at current prices. The new system would give recognition to the recent rapid price increase in equipment, facilities, and the cost of capital. It makes sense. A barge bought 5 years ago cost $60,000; a new one with exactly the same capacity cost $120,000 today. Obviously, earnings and revenues have to be sufficient to provide for replacement, improvement, and expansion at current prices. Investment funds have

not been adequate for some time. This proposal suggests a remedy. Also included, is a provision of faster action on rate level adjustments.

Third. A proposal is made for two types of tax incentives. The first is the restoration of the investment tax credit for transportation. That was a highly successful device for encouraging investment for modernization and improvement. The second would permit a 5-year write-off for equipment. The railroads already have this privilege with certain restrictions. These restrictions are removed. The Great Lakes and offshore operators have a construction reserve. Only the barge lines are left out and this proposal serves to provide equity. Also included, is a provision for prohibiting discriminatory taxation of transportation property by State and local taxing authorities.

Fourth. More extensive reporting and rate filing on dry bulk commodities and regulation of motor transportation of livestock and certain other agricultural products are proposed. Certain agricultural products moving by truck after initial processing, are also proposed for regulation.

This section is bound to be one of the most controversial in the entire bill, and my introduction of it today certainly does not indicate a prejudgment on my part. But no useful purpose is served by shying away from controversy, and I believe that the Commerce Committee and the full Senate should have the benefit of a thorough airing of the arguments and counter-arguments on this proposal.

Fifth. A proposal is made to expedite the funding of grade crossing elimination where hundreds of people are killed and injured each year.

These proposals all deserve consideration and I intend to open hearings on them as soon as possible after the August recess. I want to see action this year. I need not stress that shippers and labor and other members of the public are invited to comment. I am also looking for suggestions and comments from the Department of Transportation, the Department of Agriculture, and the Interstate Commerce Commission.

I think this proposal is a helpful start. With the cooperation of all those affected, I believe we can make a breakthrough in improving efficiency and lowering the cost of transport service. Basically, what we need to do is to power the familiar cycle of private enterprise operations. Earnings result in an incentive for investment, investments result in an improved efficiency, improved efficiency shapes up the competition and produces a reaction of investment in improved efficiency on the part of the competition, improved efficiency results in better earnings, which again results in new investments. In the transport industry this cycle has slowed down—and some parts of the industry have gone bankrupt. What I want to see is a repowering of that productive cycle in transportation, a cycle which has made America the most prosperous country in the world. This proposal, in my view, provides us with a comprehensive package on which to concentrate. No doubt more is needed. I look forward to hearing the full views of all concerned.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 687

At the request of Mr. BOGGS, the Senator from Minnesota (Mr. HUMPHREY) was added as a cosponsor of S. 687, the Opportunities Industralization Assistance Act.

S. 1064

At the request of Mr. HARRIS, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of S. 1064, the Youth Participation Act of 1971.

S. 1315

At the request of Mr. HARRIS, the Senator from Florida (Mr. CHILES), the Senator from Hawaii (Mr. FONG), the Senator from Wisconsin (Mr. NELSON), the Senator from California (Mr. TUNNEY), and the Senator from New Jersey (Mr. WILLIAMS) were added as cosponsors of S. 1315, the Ocean Mammal Protection Act of 1971.

S. 1874

At the request of Mr. MAGNUSON, the Senator from Tennessee (Mr. BROCK) was added as a cosponsor of S. 1874, a bill to provide for the establishment of projects for the dental health of children, to increase the number of dental auxiliaries, to increase the availability of dental care through efficient use of dental personnel, and for other purposes.

S. 1880

At the request of Mr. BENTSEN, the Senator from West Virginia (Mr. BYRD) was added as a cosponsor of S. 1880, a bill relating to the authority of the President to use the Armed Forces of the United Statees in armed conflict.

S. 1930

At the request of Mr. HARRIS, the Senator from Indiana (Mr. BAYH), the Senator from Iowa (Mr. HUGHES), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of S. 1930, the American Folklife Foundation Act.

S. 2037

Mr. CURTIS. Mr. President, I ask unanimous consent that, at the next printing the names of the two distinguished Senators from Arizona (Mr. FANNIN and Mr. GOLDWATER) be added as cosponsors of S. 2037, a welfare reform bill.

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

S. 2108

At the request of Mr. CRANSTON, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of S. 2108, to amend chapters 17 and 31 of title 38, United States Code, to require the availability of comprehensive treatment and rehabilitative services and programs for certain disabled veterans suffering from alcoholism, drug dependence and alcohol or drug abuse disabilities.

S. 2223

At the request of Mr. HUMPHREY, the Senator from Indiana (Mr. BAYH), the Senator from Oklahoma (Mr. BELLMON), the Senator from Idaho (Mr. CHURCH), the Senator from Kentucky (Mr. COOPER), the Senator from California (Mr. CRANSTON), the Senator from Oklahoma (Mr. HARRIS), the Senator from Indiana (Mr. HARTKE), the Senator from Iowa (Mr. HUGHES), the Senator from Washington (Mr. JACKSON), the Senator from Idaho (Mr. JORDAN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from New Hampshire (Mr. MCINTYRE), the Senator from Montana (Mr. METCALF), the Senator from Minnesota (Mr. MONDALE), the Senator from Utah (Mr. MOSS), the Senator from Maine (Mr. MUSKIE), the Senator from Wisconsin (Mr. NELSON), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Virginia (Mr. SPONG), the Senator from Mississippi (Mr. STENNIS), the Senator from California (Mr. TUNNEY), the Senator from New Mexico (Mr. ANDERSON), the Senator from West Virginia (Mr. BYRD), and the Senator from Alaska (Mr. STEVENS) were added as cosponsors of S. 2223, a bill to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes.

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Minnesota (Mr. HUMPHREY) I ask unanimous consent that the following Senators be added as cosponsors to S. 2223, to amend the Consolidated Farmers Home Administration Act of 1961, and for other purposes: Mr. BIBLE and Mr. WILLIAMS.

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

S. 2318

At the request of Mr. WILLIAMS, the Senator from Minnesota (Mr. HUMPHREY) and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 2318, a bill to amend the Longshoremen's and Harbor Workers Compensation Act, and for other purposes.

SENATE JOINT RESOLUTION 62

At the request of Mr. GRIFFIN, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Joint Resolution 62, a resolution authorizing the display of the flags of the 50 States at the base of the Washington Monument.

SENATE JOINT RESOLUTION 108

At the request of Mr. CRANSTON, the Senator from Wyoming (Mr. MCGEE) was added as a cosponsor of Senate Joint Resolution 108, to declare a U.S. policy of achieving population stabilization by voluntary means.

SENATE JOINT RESOLUTION 142

At the request of Mr. HATFIELD, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Joint Resolution 142, relating to a memorial commission to plan for a suitable memorial to President Herbert Hoover.

SENATE RESOLUTION 159—SUBMISSION OF A RESOLUTION AUTHORIZING ADDITIONAL EXPENDITURES BY THE SPECIAL COMMITTEE ON AGING

(Referred to the Committee on Rules and Administration.)

Mr. CHURCH submitted the following resolution:

S. RES. 159

Resolved, That the Special Committee on Aging is authorized to expend from the contingent fund of the Senate not to exceed $2,000, in addition to the amount, and for the same purposes and during the same period, specified in Senate Resolution 316, Ninety-first Congress, agreed to February 16, 1970, authorizing a complete study of any and all matters pertaining to the problems and opportunities of older people.

EMERGENCY LOAN GUARANTEE ACT—AMENDMENT

AMENDMENT NO. 339

(Ordered to be printed and to lie on the table.)

Mr. TAFT submitted an amendment, intended to be proposed by him, to the bill (S. 2308) to authorize emergency loan guarantees to major business enterprises.

AMENDMENT NO. 341

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted amendments, intended to be proposed by him, to Senate bill 2308, supra.

FEDERAL ELECTION CAMPAIGN ACT OF 1971

AMENDMENT NO. 340

(Ordered to be printed and to lie on the table.)

Mr. PEARSON. Mr. President, I introduce an amendment intended to be proposed by me to amendment No. 308 by Mr. PASTORE to S. 382. I ask unanimous consent that the RECORD, as well as this amendment, indicate that the following Senators join with me in support of this amendment: Mr. PACKWOOD, Mr. DOMINICK, Mr. PROUTY, Mr. BAKER, Mr. MOSS, Mr. STEVENS, Mr. GRAVEL, Mr. SCOTT, Mr. COTTON, and Mr. HATFIELD.

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

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

AMENDMENT NO. 340

On page 20, strike lines 18 and 19 and insert in lieu thereof the following:

"(g) 'Commission' means the Federal Elections Commission;".

Wherever in title II of such bill, as amended by amendment 308, it appears strike "Comptroller General" and insert in lieu thereof "Commission".

Wherever in such title "he" or "him" appears with reference to the Comptroller General, strike such word and insert in lieu thereof "it".

On page 35, between lines 10 and 11, insert the following:

"FEDERAL ELECTIONS COMMISSION

"SEC. 310. (a) There is hereby created a commission to be known as the Federal Elections Commission, which shall be composed of five members, not more than three of whom shall be members of the same political party, who shall be appointed by the President, by and with the advice and consent of the Senate. One of the original members shall be appointed for a term of two years, one for a term of four years, one for a term of six years, one for a term of eight years, and one for a term of ten years, beginning from the date of enactment of this Act, but their successors shall be appointed for terms of ten years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Commission and one member to serve as Vice Chairman. The Vice Chairman shall act as Chairman in the absence or disability of the Chairman or in the event of a vacancy in that office.

"(b) A vacancy in the Commission shall not impair the right of the remaining members to exercise all the powers of the Commission and three members thereof shall constitute a quorum.

"(c) The Commission shall have an official seal which shall be judicially noticed.

"(d) The Commission shall at the close of each fiscal year report to the Congress and to the President concerning the action it has taken; the names, salaries, and duties of all individuals in its employ and the money it has disbursed; and shall make such further reports on the matters within its jurisdiction and such recommendations for further legislation as may appear desirable.

"(e) Members of the Commission shall, while serving on the business of the Commission, be entitled to receive compensation at a rate fixed by the Director of the Office of Management and Budget but not in excess of $100 per day, including traveltime; and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code.

"(f) The principal office of the Commission shall be in or near the District of Columbia, but it may meet or exercise any or all its powers at any other place.

"(g) All officers, agents, attorneys, and employees of the Commission shall be subject to the provisions of section 9 of the Act of August 2, 1939, as amended (the Hatch Act), notwithstanding any exemption contained in such section.

"(h) The Commission shall appoint an Executive Director without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, to serve at the pleasure of the Commission. The Executive Director shall be responsible for the administrative operations of the Commission and shall perform such other duties as may be delegated or assigned to him from time to time by regulations or orders of the Commission. However, the Commission shall not delegate the making of regulations regarding elections to the Executive Director.

"(i) The Chairman of the Commission shall appoint and fix the compensation of such personnel as it is deemed necessary to fulfill the duties of the Commission in accordance with the provisions of title 5, United States Code.

"(j) The Commission may obtain the services of experts and consultants in accordance with section 3109 of title 5, United States Code.

"(k) Section 5316 of title 5, United States Code, is amended by adding at the end thereof the following new paragraph:

"'(131) Executive Director, Federal Elections Commission.'

"(l) In carrying out its responsibilities under this title, the Commission shall, to the fullest extent practicable, avail itself of the assistance, including personnel and facilities, of the General Accounting Office and the Department of Justice. The Comptroller General and the Attorney General are authorized to make available to the Commission such personnel, facilities and other assistance, with or without reimbursement, as the Commission may request."

Renumber the following sections in such title accordingly.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 238

At the request of Mr. PEARSON, the Senator from New Hampshire (Mr. COTTON) and the Senator from Oregon (Mr. HATFIELD) were added as cosponsors of amendment No. 238, intended to be offered to the bill (S. 382) to establish a Federal Elections Commission.

AMENDMENT NO. 252

At the request of Mr. CRANSTON, the Senator from Pennsylvania (Mr. SCHWEIKER) was added as a cosponsor of amendment No. 252, to S. 2108, a bill to insure medical confidentiality and protect against self-incrimination with respect to information provided by veteran drug addicts or alcoholics undergoing treatment and rehabilitation.

ANNOUNCEMENT OF HEARINGS ON VETERANS' HEALTH MANPOWER AND MEDICAL CARE LEGISLATION

Mr. CRANSTON. Mr. President, I announce for the information of Senators, the scheduling of hearings by the Subcommittee on Health and Hospitals, which I am privileged to chair, of the Committee on Veterans' Affairs, on August 4, at 9 a.m. in room 6202, New Senate Office Building, on Veterans' Administration health manpower training legislation—S. 2219, S. 2355, and House Joint Resolution 748, and related bills—Senate Joint Resolution 76; Senate Joint Resolution 128, S. 2304—on Veterans' Administration medical care legislation, S. 2354, S. 1924, and related bills—S. 2340, S. 1635, S. 739, and S. 879—and on one miscellaneous bill, H.R. 481.

These bills are directed at improving health care provided by the Veterans' Administration to its beneficiaries, broadening the VA's authorities in training and education of health manpower, and strengthening and expanding the VA's Department of Medicine and Surgery affiliations with medical centers and with the medical community in general.

The primary bills under consideration have the following short and long titles:

S. 2219, the "Veterans' Administration Health Manpower Training Act of 1971", a bill to amend title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to provide certain assistance in the establishment of new public nonprofit medical, health professions, and allied health schools and the expansion and improvement of health manpower training programs in Veterans' Administration facilities and in existing educational institutions affiliated with the Veterans' Administration.

S. 2355, the "Veterans' Administration Continuing Medical Education Act", 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 Education Centers established at Veterans' Administration hospitals throughout the United States.

H. J. Res. 748, the "Veterans' Administration Medical School Assistance and Health Service Personnel Education and Training Act of 1971", a Joint Resolution amending title 38 of the United States Code to authorize the Administrator of Veterans' Affairs

to provide certain assistance in the establishment of new State medical schools; the improvement of existing medical schools affiliated with the Veterans' Administration; and to develop cooperative arrangements between institutions of higher education, hospitals, and other public or nonprofit health service institutions, and the Veterans' Administration to develop and conduct educational and training programs for health care personnel.

S. 2354, the "Veterans Health Care Reform Act of 1971", 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.

S. 1924, the "Veterans Medical Care Act of 1971", a bill to amend title 38 of the United States Code to provide improved medical care to veterans; to improve recruitment and retention of career personnel in the Department of Medicine and Surgery, and for other purposes.

H.R. 481, a bill to provide for the adjustment by the Administrator of Veterans' Affairs, of the legislative jurisdiction over lands belonging to the United States which are under his supervision and control.

The first witnesses will be the Deputy Administrator of the Veterans' Administration, Fred B. Rhodes, and the Chief Medical Director of the Veterans' Administration, Dr. Marc J. Musser.

Hearings will continue into the afternoon with a break from 12: 30 to 1: 30 p.m.

NOTICE OF HEARINGS

Mr. SPARKMAN. Mr. President, on Thursday, July 22, 1971, I introduced S. 2333, the proposed Community Development Assistance Act of 1971. At that time, I announced that George Romney, Secretary of the Department of Housing and Urban Development will testify on August 2 on this bill and also on S. 1618, S. 2049, and all other housing and urban development bills pending before the Subcommittee on Housing and Urban Affairs.

I should like to announce that the hearings will continue on August 3 at which time the subcommittee will hear from representatives of the U.S. Conference of Mayors-National League of Cities and the National Association of Housing and Redevelopment Officials on the community development bills pending before the subcommittee.

Since other witnesses have indicated the need for more time to prepare testimony on the above bills, subsequent hearings will be held by the subcommittee during the weeks of September 13 and 20, 1971. All persons wishing to testify during these 2 weeks should contact Miss Dorrie Thomas, room 5226, New Senate Office Building; telephone, 225–6348. In addition, the subcommittee will be pleased to accept written statements for inclusion in the record of hearings.

The hearings will commence at 10 a.m. each day and will be held in room 5226, New Senate Office Building.

ANNOUNCEMENT OF HEARINGS ON FEDERAL RESPONSE TO THE HOUSING NEEDS OF OLDER AMERICANS

Mr. WILLIAMS. Mr. President, the Subcommittee on Housing for the Elderly of the U.S. Senate Special Committee on Aging has scheduled hearings for August 2, 3, and 4 to begin at 10 a.m. and to be held in room 4232 of the New Senate Office Building. At this time we will hear from sponsors, developers, and tenants associated with projects built under section 202 and FHA section 236 of the National Housing Act. Numerous allegations have been made about the excessive cost to the Government and of the general inappropriateness of FHA section 236 and the interest subsidy mechanism as a means of providing housing for the elderly and low income individuals. As subcommittee chairman, I intend through these hearings to ascertain the facts.

The hearings on August 2, 3, and 4 will open a subcommittee inquiry into the adequacy and appropriateness of the Federal response to housing needs of older Americans.

ADDITIONAL STATEMENTS

REMARKS BY SENATOR WILLIAM B. SAXBE AT SENATE PRAYER BREAKFAST MEETING ON JULY 28, 1971

Mr. STENNIS. Mr. President, on July 28, the distinguished Senator from Ohio (Mr. SAXBE) spoke at the Senate Prayer Breakfast. His learned and philosophical remarks brought to bear the lessons of our belief on the problems we face today, as individuals and as nations.

Senator SAXBE pointed out that although the centuries have brought about profound changes in man's surroundings, and in society, man himself has remained much the same, and belief and worship remain fundamental to his nature.

Senator SAXBE's remarks clearly show that there is a need, more than ever, to follow the teachings of religious wisdom, of love and compassion, hope and faith. These remarks should be read in full by all who are concerned with today's problems, and I therefore ask unanimous consent that they be printed in the RECORD.

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

PRAYER BREAKFAST TALK BY SENATOR SAXBE, JULY 28, 1971

Our breakfast group over the years behaves not unlike the adult classes of the churches most of us attended before coming to Washington. Our leaders change each week as they do in many other adult classes. I think it is fair to say, knowing we have a learned group, that we search for the lessons of our belief, apply them to present day people and problems and profit thereby.

The wonder is not that so many things have changed in the history of recorded time, but that so many attitudes, motivations and reactions have remained the same. Anthropologists assure us that man has grown almost a foot in physical stature during the relative short time known in history. In the western world, his whole way of living has changed. From a tribal society bound together for survival, we have changed to a layered class society dependent on and subject to external, man-made forces over which they have no control.

It is no wonder, then, that as we are separated from the phenomena of wind and water, of hostile and often catastrophic natural forces, we tend less and less to associate ourselves with an all-seeing deity. Some scholars say that the God of the Judeo-Christian ethic is the deity of an unsophisticated and primitive nomadic people struggling with a hostile environment, motivated by basic survival and overly influenced by fear, superstition and avarice.

Yet, a review of other religions attracting sizable followings in the world indicates that the charge would be the same against each. Why then has belief and worship survived when conditions have been so noticeably altered? It could be suggested that it has survived because there are still billions of unenlightened souls whose lives are still tied to conditions not unlike biblical times; another suggestion is that there is a mystical and pervading desire to believe and if there were no religion, one would be speedily invented; that man individually and collectively needs a crutch in the form of an intangible outside presence, perhaps imaginary, but necessary and critical to man's appreciation of his place in the universe.

Perhaps a more plausible thought advanced by those of us who feel called upon to defend belief and faith is that, while external pressures on man have changed drastically over the millenniums, man himself remains the same. Moreover, according to this strain of thinking, the parables, lessons and examples of the Bible are the distilled essence of history.

The escapades, derelictions, punishments and retributions of Abraham and Isaac demonstrate the strength and weakness of man today as certainly as they did the experiences and motivations of a nomadic, tribal society five thousand years ago.

Who would say that Christ with his wisdom and love would be less timely today than in another day? It follows that if we demand reason, we need only listen to the great minds of today who say that believers and non-believers alike must, to survive, follow his teaching of love and compassion. But it also follows that his teaching of love and compassion are as true for the state as they are for the individual. So, collectively, nations can overcome their self-interest and live together in the family of man. I think most of us in this room realize that nations are selfish and will be so until the end of history, but that they are also much more than selfish and have to be.

The late Protestant theologian, Reinhold Niebuhr, put it this way in discussing the selfishness of nations: "The whole art of politics consists in directing rationally the irrationalities of men."

Theology and philosophy have never been far apart. Many precepts of ancient philosophy have found their way into religious dogma. Philosophers and behaviorists alike rationalize many religious beliefs previously held by the masses as pure faith. These rationalizations establish on other than religious grounds a history of man's progress and set out systems of values based upon scientific knowledge and, more often than not, on dialectic materialism. Practically all philosophies, however, have hedged on accepting any system religious or materialist that assumes a master plan of creation. I have never fully understood why, for I don't see any inconsistency.

If man accepts the premise that religion is outmoded and only through science can he find truth, then does it follow that we are trying to practice and teach systems of values already destroyed at the roots by that very science. I think not.

A brilliant French biologist and Nobel-prize winner, Jacques Monod, has accepted just the premise and while it may be presumptious, I must say I disagree. In a recent publication, M. Monod says that man is a result of pure chance, through unpredictable mutation, and we must sweep the plate clean of all previous religions and philosophies. "Man knows at best," he says, "that he is alone in the indifferent immensity of the universe whence he has emerged by chance." He continued: "His duty, like his fate, is written nowhere. It is for him to choose between the kingdom and the darkness."

Now if this be true, and our system of values is free for us to choose, is it not likely that we could wind up with the same set of values that we have believed but followed so carelessly through most of recorded history? Again, I submit it certainly is.

To put it plainly, our religion, Christian or whatever, could be such a value system, dressed in metaphysical trappings. If it is naive to have a fundamental belief that puts us at the center of the universe, would it profit us now to discard such belief and try to manufacture, on short notice, a substitute based on science? Certainly not.

Niebuhr spoke to this very well in espousing his so-called doctrine which, in essence, accepted God and contended that man knows Him chiefly through Christ. This doctrine in its evolved form suggested that man's condition was inherently sinful, and that his original, and largely ineradicable, sin is his pride, or egotism.

"The tragedy of man," Mr. Niebuhr once said, *"is that he can conceive self-perfection but cannot achieve it".*

Man should not passively accept evil. But should strive for moral solutions to his problems. The Christian faith cannot deny that our acts may be influenced by heredity, environment and the actions of others. But it must deny that we can ever excuse our actions by attributing them to the fault of others. Even though there has been a strong inclination to do this since Adam excused himself with the words, "The woman gave me the apple." In struggling for the good, institutional change is likely to be more effective than a change of heart. Mr. Niebuhr suggested.

Mr. Niebuhr objected especially to the notion that religious conversion could cure race prejudice, economic injustice or political chicanery. The remedy, he believed, lay in societal changes spurred by Christian realism. In this sense, man could be an agent in history by coming to terms with it and working to alter his environment.

A philosophy professor I once had declared it was difficult to believe in God—but that it was much more difficult not to. Isn't this where we find ourselves today?

The struggle between good and evil has fascinated man throughout history. But his power was limited. He could burn and kill only those he could reach. His worst depredations soon healed over. His empires and fortunes rose and fell on the tide. Succeeding generations found the world little changed by the goodness or evil of their predecessors.

All of this has changed. We have robbed the sun of its secret. We can unleash power we cannot control. But we must never forget that we can still decide when and when not to "unleash." In short, man can be the shaper of his death or of his life. But time is short. Hope and faith are not recognizable laboratory values, but they are the very basis of religious belief. Is it not better, then, today to try to tackle our problem with hope and faith and all the knowledge and awareness science has brought us, rather than to accept the bleakness and despair of no belief, no hope, no values?

Man is tough and resourceful. He has weathered many crises. With belief and hope, he can weather this one.

UNITED STATES-JAPANESE RELATIONS

Mr. PEARSON. Mr. President, relations between the United States and Japan may be entering their most delicate period since the end of the American occupation. The delicacy arises over the juxtaposition of economic and political controversies at a time when long-term relations between the two great democracies are in at a crossroads. Only the greatest sensitivity and statesmanship on both sides of the Pacific will prevent a disastrous confrontation damaging to fundamental interests of both nations.

The United States and Japan have a golden opportunity to firmly establish a mutually beneficial relationship in Asia and the Pacific based upon a concert of political and economic interests, but this relationship could founder in the next few months if politicians and statesmen on both sides of the Pacific do not act with the upmost restraint and responsibility.

The immediate issue which could provoke a dramatic confrontation is Senate consideration of the Okinawa Reversion Treaty signed by the President in June of this year. In this country, some may attempt to link the return of Okinawa and eventual withdrawal of American forces to changes in Japanese export practices and import restrictions. In Japan, for understandable reasons, the return of Okinawa has become a highly nationalistic issue. A failure to ratify the treaty, or to ratify with conditions relating to trade matters, could provoke potent forces of nationalism in Japan—forces which could shape United States-Japanese relations for years to come.

Confrontation now would be doubly tragic as signs of changes in Japanese policies hold out some promise for settlement of the most difficult trade problems.

At this juncture of United States-Japanese relations, it would be wise to place some of the relatively minor disagreements we have with Japan in the perspective of the overall importance of United States-Japanese relations. This is not to dismiss the serious individual problems caused by any economic dislocations resulting from Japanese imports, rather it is to measure those problems against the consequences of disruption of cordial relations with the Japanese.

It is not possible, in a short statement, to adequately examine the strategic importance of United States-Japanese relations. In brief, the Japanese will be leaders in Asia for the foreseeable future. Japan is the only Asian nation which can balance the power of the Peoples Republic of China on the small nations of Asia from Korea to Burma.

It is not difficult to imagine the leaders of the small nations of the area balancing Chinese influence and pressure against Japanese economic and political power. The independence of these small nations for which so much American blood and treasure has been expended, is undeniably important to American security.

The Japanese will, however, need American assistance to carry out this important strategic function; and provided cordial relations are maintained, will seek and receive assistance as needed. In short, the Japanese are a key to the successful operation of the Nixon doctrine in Asia.

Although they may be somewhat concerned about the establishment of diplomatic relations between Washington and Peking, it is difficult to believe that any future rapprochement with the Peoples Republic will supersede the necessity of maintaining close ties with the other Asian power, Japan.

Political and economic relations between Asian policies of the United States and Japan could be found in coordinated foreign assistance programs. A large proportion of American foreign assistance has been spent assisting Asian nations maintain political integrity and promote economic development. The continuation of these efforts is important to both the United States and Japan. While the political interests of the two allies are not identical, they are certainly in enough accord to permit the coordination of aid efforts.

This would have economic and political advantages for both nations. Economically, an increase in Japanese development loans and grants, as opposed to the export-oriented assistance now rendered, could relieve some of the balance-of-payments strains American aid now places on our economy. Relief of American balance-of-payments difficulties has definite benefits for the Japanese.

In addition to the desirability of increased grants and loans from Japan, the Japanese may well be able to operate technical assistance programs more easily than Americans. They should have a better grasp of cultural requirements of technical aid—problems which all too often limit the effectiveness of American programs—and should, as Asians, be less conspicuous and objectionable in war-ravaged Southeast Asia than Americans.

Increased Japanese efforts in the development assistance field could offset some of the American criticisms of low levels of Japanese efforts in defense spending. At this time Japan spends about 0.8 percent of her GNP on defense while the United States spends many times that amount on American forces defending Asian allies alone.

A good case can be made for the Japanese assuming a larger portion of development assistance efforts on both political and economic grounds. For reasons stated earlier, they may well be able to operate more effectively in the Asian cultures than Americans, while Americans—the only power really capable of strategic defense of the Pacific—are able to supply men and material for defense.

For domestic political reasons in both the United States and Japan, this division of labors may well be advantageous. We can all understand the reluctance on the part of many Japanese to develop military forces capable of supporting their Asian allies—forces which would be considered offensive forces. A number of small Asian nations would

also be uncomfortable with such a development.

On the other hand, foreign assistance has not been unpopular in Japan. Although it has been, exclusive of war reparations, mostly on hard terms and tied to export expansion, the Japanese have indicated that they will triple their development assistance efforts in the next years. By contrast, foreign aid funds are extremely hard to come by in the United States. Congress grudgingly votes money each year, and in decreasing amounts at that. Defense funds are, however, somewhat easier to secure, especially when the administration can actually demonstrate a need.

By dividing and coordinating our efforts in aid and defense, the United States and Japan could reinforce mutually advantageous policies throughout Asia and the Pacific.

For individual Americans and Japanese, somewhat esoteric international policies do not have the direct personal impact of economic relations between the two nations. Two hundred and ten million Americans and one hundred and four million Japanese carry on a trade valued at $10.5 billion, 1970. Furthermore, this trade has been increasing at a fantastic rate for the last 5 years and the prospects for continued increases are excellent.

A great deal of verbage has been expended on trade between the United States and Japan. No one denies the fact that the United States has run a sizable deficit in bilateral trade with Japan in the last few years. It is, however, imperative to consider the implications of the return to mercantilism advocated by some as a cure for the increase of Japanese imports.

It is, perhaps, necessary to make the simple economists' point that foreign nations have to sell goods in the United States to earn the dollars to buy American goods. In more specific terms, Japanese must sell radios, cameras, and even textiles, if they are going to be able to continue to buy wheat, corn, grain sorghum, and other commodities from Americans.

Japanese as much as Americans, have a stake in seeking to restore a balance to the trade between the two nations. Japanese mercantilism is as futile as American mercantilism, it does the Japanese little good to continue to hold large foreign currency reserves especially while the dollar continues to decrease in value due to inflation. The Japanese, for their part, are evidently beginning to understand the urgent need for changes in their import regulations, export practices, investment regulations, and the value of the yen—perhaps the most important element of all.

Japan is the United States second largest single market for all export products and it is the largest market of American agricultural exports. The United States is Japan's largest foreign market. The value of U.S. exports of agricultural commodities to Japan rose to a record $1.2 billion in calendar year 1970, a 30-percent increase over 1969. This trade represented a 110-percent increase over the average value of U.S. agricultural exports to Japan during the 1965–69 period.

These statistics are cited to indicate the dangers faced by American exporters, especially American farmers, if Japanese-American trade is disrupted because of political or economic disputes. This is not to imply that Japanese import restrictions, export practices, and yen value are entirely acceptable; certainly both sides need to negotiate changes in trading practices. I do want to point out the magnitude and delicacy of the problem—especially for those whose incomes depend on exports to Japan at a time when we hear almost exclusively about those whose incomes may be jeopardized by Japanese imports.

At this time, the interests of a relatively small number of persons adversely affected by imports from Japan cannot be allowed to override the national security and economic well-being of the majority of the American people—and that is precisely the danger which could arise from attempts to use the Okinawa Reversion Treaty as a bargaining device to secure trade concessions from Japan.

We cannot, of course, ignore the serious difficulties encountered by those whose jobs and investments are threatened by foreign competition. Greater utilizatiton of adjustment assistance benefits for workers and businesses affected by increased imports is the most sensible short-term remedy available to the United States. Adjustment assistance enables the entire society to bear the costs of retraining and reinvestment of resources displaced by imports. This is only fair, as the entire society benefits from the lower costs of the imported goods. In this way we adjust to competition from abroad internally, and avoid the trade wars and other international dangers of escalating protective tariffs.

I have tried to examine, however briefly, the importance of the maintenance of cordial relations between the United States and Japan and to point out that the next few months may be an extremely critical period for the formation of long-term relations between the two nations. Both nations have too much at stake to allow relatively minor, but soluble, controversies to disrupt political and economic relations in their formative months. Now is a time when statesmen must become politicians and politicians become statesmen if we are to avoid tragic disruption of our close ties with Japan.

WOW: COMMUNITY ASSET

Mr. INOUYE. Mr. President, there is a serious lack of vocational and educational services for the growing number of women, not only in this country but throughout the world, who need to work. Here in Washington we have an organization, Washington Opportunities for Women, which has pioneered in this critical field. WOW, established in 1966, is a nonprofit organization which helps meet these special educational and vocational needs and helps employers and community agencies utilize the talents and skills of women. Reports about WOW's successful efforts in Washington have spread, and more than 100 individuals and groups in this country, Canada, Europe, and Asia have contacted WOW for advice on how to set up similar programs in their own areas.

On July 2 the Christian Science Monitor published a comprehensive report on WOW, written by Mary Shivanandan. WOW is a valuable asset to the Washington community, deserving of support, and I commend the Monitor and Mrs. Shivanandan for publishing this excellent article. I ask unanimous consent that it be printed in the RECORD.

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

JOB TALENT SERVICE: WOW! HOW IT'S GROWN IN JUST FIVE YEARS

(By Mary Shivanandan)

WASHINGTON.—Betty is in her late 40's. She has an M.A. in history and has done a lot of volunteer work. Her husband is ill, her son is in college, and she needs money. How does she find a job?

Shirley, 21, is a math major, but she is employed as a secretary. How can she find a job commensurate with her training?

Mrs. Liebman hasn't worked since 1959. A 67-year-old widow, she needs to get involved but doesn't know what her field is.

These are three out of a daily average of ten to sixteen women who search out the office of Washington Opportunities for Women (WOW) located behind the U.S. Professional Placement Center here. Trained volunteers, working from 10 a.m. to 2 p.m., Monday through Thursday, assess the home situation, the education and career goals of the applicant and advise her on jobs and/or further training. In addition, a paid staff puts in 30 to 40 hours a week developing job openings, exploring study opportunities, soliciting funds, analyzing applications, and researching the needs of women workers.

WOW was started by a group of Washington women who were looking for part-time work and didn't know where to find it. "Working out of somebody's basement," in 1966, 100 volunteers researched and compiled a book called "Washington Opportunities for Women," a guide to part-time work and study, that was published as a commercial venture in 1967.

WOW'S ACCOMPLISHMENTS

Five years later, WOW:

Operates a free information and referral service for women looking for jobs and study opportunities, for employers seeking qualified part-time help, and for community organization in search of competent volunteers.

Maintains a talent bank of approximately 400 women whose qualifications and experience place them in the GS 9 category of the U.S. Civil Service or above.

Has initiated an urban teaching project with Trinity College, to train and place 45 women as part-time teachers in District inner-city schools:

With a grant from the U.S. Department of Health, Education, and Welfare, runs an information and referral center for handicapped children:

Since September, 1970, has trained as social work assistants 30 disadvantaged men and women, with funds from the U.S. Department of Labor. Called the New Careers Program, it provides on-the-job training at St. Elizabeths Hospital and accredited instruction at Federal City College.

Mrs. Mary Janney, and Mrs. Jane Fleming, co-directors, have been with WOW from the beginning. Five years and thousands of applicants later they have strong views on the job discriminations, subtle, and not so subtle, faced by women.

"It's a great myth that women don't need

to work," said Mrs. Janney. "The recent cutbacks in jobs have seriously affected women and they are angry about it." Mrs. Janney cited the case of a woman, aged 30, who had reached the GS 13 level. She was knocked down to a GS 11 and a little later fired. The woman is divorced and the sole support of three children.

A random survey of 83 women applicants to WOW in January and February, 1971, showed that more than 80 percent had a B. A. degree or above. Asked to list the obstacles in career planning and career placement, the women most frequently mentioned the attitudes of men, employers and women themselves. Employers were accused of "discriminatory hiring practices, particularly in broadcasting and journalism confining women to secretarial jobs, or refusing to hire women who might move, passing women over for promotions, not allowing them to return after maternity leave without loss of seniority" and paying unequal wages for equal work. They mentioned their own lack of confidence and societal pressures from early childhood as well as inadequate counseling in high school and college. Absence of day care facilities and inflexible hours of work or study were also listed as obstacles.

A FOOT IN THE DOOR

The fact that the women now verbalize their feelings of discrimination, Mrs. Janney sees as an advance over five years ago, and she tries to encourage the high motivation expressed by many of the young women. Above all WOW encourages them to do the right things when they are young, to get their education completed, to keep a foot in the door with part-time employment or volunteer work when the children are small.

Mrs. Fleming is appalled at the numbers who say they will be teachers. "They won't be," she emphasized. Projections by the U.S. Bureau of Labor Statistics for the 1970's forecast a continuing influx of teachers. Other traditional female occupations such as nursing and library work will not be able to absorb the growing number of women graduates. On the other hand, medicine, dentistry and engineering will need increasing numbers of workers. Women would also be well advised to look into the fields of appliances and business machine servicing and auto mechanics.

FUNDS SOUGHT

The women at WOW are continually coming up against a lack of adequate counseling in high school and college. In an effort to interest a local university in the counseling needs of women. WOW requested a graduate student to work as a volunteer. The head of the counseling department failed to understand the request. Finally the head of the rehabilitation department in charge of training the disadvantaged provided a graduate student.

WOW is now seeking funds to expand its activities. Mrs. Janney believes that their services are needed not just by college graduates, but by the whole range of women workers, particularly the disadvantaged. WOW would like to become an information and referral service for placement, refresher training, social security, legal aid, and health problems. With regard to child care, which Mrs. Fleming calls the "key" to employment for women, they would like to collect data on existing day care centers in the area and are planning their own day care pilot program. The nearby Arlington County public school system has initiated an after-school program for children of working mothers. "Women are lagging behind blacks," said Mrs. Janney, "but they have started organizing."

THE UNFINISHED REVOLUTION

Mr. MATHIAS. Mr. President, there are times, when we feel beset by the troubles of the present, that we are inclined to think of the past simply as "the good old days." We are reminded of the error of such an idyllic viewpoint in the thoughtful text of a message sponsored by station WBAL–TV in the May issue of Baltimore magazine.

I ask unanimous consent that the message, entitled "The Unfinished Revolution," be printed in the RECORD.

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

THE UNFINISHED REVOLUTION

There is a temptation, under the onslaught of contemporary troubles, to evoke evermore-rosy images of America's past.

We sometimes think of this Nation as having been born in full flower of adulthood—in the prime of wisdom, vigor and sense of purpose.

And, so the story goes, we've been sliding downhill ever since.

Taking away nothing from the very remarkable men who founded these United States, we would like to point out that, along with the disappointments, a lot of improvements have been made since those Good Old Days.

Take 1789, the year George Washington became our first President:

The long, divisive war (opposed from the beginning by fully a third of the populace) had been miraculously won seven and a half years before.

Inflation and post-war depression had strained the public purse, temper and credulity.

After two years of debate, North Carolina and Rhode Island had yet to ratify the new Constitution and join the Union. More than thirty-five percent of all delegates at state ratifying conventions had, in fact, voted against the Constitution.

Even when ratified, what did the Constitution provide?

No guarantee of personal liberties, certainly. Our precious Bill of Rights would not be adopted until 1971—as a grudging compromise to the Nation's first protest movement, the Anti-Federalists, who feared unbridled government power.

No provision for religious freedom. In New Hampshire, Connecticut and Massachusetts separation of church and state was not to be achieved until well after 1800.

No solution to the agonizing slavery issue. It would take, seven decades later, history's bloodiest war and the loss of one out of five American men of military age to erase slavery from the land.

Nor was the right to vote guaranteed even to white males.

Every state had economic, religious or other restrictions on voting. In Rhode Island more than half of all adult white males would be disenfranchised until as late as 1843.

Women, of course, would not vote until 1920 and blacks in some parts of the country would be unable to exercise that right until a century after it was established in 1870.

Universal education, labor reforms, health laws—all were yet to rise out of nineteenth century humanitarian movements.

What the Constitution did provide was a beginning—a hard-won chance to build a Nation which, more than a century and a half later, laborer-philosopher Eric Hoffer would describe as "the only new thing in history."

The Revolution goes on. Sometimes peacefully, sometimes painfully.

And there is reason for confidence.

Ours is the first great nation, in the midst of unprecedented power and prosperity, to re-evaluate its own goals, question its own rightness and work from within to correct its injustices.

May we, as Marylanders, prove as equal to the task of doing the proper thing (if not always the most popular thing) as those first practical dreamers of the American Revolution.

Let's work together . . . Meeting the Baltimore Challenge.

THE SOKOLS

Mr. BAYH. Mr. President, on July 17, I had the honor of addressing the 25th National Slet on the Slovak Catholic Sokol. At the convention, I was especially impressed by the sense of brotherhood of the Sokols and by their pride in both their ancestry and America. Since many of us are not familiar with the origin of Sokol organizations or of the particular character the organizations give to cities like Bethlehem, Pa., I ask unanimous consent that an article entitled "Bethlehem, Pa., Is Widely Known as a Sokol City," published in the July 14 issue of the Falcon be printed in the RECORD.

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

BETHLEHEM, PA., IS WIDELY KNOWN AS A SOKOL CITY

Bethlehem, Pa., is truly called a Sokol City for the reason that it has two Sokol Halls and the members of both organizations live in peace, harmony and true brotherly Sokol love and spirit, as advocated by the Sokol founders.

Bethlehem, Pa., Slovak pioneers settled in this "Christmas City" 91 years ago. On June 29, 1971, we recalled the 80th anniversary of the ordination of their late great leader, Father Francis C. Vlossak, whose Centennial birthday we observed in 1964. Father Vlossak was a pioneer priest of Philadelphia archdiocese, out of which was created the Allentown diocese. He assisted the well known Msgr. William Heinen of Mauch Chunk, known as the "apostle of the Slovaks" in the Lehigh Valley on account of establishing some 14 Slovak parishes.

Now what is the Sokol? It means Falcon and the Slavonic nations adopted the name to honor their heroes, who are called Sokols. The Sokol movement dates back to the boyhood of St. Methodius, who with his brother St. Cyril converted the Slovaks and the Slavs in the ninth century. It is related that St. Methodius as a boy was attached to a bird Falcon and practiced falconry, which was a popular sport among the European aristocracy.

The Slavonic poets and bards wrote about their heroes, whom they called Sokols.

But the movement was organized on February 16, 1862 in Prague, present Czecho-Slovakia by Dr. Miroslav Tyrs and his father-in-law Jindrich or Frederick Fugner for the purpose of Physical Fitness and training of members in virtues of life, also in perseverance to overcome the hardships of tyrannical governments, under which the Slavonic nations were forced to serve their oppressors.

The Sokols were known especially for their artistic banners, which were blessed by priests amid beautiful ceremonies. These banners were preserved and used in World War I., when the Czecho-Slovak Legions were organized in Russia by General Milan R. Stefanik, noted Slovak astronomer and scientist. General Stefanik was a Slovak and became a general in a French army within three years from an ordinary private. He served on General John J. Pershing's Allied Military Staff and visited the United States on several occasions. The first time in 1906 on his way to the Tahiti Island and the second time in 1917, when he was organizing Czecho-Slovak Legions with a Military Camp in Stamford, Conn.

General Stefanik wanted the Sokol (Falcon) to be the emblem of the Republic of Czecho-Slovakia and the highest decoration. Instead a lion was chosen.

A famous historian, Dr. Frantisek Rieger, exalted the Sokols over a century ago during one of their celebrations by naming them the Christian Knights of that period, who must always be ready to defend their faith.

The American Sokol took root after the Civil war in St. Louis, Mo., in 1865 and thus, in 1965 its Centennial was observed. It would have been started earlier but its leaders were occupied with the Civil War, aiding President Abraham Lincoln. For instance, on February 4, 1861, Colonel Geza Mihalotzy, born of Slovak parentage, petitioned President Lincoln for a permission to use his name for "Lincoln Riflemen of Slavonic Origin." The great emancipator "cheerfully granted the request."

However, after the Civil War, Sokol organizations began to flourish besides St. Louis, also in Chicago, New York, Iowa, New Jersey, Pennsylvania and other states.

It is noteworthy that during the Bi-Centennial of the city of St. Louis, former President Lyndon B. Johnson chose Stan Musial, noted baseball player, for his advisor on Physical Fitness for Musial, a son of a Polish father and a Slovak mother, born in Donora, Pa., received his first Physical Fitness training in the Polish Sokols, or Falcons.

The Bethlehem Slovak were also sports minded. The best proof is that way back in 1904 the young Bethlehem Slovaks organized the St. Anthony's Baseball Team. This team won 24 out of 26 games during that season under the captaincy of Charles Gostony, as reported way back in 1921 by John J. Bartos, one of the four living Sokol founders of Assembly 78 and our oldest Supreme Officer who were honored on December 5, 1970. During the same year the young Slovaks formed a football team. In 1908 they formed an Athletic Association of St. Anthony Juniors. In 1909 they formed the Athletic "Thomas" Club and a year later Assembly 78, was founded which was awarded many champion trophies by the Slovak Catholic Sokol organization.

The Bethlehem Sokols mindful of their duty for God and Nation, when World War I broke out, volunteered for the service in defense of their country. The records show that on June 9, 1917, first nine Slovak volunteered for the service of Uncle Sam. There were 93 Bethlehem Slovaks in the U.S. Army and 16 in U.S. Navy during World War I. George Silvay and John Nemcik paid the supreme sacrifice. The World War II gave a record number of young men and women to the service of their country and also during the Korean conflict and the present War in Vietnam.

And the Sokol organizations trained these men to be brave soldiers and loyal to their great country—the beloved U.S.A. Zdar Boh!

Your Editor,

JOHN C. SCIRANKA.

DEFENSE DEPARTMENT PROVIDING "SUPPORT" TO THAI TROOPS IN LAOS

Mr. CASE. Mr. President, it is more in sorrow than in anger that I report a glaring inconsistency in the administration position on the funding of Thai troops in Laos.

On July 15 I receved an unclassified letter from the State Department which says that support for Thai "irregular" troops in Laos is being supplied under our military aid program for Laos.

This admission directly contradicts testimony given by Secretary of Defense Laird on June 14 before the Senate Foreign Relations Committee.

I believe it also violates the Fulbright amendment which forbids the use of Department of Defense money for funding foreign mercenaries in Laos.

During the June 14 hearing I asked Secretary Laird:

The military assistance program won't take care of the moneys being spent for regular or irregular Thai troops in Laos; that comes from somewhere else.

He replied:

That is correct. The military assistance program will not fund that program.

I continued:

In other words, you are not going to use military assistance or military credit sales in the future for mercenaries or other third-country military forces. This is not done now and you do not propose to do it in the future out of military assistance programs?

Secretary Laird answered:

No; the military assistance program is not used for that purpose and will not be used for that purpose.

And later, Secretary Laird said:

We can only provide excess military equipment to countries that have been approved for funding in the military assistance program.

I asked:

They cannot be used for irregular troops?

He answered:

That is correct; military assistance is furnished only to governments.

Yet a month later on July 15 the State Department wrote me:

Support for these [Thai] irregulars is supplied under the Lao military aid program which, as you know, is funded through the Department of Defense budget as "Military Assistance Service Funded" (MASF).

Secretary Laird's testimony may possibly be semantically in accord with the State Department letter if one were to accept that the military assistance program refers to only that part of military assistance funded through the Foreign Assistance Act and not to "Military Assistance, Service Funded." But since all military assistance to Laos and Thailand is "Military Assistance, Service Funded," this explanation would seem a bit attenuated, especially in light of the State Department's description of it as the "Lao military aid program—funded through the Department of Defense Budget as 'Military Assistance, Service Funded.' "

I stated in a speech on May 20, 1971, that I had learned "from Government sources that there are four to six thousand Thai troops in Laos and the U.S. Government, through CIA, is paying for them."

I stand by that statement, and I am glad we now have a better idea of where the money is coming from.

But the fundamental issue remains of the public's and the Congress' right to know what is happening in the "Secret War" in Laos. After all, the U.S. taxpayer is financing activities in Laos to the tune of at least $350 million annually, not to mention the estimated $2 billion cost for the air war over that country. The North Vietnamese and their allies certainly know we are fighting them in Laos, so why can the American people who are paying for it not have the same information?

An important first step would be for the administration to facilitate publication of the Senate Foreign Relations Committee's staff report on Laos which is currently being delayed because of administration insistence that certain information, already reported in the press, be treated as classified. The administration apparently includes in this category details concerning the Thai troops in Laos, about which the State Department has just written me.

I would welcome an administration white paper which gives all the details on Laos: What it costs? Who is fighting? What agreements have been made with foreign governments; and of course most importantly, when will it all end?

Mr. President, I ask unanimous consent that my letter to the State Department on the Thai troops in Laos, a Washington Star article, and the State Department's reply be included in the RECORD.

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

JUNE 21, 1971.

Hon. WILLIAM P. ROGERS,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: I am enclosing Tammy Arbuckle's June 15 article from the *Washington Star* which reports that the Administration is planning to circumvent possible Congressional prohibitions on funds for Thai troops in Laos by supporting these troops with funds earmarked for assistance of Thailand.

I would appreciate it if you would comment on the points raised in Mr. Arbuckle's article and also answer the following questions:

1. Does the U.S. Government have any assurances from the Thai Government that assistance for Thailand will not be diverted to Laos or Thai troops serving in Laos?

2. What procedures does the U.S. Government have to insure that assistance to Thailand is not diverted to Laos or to Thai troops serving in Laos?

3. Is there any statutory basis for the Administration to authorize Thialand to divert assistance to Laos or Thai troops serving in Laos?

4. Does the Administration consider the anti-guerrilla campaign in Northeast Thailand to be another front of the war in Laos?

5. Are there any limitations on the use by the Thai Government of U.S. assistance?

Sincerely,

CLIFFORD P. CASE,
U.S. Senator.

[From the Washington Star, June 15, 1971]

OUTWITTING SENATE TO PAY THAI TROOPS

(By Tammy Arbuckle)

VIENTIANE.—The Nixon administration reportedly has a new gimmick ready to pay for Thai troops in Laos if the Senate prohibits funds for the Thais, informed sources here said.

The gimmick is to hide payment to the Thai troops serving in Laos in funds earmarked for Thailand itself.

"Formation of a force for antiguerrilla activities in northeast or northern Thailand will be announced," the sources said. "But these Thais will be sent to Laos and the money for that force will be used to pay for the Thais already serving in Laos."

The sources had no doubt this scheme would succeed. They said that although many Thai regular units were used in Laos,

the Thai government as a whole was not fully informed of the situation.

The U.S. government, according to the sources, makes lump sum payments or bribes high-ranking members of the Thai army and government for the use of these units.

Some units are totally recruited from northeast Thailand, where Lao is the ethnic tongue, using the same system.

Recruiting is done there with the help of Thai military commanders. Sources gave this response to questions on feelings among Lao military officials following statements in the U.S. Senate about cutting the financing of Thai troops.

"Now you can see why the (Lao) generals are not worried," sources said on the Senate outcry.

Another Lao source said "you must understand we need the Thais."

None of the Lao generals was willing to send reinforcements to Gen. Vang Pao, the 2nd Military Region commander whose Meos have been taking the brunt of North Vietnamese attacks in north Laos.

Lao military sources said Premier Souvanna Phouma himself requested additional help for Vang Pao, who lost most of his able-bodied Meos in action.

Meanwhile, Thai troops in North Laos are taking serious casualties, now estimated at 700 killed in action, over half of them this year.

The high casualties were caused because the Thais, with some bravery, made infantry charges up the hill slopes at Ban Na on the edge of the Plain of Jars against dug-in Vietnamese machine gunners. Lao troops who did not expose themselves to fire in the same action, suffered few casualties. "We did not just charge up the hills like the Thais. We were acting independently," said a source.

Thailand's two battalions which took part in the Ban Na attack were further decimated by three accidental U.S. air strikes on them. These U.S. errors took place on April 1, April 4 and April 6 this year on Thai battalions 904 and 600.

Thirty seriously wounded Thais were taken to Udorn hospital in northeast Thailand and 40 more were treated at Long Cheng.

All told an estimated 100 Thais were killed on the slopes near Ban Na, where the incidents happened.

DEPARTMENT OF STATE,
Washington, D.C., July 15, 1971.

Hon. CLIFFORD P. CASE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CASE: The Secretary has asked me to reply to your letter of June 21, 1971, enclosing a *Washington Star* article by Tammy Arbuckle concerning U.S. financial support for Thai forces operating in Laos and posing questions about the Thai use of U.S. military assistance.

Since there are no Thai regular troops in Laos, we presume reference is being made to the Thai volunteers who are operating in irregular guerrilla units in Laos under the command of the Royal Lao Armed Forces. Support for these irregulars is supplied under the Lao military aid program which, as you know, is funded through the Department of Defense budget as "Military Assistance, Service-Funded" (MASF). Under current appropriation legislation, such funds can be used to support local forces in Laos. The Royal Thai Government has no control or part in the dispensation of Lao MASF, and no equipment, supplies, or funds are provided to the Royal Thai Government for the irregular Thai volunteer units in Laos. As you may recall, I have made other comments on the subject of Thai forces in Laos in my letter of May 19, 1971 to you.

Military assistance to Thailand, both formerly under the Foreign Assistance Act, and, more recently, under service-funding (MASF), has been furnished for the purpose of contributing to the defense of Thailand, including its internal security. The limitations on the use by the Thai Government of U.S. assistance are stated in the agreements between the U.S. and Thailand respecting provision of military assistance, in particular the Agreement of October 17, 1950, TIAS 2434. The Agreement includes undertakings by the Government of Thailand to use military assistance provided by the U.S. only for the purposes for which it was furnished except with the prior consent of the Government of the U.S. and to retain title to and possession and control of any material, unless the Government of the U.S. shall otherwise consent.

The limitation in the 1950 agreement is reinforced by the Military Procurement Authorization Act of 1970. PL-91-441. Section 502, which applies to the question of the Administration's ability to consent to a transfer by Thailand of U.S.-supplied military assistance to another country. The Act provides that no defense article may be furnished to Vietnamese and other free world forces in Vietnam or to local forces in Laos and Thailand with funds authorized for use of the U.S. Armed Forces (i.e., MASF, the current basis for funding such military assistance) unless the government concerned—in this case Thailand—shall have agreed that it will not, without the consent of the President, transfer the article, permit its use by anyone not an officer of the government, or use or permit its use for purposes other than those for which it was furnished.

The Act provides that, when the article is no longer needed for the purposes for which it was furnished, it will be returned to the U.S. unless the President consents to another disposition. The Act further provides that before the President may give his consent to a transfer or new use he must provide written notice to the Speaker of the House and the President of the Senate 15 days in advance of his proposed action.

There is accordingly no statutory or international agreement authorization for Thailand unilaterally to divert assistance received under Thai MASF to the Government of Laos or to the Thai volunteers in irregular forces operating in Laos. No unauthorized or authorized diversion of Thai MASF has occurred nor are there plans for any such move. I can assure you that we do take precautions against such diversion. Military assistance to Thai forces in Thailand is carefully monitored. Requirements for military assistance are developed in the field by the MAAG in consultation with our Embassy in Bangkok and the Ambassador. These requirements are validated at CINCPAC and forwarded to Washington. In Washington they are jointly reviewed by the Departments of Defense and State before programs are finally approved. Close interdepartmental scrutiny is given to the programs.

This Administration has followed, and intends to follow, existing laws. We are concerned with effectively implementing the Nixon Doctrine which would encourage Asian regional cooperation. One example of such cooperation is the assistance which the Thai Government and Thai individuals are providing to Laos. This assistance reflects a genuine Thai interest in its neighbor. Thailand shares a 1,090 mile border with Laos and has a natural concern over the impact that developments in that country may have upon Thailand's own security.

You asked about the relationship between the anti-guerrilla campaign in Northeast Thailand and the war in Laos. The Thai counterinsurgency campaign in Northeast Thailand is an internal defense effort and not another front of the war in Laos. However, this is not to deny the obvious—namely, that the unstable situation along the porous Lao/Thai border enhances the ability of the Communists in Thailand to receive materiel assistance from outside sources and to use neighboring areas of Laos for sanctuary and training purposes. It should be noted that the Thai Communist Party is an independent entity and, as far as we are aware, does not have any organizational connections with the North Vietnamese Communist Party or its offspring, the Laos Communist Party.

I hope the above provides satisfactory answers to your questions.

Sincerely,

DAVID M. ABSHIRE,
Assistant Secretary for Congressional Relations.

AMERICAN FOLKLIFE FOUNDATION

Mr. HARRIS. Mr. President, on May 24, 1971, I introduced the American Folklife Foundation Act to recognize and build upon the vital role of folklife within American culture.

On July 2, Congressman FRANK THOMPSON of New Jersey and I held hearings on this legislation. Among those testifying, all of whom were either involved in folk culture or dedicated leaders in its promotion and support, were Vine Deloria, Jr., author of "Custer Died for Your Sins," Johnny Shines, a modern blues guitarist from Alabama, and Dewey Balfa, a Cajun fiddler from Louisiana. This hearing dramatized the need to invest in our human resources, in the quality, range, and talent of Americans, much as we invest in our other natural resources. I ask unanimous consent that the text of that hearing be printed in the RECORD.

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

AMERICAN FOLKLIFE FOUNDATION HEARING,
JULY 2, 1971

Senator HARRIS. I welcome you to this "Folk Hearing" on legislation which Congressman Thompson (D., N.J.) and I and others have introduced to create an American Folklife Foundation.

These hearings will be transcribed and printed in the *Congressional Record* for use in connection in the official hearings held in the Senate and the House.

I would first like to thank S. Dillon Ripley, Secretary of Smithsonian Institution, and other officials of the Smithsonian Institution for making it possible for us to conduct this hearing as a part of the Smithsonian Institution's 1971 Festival of American Folklife.

The bill which Congressman Thompson and I have introduced would create an American Folklife Foundation within the Library of Congress. Through this Foundation, vital public support would be lent to a wide ranging effort designed to foster both a broader and deeper understanding of this country's rich folklife. This festival, itself, may I say, is an outstanding example of an effort which the American Folklife Foundation could support.

I have a special interest in American Indians, American, English dialects and in blue grass music, but I am interested in all aspects of American Folklife culture. I am very much interested in this effort here that has been going on at the Smithsonian for several years.

Additionally, the American Folklife Foundation could support scholars and field researchers and thereby give us all a better understanding of the cultural history of America. But the purpose of this legislation is not simply to know what was and then to

store it in an archive to gather dust. Rather we are interested in bringing the American folklife of 200 years ago, as well as the folklife of 20 years ago and of today, to bear on the daily lives of today's Americans. While we contemplate pure academic research in this bill, we also contemplate much more than that. We contemplate dissemination and preservation of America's folklife in such a way that it can bring understanding and perhaps even some wisdom to the decisions that our people—both individually and as a society—must make today and tomorrow.

The witnesses then we have today are people that effectively promote our folk culture, and I appreciate their willingness to participate in this hearing and their dedicated support of America's folklife.

I am Senator Fred Harris of Oklahoma and the House sponsor of this bill is Representative Frank Thompson of New Jersey who will now make an opening statement and present our first panel.

Representative THOMPSON. Thank you very much, Senator. I join Senator Harris in my enthusiasm for this and my gratitude to those who have agreed to testify. We shall first hear from Dr. David C. Sweet, Director of Ohio Department of Development and Ohio Supervisor of the 1971 American Folklife Festival; Reverend Mel Klokow, a minister of the Moravian Church in Ohio. His congregation will conduct a Love Feast at the festival, for which they are baking right now; and Dr. Francis Utley, Folklorist, Ohio State University. Gentlemen, we welcome you indeed and are pleased you can be with us.

The Festival of American Folklife has attracted hundreds of thousands of people in past years, and proved the widespread grassroots interest in the ethnic and folklore traditions of our nation. America has always taken pride in the diversity of its people, and the great contribution which many ethnic and racial groups have made to our culture, such as we have just seen in the Ohio exhibit. Many groups are represented. Building a strong nation does not require the sacrifice of cultural diversity and individuality. Quite the contrary, our nation will be the stronger, the more we learn to appreciate and value the many folklife traditions which shape our culture.

The bill which is the subject of this hearing is designed to develop, promote, and implement a broadly conceived national policy of support for American folklife. The definition of American folklife contained in the bill indicates the broad area of our national heritage which the bill encompasses. It reads:

(a) the term "American folklife" means the traditional customs, beliefs, dances, songs, tales, sayings, art, crafts, and other expressions of the spirit common to a group of people within any area of the United States; the term includes, but is not limited to, music (vocal and instrumental), dance, drama, lore, beliefs, language, humor, handicraft, painting, sculpture, architecture, other forms of creative and artistic expression, and skills related to the preservation, presentation, performance, and exhibition of the cultural heritage of any family, ethnic, religious, occupational, racial, regional, or other grouping of American people;

This Folklife Festival is a fine example of one type of activity which the legislation would promote and support. The bill would also provide for a number of other things, which the Senator has mentioned:

(a) research, scholarship and training in American folklife:

(b) a national Archive for the collection of creative works, handicrafts, objects of art, films, audio recordings, and other records which represent or illustrate some aspect of American Folklife:

(c) The production of films, exhibitions, and displays which represent or illustrate some aspect of American folklife:

(d) dissemination of information on folklife traditions and arts by the broadcasting of appropriate films and by loaning displays and exhibitions to museums, schools, and other groups:

(e) the production of materials specifically designed for use in classrooms, to be made available to educational institutions:

(f) the support of live performances, and workshops.

American Folklife has a fundamental impact on the beliefs and values of our people. It is appropriate, therefore, for the Federal Government to act now in developing a program of support for preserving and disseminating our folklife traditions and arts.

Now we shall hear from Dr. David C. Sweet.

Dr. DAVID C. SWEET: Senator Harris, Representative Thompson, thank you. The Department of Development is charged with the responsibility of making effective use of Ohio's resources to achieve economic development in the state. Business and industry assess the quantity and quality of a wide variety of a state's resources in their decision to invest capital in new or expanded facilities. We have learned that the most important resource a state can possess is its human resources—the quality, range and talent of its people. Because we believe in the need to preserve and cultivate Ohio's human resources, the Department of Development undertook the support of the state's featured role in the Smithsonian's Festival of American Folklife.

The Department of Development and the entire Administration of Governor John J. Gilligan are committed to providing what we term "people-related" services—quality education, health care, welfare, recreation and a wide variety of others. Our association over the past several months with the Smithsonian has made it possible for us to provide another vital service to the people of Ohio—a knowledge and understanding of who we are—of what it means to be an Ohioan as reflected in the folkculture of our cities, towns and farms. We believe Ohio's strength and potential for future growth is rooted in the cultural diversity and richness of our folk culture.

We use the phrase "Partnership for People"—and we both have an indication of that—to describe the unique union of Ohioans that has made possible months of Smithsonian field research in the state culminating in the presentation of Ohio folk culture on the Mall this week. In addition to the wide range of Ohioans represented by the 165 participants in Washington, Ohio business, industry, foundation and private individuals and groups have contributed funds to offset Festival costs to the Ohio taxpayer. The "Partnership" will enable us to provide long term benefits for all Ohioans based on the work begun here at the Folk Festival. We will bring most of the participants to our State Fair this year—and every year. Ohio Bell is funding and creating an educational film examining the diversity of Ohio folk culture for use in the state's public schools. We believe this film will provide a lasting record of our rich cultural heritage. In addition, we hope to establish an annual folk festival in the state making it possible for large numbers of Ohioans to develop an appreciation for their own folk arts and crafts.

If Ohio's cultural heritage and diversity is to be used wisely as a resource, an effective, unified, long-term approach to the study and presentation of folkculture is essential. Such an approach is provided by the American Folk Life Foundation Act. Our experience in Ohio makes clear the need for extensive, sophisticated field research if the true quality and quantity of a state's folkculture is to be discovered. Smithsonian research in Ohio revealed a virtually untapped resource in our state.

Discovery of a resource, however, is not alone sufficient to insure its long-term value to a state's population. As in other states, we are vitally concerned with the protection and preservation of our natural resources. Ohioans demand a better quality of life and, therefore, the preservation of our air, water, trees and terrain is essential. We recognize that once a natural resource is decimated, we cannot restore it. We feel strongly that Ohio's human resources—specifically our wealth and folkculture must be preserved, protected and cherished in the same way. The Folklife Foundation Bill, as proposed, represents an effort to explore and conserve what I believe to be the most important resource for the future development of the State of Ohio and our nation. Thank you.

Reverend MEL KLOKOW. Senator Harris, Representative Thompson, this is a great privilege for me. I'm Reverend Klokow, and in my ministry, I have had the privilege of working among various ethnic and racial groups over the years. Inherent in my love for people is the beautiful experience that each one in terms of his past and potential is highly unique. We came to this festival as only one small segment representing what Ohio is representing in general here—its great heritage.

The life of our people in Ohio dates back to 1771 and the two instruments before me now are dated 1789 and 1804. Both of these instruments were in the works of our early Moravian missionaries among the Delaware and Muncie and Wyandotte and Shawnee Indians in the State of Ohio when it was still the Northwest territory. My own belief and love for people centers in the fact that each person is highly unique—in not only what they do but what they are as a person, whether it is music or in crafts or in some other tradition, is something we cannot afford to lose.

I have seen many groups and churches, for example, in which I am best experienced, yield their traditions and customs only to lose something that was irrecoverable. And then they enter that place where they really didn't know what to do with themselves because they had given up something that was of long standing, as much as 200 years, and had nothing ready to put in its place that had purpose and meaning.

Someone summed it up very beautifully when they passed our Moravian booth and they saw the making of the beeswax candles and Moravian stars, both of which date back nearly 200 years in our state of Ohio, and they came and said, "This is the first time I have seen a living museum." I think that is tremendous because I have been through many buildings here on the Mall before I came this time, and I intend to go through many more of them in the future. The one thing I remember and see though is that here is a tremendous Mosaic that you find in no other nation in the world. I for one would like to see that not only greatly pushed in terms of support but something that would become a forthright reality very very soon. Thank you very kindly, gentlemen.

Dr. FRANCIS UTLEY. I'm Francis Utley of the Ohio State University. I have been acquainted perhaps for a long time with the third aspect of this study which we call folklore—the academic. This is the side perhaps that is the most frightful and dangerous because it might tend to freeze the nature of what we have, to emphasize the antiquarian nature of it and too often in the past it did just that. I would say that the most exciting thing that is now happening in colleges is that we are beginning to realize that these things do have immediate life in them, that they are not something which is dying—that was the old cry of the folklore—let's get it done and recorded before it is dead. The odd thing is that once we started to do that we discovered how fantastically and vigorously alive it was and how it changes, how

it goes through significant process changes on all sides. Mr. Sweet has told you something about the general thrust of Ohio; Reverend Klokow has told us much about the richness of his own people's traditions; I would like to stress one or two other points.

In 1950, I, along with a number of other people, founded an Ohio Folklore Society. There was a general tendency to state, well, Ohio really doesn't have any folklore any more—or you can't get hold of it—oh, perhaps there are a few pockets down in the hills—or something like that—or a few people who spill over from neighboring states. But, there isn't much to go on thereafter. I would say that 20 years has indicated to us and this present festival how fantastically wrong that was. We have found Ohio is indeed rich or richer than many states simply because of the extraordinary diversity of its economy and of its people—a state divided very strongly by the industrial and farmland and in between a variety of each of these.

The second thing—at a similar time about as long ago as that—I was a Democrat and I was President of the American Folklore Society. The American Folklore Society at that time again was most interested in the research in the things one could put down which the country Vickers picked up in England in the 19th Century, charming things under oddities that all of us are supposed to laugh at with enthusiasm, superstitions, perhaps occasionally with a little bit of awe or respect.

As we moved on we discovered more and more how complex the whole relationship of human activity is. The basic fact which we did observe at this particular point, I suppose, was that in the United States of America and all over the world there has been a tendency towards standardization. This has gone with mass production, something very important that has brought some kind of richness to people's lives, certain kinds of material richness to people's lives, etc., and obviously it isn't something that is about to be abandoned but it has also created a kind of tradition that has bothered many of us.

I am sure that much of the trouble we are having at the present day, much of the feeling of explosion, the feeling of separateness, the feeling of alienation has come from an unconscious tendency to create everything in a uniform pattern. When many people came to this country in the first place, they attempted to Americanize themselves, and Americanization was, itself, important—learning a language was important, learning the customs, learning not to insist on being so different you couldn't get along with people, learning some way of being able to communicate and the rest of it.

So that first generation and also the second generation was fantastically concerned with uniformization. Oddly enough the third generation—we find this in every group; we find it also among white Americans and we find it among people who come from the country to the city, we find the same tendency where in the third generation—people are beginning once more to realize the importance of their heritage—trying to go back.

I spoke once to the local President of the Greek organization in Columbus, and I said tell me something about the growth of your organization. He said, "Well in 1920 we founded ourselves; we were a little bit political, and most of us were very anxious to bring everybody into the American scene and to make them as much like everybody else as possible."

"Many of us now who have come over and are fairly well to do are extraordinarily anxious to bring back to our friends our ancient Greek traditions and our whole society has changed in its tendency."

This is true of most groups and it is unconsciously true of a great many groups. I think if you watch various things over at the Folklife Festival which is merely an epitomy of what we have all over the country you will see this diversity. You saw those Gladstone elementary school little black children doing their children games and showing an extraordinary energy, an energy so fantastically, so unbelievably vigorous that you just say as you watch it, I don't want that thing to dissipate. I want that thing to remain and go into the channels that will be productive both to those people as people and to members of our American community and by recognizing their force at this point—and I am sure indeed you have done something right then and there for those eight children that will prove historically important for them in their own experience. If you see the Moravian Love Feast which Reverend Klokow has suggested to you we see another cross-section and important element, rich in all of its detail, bound together, tied together, not drawn apart, not scattered, but meaningful. And if you see the Greek singers, the Irish band, or the Irish dancers or the various people creating their own particular kinds of food—America, as far as food is concerned, has become cosmopolitan. We do know that. The two most typical restaurants by the way in the Army of Occupation in Germany, I happened to notice at one point, the two restaurants you will find in every one of them is an Italian Restaurant and the other Chinese Restaurant. Obviously if the boys want good home food they have to get either Italian food or Chinese food. They also have a third place which has hamburgers or steaks. But this type of diversity is the same that will give us ultimate, not uniformity, but an ultimate meaningfulness in our lives which will bring the groups themselves together better. If we ignore it it will scatter and destroy us. So I think perhaps with that particular statement I should end by urging the importance of such a bill, such a recognition from the United States Government, as well as from the various State Governments, private individuals, the importance, the liveliness, the life, the vigor and the future of folklife study and of its applications.

Representative THOMPSON. Thank you very much, for a splendid articulate statement from the distinguished authority on the subject. One might comment that the diversity seen in Ohio is undoubtedly duplicated in each of the states in different ways. Senator Harris knows more about Indians than I. And speaking of Indians I couldn't understand the Reverend identifying the Delaware Indians in Ohio. I thought they were in my area along with the Lenni Lenapes.

Reverend KLOKOW. They're there.

Representative THOMPSON. They are gone for the most part but they still exist and we inherit their culture and their traditions and occasionally learn something through their artifacts. I am delighted that Ohio as a state is here; I am delighted with the effort so many people have made to have you here. We've tasted your cheese and have eaten your sweets and we missed everything but the Love Feast so I thank you very, very much for coming, and I wish you well.

Senator HARRIS. We'd like next to call on others representing the Festival participants. Clydia Nahwooksy, will you come forward; Dewey Balfa, a Cajun fiddler and singer from Basile, Louisiana—he and his family will present programs of Cajun music during the Festival; Johnny Shines, a modern blues guitarist and singer from Alabama. Mr. Shines and his electric blues band will be performing throughout the Festival; Vine Deloria, Jr., a well known author and American Indian whose "Custer Died for Your Sins" has become an American classic. We're glad each of you is here. Clydia, why don't you begin.

CLYDIA NAHWOOKSY. Thank you, Senator Harris, and Congressman Thompson. American Indians today are still with us. I suppose they may not be in the Congressman's district. I know there are a lot in Oklahoma. I know there are a lot all over the nation; we aren't the vanishing Americans. We're very much here. I hope you will visit the Festival area that is Indian and know that this kind of thing that is happening at the Festival today and throughout the Festival is the kind of thing that's happening in Indian communities all over the nation. We have been sustained in so many ways in being able to retain the arts and crafts and language of our people to some extent—not nearly as much as we would like. Through these various kinds of activities we hope to acquaint visitors here, visitors in our home communities, people throughout the nation with the contributions that American Indians have made to the country. When you go to visit the home of an American Indian person you seldom come away without bringing something with you. You never go in without being offered food. You never come away without being given a song or a story or some small material thing to take with you. I feel this is the kind of contribution that we have continually made; we encourage people to recognize his whole philosophy of giving and sharing. This shows up very definitely in the kind of culture that each group of people have through their songs, through their baskets, through their paintings. We continue on in this way and with this folklife bill and the kind of support that it might give to the Indian communities through the activities they have on their own for a lot of years continued and encouraged further national support could give to the small start and the long lasting kinds of smaller things that we have been doing on our own for a lot of years. Thank you.

Senator HARRIS. Mr. Balfa.

DEWEY BALFA. Thank you Senator. I don't really know how to start. I would like to say that Cajun is a descendant of the Acadians that left France some 250 years ago and went to Canada, Nova Scotia, and from there to the eastern states and into Louisiana and the word Cajun is a corruption of the word "Acadia." We are very proud to be here and also with some other guys, my brothers and the Art Lance family with us. I think that the most beautiful thing that ever happened was when Mr. Rinzler was scouting for the Newport Foundation and came to southwestern Louisiana where you find the Cajuns or Acadians, and the type of music that we do is very, very unique. You will find it only in this part of the country, and it was about dying out by the younger people until, as I said Mr. Rinzler came over, and I was very fortunate to be one that was chosen to go to the Newport Festival in 1964 and from there we have participated in Festivals all over the United States, in Mexico City and are very proud of our culture, our music and if you have never visited southwest Louisiana, you should come over and have some gumbo, sauce piquant and maybe a tin of fiddle dough, which is a night dance and I think that there is nothing more beautiful than to have Mr. Rinzler and all of the people affiliated with him have us start going to the Festival. It means a whole lot to us. It means very, very, very much and with this I would like to say thank you.

JOHNNY SHINES. It is a pleasure to be here. There are so many things to be said about the modern blues which I am representing. There are so many things that are lost through the times and most of these things have been lost through success—success has caused so many of us to forget about the blues. But I have a feeling that if we forget yesterday we'll be very much unprepared tomorrow. The blues which we are playing—which we are representing—is as much a part of America as the Star Spangled Banner. These tunes we are playing were written with blood, sweat, tears. They were sealed with our bodies horizontal on the ground; they were

sealed with our bodies hanging vertically from the trees; they were sealed by the grunts and the groans from men working on the railroads, highways, levees, cleaning out the rivers and many varieties of work that we, the people of the blues, had to suffer and endure. We did this. The blues were created through these activities and I hope America doesn't forget this. I think it is a privilege to be able to sing and play the blues and remember the things that have happened to us yesterday, because we forget them. We should always remember these things, and I only wish more people would consider these activities to be as important to them as I feel that they are to me. I wish that Senator Sparkman were here to speak his peace about the things we are doing, as well as George Wallace. I wish they would all try to help promote this thing and put something into it to add to it, to make it greater than what it is now. Thank you very much.

VINE DELORIA, JR. Senator, you kind of caught me off guard. I was standing in the back there. I understand the Pentagon has a secret document on the Sioux Wars and I was in town to get it from them. I feel kind of out of place here with the group of immigrants here but I see an Indian group down the road. If you would all like to pay your immigration fees over at that booth—those of you who forgot—we'd be happy to take them.

I hope, Senator, you go back to Congress and push very hard for additional Congressional support for this Folk Festival. I think all traditions and cultures and ethnic groups represented here is more representative of what America is than any of the other festivities that we have. I think Congress should really get behind it and get additional funding and resources. If they don't maybe next year we could bring in some rain dancers and keep it raining until they decide to give us some appropriations. Thank you.

Senator HARRIS. Mrs. Nahwooksy, Mr. Balfa, Mr. Shines and Mr. Deloria, thank you all very much.

CLYDIA NAHWOOKSY. Senator Harris, pardon me sir. We have been asked to bring some lay people to the Folk Festival and I wonder if there would be time to hear them. Thank you very much. We have Mrs. Rosetta Ruyle from Juneau, Alaska, a Tlingit Indian, and Mrs. Barbara Farmer from Portland, Oregon, a Klamath Indian. They are Festival participants. Mrs. Farmer is coordinating the Washington-Oregon people to the Festival this year.

Mrs. BARABARA FARMET. I am here representing Northwest Tribes during the 1971 Festival but I would like to express my thoughts on how the Festival affects American Indians nationally. Various tribes are able to express their thoughts on problems and programs Indian people face today to the panels which are held there daily, and we are able to present to the public our lives as we live them, our traditional craft work that continue today, our dancing, our singing. We are very happy that we are able to participate in the Festival. Through this Folklife Festival we have a chance to represent our people and show how proud we are of our life and of our group.

Mrs. ROSETTA RUYLE. If you ever come to Alaska we will greet you, noble one. I am an American, but just as important I am a Tlingit Indian from southeast Alaska. Since my grandfather is too old to come he has asked me to tell his words for him and so I speak slowly and I try to choose the words he would say if he were here. I could say that I am an acculturated Indian. I have studied your way of life and I know my way of life, and I choose to bridge the gap and take what is best of both. I believe we have many things to offer you. We, American Indians, have many things in our way of life that would be beneficial to our American society today, and I have chosen to dedicate my life in educating Americans of our way of life. We all know about Indian problems, the statistics, they are all over. Do they astound any one that we have such a high infant mortality rate; we are hardly educated; we are unemployed; nobody winks an eye at us. We accept it. I believe that we need not only educate our people but also educate you. American Indians have been considered second-class citizens. But I believe—I sincerely believe—that if American people knew the ways of our people they would not think of our people as being second-class or second-rate people. So I think this folklife festival is important in educating you, in helping us to raise our standard of living. We were not always poor people. In traditional times we were rich. I would also make one more plea that in any programs that are established for American Indians I would ask that we be consulted that our advice be asked. You have said why can't American Indians raise themselves up—you have given us welfare—you have given us many bills to help us. But yet you don't come to us and ask us, how can we do it. And I hope that when this bill is passed and I beg and I plead that it is passed that you come to us and ask for advice because we have much advice to give. I thank you very much.

Senator HARRIS. Next, we have Mrs. Pennington who has performed at the request of President Franklin Roosevelt, for George the Sixth and Queen Mary of England in 1939. It is an honor to have you here and we are honored also to have Mr. Pete France, who is Director of the Second Regiment Band of Ohio which is a band from the black community, a non-profit organization established in 1898 by Mr. J. P. France, the father of the present Director; and, of course, Mike Segar is a well known collector and performer of folk songs, his father an imminent ethnic musicologist and cultural director for music programs for the Pan American Union and worked with the Archives at the Library of Congress. We will hear first from Mrs. Pennington.

Mrs. PENNINGTON. Thank you Senator. I was here in 1939 and I played for a command performance for the Queen of England and for the Roosevelts in the White House and all their distinguished guests, and it's so wonderful to come back here today—32 years later—and see this big festival going on and be a part of it. I think that's wonderful. I believe that Allen Lomax was in the Library of Congress back in those days in 1939—he was also on the program that night playing Old Chisholm Trail and we got acquainted with Allen and I believe that is one of the reasons why I'm invited to these is because of knowing Allen and his sister Bess. I'm so happy to see this festival and see it growing. They say it's only five years old but you can see there are thousands and thousands of people swarming around here and an awfully lot of interest. It is just wonderful because we grew up on these songs that we sing and it is just wonderful to have someone ask you to sing them anymore, because these rock and roll kids are just taking over—I have two in my family. They have a band, each of my boys have, and are just doing wonderful. But one of them, the drummer, is learning to pick the banjo and I'm very happy about that, and also my son-in-law and my daughter are beginning to take it up. So, I thank you and I am very happy to have testified.

PETE FRANCE. Senator, and all fellow musicians. This is one of the greatest pleasures I have ever had in my 68 years in this world and 50 years with my band which is here now. I want to thank Ralph and all of the committee who helped us—and I would like to say this—that I think our United States government doesn't realize just how close the people in the United States can get together because at this college where we are staying, Trinity, I think we have every nationality in the world together like brothers and sisters. It can be done if we tried. We had one problem when we left Columbus. I was in the hospital in May and my doctor said, Pete, you can't go. So I got on my knees—and I think all of us should do that like I said in the auditorium, thank God—that we have the United States of America where it couldn't happen any where else but here so I'm here and we have some girls here I want you to see. We have four here. I heard this lady talking about we need help. The only help we get is what we are doing now and for me I plead with you, Senator, go back to your Senate and your Congress and the President of the United States and let's take some of the money we throw other ways and give to us so we can meet back here next year so we can have a good time. Thank you and God bless.

MIKE SEGAR. I think it is really nice to bring a little bit of the folklife of that end of the city up here. But also especially because the best people to testify in behalf of the Folklife Foundation Bill are the people who have been up here. I think they are the best people, the most articulate on this particular subject.

In my end of things I was raised on those old Library of Congress field recordings made back in the 30's, some of the best old-time American songs. They didn't have too much in the way of festivals back then. As I have since then traveled around and met all of the fine banjo players and fiddle players and have done some field work for this festival too. I have seen all the great musicians who are around. They created this music for music. They created the arts and crafts for the art and craft. Now this was done regardless of money. Quite often the only way that it will come out, I mean that it can get into the mass media, is if it makes money. We ought to remember that this music was made for the music, for the art and for the craft and I think the only people who can bring it out in festivals, who can help keep it alive is the government. Thank you.

Senator HARRIS. Thank you all very much. I am very grateful for the work you have done in helping with this festival in previous years. Also, you remind me of the fact that once Jim Hightower and others got me interested in the establishment of a Folklife Foundation we also started to set up a celebration on the anniversary of his birth, July 14, out in Okemah, Oklahoma, of a man that we feel has written some of the most patriotic songs on the market and that is my fellow Oklahoman, Woody Guthrie. Now to wind up this folk hearing in regard to the establishment of a folklife foundation I say again if many of you would like to have a transcript of this hearing which will be printed in the *Congressional Record* you can write either to me or to the principal House sponsor of the bill, Representative Thompson, and we will send you a copy of the transcript when it is printed.

I want to call on Florence Reece; El Teatro Chicano; Hilton E. Hanna; Albert K. Herling and Archie Green.

Florence Reece is a coal miner's wife from Knoxville, Tennessee. She is now 71 years old, has long been active in organizing efforts among coal miners and is a composer of the classic union song, "Which Side Are You On?" Would you pass that microphone over to Mrs. Reece. We are pleased you are here and we will be glad to hear from you at this time.

FLORENCE REECE. Thank you. I am very proud to be here in support of this program. I think we must keep this folklife going because it proves to me this festival is something wonderful and when our children are growing up they must have this. We must not let it go by. Because it makes them

happy, it makes us all happy. And they can do so many things, and if it doesn't have the festival they don't have a chance to show what we can do—no singing, no writing, no work—and it draws America closer together and makes things better for the whole country. And, so I am sure that it will pass: We must have it passed. Thank you.

Senator HARRIS. Thank you, Mrs. Reece. Mr. Hilton E. Hanna is Assistant to the President of the Amalgamated Meat Cutters and Butcher Workmen of North America. Members of this union are participating actively in this folklife festival this year. Mr. Hanna.

HILTON E. HANNA. Thank you Senator Harris. In order to keep the record straight I should make it plain that I am also Executive Assistant to the International Secretary/Treasurer, as well as the International President of this organization, which has almost 600,000 members in the United States, Alaska, Canada, Puerto Rico and even in the Panama Canal Zone.

Through this festival in which we are participating there are so many people having their eyes opened. I think this should certainly serve as a promotion piece for anyone interested in maintaining or in recording the folklore of this nation. Speaking as a member of the labor movement I have to say that I have mixed emotions because I speak as a black member of the labor movement but also as a member of the labor movement just as I am an American and a black American. And as someone was talking not long ago about naturalization papers I am a naturalized American citizen. I bought my citizenship but I feel I am as much of an American as any Native or any other people. From the standpoint of the labor movement I think whatever is recorded, and it certainly ought to be, ought to portray the picture of labor as it has been in the life of this nation from its early existence. It ought make note of the fact that labor has never been a monolithic oragnization. There never was a time when one individual spoke for all of the organized workers of this nation. This ought to go down in history. We ought to never forget the labor's contribution to the promotion of freedom of speech, and thought and assembly and to promote it with all the effort we've got whether these programs are advanced by tongue or pen.

There's a bunch of trouble going on now between the press and the government. Labor struggled through the years to save peace and to picket peacefully and to strive for a better way for himself and for his family and this represents a contribution to the entire body of politics and should be so recorded. And I want to say also while walking through these grounds and observing the operations of these craftsmen who are here representing the labor movement you may forget these other social contributions.

Many of you may not know—this is why we of labor are supporting the establishment of a Folklife Institution which will perpetuate the ideals and the programs for which the labor movement struggled. The labor movement was one of those organizations responsbile for the all united Old League of Nations. Today we have the ILO which is the sole surviving agency from that United League of Nations and that was the brain child of Samuel Gompers, the first president of the American Federation of Labor. People don't know that.

These things ought to be brought and laid on the table so everyone can know it and our children can know it. When we talk about labor's contribution to the nation most people almost tar and feather us as being people who are stark crazy.

They forget or find it convenient to ignore that thousands of contracts are negotiated annually, peacefully, representing millions of organized workers without strike and the strike is resorted to only as a means of last resort. When the record is written the whole record ought to be written—not just labor as a bad boy but labor as an integral part of this nation, and finally I should say it has become popular for many people to castigate the labor movement for its slothfulness in advocating and advancing integration. And I would be the last one to say that the labor movement should not be kicked in the shins, but I would like to say to you, though, if you look around whether you begin with Congress or with churches or with your business—take any institution you care in America—and I dare you to prove a record that surpasses or show me any record that equals that of labor in bringing us all together regardless of our creed or our nationality or our color. These are some of the facts I think this folklife festival and the institute should record and retain and perpetuate and promulgate so that the world may know that we in the labor movement have earned our rights to our share of the good life of this nation. I thank you.

Senator HARRIS. Mr. Albert K. Herling is Secretary/Treasurer of the Bakery and Confectionary Workers' International Union of America, the members of which are participating as are other representatives of the labor movement this year. Mr. Herling.

ALBERT K. HERLING. Senator Harris, thank you. I would like to correct the record immediately. I am not Secretary/Treasurer. I am Director of Public Relations and Managing Editor of our official oracle. I did not have to go through the long, hard process of earning election to office; I was appointed, and I am very proud to serve the Bakery and Confectionary Workers' International Union of America.

I want to record for myself and I believe for the labor movement as a whole our complete support for the bill to establish a Folklife Festival Foundation. I think it is extremely important for a variety of reasons. The concept of a Folklife Foundation goes far beyond the concept of folklore, because folklore includes the things we do today as well as our heritage of the past. I believe that a boldly established folklife foundation could serve to encourage a greater understanding between generations. I believe that it can go far toward generating an understanding, a respect, and an appreciation of the values and historic content of the work that the working people—men and women of this country—are engaged in today. In being present at our Bakery and Confectionary Workers' exhibit here it was interesting for me to hear the expressions from people that they didn't realize or understand what went into baking a simple loaf of bread or a simple bun or sweet cake. For the first time people are beginning to understand that the things they take for granted involve human beings who demand respect and dignity, that these people have devoted their lives to the development of skills and artistic abilities, some of them are innate and some of them had to be developed in order to serve them. I believe that as a result of this experience those who have come to observe what is being done began to understand the human being behind the things we take for granted. It is this sort of thing, I believe, that builds up a respect on the part of the general populace, I am thinking in terms of the children of our workers who may not think much of the fact that their parents, their fathers and mothers, are blue collar workers. They apologize for them. They don't want to imitate them. Our workers are not articulate enough to provide their children with the fantastic history, for example, that bread, itself, possesses. They do not have the ability to transmit the respect for the work that men do with hands and brain. It is precisely this sort of thing that I envisage, a foundation to supply. The idea of bringing us together again becomes not that simple and expedient political slogan but something with flesh and blood and bones. It is for this reason that I believe this country and the value that it should represent and can represent would be much poorer if we fail to put our muscle and our vote behind this effort to create a Folklife Foundation. I think this is perhaps one of the most important—let me not go to the extreme—I believe this is a most important piece of social legislation. I think it would help the political climate of our country as well as teach us to respect one another, to live together and to understand one another at a level that we have not yet achieved. Thank you very much for this opportunity.

Senator HARRIS. Thank you. Now, Mr. Archie Green with the AFL–CIO Labor Study Center, representative of the Building Trades Union and he is accompanied by two members of the Union. Mr. Green.

ARCHIE GREEN. Senator Harris, it is with deep humility that I thank you for permitting me to wind up this testimony on behalf of Building Trade Unionists. I thought it appropriate to bring two young building tradesmen with me. Symbolically their hats tell you much about who they are, where they are and what they are doing. It has been fashionable as you know in recent years for high persons in all these demonstrations to identify a hard hat as a person who is in some way outside of the mainstream of American life. This person is selfish; this person is destructive of our total economy as persons involved in right wing movements. That is perhaps one of the most dangerous myths that can be spread to divide Americans. You must realize as you look about you on both sides of the mall that every magnificent building flanking the mall, every bit of granite, every bit of marble, every stainless steel spandrel, every bit of terrazzo in the patio, every bit of tile on the roof was put there by the hand of a working man, a member of a trade union, particularly a member of a building trade unionist. It is very, very important to keep the element of pride alive in the young building tradesmen. It is equally important to the task of keeping black pride alive, red pride, pride of religious groups, but we must constantly remember that unless we can reaffirm the value of work in each generation, unless we can find constructive paths to honor people who built America we'll never be together as a people. It has taken us five years to bring the building tradesmen to the festival. They have a very fine spot, and I would like to end on the rhetoric, although I have been in the building trades for 32 years and now at the level, fortunately, of teaching, I would like to turn the mike over for a minute or two to two of the young journeymen who have come to demonstrate their skills on the mall—Brother Phil Ricos from the Los Angeles Iron Workers Local and Brother John Lee Peck from the Houston, Texas, local.

Senator HARRIS. Great! We would be pleased to hear from you and we're glad you're here.

PHIL RICOS. This is a chance for us to talk to the people here and explain our trade and what we do, and people seem to be fascinated to find out how we put the buildings up and how we put the cranes up and take them down. Therefore, we enjoy talking to them and it gives them a chance to get together with us. Once they speak to us they find out it is not all true. We thank you.

Senator HARRIS. Thank you.

JOHN LEE PECK. I'm very happy to be here to represent Texas and the Iron Workers at Local 84 in Houston. I really enjoyed the time to spend with the people and explain to them what I have learned as an apprentice and to show them a little bit of what we do with our trade although this is only a small part that's here. And we're really happy to be here.

Senator HARRIS. The bill which Congressman Frank Thompson and I have introduced

would create a National Folklife Foundation. The hearing here will be transcribed as I said earlier and it will be very helpful in building both public and congressional support for this bill. I think that those who testified indicate the wide spectrum of support there is for preserving so much of the diversity of America. I think the important thing that comes from these hearings and from our own knowledge is that diversity is not something to be tolerated but something to be encouraged. And that is the strength of this country, and I appreciate all those who attended this hearing. I particularly thank Jim Morris and others at the Smithsonian who helped set it up. Thank you all very much. That concludes our hearing.

THIRD ANNIVERSARY OF THE SOVIET INVASION OF CZECHOSLOVAKIA

Mr. DOLE. Mr. President, last August I called the Senate's attention to a meeting in Washington of the District of Columbia chapter of the Czechoslovak National Council of America. The purpose of that meeting was to call attention to the second anniversary of the Soviet Union's brutal invasion of Czechoslovakia in 1968. That occasion was marked with dignity and solemnity, and as the third anniversary of those sad events approaches it would be well for the American people to be aware, once again, of the oppression being suffered by the peace- and freedom-loving people of Czechoslovakia. Thousands of Americans of Czech and Slovak descent will be marking August 21, 1971, as a day of Soviet shame, in remembrance of those events 3 years ago, and all men of good will in this country and throughout the world will join them in their thoughts and prayers.

I ask unanimous consent that a resolution of the Czechoslovak National Council of America be printed in the RECORD.

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

FREEDOM IS INDIVISIBLE

On this sad occasion of the second anniversary of the brutal Soviet-led invasion and occupation of peaceful and freedom-loving Czechoslovakia, we American citizens of Czech, Slovak and Subcarpatho-Ruthenian descent, again remind the entire world of this Soviet violation of key principles of international law incorporated into the Charter of the United Nations:

The brutal Soviet aggression and occupation:

(1) violated the sovereignty of a member state of the United Nations (Article 2, Section 1);

(2) was carried out in violation of Article 2, Section 4, which prohibits the use of military force in the relations between individual members of the United Nations;

(3) violated the principle of self-determination of peoples (Article 1, Section 2);

(4) was in conflict with Article 2, Section 7, which prohibits outside intervention in matters essentially within the domestic jurisdiction of any state;

(5) was in conflict with a number of resolutions of the General Assembly of the United Nations, particularly with Resolution 2131 (XXI) adopted at the meeting of December 21, 1965, upon the Soviet Union's own motion, prohibiting any intervention in the domestic affairs of any state and guaranteeing its independence and sovereignty.

The continued Soviet occupation of Czechoslovakia is another crime against the right of a small country to determine its own destiny and aspirations. The invasion was an intervention by the forces of reactionary communism to prevent the Czechs and Slovaks from establishing their own social order that did not endanger anyone and sought to contribute to the building of bridges across the discords of a divided world and to lend aid to a better understanding and cooperation among all nations on the basis of true progress and humanity.

The people of Czechoslovakia have not resigned themselves to these aggressive plans of Moscow. The day of August 21, is being commemorated in Czechoslovakia as a *Day of Soviet Shame* in a mighty and disciplined resistance against Soviet pressure. We are joining our friends in Czechoslovakia in asking the entire civilized world to support the people of Czechoslovakia in their effort to achieve "The withdrawal of Soviet Troops from Czechoslovakia."

EAST PAKISTAN

Mr. FULBRIGHT. The cataclysmic chain of events in East Pakistan not only points up the egregious misuses to which U.S. military and economic assistance can be put. It also illustrates the insensitivity of U.S. policy to changing events and the seemingly inevitable reaction to defend the status quo regardless of the context.

U.S. military assistance was furnished Pakistan to defend against communism. It was used instead to wage war on India, the world's largest democracy, and subsequently to suppress the feeble steps toward democracy taken in Pakistan itself. Despite this perversion of U.S. largess, we have now been astonished to learn that shipments of military goods are continuing, apparently in pursuit of illusory influence or "leverage" with the Pakistan Army. The shock is compounded in view of the fact that the Foreign Relations Committee had been assured by the administration that no military items had been furnished Pakistan since March 25 and none were scheduled for delivery. This is another sad case of private executive foreign policy decisionmaking taken without the benefit of, indeed in strict isolation from, public discussion and debate.

Economic assistance provided by the United States was misused by the Pakistan Government to subsidize unbalanced development favoring West Pakistan at the expense of the East, which in the process exacerbated the problems which have now been so graphically revealed. Yet we support the Pakistan Government, economically and militarily, despite its destruction of emerging representative government and in the face of a ruthless military campaign, largely directed against Hindus and the intellectual and leadership elements among the Bengalis, which has resulted in the deaths of hundreds of thousands of people. This support continues in the face of a recommendation by the World Bank against further aid and in the face of contrary attitudes on the part of other aid-giving nations of the world.

It is said that we must not intervene in the internal affairs of other countries—a principle which should have been better understood in 1964, or since 1949 in China for that matter—and that we should not use economic aid for political purposes. However, supporting a government engaged in civil war with economic assistance is as much an intervention as helping the other side. It is distressing to see that, through continuation of assistance to Islamabad, the United States again finds itself actively alined with a military dictatorship pursuing policies diametrically opposed to those to which we say we are committed.

Unfortunately the implications of this civil strife are not confined to Pakistan. The refugees created by the Pakistani military actions have been driven into India where they pose a grave problem, and, indeed, it is not an overstatement to suggest that they constitute a potential danger to world peace equivalent to that created over 20 years ago in Palestine. These hapless Bengali refugees are pressed into an area of India where insurrection and instability are already widespread and the problem of grinding poverty is most acute. India simply cannot bear the burdens, in terms of food, housing, employment, and health measures, which the refugees have thrust upon it. The situation could easily lead to renewed communal rioting, accelerated revolutionary activity—which could threaten the future of India itself—or another Indo-Pakistan war.

In this situation the administration says that it is privately urging the Pakistanis to find a political solution in East Pakistan. However, the subsidy of the Pakistan dictatorship continues. AID announced on June 10 that it was providing $1 million for Pakistan to charter vessels for the purpose of distributing food in the East, a worthy purpose. On analysis, however, there are some serious questions. Earlier Pakistan was supplied with similar vessels for cyclone relief and she is reported to be using them for military purposes.

In this context, is not the $1 million for new boats simply a means of permitting Pakistan to use its existing vessels to pursue military objectives?

And what assurances do we have that Pakistan will not divert to military purposes the vessels which they will charter with the $1 million we are giving them now?

The situation in East Pakistan is intolerable, as is a foreign policy which in practice reinforces the status quo there. The United States should instead use all the influence, limited though it may be, which it can bring to bear. In this connection, steps should be taken to insure that military goods, including spare parts, are not shipped to Pakistan and the offer of F–104's, B–57's, patrol aircraft, and armored personnel carriers made last fall should be immediately rescinded. Economic assistance should be suspended until the Pakistanis, both East and West, agree upon a satisfactory political solution and until steps are taken to repatriate the refugees now in India. If the administration does not abandon its fruitless status quo course, I will support congressional action to achieve that objective.

WILLIAM J. HOPKINS

Mr. MATHIAS. Mr. President, a veteran public servant, William J. Hopkins

of Silver Spring, Md., has retired after more than 40 years on the White House staff. Mr. Hopkins started as a correspondence clerk and rose to become administrative clerk and executive assistant to the President.

President Nixon honored Mr. Hopkins with the Nation's highest civilian award, the Medal of Freedom.

The Washington Post, writing of Mr. Hopkins' retirement, called him an "indispensable man." In tribute to Mr. Hopkins and the thousands of other selfless, anonymous Federal employees who make our Government work, I ask unanimous consent that the Post article on his retirement be printed in the RECORD.

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

AN INDISPENSABLE MAN RETIRES

(By Carroll Kilpatrick)

William J. Hopkins of Silver Spring is retiring as executive clerk at the White House. Below, he walks in his yard with granddaughters Carole, 10, Alaine 8, Cheryl (Carole's twin) and Karyn, 11, children of Air Force Maj. and Mrs. Robert E. Funkhouser, and, perhaps, better companions than presidents.

"They'll have to close the White House," a former presidential assistant said the other day when he heard that William J. Hopkins was retiring as executive clerk.

For 40 years, Hopkins has been a fixture at the White House, "the indispensable man," according to President Nixon, who honored Hopkins with the Medal of Freedom, the nation's highest civilian award.

Bill Hopkins, now 61 and living in Silver Spring, went to work in the correspondence section of the White House in October, 1931, and rose to the administrative clerk and executive assistant to the President. He served three Republicans—Hoover, Eisenhower and Nixon—and four Democrats—Roosevelt, Truman, Kennedy and Johnson.

In addition to the Medal of Freedom, Hopkins received the President's Award for Distinguished Federal Civilian Service from President Eisenhower and a Special Award for Service from President Johnson.

A native of Netawake, Kans., Hopkins came to Washington after completing high school and studying law and business administration at George Washington University and Southeastern University.

By chance in the early 1930s, he met a young major under whom he later was to serve for eight years. Hopkins' wife asked him one day to drive her to Walter Reed Army Hospital so that she could take dictation from Maj. Dwight D. Eisenhower, who was in the hospital for treatment of a tricky knee. Mrs. Hopkins was his secretary for a brief period when Eisenhower was aide to Gen. Douglas MacArthur, Army Chief of Staff.

Hopkins has nothing but good to say about the Presidents he has known, but if he has a favorite it is the Missouri Democrat, Harry S Truman, who was, he says, almost like a father to him.

"I never heard him utter an unkind word to anyone," Hopkins recalled the other day. "He is a prince of a fellow. His public image and his private image were quite different. His friendliness brought out great loyalties. I've never heard a staff member who served President Truman utter an unkind word about him."

A proud moment came one day in the early 1960s when Mr. Truman called on President Kennedy. After their conference in the Oval Office, President Kennedy suggested they stop by Hopkins' office for a chat.

On the first day JFK was in the White House he summoned Hopkins to his office and subjected him to "penetrating" questions on the White House budget, Hopkins remembers.

While Hopkins' role was different under each President, he still does not find the words to criticize the way any of them managed the presidential office. It is essential to maintain "flexibility and elasticity" in the White House, he emphasizes, so that the office can serve the President, according to the individual's approach and manner.

In fact, the office of the President is much less bound by bureaucracy and tradition than other governmental offices and agencies, Hopkins believes. He wants to to remain that way so that each President may operate "in the style most comfortable to him and most effective from his standpoint." Let each President "pattern the office to the way he operates best."

Hopkins saw some Presidents every day, others less frequently, but he always maintained management of the flow of official documents to and from the Oval Office.

All the legislation and recommendations for legislation passed under Hopkins' critical eye. At one time, he saw all presidential correspondence, but obviously not some of the sharp letters President Truman fired off to his critics. Hopkins also was the general administrative officer in charge of the White House offices on accounts, purchases, personnel, correspondence, files and records, and telephone and telegraph service.

Hopkins was well known to Presidents and their immediate staffs but to few other persons. He was the selfless, anonymous bureaucrat, shunning the limelight and working exceedingly long hours to be sure that the machinery of the White House was operating. Colleagues said he seldom worked less than 12 hours a day, six days a week.

For years, he never took a vacation, until President Truman intervened and took him along on trips to Key West, Fla., to make sure Hopkins got some rest. One day President Johnson said to him: "Get out of here and take a vacation."

Hopkins seemed to thrive on the constant pressure and long hours. "There were hectic times under all of them," he said adding that there never are enough hours in a day for a President to do all that is expected of him.

For that and other reasons, he is very defensive about Presidents and thinks that the country has been lucky in the men who have held the high office. He thinks that criticisms of them for taking frequent vacations are unfair and unjustified, because Presidents take their jobs with them wherever they go.

"The pouches go to him when he is away and he operates very much as if he were at the White House," Hopkins said. "With communications what they are he is in constant touch. All of the Presidents have been criticized for taking too many trips, but I really think that is not a valid criticism."

At a Rose Garden ceremony, President Nixon said he was honored to give Hopkins "the highest recognition that can be given to anyone who is a civilian." The citation with the Medal of Freedom appropriately called Hopkins "a selfless partisan of the presidency."

"If you were there and saw them in difficult situations you would realize that each has tried to do the best he can," Hopkins said. He added that he was not impressed by complaints that the power of the presidency is being expanded.

Now that he is retired, Hopkins will continue to live in his Silver Spring home. But for the first time in his life he will travel a bit and see some new things. His first objective is to visit the Hoover, Roosevelt, Truman, Eisenhower and Johnson libraries (and the Kennedy and Nixon libraries when they are built) to see how they are maintaining the million of papers that once passed in such volume over his desk.

AMPHETAMINE HEARINGS

Mr. BAYH. Mr. President, last week, the subcommittee to investigate juvenile delinquency, of which I am chairman, held 2 days of hearings on S. 674, a bill to tighten controls over amphetamines and other central nervous system stimulants. This proposal is identical to an amendment approved by the Senate last October when we considered the Controlled Substances Act. Unfortunately, it was deleted in conference.

During our hearings, we heard testimony from a wide range of individuals concerned about these drugs, including representatives from the administration, the drug producing companies, the medical community, and amphetamine abusers. This testimony shed considerable light on the problem of amphetamine abuse, as well as the abuse of lesser known amphetamine-like stimulants, Ritalin and Preludin.

I ask unanimous consent that the statement presented to the subcommittee by the Senator from Missouri (Mr. EAGLETON) be inserted at this point in the RECORD. Mr. EAGLETON is the chief sponsor of this important legislation and his statement provides an excellent overview of the issues raised at these hearings. I am sure that it will provide a useful guide to others in the Senate who are concerned about the problem of drug abuse.

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

SENATOR THOMAS F. EAGLETON'S TESTIMONY BEFORE SUBCOMMITTEE ON JUVENILE DELINQUENCY OF THE SENATE JUDICIARY COMMITTEE, JULY 15, 1971

Mr. Chairman: I am grateful to you and to the members of your Subcommittee for scheduling these hearings on S. 674, my proposal to move the central nervous system stimulants from Schedule III to Schedule II of the Controlled Substances Act.

At the outset of my statement, I want to put to rest the notion that in talking about the need for tightening controls over stimulant drugs we are "beating a dead horse." I am, of course, aware that the Justice Department has published an order moving amphetamine and methamphetamine drugs into Schedule II. On the face of it, it would appear that the increased control over the production and distribution of these drugs which Congressman Pepper and I have sought to achieve has been realized. Unfortunately, that is not so.

While I commend the Justice Department on their action—particularly in view of the Administration's previous opposition to my proposal—we must not be misled into believing the issue is closed. I believe it is essential that the people know what has in fact been accomplished by this order . . . and what in fact has been left undone. Congress has a responsibility for closing the gaps left by the Justice Department order.

Let me briefly review the ground covered rather thoroughly in the hearings and report of the House Select Committee on Crime and in the Senate debate of last October 7. I assume that a general acceptance of this data formed the basis of the Justice Department action.

The heart of the problem of amphetamine and methamphetamine abuse is overproduction by legitimate drug manufacturers. I say that knowing that "bathtub" amphetamine is easily manufactured.

Somewhere in the neighborhood of 8 billion dosage units of these drugs are pro-

duced by *legitimate* manufacturers in this country each year. Estimates range from the 2 billion figure preferred by the drug companies, to the 3½ billion figure used by Commissioner Edwards last August, to the 10 billion figure I recently noticed in a government pamphlet on drug abuse. The 8 billion figure comes from testimony before the House Select Committee on Crime. I personally see little to be gained from a continuing debate over these numbers. The inescapable point is that even the most conservative estimates far exceed any legitimate medical requirement.

According to an FDA order of August 8, 1971, labeling of amphetamines and methamphetamines must reflect that their medical usefulness is limited to three uses. These are (1) narcolepcy (a rare sleeping illness), (2) hyperkinesis (mineral brain dysfunction in children manifesting itself in hyperactivity) and (3) obesity. Prescription of amphetamines and methamphetamines for appetite control is to be limited to short term treatment.

The FDA order states that "These drugs are very extensively used in the treatment of obesity. The extent of use for such purposes as narcolepsy and minimal brain dysfunction in children is believed to be insignificant as compared with the total usage of these drugs." Within the medical profession, however, a spirited controversy is in progress as to whether these drugs should be prescribed for appetite control at all.

I regret that Dr. William Asher, Director of the Society for Bariatrics, has declined the Subcommittee's invitation to testify. Dr. Asher strongly advocates the use of amphetamines for appetite control and has expressed to me his opposition to S. 674. So that the record may reflect his views, I ask that a copy of our correspondence be inserted in the record at an appropriate point. Other medical people disagree with the position of the Bariatrics Society. The Utah State Medical Society, for example, has passed a resolution asking its members to refrain from prescribing amphetamines in the treatment of obesity, and in Huntington, Long Island, a group of physicians and pharmacists voluntarily have agreed to stop prescribing and dispensing these drugs for appetite control. Just a few weeks ago, the American Medical Association urged its members to limit prescriptions for amphetamines.

In urging the adoption of stricter controls over amphetamines, I have purposely avoided comment on the nature and extent of medical requirements. I have insisted only that production levels be tied to the actual medical needs, as determined by those with expertise in the medical field. It is clear, however, that the limited uses currently considered appropriate by the FDA, the AMA, and individual members of the medical profession do not justify the outrageous rate of production that has continued through the years.

If further evidence is necessary that production far exceeds medical requirements, it lies in the fact that *half* of the legitimately produced amphetamines and methamphetamines are diverted into *illicit* channels. Even with this massive rate of diversion, there are enough pills left to fill all the prescriptions written for them.

I will not describe in detail the serious abuse to which this high rate of production and diversion obviously contributes. I do want to remind the Subcommittee, however, that the "shooting" of high dosage "speed" into the veins is only the most severe kind of stimulant abuse; it is not the whole problem. In addition to the dilution of pills for intravenous use by the so-called "freaks," we must also recognize as dangerous abuse the unsupervised use of these drugs by housewives who need a lift, truckdrivers who try to make another fifty miles without a rest stop, and students who stay up all night at exam time.

Because of the very serious effects of totally unsupervised, high dosage "shooting" of speed, I ask that the Subcommittee accept for the record a fine statement by David E. Smith, Director of the Haight-Ashbury Clinic in San Francisco, on the nature of the "speed" scene and the very dire effects of this kind of amphetamine abuse.

A change of these drugs to Schedule II deals with the problems of overproduction, diversion and abuse in several ways. Under Schedule II:

The Attorney General is directed to set manufacturing quotas which reflect the legitimate medical, scientific, research, and reserve needs of the country.

It is illegal for any person to distribute drugs without a written order issued by the Attorney General. These written orders are already required for all narcotic drugs distributed in this country. And this procedure has reduced the diversion of legally produced narcotics into illegal channels to an irreducible minimum.

Drugs can only be dispensed by a physician with a written prescription—and a doctor's permission is required for a refill of the prescription.

It is illegal to import drugs unless the Attorney General finds it necessary to provide for the medical, scientific, or other legitimate needs of the country.

Exporting drugs is permitted only when a permit has been issued by the Attorney General. This would prevent, for example, the continuation of the current practice whereby vast quantities of "speed" pills are being shipped to Mexican border towns—and smuggled back across the border to be sold on the streets of our western cities.

Let me now turn to what I consider to be the deficiencies in the Justice Department order of July 7.

The Controlled Substances Act vests authority to effect changes in scheduling in the Attorney General. Parties who object to a proposed change may file their objections along with requests for hearing of their complaints. Not surprisingly, several drug companies did file for hearings on certain of their products following the proposed rescheduling of amphetamines and methamphetamines. One of these companies, Penwalt Corporation, has withdrawn its petition for hearing on Biphetamine and Biphetamine-T, products that account for about 15% of the amphetamine sales market. Hearings are still to be held on Eskatrol, a dextroamphetamine sulfate product of Smith, Kline and French and the largest selling diet pill in the country. Eskatrol accounts for about 20% of the amphetamine sales market, or $11–$12 million in annual sales. Mission Pharmacal Company has also filed for a hearings on a relatively small seller, Fetamin, which brings in about $100,000 in annual sales.

Leaving Eskatrol out of the rescheduling of amphetamine drugs is a loophole that threatens to swallow the order. It automatically excludes from the Justice Department order one-fifth of the amphetamine market. But even more disturbing is the likelihood that prescribing doctors will prefer to prescribe this lesser controlled drug to its more strictly regulated competitors. Conceivably, Eskatrol could grow to half the amphetamine market or more, displacing other diet pills almost entirely. Nor can we afford to overlook the high potential for abuse of this drug—a capsule whose amphetamine ingredient can be easily separated from the other components of the combination. The profit motive is a strong one and where a product earns about one million dollars every month even a delay of a few months can be worth the trouble. At some point, however, the public interest has to be thrown on the scale, too. If Smith, Kline and French chooses not to recognize it, we must help them along. Under a legislative rescheduling, Eskatrol would be moved with the other dextro-amphetamine combination diet pills.

Justice Department personnel have assured me that hearings on these products will be scheduled soon and that these drugs will be moved immediately into Schedule II should the drug companies fail to carry their burden of proof. I am concerned, however, that Justice Department regulations issued pursuant to the Controlled Substances Act fail to state explicitly that no administrative stays will be granted. I hasten to add that even if administrative stays are denied, the drug companies may appeal to the courts for stays pending judicial review of their cases . . . possibly as long as two years.

While I am on the subject of Justice Department regulations and policy, I want to mention another issue of some concern to me. It has come to my attention that over the years between 500 and 1000 amphetamine products have been excepted on a one-by-one basis from some requirements of Schedule III. These products are in Schedule III, but they need not comply with the recordkeeping, labeling and prescription requirements that apply to other Schedule III drugs. Under the July 7 order, these drugs will remain right where they are. I am hopeful that the Subcommittee can elicit from the Justice Department a commitment to review each of these exceptions with an eye to moving them into Schedule II. At the least, these drugs should be subject to all the requirements of Schedule III.

The second major deficiency of the Justice Department rescheduling order is that it fails to include two amphetamine-like central nervous system stimulants, methylphenidate and phenmetrazine. These drugs, more commonly called Ritalin and Preludin, would be moved to Schedule II under S. 674. Ciba-Geigy Corporation is the sole producer of these drugs, Ritalin being produced by Ciba Pharmaceuticals and Preludin by Geigy Pharmaceuticals.

Mr. Chairman, you may recall that Ritalin attracted considerable attention a few months ago when the news media reported that this drug was being administered to children in the public schools to "control" disruptive behavior. Following these reports, President Nixon appointed a panel of medical experts to look into the practice of prescribing Ritalin for children. The Conference on the Use of Stimulant Drugs in the Treatment of Behaviorally Disturbed Young School Children issued its report last March. They concluded that the use of Ritalin for treatment of hyperkinesis—a form of hyperactivity related to minimal brain dysfunction in children—is appropriate where certain precautions in the prescribing and dispensing of these drugs are observed.

In view of this Subcommittee's special interest in the welfare of juveniles, you may want to look into the reported use of Ritalin in the schools to determine whether it has been dispensed under proper medical supervision, with parental consent, and only in cases of hyperkinesis . . . not as a general tool for improving discipline in the classroom. I want to stress that S. 674 makes no assumptions as to the validity of this form of treatment. It would simply make available as much Ritalin as necessary for "legitimate medical needs," as determined by medical experts.

Preludin is probably less familiar to the American public, although its serious abuse abroad has brought it to the forefront of attention in other countries. It is a diet pill similar in its medical effects to the amphetamine-based prescriptions.

In Sweden today amphetamines and methamphetamines are subject to the strictest controls, available only through specially licensed practitioners. These unusual precautions came about as a result of a serious epidemic of central nervous system stimulant abuse in the 1940's and 1950's. As the abuse of amphetamines increased,

the Swedish government responded with increasingly strong controls, including the treatment of these drugs as "narcotics" under Swedish law. The result was a switch by abusers to Ritalin and Preludin, subject in the 1950's to controls less strict than those imposed on amphetamines. So great was the abuse of these substances that in 1965 Preludin was taken off the Swedish drug register and Ritalin was voluntarily withdrawn by the manufacturers 3 years later.

At a Symposium on Abuse of Central Stimulants held in 1968, a Swedish health official made a statement that seems to speak directly to us today. He said:

"Developments in Sweden can well serve as a warning to those countries which have not yet understood the nature of what has been looming and still disregard trends already evident within their own borders. Unless they act quickly and with determination they will soon find themselves in the same situation as Sweden."

To move amphetamines to Schedule II without imposing similar controls over Ritalin and Preludin is to invite abuse of drugs, in my opinion. Those of us with the responsibility for protecting the public against the hazards of drug abuse cannot afford to overlook the lessons learned by governments abroad. The Swedish experience indicates beyond a doubt that Ritalin and Preludin, like amphetamines, have a high potential for abuse. Moreover, that potential grows when amphetamines become harder for drug abusers to get. The effects of these drugs are sufficiently similar to encourage a switch over to these lesser known but equally dangerous substances.

Mr. John Ingersoll, Director of the Bureau of Narcotics and Dangerous Drugs, stated in a letter to me on May 12 that, "As of this writing, this Bureau does not have sufficiently documented information as required by P.L. 91-513 to recommend additional controls for either methylphenidate or phenmetrazine . . . Although the actual abuse of these two drugs in this country has been limited, we are continuing to monitor these substances and when sufficient evidence is compiled, we will take the appropriate steps at that time."

If Mr. Ingersoll's letter says what I think it does, it says we must wait until we can document abuse of these drugs in this country on a substantial scale. But the Controlled Substances Act does not require that we wait for tragic addictions to occur. The criterion for Schedule II drugs is not "widespread abuse," but rather a "high potential for abuse," and that potential has been amply demonstrated abroad.

I confess to being somewhat confused about the Administration's position on the transfer of these stimulant drugs to Schedule II. Mr. Ingersoll has indicated that they will not support a transfer until further documentation of abuse is available. However, that position seems to be contrary to the policy espoused by President Nixon in his recent drug abuse message to Congress.

President Nixon stated, "I am submitting to the Senate for its advice and consent the Convention on Psychotropic Substances which was recently signed by the United States and 22 other nations. In addition, I will submit to the Congress any legislation made necessary by the Convention including the complete licensing, inspection and control of the manufacture, distribution and trade in dangerous synthetic drugs." Under that Convention, now pending before the Senate Foreign Relations Committee, Ritalin, and Preludin are classified with amphetamines in Schedule II. Based on the President's stated commitment to the terms of this treaty, I hope we can look forward to Administration support for a domestic rescheduling of Ritalin and Preludin.

In closing, Mr. Chairman, let me say that I feel as strongly now as I did when I first brought this issue to the Senate last October that these stimulant drugs should be brought under stricter controls. Let's not be lulled into thinking that this has already been accomplished.

WE NEED A CONSUMER ADVOCATE ON THE FEDERAL POWER COMMISSION

Mr. McINTYRE. Mr. President, I am extremely disappointed in President Nixon's nomination of another petroleum industry adviser and apologist to membership on the Federal Power Commission.

The statutory intent of all Federal regulatory agencies specifically calls for the protection and the promotion of the consumer's welfare.

The Federal Power Commission, among its several responsibilities, is charged with regulating the price of all natural gas sold in interstate commerce. Practically all natural gas is produced by oil companies.

The statutory intent of regulatory agencies in general, and the charge to the Federal Power Commission specifically, make clear the obligation to consumer welfare.

Yet for years this obligation has been ignored or undercut by the strategic placing of industry champions in those very governmental positions responsible for protecting the consumer.

The most recent example, natural gas price increases, allowed by the Commission on the basis of questionable supply estimates provided by the industry itself, may well cost the consumer an additional $4 billion a year.

Against this background, we are asked to approve Mr. Nixon's latest nominee to the Commission, Mr. Rush Moody, Jr.

Mr. Moody is a member of the Midland, Tex., law firm of Stubbleman, McRae, Seally, Laughlin, & Browder. In law directories, this firm lists "oil and gas law" among its areas of expertise and lists among its clients Mobil and Texaco, two giants in the industry.

I find it highly illogical to expect such a nominee to reorient the direction of his allegiance 180 degrees overnight, to become, in effect, a dispassionate umpire instead of an impassioned player.

And yet the charge to the agency he would serve makes it mandatory that he do just that.

I call upon the Senate, then, to insist upon the appointment of only those men who are dedicated to the public interest—not to industry's enrichment—for only in that way can we reassert and reaffirm the spirit and intent of all Federal regulatory agencies.

THE GENOCIDE TREATY AND AMERICAN POW'S

Mr. PROXMIRE. Mr. President, the International Convention on the Prevention and Punishment of the Crime of Genocide is awaiting ratification. We must act and act now to affirm before the entire world that we totally denounce the crime of genocide. We must affirm through ratification that we stand with those nations who have already signed the convention and who have stood by it in good faith.

Some have suggested, however, that in practice our accession to this treaty will force us to consent to genocide trials of our own servicemen who are now held prisoner by the North Vietnamese. Let me clear this matter up for the record.

First, it should be plain that with or without the genocide treaty, the North Vietnamese will deal with American POW's according to their own decisions or their own trumped up charges. By trying POW's for war crimes in the first place, they would already be violating the Geneva Convention on the Rules of War. Clearly, the Genocide Convention would place our POW's in no greater danger than they are already.

Second, we are not, by signing this treaty, relinquishing any jurisdiction to foreign courts in terms of trying and punishing our citizens who might commit genocide in a foreign land. Some have suggested that this is what is implied in article VI of the convention. This is simply not true. At this very moment, without the genocide treaty in force, an American accused of committing any crime in another country, including genocide, can be tried in that country without our consent.

Ratification of the genocide treaty would do nothing to alter this situation and so it would not increase the jurisdiction of foreign courts. This question was explored in detail in a special report from the distingiushed Senator from Idaho (Mr. CHURCH) written this past December.

Mr. President I ask unanimous consent to have the report printed in the RECORD.

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

TRIAL OF PERSONS CHARGED WITH GENOCIDE

ARTICLE VI

"Persons charged with genocide or any of the other acts enumerated in article III shall be tried by a competent tribunal of the State in the territory of which the act was committed, or by such international penal tribunal as may have jurisdiction with respect to those Contracting Parties which shall have accepted its jurisdiction."

This article provoked considerable discussion, not because of its language but because of the means suggested for its implementation. In the view of the committee it clearly states that the courts of the nations in which genocide has occurred shall have jurisdiction over the crime. Executive branch and other testimony, however, sought to establish that the negotiating history of the convention makes it clear that the courts of the country in which the accused has citizenship can likewise have jurisdiction over the crime. This theory of concurrent jurisdiction—jurisdiction based on the site of the alleged offense and jurisdiction based on the nationality of the offender—was thoroughly explored during the hearings. It was pointed out that a number of nations, particularly colonial powers, have consistently asserted the right to try their own nationals for crimes committed outside their territory. Even the United States in certain limited areas—counterfeiting, theft of Government property, treason, antitrust violations—has exercised jurisdiction over its citizens for acts committed abroad. At this time the committee neither endorses nor rejects the concept of concurrent jurisdiction which no doubt will be closely examined during consideration of the implementing legislation.

However, the U.S. Government should make it clear to the other contracting parties that it intends to construe article VI so as to permit it to try its own nationals for punishable genocidal acts. For this reason, the committee recommends to the Senate the following understanding:

"(3) That the U.S. Government understands and construes article VI of the convention in accordance with the agreed language of the report of the Legal Committee of the United Nations General Assembly that nothing in article VI shall affect the right of any State to bring to trial before its own tribunals any of its nationals for acts committed outside the State."

The pertinent excerpt from the report referred to in the understanding follows:

"REPORT OF THE SIXTH COMMITTEE—
U.N. DOCUMENT A/760 AND CORR. 2

"[3 December 1948]

"[Excerpt]

"14. At its 131st meeting, the Committee had agreed to insert in its report to the General Assembly the substance of an amendment to article VI submitted by the representative of India, according to which nothing in the article should affect the right of any State to bring to trial before his own tribunals any of its nationals for acts committed outside the State. Following this, the representative of Sweden and requested that the report should also indicate that article VI did not deprive a State of jurisdiction in the case of crimes committed against its nationals outside national territory. After some discussion of the questions raised in this connexion, the Committee, at its 134th meeting, adopted, by 20 votes to 8, with 6 absentions, are explanatory text[1] for insertion in the present report."

It should go without saying that the United States cannot exercise jurisdiction unless the accused is found in U.S. territory.

Only brief reference needs to be made to the clause in article VI which provides that persons charged with genocide shall be tried "by such international penal tribunal as may have jurisdiction with respect to those Contracting Parties which shall have accepted its jurisdiction." No such international penal tribunal has been established and the International Court of Justice has no penal or criminal jurisdiction. That part of article VI is therefore a dead letter at this time. If a penal tribunal should be established—and there are no present plans to do so—separate action either through ratification of a treaty or enactment of a law would be required for the United States to accept its jurisdiction.

CALIFORNIA CONDORS THREATENED BY PHOSPHATE MINING

Mr. CRANSTON. Mr. President, on July 12, 1971, the Bureau of Land Management issued a draft environmental impact statement on a proposal to permit strip mining for phosphorus in the Los Padres National Forest in California. Today, 2 days of public hearings are being completed in Ventura, Calif.

The BLM environmental impact statement is noteworthy in its twofold recognition of the intent of the National Environmental Policy Act of 1969.

First, in its listing of the alternatives open to the BLM, the report specifically mentions as possibilities both the denying of the U.S. Gypsum application and the indefinite postponing of the mining permit. To my knowledge, the Interior Department has not previously said explicitly that it might take either course of action. On July 7, 1970, I sent the following letter to the BLM:

JULY 7, 1970.

Mr. EUGENE V. ZUMWALT,
Assistant Director, Bureau of Land Management, Department of the Interior, Washington, D.C.

DEAR MR. ZUMWALT: I have your July 1 letter and would like to clarify one further point regarding the proposed mining of phosphates adjacent to the Sespe Condor Sanctuary.

According to your June 10 letter you say, "Our State Director for California is not issuing any further mineral leases or permits . . . for any lands subject to such appropriation within the general area concerned." In your letter of July 1, you indicate that impact studies are being conducted. You go on to say that the prospecting permit and existing law provide that the permittee is entitled to a lease if valuable phosphate deposits are discovered. The completion of impact studies is qualified on the permittee's right to a lease. Does this mean that if the impact studies show that mining for phosphates would adversely affect such resources as water, wildlife, forage and timber the BLM has the authority to deny the permittee, in this case U.S. Gypsum, a lease?

It is my purpose in this letter only to establish clearly in my mind whether you have authority to deny U.S. Gypsum a lease under existing laws and regulations despite the fact that they may discover valuable deposits of minerals.

Thank you again for your assistance.

Sincerely,

ALAN CRANSTON.

Assistant Secretary Loesch replied as follows:

U.S. DEPARTMENT OF THE INTERIOR,
Washington, D.C., August 10, 1970.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: This is in response to your letter of July 7, 1970, in which you asked whether the Department has authority to deny the U.S. Gypsum Company a lease to mine phosphate near the Sespe Condor Sanctuary if impact studies show that the environment would be adversely affected.

Section 9(b) of the Mineral Leasing Act, as amended (30 U.S.C. sec. 211(b)), authorizes the issuance of a prospecting permit for phosphate and provides that "if prior to the expiration of the permit the permittee shows to the Secretary that valuable deposits of phosphate have been discovered within the area covered by his permit, the permittee shall be entitled to a lease for any or all of the land embraced in the prospecting permit." The Geological Survey has confirmed a discovery of a valuable deposit of phosphate by the U.S. Gypsum Company, and, consequently, provided that the permittee is not in violation of some other provision of the Mineral Leasing Act, it must be given a lease. The Department has discretion to refuse to issue a permit to the U.S. Gypsum Company, but once the permit was issued the Department had no discretionary authority to refuse to issue a lease if the permittee complied with the statutory requirements.

The statute does not prescribe all the terms of the lease, and it is therefore appropriate for the Department to consider the inclusion in the lease of reasonable provisions to protect the environment. To determine what provisions must be imposed more information is needed, and, consequently, the Bureau of Land Management, in cooperation with the Forest Service and the Bureau of Sport Fisheries and Wildlife, is now in the process of gathering information concerning the environmental impact of mineral exploration and development within the general area involved. The Bureau of Land Management will also hold public hearings in cooperation with the Forest Service at the earliest possible date following the completion of a report on environmental impact.

We wish to assure you that the environment will be given all possible protection consistent with the requirements of law.

Sincerely yours,

HARRISON LOESCH.

In light of their 1970 claim that the Secretary has "no discretionary authority to refuse to issue a lease" it is refreshing to see the BLM recognize that it must consider such a refusal in complying with the terms and intent of the Environmental Policy Act.

Second, the report clearly sets forth the environmental debacle which would result from allowing the phosphate claim to be developed.

Included in this directory to an ecological horror chamber is the removal of 100 million tons of ore which would require scraping up between 200 and 300 million tons of earth in huge strips just to get to the ore. These millions of tons of earth would sit in piles for 5 or 6 years in an area of shallow surface soils with a moderate to high erosion hazard rating. Siltation in the area's streams has already become a problem just from the road system associated with existing mining claims. Earth removal would require drilling, blasting, and bulldozers equipped with hydraulic rippers. Twenty-ton semitrailer trucks would constantly transverse the area making approximately 140 trips per day. Electric power requirements would necessitate a 14-mile aerial transmission line capable of carrying 33,000 volts. The report documents the air pollution, water pollution, and noise pollution which would inevitably accompany an operation of this magnitude. Visually, the report describes the scene as a giant football stadium, and in a classic understatement concludes:

To most people . . . the mining operation would be less pleasing than the existing scenery.

The numerous camping, hiking, and recreational uses in the area would be substantially inhibited. The sport fishing for which the area is well-known, would be threatened by stream pollution.

And finally the report makes clear that phosphate mining and the survival of the California condor are totally incompatible.

We have a choice.

We can have Californian condors with a chance of survival. Or we can have U.S. Gypsum mining in the Los Padres National Forest.

But we cannot have both.

This area is the condor's only known breeding site. Condor population dynamics are such that interference with one nesting couple could tip the balance toward extinction. The environmental havoc created by the U.S. Gypsum operation would so substantially disrupt the condor's nesting habitat that any hope for condor survival would vanish.

[1] The text reads as follows:

"The first part of article VI contemplates the obligation of the State in whose territory acts of genocide have been committed. Thus, in particular, it does not affect the right of any State to bring to trial before its own tribunals any of its nationals for acts committed outside the State."

I believe most Americans understand and sympathize with the struggle to save our endangered species. I have testified on a number of occasions about the varied reasons for preserving diversity in nature. Only if there is an overwhelming national interest to the contrary should there be any question about what action we should take when a species is threatened with extinction.

What then is the national interest? A 1970 Department of the Interior report on minerals states that there is no shortage of phosphorus and no reason to be concerned about phosphate supplies until the year 2000.

I think the absence of an overriding need for the development of this phosphorus find should remove any question of what the BLM should do.

By whatever device is found to be most appropriate, the U.S. Gypsum development should be stopped. Furthermore, while the California condor is the most serious and well-known example of the environmental threat strip mining poses, the BLM report amply demonstrates other environmental, scenic, and recreational damages the mine would cause.

In its report, the BLM suggests several ways in which the operation could be suspended and/or the lease denied. Two of these proposals might subject the Department to litigation, and another would necessitate Federal legislation.

I would like to assure the BLM that I would be happy to consider introducing appropriate legislation to facilitate the maintaining of the Los Padres National Forest without phosphate development.

Under any circumstances, I am opposed to allowing the phosphate development to proceed.

OREGON'S ECONOMY IS HURTING

Mr. HATFIELD. Mr. President, the economy of my State cannot take the effect of these crippling transportation strikes much longer.

My telephone is busy with calls from lumber and plywood mill operators advising me they will be required to shut down completely if the railroad and dock strikes last even a few more days.

Main street businessmen, farmers, construction employees, millworkers, housewives, and now, rank-and-file railroad employees are calling and writing me urging immediate action to resolve these crippling issues.

Mr. President, I have contacted administrative officials and union and management negotiators urging around-the-clock sessions until a satisfactory conclusion is reached.

I cannot stand by and see the economy of my State shattered just as it is showing signs of recovering from a 2-year slump.

If it becomes necessary for Congress to step in, I know that Senators will act with dispatch.

JUVENILE FATALITIES

Mr. BAYH. Mr. President, I was particularly distressed to read recently in the New York Times of incidents of attempted suicide, of suicide, and of drug overdose deaths which occurred in detention and correctional facilities for young people in New York.

The status of, and the conditions which exist in, these facilities and institutions is one of the subjects of continuing inquiry and concern of the Juvenile Delinquency Subcommittee. I am hopeful that through our efforts improvements can be effected and progress made toward eliminating or improving such institutions. Many of them unfortunately are a disgrace to any country which considers itself civilized.

In two of the three cases described in the New York Times articles, youngsters 16 years of age were involved. A 16-year-old youth at the Adolescent Remand Shelter on Rikers Island did commit suicide, while he was incarcerated there awaiting sentencing on a manslaughter conviction. This young man was the seventh suicide in New York City's prison system this year.

One young lady attempted suicide in a home for troubled and homeless girls.

It is no wonder that a person bent upon suicide can be successful at the Adolescent Remand Shelter, for that facility, designed for 900 men, now houses some 2,127 youth between the ages of 16 and 21, who are in custody either awaiting trial or sentencing.

Quite obviously, adequate supervision of inmates is impossible under the conditions of overcrowding, which prevail at the shelter.

In fact, it is a wonder that conditions are no worse than I found them to be on a recent tour and inspection of the Adolescent Remand Shelter.

Conditions there, however, are simply terrible. They certainly are not conducive to rehabilitating delinquent youth.

First of all, there are no operating programs of rehabilitation at the shelter, despite the fact that inmates are incarcerated there for substantial periods of time awaiting trial or sentencing, or both.

The manpower development job training program which once functioned at the shelter, was eliminated for 2 years, because of a cutback in Federal funds. Yet 25 percent of the program participants were criminal repeaters. It meant that a million dollars worth of job training equipment lay idle for that period of time, in spite of the demonstration that the recidivism rate of graduates was one-third that of all others released from Rikers Island.

I am encouraged to learn that the program has again begun to function, for it is this type of effort which will reap rewards for the Nation in terms of reduced criminality and recidivism.

The conditions that I found to exist at Rikers Island are not atypical of the Nation, unfortunately.

During hearings conducted earlier this year, we heard testimony about several of this Nation's training schools, detention centers, and correctional institutions.

If one thing emerged from those hearings it is the fact that we have failed the youngsters of the Nation, who have been detained in or committed to institutions, for we do little if anything to assist them in meeting their individual needs and problems. Nor do we rehabilitate them in the vast majority of cases.

The conditions that have been described to me and those which I have seen personally are appalling.

We must, therefore, intensify our efforts to restructure our juvenile corrections system, through the development of alternatives to the traditional detention center and training school, about which we have heard so much in terms that can best be described as shocking.

I believe that legislation I have recently introduced along with other Senators, to amend the Omnibus Crime Control and Safe Streets Act would go a long way toward improving the administration of juvenile justice in this country, and I am hopeful that action can be taken upon that bill soon, so that Federal funds can be made available to the States and cities to develop and implement programs of innovation in treatment and rehabilitation of youthful offenders.

Mr. President, I ask unanimous consent that the New York Times articles be printed in the RECORD.

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

[From the New York Times, July 18, 1971]

RIKERS ISLAND BOY, 16, SUICIDE; VANDEN HEUVEL RENEWS ATTACK

(By William E. Farrell)

A 16-year-old inmate, who attempted suicide twice in the last month, hanged himself early yesterday in his cell at the Adolescent Remand Shelter on Rikers Island, prison officials reported.

The youth, Wayne Robert Stuart, whose last known address was given as 30 Lincoln Avenue, Newark, was awaiting sentencing on a conviction of first-degree manslaughter. He was the seventh suicide in the city's prison system this year.

William vanden Heuvel, chairman of the city's Board of Correction, said that Stuart's death, as well as his earlier attempts to do away with himself, illustrated the "barbaric treatment" of mentally disturbed prisoners in the city's penal facilities.

"SHUTTLE TO DISASTER"

"Mentally disturbed prisoners are on a constant shuttle to disaster between the prisons and the hospitals which hold them overnight and then send them back to the depressing conditions of prison life," Mr. vanden Heuvel said.

The blame, he asserted, rested on a prison system devoid of adequate medical resources and psychiatric personnel rather than on overburdened correction officers responsible for maintaining a daily routine.

On Sunday the Correction Board assailed another city prison facility, the Rikers Island Reformatory, as a human "warehouse" where youthful offenders serving indeterminate sentences were denied training and rehabilitation and were subjected to "empty days and useless work."

Stuart was one of 2,127 inmates in the Adolescent Remand Shelter, which houses males between the ages of 16 and 20 who are awaiting trial, or, in the case of Stuart, sentencing.

DETAINED SINCE APRIL

A spokesman for the Department of Correction said that Stuart had been detained in the shelter since April 24 on a homicide charge and was convicted on June 23 of manslaughter in the first degree, which carries a maximum penalty of 25 years in prison.

Frederick J. Ludwig, chief assistant district attorney of Queens County, said that on April 1, Stuart and an accomplice, Dennis Cujdik, 20 years old, went to the apartment

of Joseph Goldstein, at 42-30 Hampton Street in Elmhurst, Queens, with the intention of robbing him.

During the evening, Mr. Goldstein, who was said to be in his 60's, was stabbed "about nine times" with a nine-inch wooden-handled knife that was wielded by Stuart, Mr. Ludwig said.

At the trial, at State Supreme Court in Kew Gardens, Queens, Cujdik was convicted of manslaughter in the second degree, which carries a penalty of up to 15 years. Stuart, who was indicted for murder, pleaded guilty to manslaughter in the first degree.

MADE NOOSE FROM TOWEL

A spokesman for the Correction Department said that Stuart, who had a cell to himself, was found dead at 4:50 A.M., after fashioning a noose from strips of a terry cloth towel and draping it over a lighting fixture.

The spokesman said that Robbert Brennan, the correction officer who found the body, had seen Stuart sitting on the edge of his bed just 20 minutes earlier.

He said that Stuart had told Mr. Brennan that he was unable to sleep.

Stuart, who was white, 5 feet 11 inches tall and weighed 160 pounds, was given a psychiatric examination at Kings County Hospital in May, the Correction Department official said.

At that time, he was deemed fit to stand trial and was said not to be a drug addict although he had told the examining psychiatrist he occassionally experimented with LSD and barbiturates.

According to the department, Stuart's medical records at the Adolescent Remand Shelter showed two previous suicide attempts, one on June 26 when he slashed a forearm with a piece of glass and one on June 26 when he tried to hang himself with a rope made of mattress ticking.

On June 21, he was questioned about a noose he was making from a rope.

DEPRESSION NOT INDICATED

According to the department, on Monday night Stuart played cards with other inmates, who detected no signs that he was particularly depressed.

From the time of his detention Stuart had been seen by five psychiatrists, a department spokesman said.

Mr. vanden Heuvel said that until more prison hospital space was available for inmates with mental problems, the "shuttling" between psychiatric interviews and prison cells would continue.

On several occasions, he said, his watchdog agency discussed the problem of potential suicides with Correction Commissioner George F. McGrath.

Mr. vanden Heuvel said that he had suggested to the Commissioner that once potential suicides were identified "normal" inmates be paid the going prison rate of 3 cents an hour to be "observation aides" and monitor their comings and goings.

PLAN FOUND UNFEASIBLE

Mr. McGrath said that the city's prisons used inmates as observers "to a great extent," but that using prisoners to guard a possible suicide on a 24-hour basis was "not feasible."

While the Commissioner agreed that there were "far too many obvious psychiatric cases in our prisons," he said that overcrowded hospitals "resist taking anything but the most extreme bizarre psychotic individuals."

Commenting on Stuart's five psychiatric examinations, the Commissioner said all the psychiatrists said that the youth "was not psychotic" and could withstand the regular prison routine.

Mr. vanden Heuvel said that a meeting on prison suicides would be held at the Tombs at 3 P.M. tomorrow. At that time an attempt will be made to enlist the support of the New York City Psychiatric Association in providing more services to inmates, he added.

[From the New York Times, July 28, 1971]

SUICIDE ATTEMPT IN GIRLS' CENTER; 16-YEAR-OLD ABANDONED WHEN SHE WAS 7

(By Walter H. Waggoner)

A 16-year-old girl who was abandoned when she was 7½ and has been in child-care institutions most of her life attempted suicide on July 16 at Callagy Hall, a city-operated shelter for troubled and homeless girls.

This was disclosed yesterday by the girl's lawyer, Marcia Lowry of Community Action Legal Services, Inc., who brought suit in State Supreme Court against George K. Wyman, the state's Commissioner of Social Services, and Elizabeth Beine, director of the city's Bureau of Child Welfare.

The complaint charges that they failed to comply with an order by State Supreme Court Justice Harold Baer on June 9 to "make adequate and suitable temporary arrangements" for the care and education of the girl, Francine Timothy.

A hearing on the order to the defendants to show cause why they should not make such arrangements has been scheduled for Aug. 4 before Justice Francis J. Bloustein.

Carl Zuckerman, general counsel of the city Department of Social Services, of which the Child Welfare Bureau is a part, said: "We do not comment on a suit that is pending."

George Yamin, spokesman for the State Department of Social Services, also said that it was department policy "not to make any statement where litigation is involved until the matter is disposed of by the court."

SUICIDE EFFORT RELATED

Francine, who was committed June 16 to Callagy Hall, at 311 East 12th Street, tried to kill herself by wrapping a wire clothes hanger around her neck and swallowing pieces of a broken phonograph record, according to Miss Lowry.

The lawyer said that after the girl was transferred to Bellevue Hospital's psychiatric unit for examination, she told friends she was depressed because clothing, money and other belongings had been stolen from her at Callagy.

In her own affidavits to the court, Francine said: "I have seen girls bring marijuana and whiskey into Callagy and use them there."

"The counselors don't seem to care about it," she said, adding that there was also "a lot of homosexuality" at the hall.

WANDERING, HOMELESS

Before her last admission to Callagy, Francine was found by a policeman on the night of May 24, according to court papers, "wandering, homeless" and "trying to find friends with whom she could stay, after having been thrown out of her home by her mother," Mrs. Francina Little, of 1160 Jackson Avenue, the Bronx.

Mrs. Little was said in the court papers to have abandoned the girl, along with three other children, in 1962. There have been brief periods when Francine was with her family but according to the papers, she was last ejected from her home on May 23, eight days after being discharged to her mother's care following more than three years in Rockland State Hospital.

The girl was taken to Bellevue after she had "begged" not to be taken to Callagy because of her "terrible memories" of her first stay there in 1962.

BELLEVUE FINDINGS

At the hospital she was examined by Dr. Eugene Allen, a psychiatrist, and Yvonne Joyce, a psychiatric social worker. Both "concluded unequivocally that Francine was not in need of any kind of hospitalization" but should be placed "in a suitable foster home."

Following Justice Baer's order of June 9, Francine was removed from Bellevue to Callagy Hall on June 16. The petition by Miss Lowry, the lawyer, complained that the center was "neither an adequate nor a suitable place for any teen-ager to live, even temporarily."

Miss Joyce, the social worker, said "it is crucial that no further damage be done to this child, even by a short stay in what I believe to be a large, overcrowded warehouse for children such as Callagy Hall."

[From the New York Times, July 28, 1971]

ROCKLAND INVESTIGATES PRISONER'S FATAL OVERDOSE; COUNTY SEEKS TO LEARN HOW ADDICT OBTAINED NARCOTICS DURING BRIEF TIME IN JAIL

(By Edward C. Burks)

Rockland County authorities have undertaken an investigation to determine how a county jail prisoner could have received a fatal narcotics overdose while in jail.

Dr. Frederick T. Zugibe, the County Medical Examiner, said yesterday that a "main line" injection in the arm caused the death of 34-year-old Albert Wilson of Spring Valley, N.Y., last Friday in a cell he shared with five other prisoners.

Wilson was described by Sheriff Raymond Lindemann as a long-time addict who had escaped from a state addiction control center, where he was being treated.

He was arrested in Spring Valley last Wednesday and charged with possessing 35 "bags"—actually, envelopes— of heroin.

THE 30-DAY SENTENCE

On pleading guilty to the charge, he was sentenced to 30 days in the county jail in New City to serve his time until his return to state custody.

Dr. Zugibe's investigation and autopsy report said that Wilson had been in the county jail for 36 hours and that the overdose had been administered within 12 & 24 hours of his death.

The Medical Examiner stated yesterday that Wilson was not under the influence of drugs when he was admitted to jail late Wednesday afternoon. Before he was found unconscious about 1:30 A.M. Friday, less than four hours before death, he was "in good shape," Dr. Zugibe reported, showing no signs of drugs or withdrawal symptoms.

Commenting on the examination of the prisoner's body, which Dr. Zugibe said contained numerous sores and abscesses resulting from previous injections or "skin popping," he added: "We found a fresh needle mark on the arm."

District Attorney Robert R. Meehan of Rockland County described the case as an "extremely serious situation" and said that he will ask the county grand jury today to undertake a full investigation following that of his own office.

COMMENTS ON POSSIBLE SOURCE

Mr. Meehan said that the prisoner might have smuggled the drug into the jail himself or received it from a visitor, another inmate "or other sources."

One of the other prisoners in the cell was being held on a drug-possession charge.

Sheriff Lindemann said that the prisoners were stripped and searched prior to being outfitted with jail clothing. But he agreed with Dr. Zugibe that it was possible to secrete heroin on or within the person. According to Dr. Zugibe, enough uncut heroin to constitute a massive overdose might not take up more space than the size of a man's fingernail.

An unusual aspect of the case was that Wilson had been severely injured in an automobile accident some time ago and recently received damages, according to Rockland authorities, of more than $50,000.

He apparently acquired his drug habit after his injury and spent "about $10,000" on drugs since getting his settlement, they said.

The police did not recover any "instrument" or hypodermic needle in the jail cell.

According to Sheriff Lindemann and Mr. Meehan, inmates with trusty status do the work in the jail including preparation of food, under the supervision of the jailers. The "bullpen," or multiple bunk, cell has a single toilet, but prisoners are sometimes taken to another toilet outside the cell.

Sheriff Lindemann said that the jail physician, Dr. Henry M. Karlan, was called "a number of times" during the night after Wilson was obviously ill, that he prescribed "smelling salts and oxygen" and that he was finally "ordered" to the jail by Undersheriff Mel Matern.

When he arrived at 5:15 A.M. the prisoner was dead, the sheriff said.

PROFESSOR BICKEL, WAR POWERS TESTIMONY

Mr. JAVITS. Mr. President, the Foreign Relations Committee has been holding hearings over the past several months on the war powers bills introduced by me and other Senators. At my suggestion, Prof. Alexander Bickel of the Yale University Law School was called as a witness on July 26, 1971. Professor Bickel is one of our Nation's best known constitutional law authorities—both as a teacher-scholar and as a practicing lawyer. Most recently, Professor Bickel won another laurel by successfully defending the New York Times in the Supreme Court in the famous "Pentagon Papers" case.

Professor Bickel's appearance before the Foreign Relations Committee was, in my judgment and the judgment of others of my colleagues, one of the most illuminating, helpful, and instructive sessions which the Foreign Relations Committee has had on this historic subject—and these hearings have consistently been of outstanding quality.

In commending Professor Bickel's statement to my colleagues, I wish only to add that, in my judgment, the subsequent questioning and colloquy of and with Professor Bickel, by committee members surpassed even the high excellence of his prepared statement and I am sure that this portion of the hearings will be of especial interest to Senators when the hearings are completed and printed.

I ask unanimous consent that Professor Bickel's prepared statement be printed in the RECORD.

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

TESTIMONY OF ALEXANDER M. BICKEL

I appear at the invitation of the Committee, and I greatly appreciate the opportunity to express my views, in this historic forum, on the question of the proper allocation of the power to make war under our Constitution.

When the Constitutional Convention was debating allocation of the war power, George Mason of Virginia said that he was against giving the power of war to the Executive, because not safely to be trusted with it; or to the Senate, because not so constructed as to be entitled to it. He was for clogging rather than facilitating war; but "for facilitating peace." Oliver Ellsworth of Connecticut, later the third Chief Justice of the United States, expressed the same thought. "It would be more easy to get out of war," said Ellsworth, "than into it."

Not only in the policies we have permitted at least two successive Presidents to pursue, but in institutional arrangements that Congress and the people have acquiesced in for some decades now, we have managed to reverse the proper order of things. We have managed to clog peace and facilitate war. I think it is time we got back on course.

Our Founding Fathers were not so unworldly as to believe that in terms of formulating and executing the policy of a great nation, it is in fact easier to make peace than to make war. It is in fact, as Ellsworth was careful to say, harder to make peace and simpler to make war. But the Framers of the Constitution intended that our Nation's institutions and processes should be so structured and arranged as to make it more difficult to do the easy thing—get into a war, and easier to do the difficult—get out of war. For this reason, they insisted that the declaration of war not be an executive prerogative, as it had been under the British Crown. They insisted also that it not be left to the Senate, a single, less numerous chamber which they viewed as capable of more expeditious action. Rather they vested the war power in Congress, acting through both Houses, with the approval of the President.

Congress, the Constitution provides, may *declare* war. The Convention earlier had thought of using another, in many ways more comprehensive word, and of empowering Congress to *make* war. But this phrase seemed to confide to the Congress the function of conducting a war once it had started, and also possibly seemed to deny the power of the Commander-in-Chief to repel attacks against the United States. The President was to be Commander-in-Chief, and there was no intention to limit the authority implicit in that office. As commander, the President would control tactical decisions concerning the deployment of our forces in the field, and see to their safety. Congress, as the Framers knew and as Congress itself has on occasion discovered, for example during the Civil War—Congress cannot well exercise command, and should not attempt to do so. Nor was there any intention to deprive the President of the power to repel attacks, or to respond to the threat of attacks against the United States or against our forces, when speed and perhaps secrecy are of the essence.

Yet nothing can be clearer than that the power to declare war was lodged in Congress alone. No doubt the President was to have a function in making, as opposed to declaring, war. Even so, the Framers were extraordinarily wary of standing armies, and of their use by the Executive. The Framers authorized Congress, therefore, not the President, to "raise and support Armies," and then provided that no appropriation of money to raise and support armies "shall be for a longer Term than two Years." Moreover, it is equally clear that residual legislative power over the whole domain of foreign policy, and of war as an instrument of policy, was placed in Congress. The vast bulk of those powers which, as the Supreme Court said in *United States v. Curtiss-Wright Corp.*, 229 U.S. 304 (1936), "vested in the federal government," without need of explicit enumeration, "as necessary concomitants of nationality"—the vast bulk of these powers belongs to Congress. Not only was Congress empowered to declare war, to raise and support armies, to make rules for their government and regulation, and to provide for calling forth the militia and for organizing, arming and disciplining it, but in the end Congress was given the overall, comprehensive "necessary-and-proper" power.

The "necessary-and-proper" clause of Article I of the Constitution authorizes Congress, of course, to make "all laws which shall be necessary and proper for carrying into Execution the foregoing Powers. . . ." The reference is to the previously enumerated powers of Congress. But there is another portion of the necessary-and-proper clause, not so often cited, which is of the greatest consequence when it comes to issues of foreign policy and of war and peace. The clause also charges Congress to make all laws which shall be necessary and proper for carrying into execution all other Powers vested by this Constitution in the Government of the United States, or in any Department or Officer thereof."

Against this roster of Congressional functions, stand the bare and summary provisions of Article II vesting the executive power in the President, declaring that he shall be Commander-in-Chief, and authorizing him, with the advice and consent of the Senate, to make treaties and appoint ambassadors. Whatever is needed to flesh out the slender recital of executive functions must be done by Congress under the "necessary-and-proper" clause. Congress alone can make the laws which will carry into execution the powers of the government as a whole, and of its officers, including the President.

The text of the Constitution and its history thus plainly limit the President. But the law of the Constitution under our system is defined not only by the text and by the history of the text, but by practice long accepted. The earliest practice conformed to the division of war-making powers intended by the Framers. But later practice, in this century, and on occasion in the 19th century, has tended to enlarge the scope of independent Presidential initiatives.

The relevant history has been reviewed in hearings held by this Committee in 1967, in connection with the Commitments Resolution, and in more recent hearings. Even against the background of this practice, the decisions discussed as early as 1964, made in the first half of 1965, and executed thereafter, to commit the moral and material resources of the Nation to full-scale war in Vietnam seem to me to mark the farthest, and really an unprecedented, extension of Presidential power. Certainly the power of the President in matters of war and peace has grown steadily for over a century. The decisions of 1965 may have differed only in degree from earlier stages in this process of growth. But there comes a point when a difference of degree achieves the magnitude of a difference in kind. The decisions of 1965 amounted to an all but explicit transfer of the power to declare war from Congress, where the Constitution lodged it, to the President, on whom the Framers refused to confer it.

I do not recur to the issue of the constitutionality of the Vietnam war—which properly enough, in my view, the courts have not adjudicated, and should not—I do not recur to this issue idly, or in search of a satisfying repository for blame. There is enough blame for wide distribution. I bring up the issue of how we got into the current war because it is an experience from which we should learn a lesson. The lesson is that something has gone wrong with our institutional arrangements, and nothing will so readily enlighten us on the rights and wrongs of abstract institutional arrangements as the wrong practical results of an institutional arrangement.

The great number of Presidential initiatives prior to the Vietnam war could, with varying degrees of plausibility, be fitted into theories that fall short of complete repudiation of the constitutional division of war-making power between Congress and the President. The decisions and actions of 1965 outran any such theories. There was no sudden attack on forces of the United States, requiring instant response, perhaps in secrecy, and thus making resort to Congress impossible if effective action was to be taken. Nor were we in any sense, as in some of our Latin American ventures around the turn of the century and after, interposing our forces in a foreign nation to protect American citi-

zens and property, while remaining neutral with respect to conflicts there. The Korean action and the dispatch of troops to Lebanon by President Eisenhower before 1965, as well as President Johnson's intervention in the Dominican Republic later, all could at least arguably be made to fit the sudden-attack and neutral-interposition theories. But not the round-the-clock bombing of North Vietnam, which began in February, 1965. And not the sending of 50,000 troops by a single decision that President Johnson announced on July 28, 1965, commenting, "this is really war."

That was really war, and it committed, as the President had said some two weeks earlier, on July 9, "our power and our national honor"—by a deliberate decision, considered over an extended period of time, not forced by sudden events; a decision functionally and in every other way amounting to an initiative for war. If this decision was not for Congress under the Constitution, then no decision of any consequence in matters of war and peace is left to Congress.

I will not pause to discuss subsidiary justifications for the Presidential decision to go to war in Vietnam, such as the supposed SEATO obligation, or the Tonkin Gulf resolution. As for the claim that Congress ratified the executive action by appropriating monies to support and steadily enlarge it, undoubtedly Congress did so, and undoubtedly it did so in part under a misapprehension that it was in principle obliged to extend general support, even if free to make judgments on questions of detail. This is precisely the misapprehension which it is necessary now to dispel.

Few observers or even executive spokesmen deny the import of the original Constitutional arrangements. When the largest claims are entered for independent Presidential power, reliance is placed in prior practice, and in assessments of modern conditions which, it is said, require a revised conception of the original separation of powers. Thus Secretary Rogers, testifying here on May 14, 1971, said that the power to repel sudden attacks, which the Framers plainly meant to repose in the President, must in modern times have a broader rationale—that is, that in emergency situations the President has power and a responsibility to use the armed forces to protect the nation's security. Further on, the Secretary expressed his concern that any limitation on the President's ability to meet emergencies "would run the grave risk of miscalculation by a potential enemy regarding the ability of the United States to act in a crisis," and he spoke of the need to allow the President "flexibility."

I am not clear just what the Secretary had in mind. The "sudden attack" concept of the Framers of the Constitution denotes a power to act in emergencies in order to guard against the threat of attack, as well as against the attack itself, when the threat arises, for example, in such circumstances as those of the Cuban missile crisis of 1962. So long as it is determined that this is a reactive, not a self-starting, affirmative power, I have no trouble agreeing that it is vested in the President by the Constitution, that it provides flexibility, and that Congress cannot take it away. Secretary Rogers added that he did not interpret 'flexibility' as a euphemism for unchecked executive power." I don't see, therefore, why he felt that the concept of "sudden attack" needed to be broadened. Of course, the power is, in an emergency, to guard against attack or the threat of attack on the United States or lawfully deployed forces of the United States—not an attack on someone. else. If, in the event of an attack on a friend or ally, there is implicit the threat of attack also on us, the President can act. If not, and if there is an adequate consensus that we should spring to the help of our friend, Congress can be persuaded to act, and act fast enough. If Congress won't act, or if our friend is devoured in a matter of hours, then I think it is evident we could not have helped effectively anyway. I should think we would have learned from the Vietnam experience that without knowing why we fight, and that we want to, we can't fight effectively, and I think friend and foe alike have learned as much about us, and know it, whatever we may say here.

Secretary Rogers also mentioned that the United States is now a world power, and that we live in a time when there is fear of nuclear war, and when deterrence is considered important. But again, if we are talking, as Justice Holmes used to say, things and not words or euphemisms, all this means is that sudden attacks and the threat of them are more distinct possibilities now than two hundred years ago, and that emergencies are more likely to be acute and dangerous. The sum of it is that the possible occasions for the use of the President's Constitutional power to repel attacks, or to deal in an emergency with the threat of attack, loom more ominously on our horizon than on that of the Framers of the Constitution. I don't see why the conclusion is drawn—the Secretary, in fact, merely implies it—that our conception of Presidential power must be broader.

It is also asserted in defense of independent Presidential action—though not by Secretary Rogers—that Congress is authorized only to declare war, and in modern circumstances, that is, after all, often not what is wanted. It is too much, and since too much is all that Congress has authority to do, it must be for the President to do anything somewhat less. The argument is altogether fallacious. There may actually be some sort of difference between the war we have waged in Vietnam and a war that Congress might have declared, although the difference, if any, is metaphysical. But there is utterly no reason to think that Congress has only the mega-power to declare war in the exact terms of the constitutional clause that authorizes declarations of war, and no intermediate power to commit the country to something less than a declared war. Congress, and Congress alone, as I have emphasized earlier, has the necessary-and-proper power, the power to do anything that is necessary and proper to carry out the functions conferred upon it and upon any other department or officer of the government. If in the conditions of our day it is necessary to carry out the power to declare war by taking measures short of a declaration of war, everything in the scheme of government set up by our Constitution indicates that Congress has the needed authority.

United States v. *Curtiss-Wright Corp., supra,* is often cited as indicating a modern development of independent Presidential power beyond what the Constitution originally intended. The case is familiar, of course, but let me take a moment to examine it. It is a rather eloquent, if not grandiloquent, opinion by a Justice (Sutherland) whose eloquence was usually reserved for decisions constricting rather than enlarging the power of the federal government. The opinion has, therefore, the impact of the unexpected. But it is really quite a limited holding. Congress had, by joint resolution, authorized the President to prohibit sales of arms and munitions to countries then engaged in a specific armed conflict in the Chaco, whenever the President found that such a prohibition would contribute to the reestablishment of peace between those countries. The President used this authority, and the joint resolution was attacked as void for excessive delegation. The Court assumed without deciding that the delegation would have been excessive if applicable to internal affairs. Whether this assumption was valid at the time is thoroughly questionable. Little more was delegated to the President than the power to establish a necessary factual condition precedent. The joint resolution closely defined what the President was to do, and where he was to do it—comparison with the terms of the Tonkin Gulf resolution is interesting! This was hardly delegation running riot. Cf. *Panama Refining Co.* v. *Ryan,* 293 U.S. 388 (1935).

At any rate, having assumed *arguendo,* without deciding, that as applied to domestic affairs the delegation would be unconstitutional, the Court declared that "within the international field [Congress] must often accord to the President a degree of discretion and freedom from statutory restriction which would not be admissible were domestic affairs alone involved. Hence the delegation was held valid. The eloquent assertions of independent Presidential power in the vast external realm," which were largely *dicta,* were restricted to statements that the President alone can "speak or listen as a representative of the nation;" that he alone negotiates treaties, and that the Senate cannot intrude, although it must give advice and consent; that the President has "plenary and exclusive power . . . as the sole organ of the federal government in the field of international relations, which in context must be taken as a restatement of his role as sole spokesman and listener, especially since the Court added that Presidential powers "must be exercised in subordination to the applicable provisions of the Constitution;" and that the President, and not Congress, has the better opportunity of knowing conditions in foreign countries, because the President has his agents, and is better able to maintain secrecy. That was all. Nothing about powers to go to war, or to use the armed forces without restriction. So far as broad delegation without standards of legislative power to the President is concerned, *Kent* v. *Dulles,* 357 U.S. 116 (1958), decided a generation later, has made clear that it will no more be tolerated in the "vast external realm" than domestically. Not that *United States* v. *Curtiss-Wright Corp.* ever held to the contrary.

Passing the question of the possible reach of independent Presidential power, one thing is surely clear. Whatever aggrandizement of Presidential power may have occurred during the past generation, whether or not Presidential initiatives taken in the absence of legislation to the contrary were constitutional, the practice of recent decades or of a century cannot have worked a reduction of Congressional power, which may in the last two or three decades have lain largely in disuse, but which is as legitimate now as the day it was conferred. As the late Justice Robert H. Jackson said in his classic concurring opinion in *Youngstown Sheet and Tube Co. v. Sawyer,* 343 U.S. 579 (1952): When the President acts in absence of either a Congressional grant or denial of authority, he can only rely upon his own independent powers, but there is a zone of twilight in which he and Congress may have concurrent authority, or in which its distribution is uncertain. Therefore, Congressional inertia, indifference or quiescence may sometimes, at least as a practical matter, enable, if not invite, measures on independent Presidential responsibility. . . ." However: "When the President takes measures incompatible with the expressed or implied will of Congress, his power is at its lowest ebb, for then he can rely only upon his own Constitutional powers minus any Constitutional powers of Congress over the matter".

The President alone negotiates and treats, and the Senate ratifies or not, and the Congress supports, or not, but neither Senate nor Congress negotiate and treat. And the President alone commands troops and sees to their safety. But the novel claim is now made, by Secretary Rogers among others, though perhaps somewhat more tentatively by him than

by others, that the President has uncheckable independent authority to deploy forces abroad short of hostilities. To interfere with this independent authority, said Secretary Rogers, would raise a serious Constitutional issue. Yet in 1917, Congress forbade, while we were in a state of neutrality, the sending out of the jurisdiction of the United States of any vessel built, armed or equipped as a vessel of war, with an intent that it be delivered to a belligerent nation, 40 Stat. 217, 222; further restrictions on the sale of arms were added by the Neutrality Act of 1935, over vigorous executive objection, 49 Stat. 1081; and in the Selective Service Act of 1940, Congress provided that no draftees were to be employed beyond the limits of the Western Hemisphere, except in territories and possessions of the United States, 54 Stat. 885. More recently, Congress imposed restrictions on the use of forces in Laos, Thailand and Cambodia. When in 1940, President Roosevelt, in the destroyers-for-bases deal, transferred to Great Britain certain overage destroyers and small patrol boats, his Attorney General, later Justice Jackson, advised that the transfer was lawful only because he construed the acts of 1917 and 1935 as permitting it. The Attorney General also advised that a proposed transfer of mosquito boats then under construction was prohibited by the 1917 Act. 39 *Opinions of the Attorney General* 484, 496 (1940). President Roosevelt accepted the authority of Congress as exercised in the 1917 and 1935 statutes, and acted as Commander-in-Chief only within it.

The Presidency, Secretary Rogers said, has a peculiar institutional capacity for "rapid and clear decisions" based on "superior sources of information," whereas Congress is a more "deliberative, public and diffuse body." But the Secretary recognized also the institutional limitations of the Presidency, and these, in matters of war and peace, counsel I believe a redressing of the balance between President and Congress. The institution of the Presidency is, to be sure, ultimately responsive to public opinion. But the President is a single man, in many ways a distant and regal personage. The discipline of the democratic process plays on him only grossly, at wholesale. His policy-making is necessarily private, almost like that of a court. The large results become known, and on these he can be judged and held to account. But the process by which he reaches them is seldom opened to scrutiny, and consequently little open to influence. Congress on the other hand is institutionalized communication, access, participation. Here much of the decision-making process is in the open, accessible and observed. Congress is the institution where we do not merely hold our government to account, but can participate in it. It isn't always, but it can be. The Presidency by its nature rarely is.

The Congress need not fear that in resuming a fuller share of its own constitutional function, it will denude the office of President of its grandeur and its power. It will remain true, as Woodrow Wilson said, and as in just the past couple of weeks President Nixon has once again demonstrated, that the President's office is anything "he has the sagacity and force to make it." It will remain true, as Justice Jackson said, also in his concurring opinion in *Youngstown Sheet and Tube Co.* v. *Sawyer*, that the President "almost alone . . . fills the public eye and ear. No other personality in public life can begin to compete with him in access to the public mind through modern methods of communication." By his prestige and influence on public opinion, Justice Jackson added, the President exerts a leverage upon the institutions that are supposed to check and balance his power which can often cancel their effectiveness. In matters of war and peace, a succession of Presidents—well-intentioned and patriotic, to be sure—have indeed come close to cancelling the effectiveness of Congress. The result is a dangerous contradiction of the principles of democratic government, which I believe ought to be set right.

I am open to questions, naturally, concerning specific provisions in the bills the Committee has under consideration. I will say in general only—on the one hand—that I don't think the President can be deprived of his power to respond to an imminent threat of attack (as well as to the attack itself); or of his power to respond to attacks and threats against our troops wherever they may be, as well as against our territory; or of the power to continue to see to the safety of our troops once they are engaged, even if a statutory 30-day period has expired. In these respects, the Javits and Eagleton bills raise constitutional problems, which are soluble, I believe, by redrafting. I do think that Congress can govern absolutely the deployment of our forces outside our borders and that Congress should undertake to review and revise present dispositions. In this fashion, the eventuality of an attack or threat of attack against our forces can be indirectly provided for.

On the other hand, I think that a generalized, prospective delegation by Congress to the President of the power to go to war in aid of our allies pursuant to treaty commitments gives away more of its own power than Congress may constitutionally give away by so broad a delegation—or at any rate, a delegation which it is possible to construe all too broadly. In this respect, I would favor amendment of the Javits bill.

ERVIN HEARINGS ON PRIVACY (VII) TESTIMONY OF ELLIOT L. RICHARDSON

Mr. ERVIN. Mr. President, the Subcommittee on Constitutional Rights has received many letters from citizens concerned about the ever-expanding use of social security numbers by institutions of learning, credit bureaus, public utilities, unions, industry, in fact, by almost every segment of private enterprise in addition to State and local governments. It was for this reason, therefore, that I invited the Secretary of Health, Education, and Welfare to testify at the subcommittee's hearings on Federal Data Banks, Computers, and the Bill of Rights.

Mr. President, the testimony presented by the Honorable Elliot L. Richardson recognizes the concern of the American public that the social security number is fast approaching the status of a universal identifier. He points out the need for computers and the advantages to be gained by the efficient utilization of these systems. But his statement also contains a recognition of the increased risks to privacy which are occasioned by the advances in computers and communications.

I feel that Mr. Richardson's statement will be valuable to everyone interested in the effect technology is having on the quality of American life. Society must, if it is to survive, make sure that the rights guaranteed to all men by our Constitution are preserved. One of the most important of these rights is the right to privacy.

I ask unanimous consent that the statement of Secretary Richardson be printed in the RECORD at this point.

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

STATEMENT OF HON. ELLIOT L. RICHARDSON, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, FOR THE SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS OF THE COMMITTEE ON THE JUDICIARY, U.S. SENATE, 92d CONGRESS, FIRST SESSION, AT HEARINGS ON COMPUTERS, DATA BANKS AND THE BILL OF RIGHTS

Mr. Chairman and Members of the Subcommittee: I am very pleased to have this opportunity to testify at these hearings. They reflect a concern which I share about the potential for abuse which exists in what has been aptly called the cybernetic revolution: the rapid recent advance—destined to continue—in data-processing and communication technology.

Here with me today are Wilmot R. Hastings, General Counsel of the Department, and Robert C. Ball, Commissioner of Social Security.

A. CONFLICTS GENERATED BY TECHNOLOGICAL CHANGE

I know this Subcommittee appreciates the need for better statistical information about poverty, economic insecurity, illness, handicaps, inadequate education, population changes, and related social problems. The availability and analysis of information—knowledge if you will—have from the earliest history of man been the most important forces for this progress. At the same time, lack of knowledge—ignorance—has been the greatest constraint on the progress of mankind. The dramatic advances in computers and communications have given us the ability to store and use information on a scale vastly greater than earlier technology permitted. We now have a tool which will enable us to understand better the conditions in our society, develop improved solutions for the problems that these conditions reveal, and assess more accurately the performance of governmental and non-governmental institutions in carrying out these solutions. We can expect the use of data banks and information to continue to grow—it must if society is to solve the increasingly complex problems that plague it.

However—and I wish to make my position very clear on this point—nothing in the cybernetic revolution justifies unwarranted prying into or surveillance of the private lives of our citizens merely because we have acquired the technological capacity to do so. This Subcommittee deserves great credit for bringing forcefully to the Nation's attention the risks of loss of privacy and possible intrusion on constitutional rights which may be threatened by potential misuse—both intentional and careless—of the advances in computers and communications.

As citizens of a free society, we have the right to live as individuals with a high degree of independence and personal privacy. We expect that government officials, in fulfilling our needs for information, will respect that right. Government is not the owner of information on individuals, but only the trustee. As trustee it must honor its fiduciary responsibility, using the information for the benefit of society and in the manner authorized by its individual owner. We are going to express this trust concept in Department guidelines now being prepared concerning the collection of data from the public on sensitive personal subjects. As I will discuss later, safeguards have been developed to assure that our fiduciary responsibilities are met.

B. THE CASE FOR DATA COLLECTION: DHEW PROGRAM NEEDS

Against the background of these rather general observations I would like to explain to the Subcommittee how some of our program requirements have led the Department of Health, Education, and Welfare to collect and store information, how that information is used, and how we protect against the misuse of that information. I will confine my discussion to the kind of information which

I understand is relevant to the concerns of the Subcommittee—personal information about individuals.

The Department of HEW collects personal information, or causes or enables such information to be collected, for two broad purposes. The first of these is to enable the Department to administer programs and carry out other administrative functions which it is by law directed or authorized to perform. The second is to produce new knowledge on the basis of which we can acquire a more intelligent understanding of the conditions of individual and social well-being which are within the scope of the Department's concern and how those conditions of well-being may be improved.

As you know, we have forwarded to you a report responding to the Subcommittee's interest in ". . . the extent to which federal agencies may appropriately maintain law-enforcement-oriented or intelligence-type data banks on (1) persons who demonstrate or who are politically active in advocating or opposing government policies; (2) persons who no longer have dealings with the agency or department; or (3) persons who have not yet dealt with it," as requested in the Chairman's letter to me dated January 14, 1971. As I said in my letter transmitting that report, the Department of Health, Education, and Welfare maintains no such data banks.

In accordance with the Subcommittee's request communicated in the Chairman's letter to me dated November 24, 1970, we are conducting a review of the computerized data banks administered by or receiving financial support from the Department. We hope to provide the information you have requested concerning those data banks we administer by mid-April. Information concerning those for which we provide financial support is still being gathered by the Department's operating agencies. Because so many State and local governments, public school systems, colleges and universities, health and welfare organizations, and others which maintain data banks may be supported at least in part by funds received from the Department, we are not certain how soon this information can be made available to the Subcommittee. However, we will advise the Subcommittee as soon as we can estimate a date when a report on these "external" data banks may be available.

I would at this time, however, like to discuss two of our major information systems: The National Center for Health Statistics (NCHS) and the Social Security Administration's (SSA) data systems.

NCHS, a key component of the Federal statistical system, is the principal instrument for providing statistical intelligence on vital events, health, injury, illness, impairments, use of medical, dental, hospital and other health care services, and on the facilities and manpower which provide these services. The central mission of NCHS is to establish and maintain a system for producing the information needed in these fields. The Center carries out its mission by extensive operations in data collection, reduction, analysis, and publication, and is supported by a companion research-oriented program designed to improve the methodology of data processing and evaluation.

In October 1969, NCHS issued a policy statement on "Release of Data for Individual Elementary Units and Related Matters." That statement explained that it is a guiding principle of NCHS to publish as much relevant, impartial factual information on vital events, health, and related matters as resources permit, and to disseminate that information promptly to interested consumers throughout the health community. It went on to state, however, that it is an equally important principle of NCHS to maintain absolute and uncompromising protection of confidentiality with respect to data supplied by respondents as privileged communications. In other words, the reported data can be released in the form of aggregated statistics, but never in such manner that the identity of the respondent is revealed. This protection of respondent resources against harm from confiding in their government is not only a right of the citizen, but the guarantee which enables the NCHS and the government to secure needed voluntary truthful cooperation from both individual and corporate respondents. It is therefore as important to us as it is to the individual that his privacy be protected.

The data-gathering of the National Center for Health Statistics is an example of a system which gathers information on individuals, but provides access to such information only in the form of aggregate statistical figures. This type of system is markedly different from the SSA data systems, in which access is provided to individual information for purposes of program administration. Before discussing the SSA system, however, I would like to point out the immense value of both types of systems in generating new and improved programs.

In the development of the President's welfare reform proposals and of his proposals for improving the nation's health, we relied on analytical and statistical studies based on many aggregations of computerized data resources, including those of the National Center for Health Statistics and the Social Security Administration. We have attempted to shape both of these complex proposals as precisely as possible to meet specifically identified needs.

Unfortunately, despite the amount of data already collected by DHEW, we were still frequently faced not with a surplus of knowledge for our evaluation and planning, but with significant voids. For example, we did not have sufficient data about the utilization of Medicaid services to understand how the Medicaid program has affected the availability and quality of medical services in the country. This means that the determination of what health service benefits should be provided and how best to seek to assure their availability required some very difficult choices. Additional analyses of statistically aggregated information, which could be drawn from the actual experience of people without compromising individual privacy, could have facilitated these choices significantly.

As I indicated earlier, the Social Security Administration maintains data banks containing information on individuals for the purpose of administering a number of Federal programs. The banks contain only the information necessary for these programs. Nevertheless, the volume of data is substantial. In FY 1970, for instance, SSA received 375 million individual items of data on the earnings of social security number holders, over 17 million hospital bills for reimbursement under Medicare hospital insurances, and about 44 million bills for doctors' and related health services covered under the medical insurance part of Medicare. The recording and storage of all this information is, of course, accomplished with large automated data-processing equipment. So far as I am aware, no serious questions have ever been raised regarding the need or appropriateness of the information collected by SSA. As I am sure the Subcommittee is aware, SSA has developed, pursuant to statutory authority, stringent regulations dealing with access to its files, and the Department is confident that SSA's computer operations do not present a threat to individual privacy.

C. THE USE OF THE SOCIAL SECURITY NUMBER AS AN IDENTIFIER

At this point, I wish to address an issue regarding the social security system which was raised in the Chairman's letter inviting me to testify at these hearings. Let me identify the issue by quoting directly from Senator Ervin's letter.

"The Subcommittee has received a number of letters from citizens concerning the ever-increasing use of the social security number for identification purposes. Not only do almost all federal departments and agencies now use the number for their own files and computer systems, but State and local governments as well as private businesses and educational institutions also request the social security number as a universal identification code. State governments are now requiring disclosure of social security numbers in order to register to vote and to obtain driver licenses. Utilities request it to identify and chase down recalcitrant bill payers. Private industry utilizes the numbers provided by their employees, not just to report wage information, but also to run checks on their driving records.

"The Subcommittee is concerned that the social security number is rapidly becoming a means by which a person's history can be documented, labeled and followed from the moment he enters society until many long years after he is dead and could have been forgotten. The feasibility of such a program is enhanced by the technological progress our Nation has made and is still making. Our study of federal data banks indicates that already the government has both the computers and the information to compile extensive dossiers on most Americans. The adoption in each computer system of the social security number as a uniform identification code would facilitate the exchange of information among computers and enable widely scattered data to be collected with ease. This administrative advancement might lead, however, to invasions of privacy and could well have adverse effects on a person's enjoyment of his constitutional rights."

To put this issue into perspective, two facts should be kept in mind. First, whatever potential danger exists in the computerized recording, storage and exchange of information about people does not arise from any inherent characteristics of the number—whether it be the social security number or some other number—which may be used as an identifying surrogate for the individual about whom information is stored. The number itself need not reveal anything about the individual. In the case of the social security number, it reveals only the State in which the number was originally issued; it reveals nothing about the individual to whom it is issued.

Second, computerized data systems can be linked to effectuate transfers or exchanges of data even if different indexing codes are used in each of the linked systems. Of course if two or more data systems are indexed using the same numbering code, e.g., the social security number, the pooling, transfer or exchange of data among those systems can be accomplished more easily, but it can nevertheless be done by systems using different numbering index codes.

It is quite clear, therefore, that the potential for invasion of privacy or breach of confidentiality of information lies not in the use of the number itself, but rather in how the organization uses computerized collections of data which are indexed by the number.

The Subcommittee is correct in understanding that the social security number is widely used as an index-identifier outside the social security program. Within the Federal Government, all permanent identification systems for individuals are required by Executive Order 9397, issued by President Roosevelt in 1943, to utilize social security numbers. The Executive Order also requires the Social Security Administration to cooperate by issuing or validating numbers for persons required to be identified in such other identification systems. In accordance with the Executive Order, the social security number

is being widely used within the Federal Government: for example, by the Internal Revenue Service to identify taxpayers; by the Civil Service Commission for personnel records; by the Federal Aviation Agency to identify pilot records; by the Veterans' Administration for the records of its hospital patients; by the Treasury Department in issuing saving bonds; and by the Department of Defense to identify military personnel. If the President's program of welfare reform is enacted, the social security number will be used to identify recipients under that program.

While the use of the social security number as a Federal data system identifier is required by Executive Order 9397, the law and regulations are silent regarding use of the number outside the Federal Government. It is not illegal for a non-Federal organization to use the social security number in its record keeping system. Such use in and of itself involves no disclosure of information, and thus does not involve a breach of Federal law or regulation. The Social Security Administration has no statutory basis for either promoting or discouraging such use nor does it have complete information about the extent of such use. It is known, however, that use of the number by State and local governments and private organizations is widespread and appears to be growing.

I think it is significant that non-Federal uses of the number have grown despite the Social Security Administration's general policy of not encouraging such uses. For instance, under current policy SSA does not propose, endorse, or initiate actions that would enlarge the extent of the use of the number outside of the Federal uses required under Executive Order 9397. Nor does SSA comply with requests from organizations for service of information that would involve use of trust fund money for non-social security program purposes or that would involve any disclosure of personal information. Nevertheless, non-Federal use of the number has grown, indicating a growing need on the part of many organizations for a universal identifier for the filing of information on a given individual.

This need has caused an increasing number of State agencies and private organizations to ask the Social Security Administration to issue additional numbers and provide verification and identification services. Lacking any clear basis for denying some requests and honoring others, SSA has consistently refused to provide assistance for non-Federal uses of the social security number which have no relevance to the conduct of its programs.

Since the policies I have described were developed, two conflicting kinds of pressures and concerns have developed. On the one hand, it is believed that the Social Security Administration's current number issuance procedures should be tightened considerably, so as to make the number more reliable as an identifier *per se*. Because of the way the numbers are now issued and because the social security card itself contains no positive means of identifying the bearer, the social security number cannot be fully relied upon as a unique individual identifier. This fact is of concern to a number of Federal agencies which use the number specifically for identification purposes. It is also a concern of the Department of Health, Education, and Welfare and of the Congress in considerations of the use of the social security number as a means of administrative control for various Federal programs including the President's proposed program of welfare reform.

On the other hand, concern is expressed about increased risks of invasion of privacy that may result from the existence of a universal identifier, particularly in computerized data exchange. Because of the increasing use of the Social Security number as an identifier, this concern has tended to focus on that number. As a result, many people are now questioning the increasing use of the number by non-Federal groups.

Because of these conflicting pressures and concerns, the Commissioner of Social Security convened a task force of high-level social security officials last year to reexamine the policies and procedures relating to the issuance, maintenance, and non-Federal use of the social security number. The Commissioner recognized that the growing use of the number as a personal identifier raises issues which are beyond the policy concerns of the Social Security Administration. Therefore, he asked that the group address itself to two tasks: first, it is to determine if there are any changes in SSA's policies that are needed or desirable and that can properly be made within the scope of the agency's present authority; second, it is to identify the issues that should be considered by a more broadly constituted group which could in turn develop recommendations for consideration by the Executive Branch and by the Congress. I have requested the Commissioner of Social Security to furnish me with the results of the task force effort at the earliest possible date. It is my intention to use the task force report as the foundation for the development of DHEW policy recommendations. I will be pleased to submit the Department's recommendations to the Subcommittee as soon as they are available.

With the Subcommittee's permission, I would like to discuss, for a moment, the possible benefits and risks inherent in a universal identifier, whether it be the social security number or some other number. There would certainly be an enormous convenience in having a single identifier for each individual. It would simplify and make more efficient the acquisition, storage and use of data needed both to provide desired social services to individuals and to generate useful statistical information. Overlap, duplication and confusion in recordkeeping could be minimized. More importantly, though, it would greatly facilitate the obtaining of needed information to fill in voids and generate the type of complete record that is required to provide an individual with comprehensive social services to improve his health, education and economic well-being.

It is this very ease of obtaining information, of course, which raises the spectre of invasion of privacy. What is needed then is the development of safeguards which will prevent unauthorized access to individual records. Before the advent of computer technology, all data had to be stored as printed material. Access was controlled by restricting the persons who could physically see the printed material. Needless to say, this approach has had its drawbacks and security of files has been a problem wherever sensitive material is stored.

Computers, on the other hand, will not reveal any information unless instructed by the proper code. Not only does the computer act as a giant combination safe, but it also can be programmed so that access to various categories of information each require a different code. In other words, information, even about a single individual, can be effectively locked in many separate combination safes.

The fact that safeguards may not now be adequate does not mean they cannot be developed and put into effect throughout society. Statutes designed to define and protect an individual's rights in computerized information storage and exchange can be enacted; systems that use the inherent capabilities of the computer to safeguard confidentiality of information can be developed. It is incumbent on all of us in government to devote enough attention to the development of adequate safeguards now, so that in future years society will not be faced with an "either/or" decision on the question of computerized data exchange versus individual privacy.

E. CLOSING COMMENTS

Mr. Chairman, members of the Subcommittee, in closing I would like to summarize some general observations about the problems raised today.

Improvements in technology have often had a way of escaping man's efforts to control their potential for harm. Our polluted air and water testify to that. We have an opportunity here, because we are foreseeing the problems at an early stage, to exercise the necessary control to prevent the potential abuse involved in the cybernetic revolution. The need to acquire and analyze vast amounts of data about individuals will continue to increase with the complexity of our society. Without the analysis of data, the Nation would move hesitantly, groping for solutions to its present problems with no assurance of success, without the means even to know if it were succeeding or failing. With the analysis of data, however, it can move forward more deliberately and confidently and better measure its successes.

There can be no question, then, of whether the data should be collected and analyzed. It must be if we are to reach the goals to which we aspire—a healthy, well-educated citizenry free from hunger and poverty. We must develop the means of controlling the potential for harm inherent in this technology. We may need to consider affirmative regulation of this technology if present judicial processes prove inadequate in protecting our privacy. We must develop procedures, both technological and administrative, to guarantee the confidentiality of information supplied by individuals, or they will be reluctant to provide it. We must make clear to individuals from whom the government seeks information on a voluntary basis that they may decline to respond with impunity. We may find it useful to distinguish sharply between the application of this technology by those organizations whose missions are to promote the health, education, and welfare of our citizens and those whose missions are to investigate, prosecute, punish, and regulate individuals.

As with most human rights, privacy is not an absolute right. A balance must be struck between society's need for information and the individual's right of privacy. But it must be struck by the active decision of the people and their leaders and not be merely the result of inattention. With care and foresight, we can use the technology of the cybernetic revolution for the benefit of mankind while minimizing the loss of privacy.

FOREIGN ECONOMIC POLICY

Mr. BROCK. Mr. President, I desire to speak today on a subject which I have followed closely during my years in Congress. The United States stands at a crossroads in its international financial affairs. America is suffering from the worst balance-of-payments deficits in two decades. The stability of the dollar, the security of our country, and the freedom of action of our Government in international affairs is being adversely affected. As a debtor nation, we will be unable to maintain a position of strength in the world. Without foreign exchange, we will be unable to continue our role in world security and economic aid expenditures. I propose to analyze our present position to date on the balance of payments, to project the possible consequences of continued deficits and to suggest remedies.

THE PRESENT POSITION

By the end of February 1971, the United States had total liquid liabilities abroad of $44.1 billion divided almost

evenly between foreign official institutions such as central banks and private persons and institutions. However, our total reserve assets were $14.5 billion with $11 billion of that amount representing our gold stock. As a nation we are not sufficiently liquid. The buildup of these liquid liabilities abroad, concentrated in Europe, has troubled the central bankers of western nations, and periodically caused panic activity in the exchange market.

Excluding cosmetic financing transactions, the United States has spent more abroad than it has earned for the last two decades—excepting the year 1957 because of the Suez crisis. In studying the facts, it is clear to see that Government expenditures abroad have caused our deficits while the private sector has earned foreign exchange. U.S. expenditures for aid and military purposes abroad cause a net outflow of $4 billion on our balance of payments, while such items as private investments have returned over $4.1 billion net in 1970. The problem lies in the fact that on balance, excluding short-term and transitory flows, the Government sector was in deficit by $5.3 billion, while the private sector was in surplus, including trade, tourism, and investments, by $1.5 billion. This leaves a basic deficit for 1970 of $3.8 billion. If you include short-term, transitory flows plus errors and omissions, our deficit in 1970—liquidity basis excluding SDR's—was $4.7 billion. In 1971, the first quarter alone registered $3.2 billion deficit. Mr. President, the situation is going from bad to worse.

TRADE AND TOURISM

Our trade balance, on the balance-of-payments basis, which was in surplus by almost $7 billion in 1964, had slipped to $660 million in 1969, rose to $2.1 billion in 1970 and has slipped back to an annual rate of less than $1 billion. The facts indicate that in some commodities we have a severe internal strain from massive imports, but more importantly, the problem lies in the fact that we as a Nation have not exported enough. Although the aggregate amount of U.S. exports has risen, our share of world exports has declined from 18.2 percent in 1960 to 15.5 percent in 1970. We are losing markets, that is, we are getting a smaller piece of the increase in total world exports. To a large degree, bloc formation abroad and the trade diverting effects of such formation has had a substantial impact on U.S. exports, especially in the agricultural sector.

The European community, for example, accounted for 26.2 percent of total world exports in 1960 and 31.9 percent in 1970. This differential of 5.7 percentage points for the EEC between 1960 and 1970 might seem small, but apply that to the $164.6 billion increase in world exports during that time, and it represents the "capture" of $9.4 billion in extra business.

Our tourism account was in deficit by $2.5 billion in 1970—including transportation. With an estimated 168 million world travelers in 1970, the United States attracted less than 10 percent of them. Certainly we can do more to attract foreign visitors to our shores to increase tourism receipts.

U.S. DIRECT INVESTMENTS

U.S. direct investments abroad earn the largest net share of our foreign exchange receipts. Whereas during the last few years our net trade balance has decreased more than 11 percent annually, the net contribution—outflows versus inflows—of direct private investments abroad has increased by over 16 percent. In 1970 alone, $7.9 billion was earned by our investments abroad from royalties and fees and repatriated income. Netted against capital outflows, investments earned $4.1 billion in foreign exchange. In addition, the Commerce Department has estimated that 25 percent of all U.S. exports are to foreign affiliates of U.S. corporations from their domestic parent, approximately $10 billion in U.S. export sales.

U.S. ECONOMIC AID

The United States spent $3.96 billion in 1970 on U.S. loans, grants, and aid with the net outflows on this account being $702 million. It has been shown in public testimony that tied aid has saved $500 million in balance-of-payments costs. We should be careful not to take any action which will reverse this and cause additional foreign exchange expenditures thus increasing the outflows to over $1 billion on this account.

MILITARY EXPENDITURES

In 1970, the U.S. net military costs—expenditures less sales—abroad amounted to $3.4 billion. Of that amount, a net $1 billion was spent in the EEC representing the bulk of our NATO costs. This imbalance with regard to our defense expenditures has existed for the better part of two decades. In addition, our net cost of defense deployments in the Pacific area has given Japan a $644 million windfall in 1970. Even before the war buildup, Japan received a $300 to $350 million favorable balance from this source. These military expenditures will continue as long as the United States assumes its obligations to act as a peaceful deterrent in the free world. But other beneficiary nations should also help pay for these costs, as a minimum by correcting the effects on our balance of payments.

POSSIBLE CONSEQUENCES OF CONTINUED DEFICITS

If we continue down the road of excessive international spending, not earning enough foreign exchange, then our ability and freedom to act in both the economic and military sphere will be limited. Right now we are able to continue our deficits only because tthe Europeans have been willing to finance them by holding dollars. The recent crisis in the exchange markets indicates that foreign governments are becoming tired of holding unlimited amounts of dollars especially while the purchasing power of these funds is being eroded by inflation. Europe is being forced, by our dollar accumulations abroad, into a crisis atmosphere. The EEC countries plan to narrow the parities of their respective currencies in order to establish a de facto single currency system. Our continued deficits are acting to speed this process.

When Europe develops a de facto single currency, it may well become a world reserve monetary unit as the dollar is today. If so, and if the dollar is therefore less acceptable, the U.S. standing in the world—and not just the world economy—may be seriously eroded.

U.S. direct investments abroad, our foreign exchange breadwinner, will be restricted because expansion of these investments abroad will depend on the willingness of foreign countries to accept dollars. As a bloc, the EEC could establish two rates of exchange for the dollar. In trade, the present rate would remain with no devaluation or revaluation. No foreign country could afford to continue to finance our deficits by giving us a periodic trade adjustment advantage through currency manipulations. For investment capital, the exchange rate would be adjusted according to supply and demand. Thus, in the present situation, the dollar would be lower in value through the upward movement of other currencies, making it more expensive to invest abroad. I am not saying that this will happen tomorrow, but it could happen any time if we continue with our deficits at the present level. In fact, in a small way, Belgium has a two-tier exchange rate system; one for capital transactions and one for current transactions, and France advocates such a system for the EEC as a whole.

The European countries will certainly maintain closer supervision over the vast $60 billion Euro-currency market. At present, many international corporations from various nations freely use these funds for investments. The European governments, to insure stability in the flow of these funds will attempt to regulate them. It will be of prime importance that we as a nation insure the fair use of these funds to all nationals on a reciprocal and nondiscriminatory basis.

Since our deficits stem from relatively fixed Government expenditures abroad, any revaluation of foreign currencies—which amounts to a de facto dollar devaluation—just increases our foreign operating costs. The October 1969 revaluation of the German mark by almost 9 percent increases our military expenditures in Germany by $100 million. A revaluation of the Japanese yen would certainly have the same effect. As long as the EEC maintains variable levies on our most competitive export—agriculture—and the EEC and Japan maintain non-tariff and tariff barriers respectively, revaluations may gain us little unless accompanied by more open markets for our goods.

REMEDIES

We must earn more foreign exchange as a Nation. There are only three ways to do this: First, by selling more abroad; second, by buying less from abroad; and, third, by cutting down on all excess Government expenditures abroad. Buying less is the least acceptable option because it leads to economic isolationism behind difficult tariff barriers. Cutting excess Government expenditures abroad, unilaterally, may be difficult but certainly would be of value. Selling more abroad, in goods, services, and increasing direct investments combined with a curb on Government expenditures abroad is the best road to a stable dollar.

TRADE AND TOURISM

This Nation must push for reciprocity in all trading relationships with other countries. Our greatest asset and strength lies in our markets and access thereto. Our Government should consider all economic relationships between the United States and other nations while advancing the fairness inherent in reciprocity. This means that in economic negotiations we must include trade in goods, tourism, national, and reciprocal treatment of our direct investments, assurance of repatriation of earnings, industrial property rights, and other considerations of quantitative economic value. In those countries where we expend dollars for defense, as in Europe, the balance gained on this account must be taken into consideration. It makes little sense to agree on industrial tariff cuts that have the effect of giving everyone an even break in the trade of goods and fail to follow up by correcting the imbalance against the United States in another area such as military expenditures.

The General Agreement on Tariffs and Trade (GATT) is an international "rules of the road" for trading relationships. It was developed in the late 1940's to achieve, through multilateral action, the desired result of aiding a war torn world. It was to bring order to the international economic sphere and some of its provisions were structured to help a devastated Europe back on its feet. Well, Europe and Japan are back in the mainstream of international economic relationships. It may be time to reevaluate this agreement which so heavily influences U.S. actions in international trade, but which has never been ratified by the Congress.

Article XVI allows European nations to rebate, on export, "indirect" taxes, but we in the United States which relies more heavily on income taxes cannot rebate as much of our tax burden because income taxes are construed to be direct. Articles II and III of the GATT allow the imposition of border tax adjustments or charges on imports but only for the amount of the indirect tax applied locally. Here again the United States loses out especially when trying to compete in third country markets with the tax rebated goods of the EEC. These circumstances would warrant a careful study of alternative tax systems.

To be made to work the unconditional most-favored-nation—UMFN—principle must be applied in an international environment of full reciprocity. In this way we can have truly freer trade without hidden barriers. What sense does it make to agree on a 3-percent tariff level for auto imports into the United States, as we did in the Kennedy round tariff negotiations, allow Japan to avail itself of this low duty because of UMFN, and stand by while they maintain nontariff barriers, including an import tax which has a discriminatory impact against large automobiles? Under MFN, we must have fully reciprocal treatment from Japan if freer trade is to be achieved.

We need to explore the area of tax rate reductions for the export of goods. If we are to compete with other nations internationally, we must beat them at their own game while aggressively seeking new markets for our goods. The administration has presented to Congress an export tax deferral incentive known as the Domestic International Sales Corporation—DISC. This proposal deserves careful and favorable attention by the committees concerned.

We should do all we can to sell the United States as a tourist destination. Only in this way can we attract more foreign visitors who spend an average of $400 to $500 per trip. The Congress passed forward-looking legislation in October of 1970 to enhance the duties of the U.S. Travel Service. Known as Public Law 91-477, it authorized an increase in the Travel Service budget to $15 million to enable it to effectively seek foreign visitors. The hearings record on that act contains ample evidence that countries such as Ireland are doing more than the United States to attract foreign tourists. I urge full funding of the Travel Service so that we may close the gap in the travel deficit.

I was pleased to note that the Export-Import Bank has developed a new program to finance the export of tourism services. In particular, the Bank will offer guarantees and low-cost money to attract foreign travelers to the United States. In terms of the possible foreign exchange that we can earn from this operation, I feel this financial assistance is worth the effort. But we need to do more.

Just as this administration has proposed various tax incentives for the export of goods, there is no reason why we, as a nation, should not offer tax incentives for the export of tourism services. Tourism receipts represent earnings of over $2.7 billion in our balance of payments—including tourist transportation. We should offer some type of tax incentive to increase our service exports, that is to attract more foreign visitors to our shores. Maybe a Western Hemisphere trade corporation idea should be studied for this sector. A 14- to 20-point tax rate reduction for the foreign exchange income earned by servicing foreign visitors could go a long way in inducing more companies to seek foreign travelers to our shores. In addition, such an inducement would not violate the GATT because the GATT applies only to goods and not services.

U.S. DIRECT INVESTMENTS

We should proceed to decontrol U.S. direct investments. The controls themselves have created distortions in monetary flows causing an outflow in the first quarter of the year and an inflow in the fourth quarter, only to have another outflow in the next first quarter. All of these actions of legerdemain take place under the guise of a program to improve the balance of payments.

Corporations have been forced into heavy debt structures abroad with increased interest payments to foreigners. They have borrowed about $4 billion from 1968 through 1970 in the Eurobond market and up to $2.1 billion from banks—long term only. But of the $4 billion, only $1.7 billion was actually used for direct investment. Bank loans may have had the same utilization rate. In effect, U.S. corporations were forced into borrowing these funds against future needs to satisfy the paper balance approach of the OFDI system. Because of the controls, these excess funds, on which interest has to be paid to a foreigner, skitter from Europe to the United States and back. In addition, the export of goods on credit is considered an export of capital debited against a company "allowables."

When are we going to learn that the most productive asset we have, in terms of earned foreign exchange, is U.S. direct investments abroad? It is time to do away with OFDI controls. On June 7, 1971, I introduced legislation—S. 2019—in this Chamber to amend the "Trading With the Enemy Act" so as to do away with the controls on U.S. direct investments in allied countries.

This administration is on the record in favor of decontrolling U.S. foreign direct investments as soon as feasible. I trust that my bill will help the White House in its determination to eliminate them.

MILITARY EXPENDITURES

Given the fact that all military peacekeeping expenditures abroad cost a net $3.4 billion including a deficit in Western Europe of $1.2 billion—$1 billion of which represents expenditures in the EEC—the United States should be able to reach an agreement with our NATO allies on payment for these foreign exchange costs in their areas. I am not referring here to a financing gimmick which just bides time, but actual payments to offset these expenditures. This can be achieved by establishing an international fund into which all Western countries that receive a payments surplus on the joint defense account could contribute the amount of that surplus. The deficit countries could then be compensated out of this fund. Of course, I would envision Japan as an active member since they receive a net $644 million from U.S. defense expenditures there.

In this manner, we can have a true burden-sharing effort in the defense field.

CONCLUSION

The steps that I have outlined will increase U.S. foreign exchange earnings, thus reducing our deficits. By these actions we will be able to continue in our role as a free Nation willing to extend a helping hand to those in need. We will be able to continue economic aid, the freedom to travel, and the free access of goods, investments, technology, and currency across international borders. If we fail to correct this situation, we may find ourselves suffocated within the confines of fortress America, receding behind tariff barriers and becoming isolated from the economic world around us. Mr. President, the 1950's was called the decade of reconstruction, the 1960's the decade of development; let us make the 1970's the decade of responsibility.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Berry, one of its reading clerks, announced that the Speaker

had affixed his signature to the enrolled bill (H.R. 4762) 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.

PERMISSION FOR ORDERING THE YEAS AND NAYS ON PASSAGE OF HEW APPROPRIATION BILL

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that it be in order at any time to order the yeas and nays on the final passage of the HEW appropriation bill.

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

LIMITATION OF TIME ON AMENDMENTS TO AMENDMENTS TO THE HEW APPROPRIATION BILL

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that time on amendments to amendments to the HEW appropriation bill be limited to one-half hour, the time to be equally divided between the mover of such amendment and the distinguished manager of the bill (Mr. MAGNUSON).

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

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that on tomorrow, immediately following the conclusion of the orders recognizing Senators, there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 3 minutes.

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

QUORUM CALL

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum. I hope it will be the final quorum call of the day.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

PROGRAM

Mr. BYRD of West Virginia. Mr. President, if the distinguished assistant Republican leader has no further statement at this time, I shall proceed to outline the program for tomorrow.

The Senate will convene at 10 o'clock a.m.

Immediately following the recognition of the two leaders under the standing order, the following Senators will be recognized, each for not to exceed 10 minutes, and in the order stated: Senators DOMINICK, BROCK, BUCKLEY, BYRD of Virginia, CURTIS, GURNEY, and THURMOND; after which the distinguished senior Senator from Indiana (Mr. HARTKE) will speak for not to exceed 15 minutes.

Following that, there will be a period for the transaction of routine morning business, with statements therein limited to 3 minutes, the period not to exceed 15 minutes.

At the conclusion of morning business, the Senate will proceed to the consideration of the Federal meat inspection bill, Calendar Order No. 291, S. 1316. Debate thereon is limited to 1 hour, the time to be equally divided, with time on any amendments to be limited each to 20 minutes, to be equally divided.

Mr. President, a rollcall vote on final passage of that measure is possible.

When the meat inspection bill has been disposed of, the Senate will return to the consideration of the pending business, S. 2308, the emergency loan guarantee bill, and the pending question at that time will be the amendment by Mr. MCGOVERN.

Rollcall votes may occur at any time on amendments to S. 2308 or on tabling motions throughout the afternoon on tomorrow.

Conference reports may also be called up. Other measures may be called up by the Majority Leader under the agreement entered into some days ago with respect to the Federal Elections Campaign bill.

When the Senate completes its business on tomorrow, it will adjourn until 9:30 a.m. on Friday.

A cloture motion was introduced today. The rollcall vote on that cloture motion will occur on Friday morning at about 10:40 a.m., after which there will be rollcall votes on the Labor-HEW appropriation bill.

There will be a Saturday session, with at least one rollcall vote—possibly more.

ADJOURNMENT UNTIL 10 A.M.

Mr. BYRD of West Virginia. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 36 minutes p.m.) the Senate adjourned until tomorrow, Thursday, July 29, 1971, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 28, 1971:

DEPARTMENT OF LABOR

Richard Schubert, of Pennsylvania, to be Solicitor for the Department of Labor, vice Peter G. Nash.

DIPLOMATIC AND FOREIGN SERVICE

The following-named person for appointment as a Foreign Service officer of class 1, a consular officer, and a secretary in the diplomatic service of the United States of America:

Raymond L. Garthoff, of Connecticut.

For appointment as a Foreign Service officer of class 2, a consular officer, and a secretary in the diplomatic service of the United States of America:

John V. Hedberg, of Maryland.

Now Foreign Service officers of class 3 and secretaries in the diplomatic service, to be also consular officers of the United States of America:

Daniel O. Newberry, of North Carolina.
Grover W. Penberthy, of Maryland.

For appointment as Foreign Service officers of class 3, consular officers, and secretaries in the diplomatic service of the United States of America:

Royal E. Carter, of California.
Arthur E. Goodwin, Jr., of Florida.
Clinton Thaxton, of Kentucky.

For appointment as Foreign Service information officers of class 3, consular officers, and secretaries in the diplomatic service of the United States of America:

Philip A. Benson, of Illinois.
Joseph L. Dees, of Maryland.
Wallace E. Gibson, of Virginia.
Edward M. Harper, of Idaho.
Walter A. Kohl, of Washington.
Donald R. Newman, of Maryland.
Miss Saerale A. Owens, of New York.

For promotion from a Foreign Service information officer of class 5 to class 4:

James B. Carroll, of Illinois.

For reappointment in the Foreign Service as a Foreign Service officer of class 4, a consular officer, and a secretary in the diplomatic service of the United States of America:

Robert T. Grey, Jr., of Connecticut.

For appointment to Foreign Service officers of class 4, consular officers, and secretaries in the diplomatic service of the United States of America:

Andrew Andranovich, of Connecticut.
Chester E. Norris, Jr., of Maine.
S. Richard Rand, of Connecticut.
Arthur J. Reichenbach, of Connecticut.
James H. Savery, of New York.
A. Stephen Vitale, of Pennsylvania.
Mrs. Rose P. Wong, of Hawaii.

For appointment as Foreign Service information officers of class 4, consular officers, and secretaries in the diplomatic service of the United States of America:

Jack C. Brockman, of Maryland.
Carl D. Howard, of the District of Columbia.
Millard L. Johnson, Jr., of California.
Edward C. McBride, of Georgia.
Ronald P. Oppen, of Florida.
Carl R. Sharek, of the District of Columbia.
Gerald A. Waters, of Illinois.

For promotion from Foreign Service officers of class 6 to class 5:

Wayne R. Appleman, of Washington.
Edward E. Archer, of California.
Jim D. Mark, of Georgia.
Dan E. Turnquist, of Colorado.

For promotion from a Foreign Service information officer of class 6 to class 5:

Miss Margaret A. Eubank, of Maryland.

For reappointment in the Foreign Service as a Foreign Service officer of class 5, a consular officer, and a secretary in the diplomatic service of the United States of America:

Lowell Richard Jackson, of Missouri.

For appointment as a Foreign Service officer of class 5, a consular officer, and a secretary in the diplomatic service of the United States of America:

Miss C. Rita Lema, of Louisiana.

For appointment as Foreign Service information officers of class 5, consular officers, and secretaries in the diplomatic service of the United States of America:

Melvin I. Cariaga, of Hawaii.
Anthony B. Chillura, of Florida.
Robert R. Gosende, of Massachusetts.
Robert N. Minutillo, of Massachusetts.

For promotion from Foreign Service officers of class 7 to class 6:

Edward Gordon Abington, Jr., of Florida.
Wayne Thomas Adams, of Maine.
Jack Aubert, of New Jersey.
Robert Thomas Banqué, of California.
John S. Boardman, of Ohio.
John V. Brennan, of Oregon.

Raymond F. Burghardt, Jr., of New Jersey.
George A. Chester, Jr., of California.
Miss Donna Jean Downard, of Washington.
Michael J. Duffy, of Virginia.
Miss Lynne Bray Foldessy, of Pennsylvania.
W. Douglas Frank, of Indiana.
Lloyd R. George, of Pennsylvania.
James R. Goeser, of Illinois.
Hilton L. Graham, of Oregon.
John Randle Hamilton, of North Carolina.
Mahlon Henderson, of Virginia.
Cameron R. Hume, of New York.
John David Isaacs, of New York.
Miss Anne D. Jillson, of Connecticut.
Gilbert Matthew Johnson, of Michigan.
Sandor A. Johnson, of California.
David I. Kemp, of New York.
John Kriendler, of New York.
William J. Kushlis, of the District of Columbia.
Howard H. Lange, of Washington.
Luciano Mangiafico, of Connecticut.
Ray A. Meyer, of New Hampshire.
Richard W. Ruble, Jr., of California.
Paul I. Schlamm, of New York.
Miss Amelia Ellen Shippy, of New Mexico.
Raymond F. Smith, of Pennsylvania.
Michael P. Strutzel, of Mississippi.
David Roger Telleen, of Michigan.
David M. Winn, of Texas.

For promotion from Foreign Service information officers of class 7 to class 6:
Miss Alison Arsht, of Delaware.
Razvigor Bazala, of Virginia.
Robert Bemis, of the District of Columbia.
James W. Findley, of Virginia.
David F. Fitzgerald, of Massachusetts.
Edward S. Ifshin, of Florida.
Miss Kathryn L. Koob, of Iowa.
John A. Madigan, of Massachusetts.
Donald J. Planty, of New York.
Harry L. Ponder III, of the District of Columbia.
John A. Swenson, of Wisconsin.
Richard C. Tyson, of California.

For appointment as Foreign Service officers of class 6, consular officers, and secretaries in the diplomatic service of the United States of America:
J. Brian Atwood, of Massachusetts.
Miss Dolly Ann Johnson, of Missouri.
Charles A. Kennedy, of California.
Francis J. Nelson, of New York.
Robert E. Park, of California.
Miss Mary A. Ryan, of New York.
Miss Julia Welch, of Missouri.

For promotion from Foreign Service officers of class 8 to class 7:
Alan Whittier Barr, of California.
Karl K. Jonietz, of Massachusetts.
George A. Kachmar, of New Jersey.
Jonathan E. Kranz, of New York.
Theodore Eugene Strickler, of Pennsylvania.
Miss Susan J. Walters, of Connecticut.

For promotion from Foreign Service information officers of class 8 to class 7:
Miss Barbara Joan Allen, of Missouri.
Brian E. Carlson, of Virginia.
Miss Paula J. Causey, of Virginia.
Miss Betsy A. Fitzgerald, of Connecticut.
Miss J. Alison Grabell, of New Jersey.
Gerald E. Huchel, of Illinois.
Miss Judith R. Jamison, of the District of Columbia.
Charles C. Loveridge, of Utah.
Michael D. Zimmerman, of North Carolina.

For appointment as Foreign Service officers of class 7, consular officers, and secretaries in the diplomatic service of the United States of America:
L. Stuart Allen, of Mississippi.
Robert S. Ayling, of Virginia.
Michael T. Barry, of Texas.
Robert M. Beecroft, of Pennsylvania.
Charles Henry Blum, of Virginia.
George T. Boutin, of California.
Ray L. Caldwell, of the Canal Zone.
Thomas C. Dawson II, of Maryland.
Gilbert J. Donahue, of Maryland.
Richard W. Erdman, of New Jersey.
Patrick M. Folan, of California.
Richard M. Gibson, of California.
Jack L. Gosnell, Jr., of South Carolina.
James L. Halmo, of Washington.
Mark G. Hambley, of Illinois.
Ferris Richard Jameson, of Michigan.
David H. Kaeuper, of Michigan.
William C. Kelly, Jr., of New Jersey.
John H. King, of New Jersey.
Jacques Paul Klein, of Illinois.
C. Michael Konner, of New York.
Robert J. Kott, of New York.
Douglas Langan, of New Jersey.
Gary E. Lee, of Ohio.
Anthony Leggio, of New York.
Ronald Dean Lorton, of New York.
Michael M. Mahoney, of Massachusetts.
Frederick C. McEldowney, of Michigan.
Martin McLean, of New Jersey.
Phillip J. Metzler, of Kansas.
Robert A. Millspaugh, of New York.
William C. Mims, of Georgia.
Malachy T. Minnies, of Virginia.
Carlos F. J. Moore, of North Carolina.
Stanley T. Myles, of Georgia.
John U. Nix, of Alabama.
Terrell R. Otis, of Maryland.
Kenneth W. Parent, of Illinois.
John A. Purnell, of Arkansas.
Ross S. Quan, of California.
David P. Rawson, of Ohio.
Donald A. Roberts, of Minnesota.
Andrew Michael Shields, of California.
Eric E. Svendsen, of Connecticut.
William C. Veale, of New York.
David C. Warheit, of California.
Eric R. Weaver, of Maryland.
Charles C. Weber, of Michigan.
John Hurd Willett, of New York.
Harry E. Young, Jr., of Kansas.
Richard H. Zorn II, of Illinois.

For appointment as Foreign Service information officers of class 7, consular officers, and secretaries in the diplomatic service of the United States of America:
G. Whitney Azoy, of New Jersey.
Bruce K. Byers, of Maryland.
Albert W. Dalgliesh, Jr., of Michigan.
Howard E. Daniel, of New Jersey.
Miss Lucille R. Di Palma, of New York.
Miss Emily J. Drake, of Massachusetts.
Miss Paula J. Durbin, of Hawaii.
David V. Gehle, of Ohio.
Miss Lezetta J. Johnson, of Massachusetts.
Alan M. King, of Tennessee.
Ray V. McGunigle, Jr., of Pennsylvania.
Joseph Daniel O'Connell, Jr., of Maryland.
William T. Peters, of Virginia.
Miss Mary K. Reeber, of California.
Stanley N. Schrager, of Illinois.
James D. Settle, of Virginia.
Mrs. Lois M. Sherman, of Tennessee.
Michael G. Stevens, of Connecticut.
Arthur A. Vaughn, of Maryland.

For appointment as Foreign Service officers of class 8, consular officers, and secretaries in the diplomatic service of the United States of America:
Leslie M. Alexander, of New York.
John Thomas Basek, of New York.
Miss Barbara K. Bodine, of California.
Kevin C. Brennan, of California.
Richard H. R. Bull, of New York.
Peter P. Carrico, of Washington.
Michael Thomas Dixon, of New Jersey.
John M. Evans, of Virginia.
Gale N. Grable, of California.
Joseph E. Hayes, of the District of Columbia.
Miss Ruth Miles Henderson, of Maryland.
Rex L. Himes, of Washington.
J. Aubrey Hooks, of North Carolina.
Michael S. Lucy, of Massachusetts.
Michael K. Lyons, of New York.
Robert J. McSwain, of Florida.
Peter Robert Reams, of Nevada.

For appointment as Foreign Service information officers of class 8, consular officers, and secretaries in the diplomatic service of the United States of America:
M. Franklin Keel, of Oklahoma.
Cornelius C. Walsh, of Connecticut.

Foreign Service Reserve officers to be consular officers of the United States of America:
Caspar Dunham Green, of Ohio.
Hans J. Jensen, of California.

Foreign Service Reserve officers to be consular officers and secretaries in the diplomatic service of the United States of America:
Richard Allocca, of New Jersey.
Fisher Ames, of California.
Miss Sallybeth M. Bumbrey, of Texas.
Daniel J. Calloway, of Virginia.
Philip Cherry, of Maryland.
Robert James Chevez, of California.
Adrian B. Ciazza, of Maryland.
Timothy J. Desmond, of Massachusetts.
David H. Dewhurst III, of Texas.
Thomas B. Doolittle, Jr., of Florida.
William W. Douglass, of Virginia.
Robert T. Dumaine, of Maryland.
Charles T. Englehart, of Ohio.
George F. Forner, of Washington.
Robert M. Fulton, of Virginia.
Frank A. Gerardot, Jr., of Missouri.
Jay K. Gruner, of California.
Robert W. Hiatt, of Hawaii.
Rufus A. Horn, Jr., of Florida.
John H. Hoskins, of Maryland.
Keith C. Johnson, of Montana.
Clement Don Jones, of Florida.
Thomas J. Kennan, of Virginia.
Franklin J. Kline, of Virginia.
Allan M. Labowitz, of Maryland.
Ryan L. Lenox, of Virginia.
John H. Lewis, of Pennsylvania.
Lee G. Mestres, of New Jersey.
Stavis J. Milton, of New Jersey.
Val Moss, Jr., of Wisconsin.
John S. Nolton, Jr., of Virginia.
Arthur J. Olsen, of the District of Columbia.
Thomas T. Orum, of Michigan.
Pierre C. Pingitore, of New Hampshire.
Albert P. Raynor, of Maryland.
Miss Yvonne Robinson, of the District of Columbia.
William F. Rooney, of Virginia.
Joseph M. Segars, of Pennsylvania.
Frederick W. Silva, of Michigan.
Waldimir Skotzko, of Maryland.
Joseph E. Skura, of Virginia.
Donald M. Sladkin, of Pennsylvania.
Edward J. Smith, of Minnesota.
Miss Joyce A. Smith, of Tennessee.
Frank F. Sommers, Jr., of Maryland.
Alfonso G. Spera, of Maryland.
Fred D. Stephens, of California.
Rufus Stevenson, of Georgia.
Linus F. Upson, III, of the District of Columbia.
David D. Whipple, of Virginia.
Mrs. Gertrude W. Williamson, of Virginia.
Gene Wojciechowski, of Illinois.

Foreign Service Reserve officer to be a secretary in the diplomatic service of the United States of America:
Michael H. B. Adler, of the District of Columbia.

Foreign Service Staff officers to be consular officers of the United States of America:
Frank R. Anderson, of Illinois.
Gordon D. Barnes, of New York.
Vincent M. Cannistraro, of Massachusetts.
Paul F. Carlton, of California.
Lemuel D. Coles, of the District of Columbia.
Graham E. Fuller, of Connecticut.
Marvin D. Green, of Wisconsin.
Mrs. Beatrice J. King, of New York.
Harold P. Kline, of Texas.
Roberto R. Munoz, of Texas.
Thomas A. Pence, of Florida.
James W. Roodhouse, of Colorado.
Layton R. Russell, of Ohio.
Roland S. Sunderland, of Oregon.
Mrs. Patricia D. Thurston, of California.

AMBASSADOR

Philip C. Habib, of California, a Foreign Service officer of class 1, to be Ambassador

Extraordinary and Plenipotentiary of the United States of America to the Republic of Korea.

U.S. CUSTOMS COURT

Nils A. Boe, of South Dakota, to be judge of the U.S. Customs Court, vice Samuel M. Rosenstein, retired.

IN THE AIR FORCE

The following persons for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title X, United States Code, with a view to designation under the provisions of section 8067, title X, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force:

DENTAL CORPS

To be captain

Adan, Cirilo L., Jr. [redacted]
Tuchten, Alan R. [redacted]

To be first lieutenant

Hallmon, William W. [redacted]
Hickory, John E., Jr. [redacted]

MEDICAL CORPS

To be first lieutenant

Lentz, Carl W., III [redacted]
McDowell, Russell V. [redacted]
Williams, Robert A. [redacted]

The following Air Force officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of section 8284, title X, United States Code, with dates of rank to be determined by the Secretary of the Air Force:

To be first lieutenant

Aanstad, William L. [redacted]
Abate, Nicholas [redacted]
Abbott, Milton E. [redacted]
Abramson, David [redacted]
Acree, William A. [redacted]
Agnew, Robert T., Jr. [redacted]
Alber, Steven C. [redacted]
Alberti, Kerry B. [redacted]
Alcala, Gabriel J. [redacted]
Aldrich, Kenneth H. [redacted]
Alexander, William D., Jr. [redacted]
Alford, William P. [redacted]
Allen, Charles L. [redacted]
Alley, William F., Jr. [redacted]
Allshouse, William N. [redacted]
Alsbrooks, John H., Jr. [redacted]
Anderson, Charles E. [redacted]
Anderson, Jon G. [redacted]
Anderson, Ronald A. [redacted]
Anderson, William W. [redacted]
Andes, Randy T. [redacted]
Andrews, David G. [redacted]
Anthony, Michael D. [redacted]
Applewhite, Jim R. [redacted]
Arden, Jerry A. [redacted]
Arkfeld, Gerald L., Jr. [redacted]
Armington, Judie A. [redacted]
Amour, Harold M., Jr. [redacted]
Armour, James [redacted]
Armstrong, Danny R. [redacted]
Armstrong, Donald J., Jr. [redacted]
Arnold, John W., Jr. [redacted]
Ashley, William H., Jr. [redacted]
Ason, John S. [redacted]
Au, Patrick A. [redacted]
Ayen, William E. [redacted]
Babcock, Richard R., Jr. [redacted]
Bachrach, William [redacted]
Bagby, Richard C., Jr. [redacted]
Baggett, Roy G. [redacted]
Bailey, Edward L., Jr. [redacted]
Bailey, James H. [redacted]
Bailey, James S. [redacted]
Ballantyne, William B. [redacted]
Ballard, Laurence L., Jr. [redacted]
Ballew, William L. [redacted]
Balmer, James G. [redacted]
Balthun, Wayne E. [redacted]
Banks, Carl R. [redacted]
Barclay, Robert L. [redacted]
Barker, Henry H. [redacted]
Barrett, Donald E. [redacted]
Barrett, Ewing D., Jr. [redacted]
Barrows, Donald K. [redacted]
Bartanowicz, Robert S. [redacted]
Bartlett, Michael D. [redacted]
Bass, Karen [redacted]
Bates, James M. [redacted]
Bauer, David O. [redacted]
Bauer, George C. III [redacted]
Bauer, Robert P. [redacted]
Bauer, Stephen A. [redacted]
Baxa, Jon E. [redacted]
Baxter, Raymond A. [redacted]
Bays, John F., Jr. [redacted]
Becker, Michael R. [redacted]
Belcher, Kenneth A. [redacted]
Bell, Anthony G., Jr. [redacted]
Bellizzi, John J., Jr. [redacted]
Belomo, Joseph P. [redacted]
Beneville, John P. [redacted]
Benson, David A. [redacted]
Bentley, Bedford T., Jr. [redacted]
Berard, Douglas C. [redacted]
Berg, Stephen R. [redacted]
Bergstedt, Robert C. [redacted]
Berkeley, Alfred R. III [redacted]
Bernott, Michael J. [redacted]
Berry, Edward Y., Jr. [redacted]
Bertini, Francis A. [redacted]
Berven, Wynn M. [redacted]
Bessom, Roger A. [redacted]
Birkenstock, Jesse [redacted]
Bishop, Harold T. [redacted]
Blaha, James L., Jr. [redacted]
Blamey, John T. [redacted]
Blanchard, John P. [redacted]
Blau, Frank M., Jr. [redacted]
Bloom, Richard L. [redacted]
Blunck, Gary A. [redacted]
Bofinger, George W., Jr. [redacted]
Bordenave, Robert J. [redacted]
Borell, Steven C. [redacted]
Borman, John G. [redacted]
Bossart, Roger A. [redacted]
Botta, Joseph E. [redacted]
Bowen, Gordon H. [redacted]
Bowermaster, Jon P. [redacted]
Bozich, Anthony T., III [redacted]
Bradford, Napoleon F. [redacted]
Bradley, James C. [redacted]
Braley, Howard J. [redacted]
Brandt, Stewart B. [redacted]
Brauer, Harold E. [redacted]
Breeden, Herbert O. [redacted]
Breese, David L. [redacted]
Brewer, Donald R. [redacted]
Brewer, Edward G. [redacted]
Brewer, Gordon L., Jr. [redacted]
Brewer, Richard R. [redacted]
Brezina, Gerald W. [redacted]
Briggs, Duncan E. [redacted]
Briggs, Harlen, L., Jr. [redacted]
Briscoe, Lawrence W. [redacted]
Broas, Michael J. [redacted]
Brobst, Robert W. [redacted]
Brock, Ronald O. [redacted]
Brooker, Eugene A. [redacted]
Broome, William M. [redacted]
Brower, Richard C., Jr. [redacted]
Brower, Stephen A. [redacted]
Brown, Douglas J. [redacted]
Brown, Doyle D. [redacted]
Brown, Norman E. [redacted]
Brown, Vicki K. [redacted]
Brummert, Kenneth L. [redacted]
Brundick, Harry C. [redacted]
Bruner, Richard E. [redacted]
Brunson, Richard L. [redacted]
Bryan, Joseph T., Jr. [redacted]
Bryan, Oscar V., Jr. [redacted]
Bryan, Richard T. [redacted]
Bryden, James F. [redacted]
Bryer, Elias, Jr. [redacted]
Buckmelter, James R. [redacted]
Buffington, William P., III [redacted]
Burger, William A. [redacted]
Burke, Thomas L., Jr. [redacted]
Burkett, James R. [redacted]
Burnham, John M., II [redacted]
Busby, Thomas D. [redacted]
Busch, William W. [redacted]
Buzbee, John M. [redacted]
Buzbee, Paulette J. [redacted]
Byrum, Phillip R. [redacted]
Caldwell, Al J. [redacted]
Calhoun, Charles G. [redacted]
Callahan, James P. [redacted]
Calliham, Thomas S. [redacted]
Campany, Richard C., Jr. [redacted]
Campbell, Clifford E. [redacted]
Cancellieri, Robert [redacted]
Capella, William L. [redacted]
Carlson, Steven L. [redacted]
Carlton, James A. [redacted]
Carney, John M. [redacted]
Carpenter, Francis E. [redacted]
Carpenter, Gary E. [redacted]
Carreras, Gilbert D. [redacted]
Carrizales, Arthur [redacted]
Carroll, Sammy R. [redacted]
Carruthers, Robert D. [redacted]
Carson, Charles A., Jr. [redacted]
Carter, Robert E. [redacted]
Carty, John R. [redacted]
Carvell, Frank J. [redacted]
Casto, Dorvin W. [redacted]
Chamberlain, George E. [redacted]
Chase, Malcolm P., Jr. [redacted]
Chelchowski, Richard D. [redacted]
Chenard, Wayne P. [redacted]
Chervenock, Robert A. [redacted]
Cherye, Rick A. [redacted]
Chipman, John C. [redacted]
Chipman, Robert C. [redacted]
Chisolm, Lelan D., Jr. [redacted]
Christensen, David A. [redacted]
Christian, Bobby G. [redacted]
Christian, Joseph C. [redacted]
Christiansen, Jeffery C. [redacted]
Christianson, Douglas L. [redacted]
Ciletti, Michael D. [redacted]
Clark, Clifford D. [redacted]
Clark, David C. [redacted]
Clark, George L. [redacted]
Clark, Janes R. [redacted]
Clark, Raymond W. [redacted]
Clarke, Stephen F. [redacted]
Claussen, Carl D. [redacted]
Claussen, Dale E. [redacted]
Cleator, Robert K., Jr. [redacted]
Clem, Donald R. [redacted]
Clemons, George B. [redacted]
Clifford, Arthur S., Jr. [redacted]
Clough, David N. [redacted]
Clover, William H. [redacted]
Coates, Donald R. [redacted]
Cochran, Michael R. [redacted]
Cockburn, Robert N. [redacted]
Cody, Oliver T., III [redacted]
Coe, Charles E. [redacted]
Coey, Donald W. [redacted]
Coker, Stanley D. [redacted]
Collins, Orville M. [redacted]
Collins, Ronald M. [redacted]
Coman, Robert L. [redacted]
Commins, Ernest A. [redacted]
Conley, Christopher J. [redacted]
Conrad, Edward E., Jr. [redacted]
Converse, Larry E. [redacted]
Cooke, Damon L. [redacted]
Cooley, Kenneth R. [redacted]
Cooper, Donald R. [redacted]
Cooper, Floyd L., Jr. [redacted]
Cooper, Harold W. [redacted]
Cormany, Timothy P. [redacted]
Cornelison, Kenneth R. [redacted]
Costello, John J. [redacted]
Covert, Robert L. [redacted]
Cowan, Ronald D. [redacted]
Cowart, Eddy D. [redacted]
Cox, William M. [redacted]
Cozza, Charles S. [redacted]
Cramlet, John B. [redacted]
Creech, Wayne E. [redacted]
Crockett, Ray A. [redacted]
Croft, Douglas D. [redacted]
Cronig, Jeffrey A. [redacted]
Crosby, Michael W. [redacted]
Culhane, John F., Jr. [redacted]
Culver, William R. [redacted]
Cummings, James A. [redacted]
Cunningham, Mell G. [redacted]
Curatola, Carl [redacted]
Cusack, George M. [redacted]
Cutts, William B. [redacted]

Daniels, Roger G., xxx-xx-xxxx
Darby, Thomas A., xxx-xx-xxxx
Dargitz, Darryl B., xxx-xx-xxxx
Davidson, William A., Jr., xxx-xx-xxxx
Davis, Raymond W., xxx-xx-xxxx
Days, Lloyd A., Jr., xxx-xx-xxxx
Dean, David J., xxx-xx-xxxx
Dean, Hugh P., xxx-xx-xxxx
Deane, Leslie F., xxx-xx-xxxx
Debruhl, Claude M., xxx-xx-xxxx
Decomminges, Nahida, xxx-xx-xxxx
Dehaven, Glenn R., xxx-xx-xxxx
Dekok, Roger G., xxx-xx-xxxx
Delaney, Richard M., xxx-xx-xxxx
Delfino, Joseph J., xxx-xx-xxxx
Deneen, Joseph J., Jr., xxx-xx-xxxx
Denman, James C., Jr., xxx-xx-xxxx
Denton, Stuart E., xxx-xx-xxxx
Deraad, Robert G., xxx-xx-xxxx
Derego, Rodney P., xxx-xx-xxxx
Derito, Lawrence E., xxx-xx-xxxx
Desiderio, John R., xxx-xx-xxxx
Desrosiers, Ronald J., xxx-xx-xxxx
Detemple, Lothar P., xxx-xx-xxxx
Devenny, Thomas J., xxx-xx-xxxx
Dick, Richard J., xxx-xx-xxxx
Dietrich, Jerome W., xxx-xx-xxxx
Dinwiddie, Duane E., xxx-xx-xxxx
Dionne, Eugene R., xxx-xx-xxxx
Diorio, Dan J., xxx-xx-xxxx
Dipalma, Felix C., Jr., xxx-xx-xxxx
Dipoma, Larry R., xxx-xx-xxxx
Dixon, Jackie D., xxx-xx-xxxx
Dodds, Robert E., xxx-xx-xxxx
Dolce, Leroy, xxx-xx-xxxx
Dolske, John H., xxx-xx-xxxx
Domingo, Leslie J., xxx-xx-xxxx
Dooher, John C., xxx-xx-xxxx
Doret Stanley A., xxx-xx-xxxx
Doyle, William J., III, xxx-xx-xxxx
Drayden, Timothy Jr., xxx-xx-xxxx
Driggers, Allen E., xxx-xx-xxxx
Duck, David A., Jr., xxx-xx-xxxx
Dumont, Robert J., xxx-xx-xxxx
Dunham, James W., xxx-xx-xxxx
Durham, Marcus O., xxx-xx-xxxx
Dushan, Joseph D., xxx-xx-xxxx
Duva Nicholas R., xxx-xx-xxxx
Early, Stephen B., xxx-xx-xxxx
Eaton, William D., xxx-xx-xxxx
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Ecton, George R., xxx-xx-xxxx
Edwards, Howard T., III, xxx-xx-xxxx
Egizii, James A., xxx-xx-xxxx
Elliott, Robert S., xxx-xx-xxxx
Emrick, Joseph T., xxx-xx-xxxx
Engbrecht, Keith L., xxx-xx-xxxx
Engstrom, Peter J., xxx-xx-xxxx
Erhard, Alexander, xxx-xx-xxxx
Erickson, John E., xxx-xx-xxxx
Erickson, Steven R., xxx-xx-xxxx
Erikson, Jon F., xxx-xx-xxxx
Estelita, Thomas A., xxx-xx-xxxx
Evans, Mary K., xxx-xx-xxxx
Fagan, Thomas A., III, xxx-xx-xxxx
Falzgraf, Randall B., xxx-xx-xxxx
Farless, Gerald L., xxx-xx-xxxx
Faulkner, Roger A., xxx-xx-xxxx
Feinberg, Lewis A., xxx-xx-xxxx
Ferrill, Jess B., xxx-xx-xxxx
Field, John M., xxx-xx-xxxx
Files, Leonard N., xxx-xx-xxxx
Filipek, Walter L., xxx-xx-xxxx
Fisher, Gary R., xxx-xx-xxxx
Fitzgerald, Glenn R., xxx-xx-xxxx
Fly, Edward L., Jr., xxx-xx-xxxx
Folsom, Charles P., xxx-xx-xxxx
Fontana, David C., xxx-xx-xxxx
Forehand, Richard A., xxx-xx-xxxx
Forman, James B., III, xxx-xx-xxxx
Francis, Robert G., xxx-xx-xxxx
Fratto, John A., xxx-xx-xxxx
Freeburger, Michael E., xxx-xx-xxxx
French, Marvin R., xxx-xx-xxxx
Frey, Robert C., xxx-xx-xxxx
Fribley, Michael L., xxx-xx-xxxx
Frice, Lawrence A., xxx-xx-xxxx
Frick, Brenda L., xxx-xx-xxxx
Friedman, Jack S., xxx-xx-xxxx
Friedman, Joseph B., xxx-xx-xxxx
Frits, Donald R., xxx-xx-xxxx
Fritz, Karleton W., xxx-xx-xxxx
Frost, Alan P., xxx-xx-xxxx
Fruehwirth, John J., xxx-xx-xxxx
Fryman, Joseph D., Jr., xxx-xx-xxxx
Fujita, James N., xxx-xx-xxxx
Fuller, John C., xxx-xx-xxxx
Fulton, Robert L., xxx-xx-xxxx
Gaeth, William D., xxx-xx-xxxx
Gage, Robert L., xxx-xx-xxxx
Gahr, William F., Jr., xxx-xx-xxxx
Gandy, Lynell W., xxx-xx-xxxx
Garber, John B., Jr., xxx-xx-xxxx
Gardner, Charles M., xxx-xx-xxxx
Gardner, John H., xxx-xx-xxxx
Garfinkel, Bernard M., xxx-xx-xxxx
Garnto, Ira W., xxx-xx-xxxx
Garrett, William A., Jr., xxx-xx-xxxx
Gasperini, Edward G., xxx-xx-xxxx
Geesey, Arthur P., xxx-xx-xxxx
Ghigliotti, Gary H., xxx-xx-xxxx
Giampaolo, Anthony, xxx-xx-xxxx
Gibbs, Harold D., xxx-xx-xxxx
Gibbs, Paul J., xxx-xx-xxxx
Gibson, Eugene T., xxx-xx-xxxx
Gibson, James N., xxx-xx-xxxx
Gilbert, Jeffrey A., xxx-xx-xxxx
Gillespie, Kenneth R., xxx-xx-xxxx
Givens, Robert W., xxx-xx-xxxx
Gladski, William M., xxx-xx-xxxx
Glow, Gerald T., xxx-xx-xxxx
Goers, Philip R., xxx-xx-xxxx
Going, Patrick E., xxx-xx-xxxx
Gould, Robert A., xxx-xx-xxxx
Gravenhorst, Ronald K., xxx-xx-xxxx
Graves, Gary L., xxx-xx-xxxx
Gray, David L., xxx-xx-xxxx
Gray, Stephen F., xxx-xx-xxxx
Graybill, Donald J., xxx-xx-xxxx
Green, John W., xxx-xx-xxxx
Greenberg, Melvyn B., xxx-xx-xxxx
Greenfield, Ronald H., xxx-xx-xxxx
Greenlaw, Gail A., xxx-xx-xxxx
Greenway, Milford K., Jr., xxx-xx-xxxx
Grellman, John R., Jr., xxx-xx-xxxx
Griffin, Betty L., xxx-xx-xxxx
Grover, Allen C., xxx-xx-xxxx
Grover, Frank H., II, xxx-xx-xxxx
Grubiak, Michael J., xxx-xx-xxxx
Grummitt, Terry P., xxx-xx-xxxx
Guarino, David J., xxx-xx-xxxx
Guarre, James S., xxx-xx-xxxx
Guinn, Nathaniel, xxx-xx-xxxx
Guyitt, Dennis A., xxx-xx-xxxx
Haase, Dieter, xxx-xx-xxxx
Hachadourian, Edward L., xxx-xx-xxxx
Haley, Charles W., xxx-xx-xxxx
Hall, Bruce M., xxx-xx-xxxx
Hancock, William A., xxx-xx-xxxx
Hanes, Eugene G., xxx-xx-xxxx
Hanes, Richard M., xxx-xx-xxxx
Hansen, David W., xxx-xx-xxxx
Hansen, Howard W., xxx-xx-xxxx
Hardwick, Harold L., Jr., xxx-xx-xxxx
Hardy, Bernard L., Jr., xxx-xx-xxxx
Harkins, Michael L., xxx-xx-xxxx
Harlan, Raymond C., xxx-xx-xxxx
Harmon, David C., xxx-xx-xxxx
Harraman, Albert L., xxx-xx-xxxx
Harrington, David G., xxx-xx-xxxx
Harris, Dickie A., xxx-xx-xxxx
Harris, Michael, xxx-xx-xxxx
Harris, Warren L., xxx-xx-xxxx
Harrison, Herbert S., Jr., xxx-xx-xxxx
Hartford, John A., Jr., xxx-xx-xxxx
Hartman, Andrew P., Jr., xxx-xx-xxxx
Harvey, Michael A., xxx-xx-xxxx
Haselberger, Lawrence J., Jr., xxx-xx-xxxx
Hatcher, William L., xxx-xx-xxxx
Hatcher, William W., xxx-xx-xxxx
Hathaway, Char D., Jr., xxx-xx-xxxx
Hawkins, Neil L., xxx-xx-xxxx
Hay, Jerry E., xxx-xx-xxxx
Hayes, Robert J., xxx-xx-xxxx
Haynes, Ralph R., xxx-xx-xxxx
Head, James H., xxx-xx-xxxx
Hedberg, Ralph N., xxx-xx-xxxx
Helton, Donald L., xxx-xx-xxxx
Henderson, Harold R., xxx-xx-xxxx
Henderson, Lykes S., Jr., xxx-xx-xxxx
Henderson, Robert B., xxx-xx-xxxx
Hennessey, Susan M., xxx-xx-xxxx
Henry, Lawrence B., Jr., xxx-xx-xxxx
Henz, John F., xxx-xx-xxxx
Hepfner, Gary R., xxx-xx-xxxx
Herr, Deborah J., xxx-xx-xxxx
Heuser, William H., Jr., xxx-xx-xxxx
Hicks, Cecil L., xxx-xx-xxxx
Hicks, Wilbert C., Jr., xxx-xx-xxxx
Hightower, John D., xxx-xx-xxxx
Hill, James B., III, xxx-xx-xxxx
Hill, Kenneth L., xxx-xx-xxxx
Hilliard, Cary S., xxx-xx-xxxx
Hobson, Calvin J., III, xxx-xx-xxxx
Hodges, Richard L., xxx-xx-xxxx
Hoem, Duane A., xxx-xx-xxxx
Hoffmann, Robert A., xxx-xx-xxxx
Hogge, Charles B., xxx-xx-xxxx
Holloran, David C., xxx-xx-xxxx
Hodd, Donald G., xxx-xx-xxxx
Hosack, Harold W., Jr., xxx-xx-xxxx
Houtkooper, Jon C., xxx-xx-xxxx
Howell, Bisco R., III, xxx-xx-xxxx
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HOUSE OF REPRESENTATIVES—*Wednesday, July 28, 1971*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Be not overcome of evil, but overcome evil with good.—Romans 12: 21.

O Thou who art ever speaking to Thy children and seeking to enter their lives speak to us now and come to new life within us as we bow before the altar of prayer. Give to us a fresh sense of the privilege which is ours to lead our Nation in right paths, along good ways, and by peaceful means. Save us from the subtle sins of self-seeking and self-importance; and bestow upon us the high happiness which comes to those who work for the welfare of our Nation and the prosperity of our people.

By Thy grace may we be consistent in faith and practice; not slothful in business; fervent in spirit; serving the Lord; rejoicing in hope; patient in tribulation; continuing steadfastly in prayer; and overcoming evil with good.

In the spirit of Christ we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Arrington, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 65. An act for the relief of Dennis Yiantos; and

S. 1939. An act for the relief of the Southwest Metropolitan Water and Sanitation District, Colorado.

COMMUNICATION FROM THE CHAIRMAN OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

The SPEAKER laid before the House the following communication from the chairman of the Committee on Interstate and Foreign Commerce, which was read and, together with the accompanying papers, referred to the Committee on Appropriations:

WASHINGTON, D.C.
July 21, 1971.

Hon. CARL ALBERT,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of Section 301(a) of the National Traffic and Motor Vehicle Safety Act of 1966, as amended, the Committee on Interstate and Foreign Commerce has approved the enclosed resolution for a compliance test facility at the Ohio Highway Transportation Research Center, East Liberty, Ohio.

Sincerely yours,

HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.

PRINTING OF CEREMONIAL PROCEEDINGS HAD DURING RECESS TODAY

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the ceremonial proceedings to be had in Statuary Hall, relating to the unveiling of portraits of the Honorable Clarence Cannon and the Honorable John Taber, to be held during the recess of the House today, may be printed in the RECORD immediately following the conclusion of the recess.

The SPEAKER. Is there objection to