HOUSE OF REPRESENTATIVES—*Tuesday, August 3, 1971*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Watch ye, stand fast in the faith, quit you like men, be strong.—I Corinthians 16: 13.

Dear Lord and Father of mankind, whose works are just and whose spirit is good, graciously bless these Representatives and all who give themselves in service to our country. Grant unto them clear vision to see that which in our social order needs to be changed, creative courage to change what can be changed, and the strength to continue this work until our Nation walks the path of justice by all, righteouness in all, and love for all.

Keep us aware of our relationship with each other and help us to order all things according to Thy will: And to Thee be the glory now and forevermore. 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 without amendment bills of the House of the following titles:

H.R. 2591. An act to amend section 8 of the act approved March 4, 1913 (37 Stat. 974), as amended, to standardize procedures for the testing of utility meters; to add a penalty provision in order to enable certification under section 5(a) of the Natural Gas Pipeline Safety Act of 1968, and to authorize cooperative action with State and Federal regulatory bodies on matters of joint interest;

H.R. 2594. An act to amend chapter 19 of title 20 of the District of Columbia Code to provide for distribution of a minor's share in a decedent's personal estate where the share does not exceed the value of $1,000;

H.R. 2894. An act to incorporate the Paralyzed Veterans of America;

H.R. 5638. An act to extend the penalty for assault on a police officer in the District of Columbia to assaults on firemen, to provide criminal penalties for interfering with firemen in the performance of their duties, and for other purposes;

H.R. 6638. An act to amend the act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia;

H.R. 7586. An act to amend the act of December 30, 1969, establishing the Cabinet Committee on Opportunities for Spanish-Speaking People, to authorize appropriations for 2 additional years; and

H.R. 7931. An act to amend the District of Columbia Code with respect to the administration of small estates, and for other purposes.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2587. An act to establish the National Advisory Committee on the Oceans and Atmosphere.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9417) entitled "An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1972, and for other purposes."

The message also announced that the Senate agreed to the House amendments to the Senate amendments numbered 3, 6, 18, 19, 21, 31, and 32 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 9667) entitled "An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1972, and for other purposes."

The message also announced the Senate agreed to the amendments of the House to the amendments of the Senate numbered 3, 5, 6, 14, 30, 31, and 49 and the Senate receded from its amendments numbered 22 to 23 to the foregoing bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 581) entitled "An act to amend the Export-Import Bank Act of 1945, as amended, to allow for greater expansion of the export trade of the United States, to exclude Bank receipts and disbursements from the budget of the U.S. Government, to extend for 3 years the period within which the Bank is authorized to exercise its functions, to increase the Bank's lending authority and its authority to issue, against fractional reserves and against full reserves, insurance and guarantees, to authorize the bank to issue for purchase by any purchase its obligations maturing subsequent to June 30, 1976, and for other purposes."

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 18. An act to amend the U.S. Information and Educational Exchange Act of 1948 to provide assistance to Radio Free Europe and Radio Liberty;

S. 74. An act to provide for the conveyance of certain real property of the United States to the University of North Dakota, State of North Dakota;

S. 447. An act to modify the boundaries of the Santa Fe, Gila, Cibola, and Carson National Forests in the State of New Mexico, and for other purposes;

S. 602. An act to provide for the disposition of judgments, when appropriated, recovered by the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont., in paragraphs 7 and 10, docket No. 50233, U.S. Court of Claims, and for other purposes;

S. 959. An act to designate the Pine Mountain Wilderness, Prescott and Tonto National Forests, in the State of Arizona;

S. 960. An act to designate the Sycamore Canyon Wilderness, Coconino, Kaibab, and Prescott National Forests, State of Arizona;

S. 2260. An act to amend further the Peace Corps Act (75 Stat. 612), as amended; and

S. Con. Res. 38. Concurrent resolution commending the President for initiating a proposed "journey for peace."

RESULTS OF REFORMS MADE IN LEADERSHIP STRUCTURE OF THE HOUSE DURING THE 92D CONGRESS

(Mr. BOGGS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BOGGS. Mr. Speaker, as we hopefully near a recess I take this time to call to the attention of all of the Members of the House the results of one of the reforms the Democrats have instituted in this first session of the 91st Congress.

The reforms were recommended by the distinguished gentlewoman from Washington (Mrs. HANSEN) who headed a special committee of the Democratic caucus.

Under the new rules adopted, a Member can be chairman of only one subcommittee.

The result is that more than 25 percent of the Members of the House now hold chairmanships.

While the South continues to lead all regions with 49 subcommittee chairmanships there are now 28 chaired by Members from the East, 22 by Midwesterners and 14 from the West.

I think this demonstrates the desire, certainly on the part of the Speaker and the Democratic Party in the House, to share the responsibilities of conducting the affairs of the House of Representatives.

The members of the Hansen committee deserve high praise for their efforts and I thank our distinguished Speaker for preparing this very important information which I make part of the RECORD at this point.

The statement of the Speaker of the House is as follows:

STATEMENT OF REPRESENTATIVE CARL ALBERT—THE HANSEN STUDY COMMITTEE ON SENIORITY, AUG. 3, 1971

Now that we are well into the First Session, I would like to point with pride to the results of one of the little-publicized reforms we have made in the leadership structure of the House during the 92nd Congress.

On March 18, 1970, the Democratic Caucus directed the appointment of a Committee on Organization Study and Review to study the seniority system and submit recommendations by January, 1971. Representative Julia Butler Hansen of Washington was named chairman of the new committee whose mem-

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bers included Ed Jones (Ala.), Olin Teague (Tex.), Frank Annunzio (Ill.), Phil Burton (Calif.), Shirley Chisholm (N.Y.), Wayne Hays (Ohio), Phil Landrum (Ga.), Jim O'Hara (Mich.), Neal Smith (Iowa), and Frank Thompson (N.J.). The committee, representing every geographic section of the country and comprised of both younger and senior Members, undertook its task diligently and brought back to the Democratic Caucus an important set of recommendations which were adopted on January 20, 1971.

The new rules stipulate that the chairman of a full committee may chair only one subcommittee of that committee, that no Member can be chairman of more than one legislative subcommittee, and that no Member can be on more than two committees with legislative jurisdiction.

The results of these recommendations, while little noticed, have been far-reaching. Today, in the 21 standing committees of the House, no fewer than 113 Congressmen hold subcommittee chairmanships, an unprecedented distribution of legislative responsibility to more than 25 percent of the entire House of Representatives. This is a historic reform which will leave an imprint on our work as the new chairmen apply their energies and growing expertise to the problems within their jurisdiction.

So deeply did the change reach that one subcommittee, the Housing Subcommittee of the Committee on Veterans Affairs, is chaired by a Member serving his first full term in the House, Representative Charles Carney of Ohio. While the South continues to lead all regions with 49 subcommittee chairmanships, there are now 28 chaired by Members from the East, 22 by Midwesterns, and 14 from the West. Texas leads all States with 12 subcommittee chairmen, but is closely followed by Pennsylvania with nine, California with nine, and New York with seven.

I cannot help feeling that this dramatic diffusion of leadership responsibility in the House will vitalize the entire legislative process, and I believe that it is in order to cast a vote of thanks for the Hansen committee for its admirable contribution to this milestone in Congressional reform.

CHANGE IN LEGISLATIVE PROGRAM

Mr. BOGGS. Mr. Speaker, I would like to advise the Members of the House of a change in the program. The bill (H.R. 9580) from the District of Columbia Committee, authorizing the District of Columbia Commissioner to make agreements with Maryland and Virginia regarding trucking fees, has been granted a rule with 1 hour of debate and will be called up sometime this week.

I would also like to announce that H.R. 8293, the International Coffee Agreement Act, which was announced for consideration Thursday, will not be called up this week.

APPOINTMENT OF CONFEREES ON H.R. 8866, TO AMEND AND EXTEND SUGAR ACT OF 1948

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8866) to amend and extend the provisions of the Sugar Act of 1948, as amended, and for other purposes, with a Senate amendment thereto, disagree to the Senate Amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. POAGE, ABERNETHY, FOLEY, BELCHER, and TEAGUE of California.

INTRODUCTION OF THE DC–10 TRIJET

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ROSTENKOWSKI. Mr. Speaker, it is noteworthy that, even with the economic problems of the airline industry, a new jet airplane will be introduced this month—August. The airplane is the DC–10 Tri-Jet, a second generation of wide-body jetliners. One of the first cities to be served by the DC–10 is Chicago, which makes the airplane of particular interest to me. American Airlines will carry passengers between Chicago and Los Angeles. American predicts that the new wide-bodied Tri-Jet will become the most popular airliner of the 1970's. It will carry more than 200 passengers in two-abreast comfort and yet be versatile enough to serve smaller airports and shorter routes. Of particular interest to everyone is the fact that the new jet, produced by the McDonnell Douglas Corp. promises to be the most environmentally acceptable aircraft ever developed. It will also be the first airplane certified under the new noise and smoke regulations of the Federal Aviation Administration.

PARLIAMENTARY INQUIRY

Mr. HÉBERT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HÉBERT. It is my intention to send to the desk a privileged resolution, and I intend to make a motion to table the resolution, which has an adverse report from the Committee on Armed Services. The parliamentary inquiry that I desire to make is, am I permitted, after sending the privileged resolution to the desk for consideration, to allow its introducer to speak without losing my privilege to move immediately to table?

The SPEAKER. The gentleman will be recognized on the resolution. The gentleman will be privileged to yield.

Mr. HÉBERT. I shall be able to yield without losing my right?

The SPEAKER. The gentleman can yield for debate purposes.

Mr. HÉBERT. At any time after I yield I can move to table?

The SPEAKER. The gentleman is correct.

Mr. HÉBERT. Then, Mr. Speaker, I shall send to the desk a privileged resolution and ask for its immediate consideration.

The SPEAKER. Will the gentleman withhold that request inasmuch as the Private Calendar must be called ahead of legislative business?

Mr. HÉBERT. Certainly, sir.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2067) for the relief of Mrs. Rose Thomas.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

MRS. FERNANDE M. ALLEN

The Clerk called the bill (H.R. 5318) for the relief of Mrs. Fernande M. Allen.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MARIA LUIGIA DiGIORGIO

The Clerk called the bill (H.R. 2070) for the relief of Maria Luigia DiGiorgio.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

WILLIAM D. PENDER

The Clerk called the bill (H.R. 5657) for the relief of William D. Pender.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

JOHN BORBRIDGE, JR.

The Clerk called the bill (H.R. 5900) for the relief of John Borbridge, Jr.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

JANIS ZALCMANIS, GERTRUDE JANSONS, LORENA JANSONS MURPHY, AND ASJA JANSONS LIDERS

The Clerk called the bill (H.R. 6100) for the relief of Janis Zalcmanis, Gertrude Jansons, Lorena Jansons Murphy, and Asja Jansons Liders.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

MRS. ANNA MARIA BALDINI DELA ROSA

The Clerk called the bill (H.R. 3713) for the relief of Mrs. Anna Maria Dela Rosa.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SALMAN M. HILMY

The Clerk called the bill (H.R. 6998) for the relief of Salman M. Hilmy.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

JOHN A. MARTINKOSKY

The Clerk called the bill (H.R. 4042) for the relief of John A. Martinkosky.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JAMES V. STANTON. Mr. Speaker, I ask unanimous consent that the bill (H.R. 4042) be recommitted to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MAJ. MICHAEL M. MILLS

The Clerk called the bill (H.R. 6666) for the relief of Maj. Michael M. Mills, U.S. Air Force.

There being no objection, the Clerk read the bill as follows:

H.R. 6666

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Major Michael M. Mills, United States Air Force, SSAN [redacted], the sum of $2,020 in full satisfaction of all his claims against the United States for erroneous discontinuance of his allotment to the Miami National Bank, Miami, Florida, in 1967: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 6: Strike "$2,020" and insert "$1,620".

Page 1, lines 10 and 11: Strike "in excess of 10 per centum thereof".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. ELEANOR D. MORGAN

The Clerk called the bill (H.R. 7569) for the relief of Mrs. Eleanor D. Morgan.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LOUIS A. GERBERT

The Clerk called the bill (H.R. 2408) for the relief of Louis A. Gerbert.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CHARLES COLBATH

The Clerk called the bill (H.R. 4310) for the relief of Charles Colbath.

Mr. DAVIS of Georgia. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

ROBERT J. BEAS

The Clerk called the bill (H.R. 7871) for the relief of Robert J. Beas.

There being no objection, the Clerk read the bill as follows:

H.R. 7871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Robert J. Beas, of 6441 Grosse Drive, Cleveland, Ohio, hereby is relieved of all liability to repay to the United States the sum of $800. Such sum represents the amount which he was required to pay for the loss of a package of registered mail while he was employed at the United States post office at Cleveland, Ohio.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay to the said Robert J. Beas, out of any money in the Treasury not otherwise appropriated, any amounts paid by him in reduction of the indebtedness referred to in section 1 of this Act or withheld from amounts otherwise due him because of that indebtedness. No part of the amounts appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike all after the enacting clause and insert:

"That on such terms as he deems just, the Postmaster General is hereby authorized to compromise, release or discharge in whole or in part, the liability of Robert J. Beas of 6441 Grosse Drive, Cleveland, Ohio, to the United States for the loss resulting from the loss of a package of registered mail on or about August 29, 1960, while he was employed at the United States post office at Cleveland, Ohio.

"SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Robert J. Beas that part of any amount repaid or withheld because of the liability referred to in section 1 of this act which is equal to the amount waived under the authority provided in section 1 of this act.

"SEC. 3. No part of the amount appropriated in this act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CARMEN PRADO

The Clerk called the bill (H.R. 6108) for the relief of Mrs. Carmen Prado.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

REA REPUBLICA RAMOS

The Clerk called the bill (H.R. 2814) for the relief of Rea Republica Ramos.

There being no objection, the Clerk read the bill as follows:

H.R. 2814

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Rea Republica Ramos may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Juan M. Ramos, citizens of the United States, pursuant to section 204 of the Act.

With the following committee amendment:

On page 1, line 8, strike out the word "Act." and insert in lieu thereof the following: "Act: *Provided,* That the natural brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege, or status under the immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RENE PAULO ROHDEN-SOBRINHO

The Clerk called the bill (H.R. 5181) for the relief of Rene Paulo Rohden-Sobrinho.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

DUTIABLE STATUS OF ALUMINUM HYDROXIDE AND OXIDE, CALCINED BAUXITE ORE

Mr. MILLS of Arkansas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 4590) relating to the dutiable status of aluminum hydroxide and oxide, calcined bauxite, and bauxite ore, with Senate amendments thereto, and consider the Senate amendments in the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The Clerk will report the first Senate amendment.

The Clerk read Senate amendment No. 1, as follows:

Page 3, strike out lines 1, 2, and 3, and insert:

"(c) The amendments made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after July 15, 1971."

MOTION OFFERED BY MR. MILLS OF ARKANSAS

Mr. MILLS of Arkansas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MILLS of Arkansas moves to concur in Senate amendment No. 1.

The motion was agreed to.

The SPEAKER. The Clerk will report the next Senate amendment.

The Clerk read Senate amendment No. 2, as follows:

Page 3, after line 3, insert:

"SEC. 2. (a) Item 405.04 of the Tariff Schedules of the United States is amended—

"(1) by inserting after 'Trinitrotoluene' in the article description 'and amatol'; and

"(2) by striking out the matter in rate column numbered 1 and inserting in lieu thereof 'Free'.

"(b) The rate of duty in rate column numbered 1 of the Tariff Schedules of the United States for item 405.04 (as amended by subsection (a)) shall be treated as not having the status of statutory provisions enacted by the Congress, but as having been proclaimed by the President as being required or appropriate to carry out foreign trade agreements to which the United States is a party.

"(c) The amendments made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act."

MOTION OFFERED BY MR. MILLS OF ARKANSAS

Mr. MILLS of Arkansas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MILLS of Arkansas moves to concur in Senate amendment numbered 2, with the following amendments: On page 1, line 7, of the Senate engrossed amendments, strike out the dash and all that follows thereafter down through line 11 on page 1 and insert the following: "by striking out '3.5c per lb. + 22.5% ad val.' and inserting in lieu thereof '1.7c per. lb. + 11% ad val.'."

On page 2, line 6, of the Senate engrossed amendment, strike out "amendments" and insert "amendment".

On page 2, lines 8 and 9, of the Senate engrossed amendments strike out "the date of the enactment of this Act" and insert "January 1, 1972".

The SPEAKER. The gentleman from Arkansas is recognized.

Mr. MILLS of Arkansas. Mr. Speaker, Members will recall that on June 8, 1971, the House unanimously passed H.R. 4590, permanently suspending the duty on aluminum hydroxide and oxide—alumina—calcined bauxite and bauxite ore. The United States has become largely dependent upon foreign sources of these aluminum raw materials and H.R. 4590, as passed by the House, would permanently suspend the duties on alumina and bauxite which have been temporarily suspended since 1956.

In agreeing to H.R. 4590 as passed by the House, the Senate added two substantive amendments which, although not related to the duty elimination provided in the bill, do similarly amend the tariff schedules by providing duty-free treatment of imports of certain articles. The first such Senate amendment provides duty-free treatment for TNT—trinitrotoluene—and Amatol—a mixture of TNT and ammonium nitrate. Under this amendment, the duty-free treatment of these explosive materials would become effective January 1, 1972. The second such Senate amendment provides for the duty-free treatment of tinned sheets for use in the manufacture of maple sap evaporators.

Both of these Senate amendments involve matters which had not previously been brought to the attention of the Committee on Ways and Means. With regard to the elimination of the duty on imports of TNT and Amatol, the report of the Senate Finance Committee indicates that there is no longer any domestic production of TNT and Amatol, the only remaining producer having phased out its operation earlier this year. It is further indicated that the elimination of the duty will reduce the cost of these materials to domestic users since the existing rate of duty on both TNT and Amatol is felt to be substantial.

The Committee on Ways and Means sought the views of the interested executive branch agencies on both Senate amendments to H.R. 4590. We are informed that the position of the executive branch on these amendments is expressed in a letter to the committee dated July 8 from the Department of Commerce, since the other executive branch agencies deferred to that Department.

In this letter from the General Counsel of the Department of Commerce, it is indicated that, although there is no domestic production of TNT and Amatol as of March of this year, the complete elimination of the duty on these two chemical explosives would place in an unfavorable competitive position a domestic explosive manufacturer who produces and uses a metal sensitizer instead of TNT in slurry explosive and blasting formulations. Thus, the Department of Commerce recommends that the duty on Amatol provided for in item 405.06 of the Tariff Schedules at the rate of 2.1 cents per pound plus 13 percent ad valorem not be reduced.

It is further recommended by the Department of Commerce that, instead of eliminating the duty on imports of TNT, presently provided for in item 405.04 of the tariff schedules at the rate of 3.5 cents per pound plus 22.5 percent ad valorem, the duty be reduced to 1.7 cents per pound plus 11 percent ad valorem.

In view of the cessation of domestic production of TNT and Amatol, but in recognition of the fact that complete elimination of the duty on imports of these explosives at this time could adversely affect the position of a domestic explosive manufacturer who produces competitive slurry explosive and blasting formulations, I believe that the recommendation of the Department of Commerce is the preferable action to take. The reduction in the duty on TNT is responsive to the needs of domestic users of this material and also recognizes the competitive position of a related domestic producer. Therefore, I recommend that the House disagree to this Senate amendment to H.R. 4590 and amend the bill along the lines suggested by the administration.

Regarding the second substantive Senate amendment to H.R. 4590 providing for the duty-free treatment of tinned sheets for use in the manufacture of maple sap evaporators, it is generally agreed that such sheets are not available from United States sources and the elimination of the duty would enable domestic maple sap evaporator manufacturers to obtain these sheets at prices comparable to those paid by their foreign competitors. Therefore, I believe that the House should concur in this Senate amendment to H.R. 4590.

The motion was agreed to.

The SPEAKER. The clerk will report the next Senate amendment.

The Clerk read Senate amendment No. 3, as follows:

Page 3, after line 3, insert:

"SEC. 3. (a) Schedule 6, part 2, subpart B of the Tariff Schedules of the United States is amended—

"(1) by renumbering item 608.90 as 608.89; and

"(2) by striking out items 608.91 and 608.92 and inserting in lieu thereof the following:

"608.90	Imported for use in the manufacture of maple sap evaporators	Free	1¢ per lb.
	Other:		
608.91	Valued not over 10 cents per pound	8% ad val.	1¢ per lb.
608.92	Valued over 10 cents per pound	0.8¢ per lb.	1¢ per lb."

"(b) The rates of duty in rate column numbered 1 of the Tariff Schedules of the United States for items 608.89, 608.90, 608.91, and 608.92 (as amended by subsection (a)) shall be treated as not having the status of statutory provisions enacted by the Congress, but as having been proclaimed by the President as being required or appropriate to

carry out foreign trade agreements to which the United States is a party. Such rates shall not supersede the staged rates of duties provided for such items in Annex III to Proclamation 3822, dated December 16, 1967, and the reference to item 608.90 in such Annex shall be treated as referring to item 609.89.

"(c) The amendments made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act."

MOTION OFFERED BY MR. MILLS OF ARKANSAS

Mr. MILLS of Arkansas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MILLS of Arkansas moves to concur in Senate amendment No. 3.

The SPEAKER. The gentleman from Arkansas is recognized.

Mr. MILLS of Arkansas. Mr. Speaker, I now yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, may I assume from the reading of these amendments that they are all germane to the bill?

Mr. MILLS of Arkansas. They are germane. They are all amendments to the tariff Act, and there is no objection within the committee or downtown to the amendments.

Mr. GROSS. I thank the gentleman.

The motion was agreed to.

The SPEAKER. The Clerk will report the next Senate amendment.

The Clerk read the Senate amendment as follows:

Amend the title so as to read: "Ar. Act to amend the Tariff Schedules of the United States with respect to the dutiable status of certain articles."

MOTION OFFERED BY MR. MILLS OF ARKANSAS

Mr. MILLS of Arkansas. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MILLS of Arkansas moves to concur in the Senate amendment to the title of the bill.

The motion was agreed to.

So the Senate amendments, as amended, were concurred in.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

DIRECTING THE SECRETARY OF DEFENSE TO FURNISH INFORMATION REGARDING THE EXTENT OF MILITARY ASSISTANCE TO CERTAIN COUNTRIES

Mr. HÉBERT. Mr. Speaker, I present a privileged resolution (H. Res. 557) from the Committee on Armed Services, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 557

Resolved, That the Secretary of Defense, to the extent not incompatible with the public interest, directed to furnish to the House of Representatives, not later than fifteen days following the adoption of this resolution, any documents regarding all forms of United States military aid extended to the so-called Forward-Defense nations of Greece, Turkey, Nationalist China, and South Korea, between January 1, 1969, and July 21, 1971, as well as any documents regarding all forms of United States military aid extended to Israel, Jordan, Morocco, Lybia, Sudan, Tunisia, Lebanon, Syria, and Saudi Arabia between January 1, 1969, and July 21, 1971.

The SPEAKER. The gentleman from Louisiana is recognized for 1 hour.

Mr. HÉBERT. Mr. Speaker, I yield 5 minutes to the author of the resolution, the gentleman from New York (Mr. PODELL).

Mr. PODELL. Mr. Speaker, there are 46 nations that are presently receiving American military assistance. Several of these nations make no pretense of allowing their own citizens political freedom. Several others are using our aid not for defensive, but for offensive purposes. Still others are employing American weapons not to protect themselves from foreign aggression, but to suppress lawful dissent at home.

Thus, much of the congressional debate over our military assistance program has necessarily centered around negatively oriented problems: Which nations currently receiving aid are undeserving? Which nations are abusing our friendship? Which nations should be excluded from the next year's program?

My resolution, however, approaches the foreign assistance dilemma from a different, more positive direction. The fundamental purposes of House Resolution 557 is not to see support taken away from any of our friends. Rather, it is to insure that a highly deserving nation, the State of Israel, does become a recipient of U.S. military assistance.

Mr. Speaker, it is unanimously agreed among all rational statesmen that Israeli security is essential to America's position in the Middle East. The massive infusion of Soviet arms into the Arab States has made the situation clear. Israel is the only democratic ally we have in that area of the world. If the international security interests of the United States are to be preserved, Israel political and military integrity must likewise be preserved. Even President Nixon has stated:

We support Israel because we oppose aggression in every form. We support Israel because it is threatened by Soviet imperialism and we support Israel because it offers hope in the Middle East.

These Presidential words echo a fine sentiment. However, as has happened so often, the State Department has failed to match noble sentiment with equally noble action.

Allow me to document for you a progression of newspaper headlines which successfully highlights the absurdity of our present Mideastern policy:

September 4, 1970: "Arms Survey Shows Aid by Soviet Has Rebuilt Arabs to Prewar Power."

March 30, 1971: "Survey Discloses Massive Buildup of Soviet Military Force in Egypt."

April 19, 1971—"Soviets Spur Arms Flow to Egypt."

April 23, 1971—"Egypt Reportedly Gets New Air Defense Missiles."

And finally, the crowning irrationality: On July 13, 1971: "U.S. Aides See No Shift in Mideast Arms Balance."

Mr. Speaker, in view of the overwhelming evidence of the Soviet arms buildup, I find it incredible that our Government can assert that it sees no threat to Israeli security.

During the last 10 months, Egypt alone has received over 100 new Mig–21 fighters. Under a Soviet-Syrian military pact signed last February, Syria has already received 21 Mig-21's, five Sukhoi–7 fighter-bombers, and 22 MI–8 helicopters, designed for troop transport. Another Arab belligerent, Lybia, has over 100 fighter jets currently on order from France.

Perhaps even more significant than the huge quantities of arms being shipped to the Arabs, is the extremely advanced quality of these weapons. For while the United States has dawdled over selling our older model planes to Israel, Russia has been giving her newest, most sophisticated weapons to the Arab aggressors.

Among these new armaments are a squadron of Mig–23 Foxbat fighters. Reputed to be the world's fastest warplane, the Foxbat has been judged by Israel and the West to demonstrate a clear superiority over the aircraft currently flown by the Israelis.

The Soviets have also supplied to Egypt the new SA–4 surface-to-air missiles, with an effective range of 80,000 feet.

Finally, Russia has installed "Swamp" and "Markham," two electronic military communications systems which effectively link fighter planes, radar, ground troops, and gun emplacements.

We are all familiar with the jokes regarding Egyptian military incompetence. However, these jests are no longer applicable, for the new weapons systems are being manned almost exclusively by Russians. There is no longer any doubt that the Soviets have undertaken a major military gambit in the Middle East.

The question before us is then, "Just what is the United States going to do about the Soviet-Arab militarization?" Recent developments seem to indicate that the administration intends to do nothing. It is the purpose of my resolution to spotlight this do-nothingness.

Mr. Speaker, I requested the Defense Department files so that Congress and the American people can finally observe the absurd reasoning behind our arms policy in the Middle East. So that the public can finally see how we have spent billions in aid for 46 different nations—yet for the firmest, most democratic of our allies, the State of Israel, we have not granted one single penny of military assistance.

I proposed this resolution so that Congress may not only discover, but may correct the inconsistencies and irrationalities in our policy.

Why, for example, are we supplying aid to several nations which neither deserve nor require American military assistance as urgently as Israel, when at the same time, we are even balking at our promise to sell supersonic planes to the Israelis?

Mr. Speaker, at this time, I wish to state that during the hearing on House Resolution 557, held Wednesday by the Committee on Armed Services, I was in-

formed that the documents I am requesting would be made available to me by the Committee on Foreign Affairs.

Yesterday, through the generous permission of the chairman of that committee, I was afforded the opportunity to view those documents.

Due to the classified nature of the information, I cannot at this time reveal any specific facts or figures. However, I do wish to announce my intention to introduce legislation that would include Israel in future U.S. foreign assistance programs. I also wish at this time to congratulate the Committee on Foreign Affairs, and especially its distinguished chairman, the gentleman from Pennsylvania (Mr. MORGAN), for having recently affirmed its belief that "Israel is fully eligible to receive foreign assistance." I would like to further thank the many members of the Committee on Armed Services, and especially its chairman, the gentleman from Louisiana (Mr. HÉBERT), who at Wednesday's hearing expressed their active desire to see aid granted to Israel.

Finally, Mr. Speaker, since, as I have mentioned, the documents dealt with in my resolution have already been made available to Members of Congress, I would, if possible, have asked for unanimous consent to now withdraw House Resolution 557, and I urge all of my colleagues to strongly support my future efforts to have military assistance granted to the State of Israel as soon as is humanly possible.

Mr. HÉBERT. Mr. Speaker, I yield myself 1 minute for the purpose of asking a question of the gentleman from New York (Mr. PODELL) and that question is this: that if the parliamentary situation were not such as it is at this moment whether or not the gentleman from New York would have asked unanimous consent to withdraw his resolution.

Mr. PODELL. If the gentleman will yield, that is correct.

MOTION TO TABLE OFFERED BY MR. HÉBERT

Mr. HÉBERT. Mr. Speaker, I move that House Resolution 557 be tabled.

The SPEAKER. The question is on the motion offered by the gentleman from Louisiana (Mr. HÉBERT).

The motion was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HÉBERT. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may have 5 legislative days in which to extend their remarks in order to express their position on this resolution.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

DESIGNATING SEPTEMBER 28 AS "TEACHER'S DAY"

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 98) authorizing the President to proclaim the 28th day of September of each year as "Teacher's Day."

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the joint resolution, as follows:

H.J. RES. 98

Whereas our teachers have an important responsibility in formulating the ideals and goals among our young; and

Whereas many of the strengths and weaknesses of our country's future leaders are greatly dependent upon the mental, spiritual, and leadership qualities of our teachers; and

Whereas our teachers have had many fine educational achievements; and

Whereas many years of exacting training is necessary for our teachers to prepare for their profession; and

Whereas our teachers have created a greater understanding between our young people and the other members of our society, thus helping to bridge the generation gap: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the 28th day of September of each year as "Teacher's Day" and calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

AMENDMENTS OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer two amendments.

The Clerk read as follows:

Amendments offered by Mr. EDWARDS of California: On page 1 strike out all "whereas" clauses.

On page 2, line 5, strike out the phrase "each year" and insert in lieu thereof "1971".

The amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "Authorizing the President to proclaim the 28th day of September of 1971 as 'Teacher's Day.'"

A motion to reconsider was laid on the table.

PROCLAIMING "AMERICAN FIELD SERVICE WEEK"

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 527) to authorize and direct the President to proclaim September 12 through 19, 1971, to be "American Field Service Week."

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There being no objection, the Clerk read the joint resolution, as follows:

H.J. RES. 527

Whereas the American Field Service, originally founded as a volunteer ambulance corps to the French armies in 1914, performed with great sacrifice and distinction its task of transporting supplies and carrying the wounded in World War I and later in World War II, and in 1946, created an international education program for high school students;

Whereas the aim of the American Field Service international scholarship programs is to promote understanding, friendship, and knowledge between the peoples of the world by arranging an interchange of secondary school students between the United States and other countries;

Whereas this is the twenty-fifth anniversary of the American Field Service international scholarship programs which have given over fifty-nine thousand students from every continent the opportunity to broaden their knowledge of other cultures and gain new insights into their own to the end that the peoples of all nations will benefit from their enriched understanding;

Whereas thousands of voluntary workers in communities throughout the United States and in over sixty countries of the world work together to implement this privately sponsored, non-political activity which serves as an extraordinary model of international cooperation; and

Whereas high tribute should be paid to the American Field Service for fostering a service of such worldwide importance, in the hope that thereby the goal of permanent peace so prevalent in all our minds today, can eventually be achieved: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and directed to proclaim the period beginning September 12, 1971, and ending September 19, 1971, as "American Field Service Week," and to call upon the citizens of the United States, especially schools and other educational institutions and organizations, to observe such period with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: On pages 1 and 2 strike out all "whereas" clauses.

The amendment was agreed to.

Mr. FISH. Mr. Speaker, I am most gratified that the House of Representatives has acted today to officially recognize and to honor the important social and educational contributions made by the American Field Service. In unanimously passing House Joint Resolution 527, the Congress designates the week of September 12–19, 1971, as "American Field Service Week."

The AFS is an organization that has a most interesting and historic background. Founded as a volunteer ambulance corps, the AFS served with the French armies in World War I and, again, with the allied armies in the Second World War. After World War II, drivers of both wars felt the need for strengthening the bonds between nations. In 1946, they brought to the United States 52 students from 11 foreign countries. Following this, these men instituted an international scholarship program for students to further the goals and friendship and increased understanding.

The AFS international scholarship program offers young people, 16 to 18 years of age, of all racial, religious, and economic backgrounds, the opportunity to experience home, school and commu-

nity life in a foreign country. Nonprofit and nonpolitical, the purpose is to foster understanding and reconciliation of the differences which exist among peoples of the world to further peaceful coexistence. Since 1946, more than 56,000 students from 80 countries have participated in this program. During 1970, over 4,300 students from the United States and abroad were scholarship recipients.

Between September 12 and 19, 1971, the AFS will be celebrating the 25th anniversary of its international scholarship programs with an international convention in Atlantic City, N.J. It is anticipated that this gathering will draw well over 5,000 members from the United States and abroad. The purpose of this convention is to start new directions to further efforts toward international understanding. In conjunction with this anniversary celebration, approximately 3,000 communities in the United States and hundreds of thousands of volunteers are planning a variety of events involving civic officials—city and State—schools, industries, and others.

Thus, it is most appropriate that the Congress has recognized the important contributions made by the American Field Service to international cooperation and understanding, specifically through their international scholarship program. May this fine effort continue to thrive and bring together people from across the globe.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

"YEAR OF WORLD MINORITY LANGUAGE GROUPS"—1971

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the Senate joint resolution (S.J. Res. 105) authorizing the President to issue a proclamation designating 1971 as the "Year of World Minority Language Groups."

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if the gentleman can disclose the author of this world-shaking resolution dealing with world minority language groups. No author of the resolution is listed.

Mr. EDWARDS of California. Senator CURTIS and Senator HARRIS.

Mr. GROSS. I thank the gentleman.

Mr. SPEAKER. Is there objection to the request of the gentleman from California (Mr. EDWARDS)?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 105

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress finds and declares that—

(1) there are more than two thousand minority language groups of one hundred and sixty million people, most of whom live in remote areas of the world in cultural isolation without books or even an alphabet;

(2) it has been shown that these people are gifted individuals whose human resources the world is denied;

(3) the translation of literacy materials and teachings of moral and spiritual significance into minority languages, which requires that an alphabet be produced and a thorough grammatical analysis of the languages be undertaken, results in an expansion of literacy and an improvement of the cultural bases of the language groups affected;

(4) such organizations as the Summer Institute of Linguistics composed of linguistic scholars trained at the Universities of Oklahoma, North Dakota, Washington, Michigan, Indiana, California, Pennsylvania, Texas, and elsewhere have undertaken the task of bringing literacy to such groups;

(5) the Summer Institute of Linguistics has more than two thousand five hundred members now working in more than five hundred minority language groups in twenty-three foreign countries with the cooperation of the governments and institutions of higher learning in these countries;

(6) the cultural, economic, social, and political, and educational significance of these efforts has brought commendations from many foreign governments;

(7) the Summer Institute of Linguistics and other concerned organizations have called for the beginning of work in the remaining over two thousand minority language groups yet without even an alphabet; and

(8) these organizations, through modern science and technology, are continuing the task of freeing all the various minority groups from linguistic isolation, and they deserve our encouragement.

SEC. 2. In recognition of the international effort to provide written languages for minority language groups, the President is authorized and requested to issue a proclamation designating 1971 as the "Year of World Minority Language Groups", and inviting foreign governments, the governments of our States and communities, and all people to observe the year with appropriate scientific and educational activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE 125TH ANNIVERSARY OF SMITHSONIAN INSTITUTION

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 782) to authorize the President of the United States to issue a proclamation to announce the occasion of the celebration of the 125th anniversary of the establishment of the Smithsonian Institution and to designate and to set aside September 26, 1971, as a special day to honor the scientific and cultural achievement of the Institution.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 782

Whereas the English scientist James Smithson in 1835 bequeathed a sum of money to the United States of America to found at Washington the Smithsonian Institution, "an establishment for the increase and diffusion of knowledge among men."

Whereas on August 10, 1846, the Congress enacted the law establishing the Smithsonian Institution, to be governed by a Board of Regents, and appropriated to it a site in the city of Washington for its first building.

Whereas since its establishment by the Congress, the Smithsonian Institution has worthily fulfilled its mandate to increase and diffuse knowledge among men.

Whereas generations of Americans, now numbering more than 13 million each year, have benefited and learned from the National Museums of the Smithsonian,

Whereas the scientists and scholars of the Smithsonian have been in the forefront of the expansion of knowledge since the founding of the Institution and have made important contributions to learning in fields ranging from astrophysics to zoology and from the history of art to the history of technology,

Whereas the history of the Smithsonian from Mr. Smithson to the present has shown what public benefits can result from enlightened private generosity,

Whereas the Smithsonian continues to be a living and growing Institution adding to the knowledge of our past, to the understanding of the world around us, and to our preparation for the future, and

Whereas the year 1971 marks the one hundred and twenty-fifth anniversary of the establishment of the Smithsonian Institution: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is hereby authorized and requested to issue a proclamation to announce the occasion of the celebration of the one hundred and twenty-fifth anniversary of the establishment of the Smithsonian Institution and to designate and to set aside September 26, 1971, as a special day to honor the scientific and cultural achievements of the Institution.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: On pages 1 and 2 strike out all "whereas" clauses.

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE 50TH ANNIVERSARY OF ESTABLISHMENT OF THE GENERAL ACCOUNTING OFFICE

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 309) to provide for recognition of the 50th anniversary of the establishment of the General Accounting Office, and for other purposes.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the concurrent resolution as follows:

H. CON. RES. 309

Whereas June 10, 1971, marks the fiftieth anniversary of the signing of the Budget and Accounting Act, 1921, and

Whereas such Act provided for the creation of the General Accounting Office, under the control and direction of the Comptroller General of the United States, as an establishment independent of the executive branch responsible to the Congress, and

Whereas during the fifty years since its establishment the General Accounting Office has contributed significantly to the development of improved management in the Federal Government and has been of valuable assistance to the Congress with respect to determining the manner in which the Federal departments and agencies have carried out the mandate and the intent of legislation governing their activities: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States extends its congratulations to the former and present officers and employees of the General Accounting Office on the occasion of the fiftieth anniversary of that Office; and be it further

Resolved, That as it is fitting and proper to commemorate the fifty-year history of the General Accounting Office, the month of June 1971 is designated for ceremonies appropriate to such commemoration.

AMENDMENT OFFERED BY MR. EDWARDS OF CALIFORNIA

Mr. EDWARDS of California. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. EDWARDS of California: On page 1 strike out all "whereas" clauses.

The amendment was agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL SQUARE DANCE WEEK

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J. Res. 543) authorizing the President to proclaim the period September 12 through September 18, 1971, as "National Square Dance Week."

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I wonder if the gentleman from California (Mr. WIGGINS) will invite us to his square dance if we return intact in September from the pending vacation?

Mr. WIGGINS. Mr. Speaker, will the gentleman from California yield?

Mr. EDWARDS of California. I yield to the gentleman from California.

Mr. WIGGINS. Yes, I will be pleased to invite the gentleman.

Mr. GROSS. Mr. Speaker, I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. RES. 543

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is hereby authorized and requested to issue a proclamation designating the period September 12 through September 18, 1971, as "National Square Dance Week," and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to extend their remarks on the several matters just considered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CALL OF THE HOUSE

Mr. MINSHALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOGGS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 234]

Abernethy	Griffin	Rodino
Abourezk	Gubser	Rosenthal
Alexander	Hammer-schmidt	Saylor
Anderson, Tenn.	Harsha	Scheuer
Ashley	Hawkins	Seiberling
Celler	Jones, Tenn.	Skubitz
Clark	Kluczynski	Steed
Clay	Landrum	Stokes
Davis, S.C.	Leggett	Stuckey
Diggs	Long, La.	Teague, Calif.
Donohue	McCulloch	Thompson, Ga.
Edwards, La.	McKay	Tiernan
Esch	McMillan	Van Deerlin
Evins, Tenn.	Melcher	Waldie
Flynt	Murphy, N.Y.	Whitten
Foley	Pepper	Wilson, Charles H.
Fraser	Peyser	Wright
Fuqua	Purcell	
Gallagher		

The SPEAKER. On this rollcall 377 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CONFERENCE REPORT ON H.R. 7960, NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT OF 1972

Mr. MILLER of California. Mr. Speaker, I call up the conference report on the bill (H.R. 7960) to authorize appropriations for activities of the National Science Foundation, and for other purposes, and ask unanimous consent that the statement of the managers be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of July 28, 1971.)

Mr. MILLER of California (during the reading). Mr. Speaker, I ask unanimous consent that the statement be considered as read.

The SPEAKER. Without objections, so ordered.

There was no objection.

Mr. MILLER of California. Mr. Speaker, the managers on the part of the House bring back a conference report on the bill H.R. 7960, to authorize appropriations for the fiscal year 1972 for the National Science Foundation.

This conference action reconciles differences in the total authorization amounts for the budget categories, the length of authorizations, program ceilings, and other matters between the House and Senate.

Mr. Speaker, I yield now to the gentleman from Texas (Mr. CABELL), chairman of the subcommittee, who will handle the conference report.

Mr. CABELL. Mr. Speaker, I thank the distinguished gentleman for yielding.

Mr. Speaker, the bill, H.R. 7960, passed the House on June 7, 1971, and the Senate on June 28, 1971. In acting on the bill, the Senate struck all after the enacting clause and substituted new language.

The Committee of Conference agreed to accept the Senate amendment with certain substitute amendments and with certain other stipulations insisted upon by the managers on the part of the House.

A summary of the substitutes agreed upon by all members of the Committee of Conference is as follows:

The foundation's total budget request for fiscal year 1972 was $622,000,000, including $3,000,000 in excess foreign currencies. This sum was recommended by the Committee on Science and Astronautics to the Full House as justified and fiscally responsible, and the $622,000,000 figure was approved.

The Senate increased the fiscal year 1972 total to $706,500,000 and added an additional authorization of $907,000,000 for fiscal year 1973. The conference agreed to authorize $655,500,000 for fiscal year 1972 only. No amount was authorized for fiscal year 1973. The amount authorized for fiscal year 1972 is $33,500,000 more than the House figure and $51,000,000 less than the Senate figure.

Mr. Speaker, I believe this conference report does a good job of reflecting the position of the House with respect to the fiscal year 1973 National Science Foundation authorization. The compromise, I should like to emphasize, is only $33,500,000 above the figure approved by the House. I commend the conference report to my colleagues.

Mr. CABELL. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Pennsylvania (Mr. FULTON), the

ranking minority member of the committee.

Mr. FULTON of Pennsylvania. Mr. Speaker, I would recommend this conference report strongly to the House. The conference report met with the unanimous agreement of the Senate and the House conferees.

The House conferees were able to cut the Senate increase, which was 14 percent above the NSF recommended budget. The conferees agreed to a budget 5.5 percent above the administration request.

I would like to point out that there are factors that cause an unnecessary increase in the NSF budget. For example, under the Mansfield amendment, which requires the Department of Defense to give up basic research not related to weapon system programs, Department of Defense research activity and laboratories were cut back. Much of this work is being taken over by the National Science Foundation in the interest of advancing basic science in this country.

I would also like to put in the RECORD and call to the attention of my good friend, the gentleman from Texas, that the RANN program, Research Applied to National Needs, which is now 1 year old, includes work in weather modification, earthquake engineering, earth resources research, urban engineering problems, social research, criminology, and so forth. This work should be pursued on a priority basis.

There is one comment that the gentleman from Texas made that should be reemphasized. The comment is that the Senate had passed a 1973 proposed authorization for $907 million. This figure represents an increase of 46 percent over the Foundation's request for fiscal year 1972. The House conferees were able to get this second-year authorization removed entirely. Therefore, this conference report is an authorization for the fiscal year 1972 only.

I want to compliment the chairman of the Science and Astronautics Committee, the gentleman from California (Mr. MILLER), the acting chairman of the Science, Research, and Development Subcommittee, the gentleman from Texas (Mr. CABELL), as well as the ranking minority member of the subcommittee, the gentleman from California (Mr. BELL) and the gentleman from Ohio (Mr. MOSHER) for their fine work. I wholeheartedly endorse this conference report to the House.

Mr. Speaker, I support the conference report on H.R. 7960, which authorizes appropriations to the National Science Foundation for fiscal year 1972. This report was agreed to unanimously by the Senate and House conferees. The final report we present is the result of careful consideration by the conference members. I wish to compliment the conferees of the House on the capable job they have accomplished on the fiscal year 1972 NSF authorization.

The House on June 7, 1971, by a vote of 319 yeas to 8 nays, passed H.R. 7960. This bill, as it passed the House, authorized a budget of $622,000,000 which represents the budget level requested by the National Science Foundation, and approved through the Office of Management and Budget.

The committee of conference agreement represents a fiscal year 1972 NSF authorization of $655,500,000. This amount is an increase of $33,500,000 over the House authorization and a decrease of $51,000,000 from the Senate authorization. The Senate approved authorization was $706,516,215 for NSF for fiscal year 1972, an authorization level $84 million above the House approved authorization and a budget increase of almost 14 percent over the NSF request.

The $33.5 million added to the NSF request corresponds to a dollar increase of 5.5 percent over the budget figure.

Twelve areas of disagreement existed between the House and Senate versions of the authorization bill. Six of these areas were conflicts in budget levels; six other points consisted of differences in legislative language.

The NSF budget consists of 12 major programs. The major programs in which there was disagreement between the House and Senate authorization bills were: scientific research project support; specialized research facilities and equipment; national and special research programs; institutional support for science; and science education support.

The House authorized $246.1 million for the scientific research project support program. This figure represents an $11.7 million decrease from the Foundation's request of $257.8 million. The budget level authorized by the Senate bill was $292.8 million. The Senate budget level corresponds to an increase above the Foundation's request of $46.7 million.

The work of NSF under the scientific research project support program provides strong support for fundamental research in the biological, physical, environmental, social science, and engineering fields. This work is carried out by individual researchers or small groups of investigators with the average grant award being less than $50,000. This work has the purpose of insuring a strong base of competence in fundamental research and providing new knowledge and understanding applicable to our national needs. The projects selected are based solely upon scientific merit.

In 1972, this program has two major thrusts. One purpose of the program is to support research which adds to our basic understanding of environmental processes, basic natural phenomena and physical laws, and the societies and institutions created by man. This research program provides a core effort to maintain and preserve the Nation's scientific strength.

The second purpose of the scientific research project support program is to provide selective support of individual problem-focused research projects which deal with the immediate problems of our society. Particular attention is given to research proposals in areas such as pollution, food supply, health care, energy, environment, economic productivity, and natural resources. Special emphasis is also placed on the biological sciences and particularly on studies dealing with ecology and fundamental life processes.

As these research projects increase our knowledge and understanding, opportunities are identified and techniques and methods developed which can be applied to the solution of national problems. The budget increase the committee of conference provides in this area can be justified because knowledge gained in this program will help determine solutions to our urgent national needs.

The second major program category in disagreement was the specialized research facilities and equipment effort. The House authorization bill provided $9,300,000 while the Senate authorization bill approved the administration's requested figure of $5,800,000. The purpose of the $3,500,000 increase recommended by the House was to permit NSF to pursue more rapidly establishing and equipping institutional facilities. The availability of these facilities and equipment enables research scientists to be more productive and to conduct more advanced programs. It makes possible the initiation of certain scientific investigation which would not otherwise be possible.

A number of major disciplines are provided equipment and facilities. Some of the research facilities which will be assisted include atmospheric, earth sciences, physics, biological, chemistry, astronomy, and social science. In most of the existing laboratory facilities throughout the United States, there is a considerable gap between the needs and availability of both equipment and facilities. Many scientists are required to work with obsolete or makeshift devices. Thus, new research techniques requiring modern instrumentation cannot be employed. The problem is compounded due to the increasing price of the instrumentation needed. The specialized research facilities and equipment program is designed to alleviate the gap between existing facilities and equipment and the facilities and equipment needed to conduct more advanced research.

The third major category of the NSF budget in which there was disagreement was the national and special research program. The Foundation initially requested $166,600,000. The House authorization cut this figure to $136,000,000.

The Senate approved the full amount requested by the Foundation. The difference betweeen the House and Senate authorizations was $30,600,000. This dollar figure difference was contained entirely within the NSF program "research for national needs"—RANN.

The National Science Foundation was formed to support fundamental research and science education. The function of NSF has been to undertake broad basic research in order to complement the mission-oriented research being performed by other Federal agencies.

During recent years, however, the National Science Foundation has developed improved capabilities to stimulate research efforts more immediately and directly related to the problems of society and the environment. The Founda-

tion's authority was broadened by the Congress in 1968. Under provisions of the 1968 amendments to the NSF Act, NSF is granted permissive authority to engage in applied research. The Foundation is therefore permitted to move into the area of applied research although there is no intent in the legislation to change the basic character of the Foundation. Applied research is not to be pursued at the expense of basic research, the principal object of NSF.

A limited number of program activities have been approved to be supported within the research applied to national needs effort. This research work includes weather modification, earthquake engineering, earth resources research, urban engineering problems, social research, criminology, and so forth. The primary objective of these research efforts is to develop knowledge of direct benefit to the country. The work also focuses upon improved understanding of the environment and permits more effective study to prevent environmental destruction. The effort further provides a better understanding of major national problems in relation to the potential contribution of science and technology in solving these problems.

The fourth major program category in which there was disagreement between the budget levels authorized by the House and Senate was the program for institutional support for science. The original budget request by the Foundation was $12,000,000. Both the House and Senate increased this figure. The House increased the request by $16,800,000 to $28,800,000. The final Senate recommendation was $34,500,000. The Senate and House agree that this program is conducting excellent work and that the $22,500,000 reduction from $34.5 million in fiscal year 1971 is too great.

The institutional support for science program is comprised of two separate activities: Institutional grants for science and science development. The institutional grants for science program provides annual grants for discretionary use by U.S. colleges and universities. The grants are intended to help maintain quality in academic science. More than one-fourth of the Nation's colleges and universities participate annually in the program.

Universities find that these funds are especially valuable for small research grants of doctoral level to new faculty members, for summer support of research by graduate students, and for permitting continuing research during lapses in outside funding.

The second program, science development, was initiated in fiscal year 1964 to improve the capability of academic institutions to conduct high quality science and engineering programs. Under this program, the Foundation provided over $200 million in support for science curriculum improvement at approximately 100 universities. These were universities offering graduate science programs and were located in the major regions of the country. The program is valuable in meeting the requirements for highly trained scientists and engineers and for upgrading the capabilities and quality of academic science programs throughout the country.

The budget level agreed upon the committee of conference for institutional support for science was $28,800,000. This budget level corresponds to the level originally adopted by the House.

The fifth and final major program category in which there was disagreement between the House and Senate authorization bills was in the science education support activity. The amount requested by the Foundation for fiscal year 1972 was $77,300,000. The House increased the Foundation's request by $20 million to a final figure of $99,300,000. The Senate increased the budget level for this category to $104,300,000. Both the Senate and House authorizing committees feel that the elimination of or reduction in number of valuable education programs is undesirable and shortsighted.

The science education support program is designed to maintain and increase the quality of teaching and research at all educational levels rather than the quantity of scientists being produced. No other Federal agency is supporting programs with the same objectives as those NSF programs to which funding was restored.

The science education support activity is comprised of a number of programs which address various levels of academic training. Furthermore, funding from this program provides for financial assistance not only to high school and college students but to high school and college instructors as well.

One of the major programs within this NSF category is the student development effort. The purpose of this program is to provide support for the more capable and highly motivated high school students to associate with college level professors and researchers. This offers the student excellent training in science, and through the student's influence on his fellow students and instructors, upgrades the level of science understanding in his own high school. Since 1959 when the program was initiated, approximately 80,000 students have participated.

A second major program within the science education support category is the undergraduate research participation effort. The objective of this work is to permit outstanding undergraduates in U.S. colleges and universities to participate in research through association with scientists at academic institutions. This program has not only assisted individual students but has led to important improvements in undergraduate curriculums.

A further important activity under the science education support program is the postdoctoral fellowship support. This program permits postgraduates to pursue advanced research in science. The program began in 1952 and more than 200 postdoctoral awards have been granted since that time.

NSF also pursues its instructional personnel development program within the science education support category. This program provides secondary school teachers the means by which to upgrade the quality of precollege education in science. Through this work, NSF can effect curriculums revisions at the precollege level.

In addition, under the personnel development activity, NSF carries out the only major fellowship program funded by the Federal Government. The program is designed to help college science teachers improve their undergraduate training. A further phase of this work is a research participation program which permits college teachers from less research-oriented colleges to work with scientists at major universities and nonprofit laboratories. This program has been highly successful in enhancing the ability of professors to instruct undergraduate students on their own campuses.

The Senate conferees agreed to accept the House recommended figure of $99,300,000. This final budget level is $22,000,000 above the Foundation's initial budget request.

The other major areas of disagreement in the authorization bills were differences in legislative language and authorization format. In particular, the House recommended a line item budget for NSF. The House feels that the budget of NSF is approaching a level where closer control should be maintained over the Foundation's programs. The Senate agrees to the line item budget proposed by the House.

In another area of disagreement, the Senate recommended a 2-year authorization while the House held to a 1-year authorization. The Senate agrees to accept a 1-year authorization for this fiscal year providing that NSF be prepared to discuss a 2-year program for authorization during next year's budget hearings.

Mr. Speaker, it is essential that the United States maintain a strong effort in basic research and science education if this country is to advance. The program of the NSF is important because the Foundation is responsible for much of the basic research carried on within the United States. The conference report as adopted unanimously by House and Senate conferees outlines a program providing for continued growth in basic science and research. The report which the committee has drawn up is sound and one which deserves support. The committee has dedicated much effort in arriving at the final recommended budget for NSF for the coming year.

In conclusion, I strongly urge the passage of this conference report as it provides a balanced approach to science education and basic research. It is this balance which is necessary to maintain our national strength in science and technology.

I thank the gentleman for yielding.

Mr. CABELL. I thank the gentleman for his contribution.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FULTON of Pennsylvania. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the conference report on the National Science Foundation Authorization Act of 1972 just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

PERMISSION FOR COMMITTEE ON SCIENCE AND ASTRONAUTICS TO FILE REPORT ON H.R. 10243, to CREATE AN OFFICE OF TECHNOLOGY ASSESSMENT IN THE LEGISLATIVE BRANCH, UNTIL MIDNIGHT, AUGUST 20

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that the Committee on Science and Astronautics have until midnight, August 20 to file a report to accompany H.R. 10243, a bill to create an Office of Technology Assessment in the legislative branch, that bill having been ordered reported by the Committee on Science and Astronautics.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FOREIGN ASSISTANCE ACT OF 1971

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 570 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 570

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9910) to amend the Foreign Assistance Act of 1961, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Massachusetts is recognized.

Mr. O'NEILL. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio, pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 570 provides an open rule with 3 hours of general debate for consideration of H.R. 9910, the Foreign Assistance Act of 1971.

The principal purpose of H.R. 9910 is to authorize funds for continuance of foreign aid programs through June 30, 1973. Appropriations are authorized for fiscal year 1972 in the amount of $3,444,350,000 and for fiscal year 1973 in the amount of $3,494,350,000.

Among the principal changes in the act are:

First, use of Egyptian pounds owned by the United States to assist in reopening the Suez Canal;

Second, a separate authorization for population control programs;

Third, authorizations to the President to use foreign assistance funds to assist nations to control the production and traffic in narcotic drugs and to deny such funds to countries which do not take adequate steps to prevent drugs from entering the United States illegally;

Fourth, relief assistance to East Pakistan refugees; and

Fifth, prohibition of assistance to Greece and Pakistan.

In addition to this legislation, other principal parts of foreign aid for fiscal year 1972 include Food for Peace, the Peace Corps, subscriptions and contributions to multilateral lending agencies, and military assistance.

For fiscal year 1972 all U.S. foreign economic aid is less than one-half of 1 percent of our gross national product. It was approximately 3 percent when the Marshall plan was inaugurated.

Mr. Speaker, I urge the adoption of the rule in order that H.R. 9910 may be considered.

Mr. LATTA. Mr. Speaker, I agree with the statement just made by our colleague, the gentleman from Massachusetts, concerning this bill and this rule. It is a 3-hour open rule.

This bill is for 2 years rather than 1 year. I think we have to take this into consideration. The bill authorizes $3,444,350,000 for fiscal year 1972, and $3,494,350,000 for 1973. I think it is important to point out that the program provided for in this bill is basically a continuation of the same old foreign aid program that has been before this Congress year after year for far too long.

The committee did not see fit to adopt President Nixon's suggested changes for restructuring this program. In my judgment, the committee should not delay further in making necessary changes to this program.

I need not tell Members of the House who have served in previous Congresses that I oppose this program, and certainly this year, since we are facing a $20 billion deficit in our budget and since we are also facing a serious balance of payments deficit, I think it would be in the best interests of the United States to suspend this program for fiscal 1972 and 1973.

Mr. Speaker, I think it is well to refer to the information which appears on page 12 of the report, which shows the amount of money in the pipeline of the foreign aid program. When we look at the amount of money estimated to be in the pipeline for 1971, we find $4.7 billion still unexpended, and we begin to wonder why we are being asked to authorize additional spending for fiscal years 1972 and 1973. These balances are as follows:

Unexpended balances, foreign assistance program, military and nonmilitary, including Alliance for Progress, but excluding investment guaranty program and acquisition of excess property revolving fund

[*In billions*]

1950		$3.5
1951		7.1
1952		9.9
1953		10.1
1954		9.6
1955		7.9
1956		6.4
1957		6.1
1958		5.3
1959		4.8
1960		4.8
1961		6.0
1962		6.6
1963		6.8
1964		6.3
1965		6.3
1966		6.4
1967		6.6
1968		6.2
1969		5.3
1970		4.7
1971	(estimated)	4.7

Mr. Speaker, I have no requests for time on this side of the aisle, and I reserve the balance of my time.

Mr. O'NEILL. Mr. Speaker, I have no further requests for time on this side.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9910) to amend the Foreign Assistance Act of 1961, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 9910) with Mr. PRICE of Illinois in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Pennsylvania (Mr. MORGAN) will be recognized for 1½ hours, and the gentleman from California (Mr. MAILLIARD) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, this afternoon I rise to recommend approval of H.R. 9910, the Foreign Assistance Act of 1971. This bill authorizes $3,444,350,000 for fiscal year 1972 and $3,494,350,000 for fiscal year 1973.

Now I recognize that $3½ billion is a

lot of money and that there are those who wonder why we should propose authorization for 2 years instead of 1.

Let me say just a word about the situation in which the Committee on Foreign Affairs found itself last spring and about the situation that confronts all of us here on the floor of the House today.

Back in 1968, in the Foreign Assistance Act of that year, the Congress directed the President to make a comprehensive review of all U.S. foreign assistance programs and submit his recommendations to the Congress by March 1, 1970.

In response to this direction, the President appointed a commission of distinguished citizens, headed by Mr. Rudolph Peterson who was chairman of the executive committee of the Bank of America, the largest bank in the United States.

The Peterson Commission submitted its report to the President on March 4, 1970.

The executive branch took a long time deciding what to do with the recommendations of the Peterson Commission, but finally last April the President sent his recommendations to the Congress, together with two draft bills 138 pages in length.

In general, the proposed legislation, which was submitted 14 months after the Peterson Commission made its report, followed the recommendations of the Peterson Commission. I do not know why it took so long for the President to decide what he wanted.

The Foreign Affairs Committee began hearings on the President's foreign aid message 6 days after it was received.

Now let me say in all frankness that the reorganization of the foreign aid program proposed by the President was not very appealing to the Committee on Foreign Affairs.

Two new agencies were recommended—one to handle loans for economic development and the other to direct technical assistance to the less developed countries.

Both these agencies were to be independent of each other, and neither would have to take orders from the Secretary of State.

The draft legislation proposed was intended to remove them from the control of the Congress insofar as would be possible for agencies requiring appropriated funds to finance their operations.

They proposed a lump sum authorization for a capital fund which was to be replenished as needed rather than to present a program to the Congress each year as justification for an annual request.

The development corporation wanted to finance part of its operation with borrowed funds, and both of the new agencies wanted a lump sum appropriation with additional funds supplied from year to year to replenish their capital.

Mr. Chairman, I will admit that those of us on the Foreign Affairs Committee who have brought the foreign aid authorization to the floor year after year have had a feeling that the program was not increasing in popularity.

We had been hoping that the President would send up recommendations for a new foreign aid program that would be a streamlined model which most of us would find easier to support. Instead, at first glance at least, the 1971 model did not seem any more attractive than the old program we were familiar with.

Now, just because we are disappointed in the recommendations sent up by the President, it does not follow that we do not need to continue the foreign aid program.

Anyone who thinks about the world situation today, however, the acute problems that confront us in various parts of the world, and the fact that our defense strategy depends on access to foreign bases and the cooperation of the armed forces of our allies, has to think twice before cutting off all foreign aid.

We have to face the fact that many countries in the world have come to depend on U.S. assistance. If we cut it off, the withdrawal symptoms would be severe. We are confronted with more than enough crises in our relations with foreign countries now. We should not create any new crises by stopping the foreign aid program.

Mr. Chairman, that was our situation in the committee and that is the situation that is before the House today. Most of us are dissatisfied with the foreign aid program. We believe that it should be reorganized and redirected. The President waited until the end of April to send up his recommendations. The new fiscal year has begun.

The committee has not had time to do what has to be done before it can recommend drastic changes in foreign aid. Foreign aid is built into our defense strategy. Foreign aid is a major instrument in the conduct of our foreign policy. The people of the poorer countries all over the world would lose hope if we announced that the United States was going out of the foreign aid business.

We decided the best thing to do, probably the only thing to do, was to authorize the funds to keep the program operating under existing legislation. When we faced the realities of the situation, it also seemed clear to us that our job would not be done by next February and that it would be better to provide authorizations for fiscal 1973 also. In the meantime, we are going to continue hearings on the President's recommendations.

The President has proposed methods for dealing with basic issues. Any attempt to reorganize and redirect foreign aid will have to deal with these basic problems. In some cases, I hope the committee can find better solutions.

The President's recommendations deserve the most careful consideration, and I intend that the Committee on Foreign Affairs will examine them carefully and constructively.

I admit frankly, Mr. Chairman, that a considerable element of judgment enters into the figures we recommend for fiscal year 1973. World conditions will undoubtedly change and the situation in individual countries will change.

What the committee has tried to do is to present an adequate authorization so that next year, when the 1973 appropriation request is considered by the Appropriations Committee, the limits we imposed will not prevent that committee from providing the funds that are necessary to deal with the situation that exists at that time.

Let me suggest also that although I have mentioned a figure of $3,444,350,000 as being the amount authorized in this bill for fiscal 1972, that figure does not appear any place in the bill. It is the aggregate of the figures in the bill, each of which relates to a different kind of operation with a different purpose.

Two billion dollars of this authorization is to finance our defense strategy. About $1.2 billion is for military assistance, including weapons and equipment, together with economic assistance to support the military effort of such countries. Most of this goes to countries that border on Communist nations, including Korea, Cambodia, Turkey, and Formosa, and to Indonesia which is in a vulnerable and strategic location.

About $40 million goes to Spain, Ethiopia, and the Philippines where we have important bases.

Over $500 million is to finance credit sales of military equipment to countries friendly to the United States that are able and willing to pay if they are given up to 20 years to do so.

And $800 million is authorized to provide economic assistance to countries where we have a direct interest in keeping their economies going. This money is not directed toward developing these countries. We provide it because it is in our interest for them to survive.

Over $500 million of this security supporting assistance is to finance the economic needs of Vietnam, but we also want to help Cambodia, Thailand, Laos, and Jordan.

The point I want to make, Mr. Chairman, is that when you try to figure out how much to cut the commodities to be imported by South Vietnam, or whether we should continue to support the present Government of Jordan, or whether to help the Government of Cambodia in its uphill struggle against the Vietcong, you are not dealing primarily in dollars; you are dealing in matters that involve our national interest. Unless we give enough aid in such cases, it is better not to give aid at all. You cannot decide the right amount for each country by deciding whether to cut the totals by 10 or 25 percent.

Mr. Chairman, I have talked about the problem of deciding how much is the right amount of assistance to give to a country. I should point out that this bill provides for cutting off all aid to two countries— Pakistan and Greece. Both of these countries have received substantial amounts of U.S. aid in the past.

The bill—section 302, page 12, line 21—provides for suspending all aid to Pakistan until the President reports to the Congress that the Government of Pakistan is cooperating fully in helping the refugees to get back home and permitting them to get back their land and property. This does not prohibit sending food and other humanitarian assistance to Pakistan under international auspices.

In addition, the bill—page 7, line 23, new section 491 of the act—authorizes $100 million for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan.

In the case of Greece, the bill—section 302, page 12, line 7—prohibits the furnishing of assistance under the Foreign Assistance Act or the Foreign Military Sales Act to Greece. The President is given authority to waive this provision when he finds that overriding requirements of national security justify such a waiver. Even if the President decides to give aid to Greece, the amount is limited to the amount Greece received in the fiscal year 1971. Although the final figures have not been compiled, the best available estimate is that this would be about $90 million. Only military assistance and sales are involved since Greece has received no economic aid for several years.

Mr. Chairman, as I have pointed out, the bill before us today provides funds to continue foreign aid operations under existing law. Let me remind you that what we call the foreign aid program includes five closely related programs, each having different immediate objectives and functioning somewhat differently.

I have already discussed the largest, which includes military assistance and security supporting assistance, both of which are directed toward the implementation of our defense strategy. The authorization for these programs is $1,505,000,000 for each fiscal year. Military credit sales are for the same general purpose, and $510 million is authorized for each fiscal year to finance these credit sales.

As I have mentioned before, the security portion of this authorization amounts to $2,015,000,000 for each of the 2 years.

The next largest amount of money in this bill is for development loans. The authorization for fiscal year 1972 is $400 million and for fiscal year 1973, $450,000,000.

Fifteen countries are scheduled to receive these loans. Development loans are repayable in dollars, but the countries have as long as 30 years to pay and the interest is a minimum of 2 percent during the first 10 years and a minimum of 3 percent thereafter.

These loans are used to finance projects such as powerplants, highways, and irrigation. They also finance imports of machinery and industrial materials when countries do not have enough foreign exchange to keep their industries going.

The bill before us also authorizes $378,250,000 for fiscal year 1972 and $428,250,000 for fiscal year 1973 for the Alliance for Progress. Most of this money is for loans for development, but not to exceed $90,750,000 each year can be used for grant assistance.

I am sure that every Member of the House recognizes the importance of Latin America to our security and our prosperity. I am sure also that all of us are dissatisfied with certain recent developments in Latin America.

Cooperation, by its nature, cannot be one-sided. Countries that seize our fishing boats and that expropriate our property are not cooperating with us and should not expect us to cooperate with them.

We should not, however, forget that there are over 20 Latin American countries and that there are only a few that are not cooperating.

It would not be in the best interests of the United States to condemn all of the Latin American governments for the actions of a few.

If the United States were to cut off all aid to Latin America or cut back our assistance drastically because of the seizure of fishing vessels or the expropriation of property owned by U.S. corporations, it would have an adverse effect on our relations with the most friendly and cooperative governments in Latin America. We would be creating new crises rather than solving the problems we now have.

The next major element in the foreign assistance program is technical cooperation. The authorization in this bill is $183,500,000 for each of the 2 fiscal years. The number of countries that can receive technical assistance is limited by law to 40.

I believe that there has in the past been more widespread support for this aspect of foreign aid than any other part of the program. According to the latest figures we have, there are 127 U.S. colleges which have contracts for services which are financed from this authorization. These contracts are worth $242 million.

Another program which has always been included in the foreign assistance program is United States voluntary contributions to international organizations.

I want to make clear that this authorization does not provide the funds to finance the regular budgets of the United Nations or the Food and Agriculture Organization, or other international organizations of which the United States is a member. The U.S. share of the expenses of these organizations is included in the State Department appropriation, and the foreign aid program is not involved.

The authorization for international organizations in this bill—$143 million for each of the 2 fiscal years—is for voluntary contributions which the United States, together with other governments, makes to finance certain projects or programs which are carried on by various international organizations. These include the United Nations Development Program, the Children's Fund, the FAO World Food Program, the World Health Cancer Research Institute, and the United Nations Relief and Works Agency for Palestine Refugees.

The payments which each country makes to each of these programs is not an assessment against each country as is the case with the regular budgets of these organizations, but each country contributes voluntarily in accordance with its ability and its interest. In some cases, the U.S. contribution is limited by law to 40 percent of the total program and, in general, this 40-percent ceiling is applied for most of these programs.

As I have said, the bill authorizes $143 million for the U.S. contribution to these programs for each of the 2 fiscal years. The largest single U.S. contribution is $100 million to the United Nations Development Program which, as you will recall, is headed by Paul Hoffman. The U.S. share is limited by law to 40 percent.

Mr. Chairman, I have reviewed in some detail the major elements of the foreign assistance program which are included in this authorization. Let me emphasize again that this is not simply a case of deciding whether the right amount is $3.4 billion.

Let me remind you also that the foreign aid program does not involve handing out money to foreigners. The United States supplies goods and services to foreign countries under this program, of which over 90 percent are procured in the United States. Nearly all foreign aid dollars are spent in the United States.

I urge each Member of the House to consider all of the elements of this program and the repercussions that would follow if it were eliminated or drastically cut.

A war is still going on in Vietnam; and if the $565 million program of security supporting assistance in this bill were knocked out, I am sure that the Vietnamese Armed Forces could not continue to fight.

The people of the less developed countries of the world depend on U.S. foreign aid to lead the way out of their poverty.

We count on the military forces of Korea, Turkey, Taiwan, the Philippines, and of other allies to carry out their assigned roles in a common defense effort.

The colleges and universities of the United States are making a great contribution to the development of the less developed countries of the world. They have also benefited from their participation in the foreign aid program.

No one should let his disapproval of one aspect of our foreign policy or his dissatisfaction with the policies or actions of a particular country blind him to the magnitude and complexity of the problems we face in the field of foreign policy.

The basic question each of us has to face is whether the approval of this authorization will make the United States stronger and more secure.

I am confident that most of the Members of the House will agree with the committee that the best thing to do is the situation we find ourselves in today is to vote for this bill.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. Mr. Chairman, I would like to congratulate my friend, the gentleman from Pennsylvania (Mr. MORGAN) on his clear statement in which he has covered the major factors and worldwide programs, that this bill includes. This U.S. foreign aid program principally is based on U.S. defense and the security of free people. It is based on protecting and developing U.S. foreign trade. This bill is one of the foundations of free world progress, and economic assistance for developing nations, and this legislation assists our own economic progress.

I would like to support the 2-year authorization provision of this bill. When

there is a 2-year authorization, the Committee on Foreign Affairs can look into the Peterson report prepared by the commission authorized by President Nixon to reorganize basically U.S. foreign aid programs. The necessary detailed and long committee work and many hearings with many witnesses has to be accomplished on the basic revision of the U.S. foreign aid program; is that not the case?

Mr. MORGAN. That is correct.

Mr. FULTON of Pennsylvania. That is why the Foreign Affairs Committee recommended the 2-year authorization for U.S. foreign aid rather than a 1-year authorization. This time gives the Foreign Affairs Committee the time and the authority to hold the hearings and make the required adequate study without having to go through this authorizing process all over again in the early part of next year. The President himself has recommended the Peterson report for basic revision of U.S. foreign aid, be considered by the House Foreign Affairs Committee.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. MAILLARD).

Mr. MAILLIARD. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, once again the U.S. foreign assistance program is undergoing congressional scrutiny. This is as it should be. The Committee on Foreign Affairs has itself scrutinized with great care the legislation now before you. This is a sound, constructive bill. It is a bill that fully recognizes the international economic and security interests of the United States. It deserves your support.

The distinguished chairman of the Committee on Foreign Affairs, Dr. MORGAN, has described in some detail the provisions of H.R. 9910. He also has explained why the committee decided to report out the legislation now before you, rather than act upon the extensive reorganization proposals of the President at this time. I supported the chairman's decision to move ahead with the extension of the foreign aid program provided for in H.R. 9910. The reorganization proposals were too extensive to conduct adequate hearings and bring reorganization legislation to the floor in time for fiscal year 1972. However, as Chairman MORGAN has indicated, our committee will move forward with consideration of the President's legislative proposals. We will consider carefully our foreign assistance objectives and how best to achieve them.

I would like to emphasize just a few of the key features of the legislation we are considering today.

As you are aware, a significant portion of the funds authorized are in the area of security assistance. These funds are essential if we are to achieve the objective of reducing American troops abroad, while continuing to help our friends and allies maintain their own security. Surely it is less costly, and some would say more effective, to help our allies look to their own defense than to supply Americans to do the job. To withdraw American forces and, at the same time, deny security assistance to our allies, could give a misleading signal as to our future interest in international affairs. This, in turn, could lead to the sort of tragic miscalculation that has so often in history led to major war.

The bill we have before us also spells out new initiatives in the areas of narcotics control, refugee relief, and population programs.

The amendment on international narcotics control emphasizes our great concern over the narcotics problem. It gives the President new tools with which to encourage cooperation by other nations in our efforts at narcotics control.

Our Nation always has shown a compassion for refugees and victims of disaster. In this bill, we have included $100 million for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan. While these relief efforts will not resolve the issues that created the refugee problem, they will ease the misery and suffering of the victims of the tragedy.

The population programs authorized by this legislation are essential to the long-range success of our development assistance efforts. Because of the importance of such programs, the committee adopted an amendment, which I offered, that would authorize the appropriation of $100 million in fiscal year 1972 and $125 million in fiscal year 1973. These amounts, in my opinion, are the minimum that should be used in this vital area. In addition, funds authorized to carry out the provisions of part I of the act may also be used to maintain population programs at the level authorized by the committee, or higher.

I would be less than honest if I did not say that there are certain provisions of the bill with which I am not in full agreement. For example, I view with misgivings the lack of flexibility caused by the restrictive amendments on Greece and Pakistan. While I concur with the objectives of these amendments, I think it is unfortunate to write into law rigidities of this sort which make it difficult for the President to react to events.

There are other provisions with which I do not fully agree, but legislation is a cooperative effort, and I fully support the bill before us.

This bill will continue our efforts to build a more peaceful, secure world. This is a long, costly effort, but considering the nature of the world in which we live, I believe we have no alternative but to continue.

I urge your support of H.R. 9910.

Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, the bill which we are discussing this afternoon authorizes appropriations totaling $3,444,350,000 for fiscal 1972, which is already well underway, and $3,494,350,000 for fiscal 1973. These sums appear to be very modest when viewed in the context of a total expenditure of $235 billion for fiscal 1972 and between $251 billion and $253 billion for fiscal 1973.

Unfortunately, the amounts authorized by H.R. 9910 are but the tip of the iceberg. The numerous foreign aid requests that appear in the budget submitted in January total nearly $13 billion; presumably the total for fiscal 1973 will be at least again as much. These amounts will be more than 5 percent of the total budget for the next 2 years.

Were this the first time that the subject of foreign aid came before the House, a Member could consider voting for it on the ground that we ought to be willing to try anything once, especially if it will help bring peace to a troubled world. It so happens, however, that the foreign aid program has become a hardy perennial, this being its 27th year.

The taxpayers of the United States have provided almost $145 billion in aid to foreign nations since the end of World War II. Some of these billions have gone to our allies in that conflict, some to our former enemies, and some to neutrals. A great deal of assistance has gone to countries that are now behind the Iron Curtain. Many of the recipients of our help did not even exist as independent nations when our foreign aid program started. In short, foreign aid has been in business longer than many of the countries it is supposed to help.

We had to borrow the money before it could be made available to other nations, so an additional $75 billion must be added for interest, making a grand total of $220 billion.

Proponents of the foreign aid programs make much of the fact that they cost but a small amount when considered as a percentage of the gross national product. To this argument we should turn a deaf ear.

If foreigners need financial help in order that they may set up industries, they can best be assisted through our many industrial establishments. I will seriously consider buying stock in corporations that stand to profit from foreign investments, although recent expropriations by nations that have ridden on the foreign aid gravy train might tend to discourage me.

Instead of dismissing objections to foreign aid spending with flippant statements about what an infinitesimal amount of the gross national product goes for foreign aid, those who support the concept ought to give serious attention to the Federal Government precious fiscal situation.

Thirteen billion dollars is almost lost in a trillion dollar gross national product, but it forms a major part of the $26 billion Federal deficit for fiscal 1972.

The $145 billion that we have spent for foreign aid since the end of World War II may not sound like very much when we note that the average per year has been about $5½ billion, but when we consider the $145 billion alongside the $400 billion national debt, we realize how much of our astronomical debt is due to our extravagant spending for the benefit of other nations.

The $75 billion that has gone for interest on the foreign aid giveaways has averaged less than $3 billion annually, but it becomes cause for alarm when we note that the interest on the public debt will be more than $21 billion during fiscal 1972.

Foreign aid programs have been justified in many different ways. They were needed to stop communism. They were

needed to bolster the economies of our allies and our onetime enemies. They were absolutely essential to our own economic stability.

Foreign aid programs have been presented to the American people under numerous alluring labels: Agency for International Development, Alliance for Progress, Asian Development Bank, Development Loan Fund, Economic Cooperation Administration, European Recovery Program, Export-Import Bank, Food for Peace, Foreign Operations Administration, Inter-American Development Bank, International Bank for Reconstruction and Development, International Cooperation Administration, International Development Association, Mutual Security Agency, and United Nations Relief and Rehabilitation Administration. No matter what high-sounding label is used to sell it, foreign aid carries a price tag and is very expensive.

At the same time that the drums are being beaten in behalf of the foreign aid programs, we hear a great deal about the multitude of problems here at home. These problems cry out for solutions, the favorite solution being a huge transfusion of taxpayers' funds to be distributed by the Federal Government. If my liberal friends are serious about reordering our priorities, I would suggest that we divert some of the billions now being scattered all over the globe to domestic uses. While I would prefer that the money saved be spent by private individuals and organizations or by local and State governments, I concede that it would be better to allocate it to programs that would benefit Americans who are in need of food, housing, medical attention, and schooling, than to continue the expensive, inefficient, and futile foreign aid programs.

Mr. Chairman, what I believe is necessary in the calm atmosphere I detect this afternoon is for us to philosophize on some of the items in the bill that I think deserve a little extra scrutiny.

May I point out that there are certain humanitarian programs such as the gentleman from California alluded to. This does not mean because we are interested in the support of refugees the only vehicle for it is this bill. I would suggest to the Members that we could do an awful lot for refugees in Pakistan and other parts of the world by special legislation. There are other vehicles that could have been used.

But I do feel that it would be a fair criticism of the committee action to point out that there is at least an inconsistency in the committee's approach in this particular legislation.

We know that a great debate rages these days over the prerogatives of the executive versus the legislative branch of Government. In this bill we have two amendments, one allegedly handling the situation in Greece and another allegedly handling the situation in Pakistan, in which the committee really is attempting to dictate foreign policy.

On the other hand, this is a 2-year authorization, which means that the committee is saying to the executive branch, "For 2 years you can operate freely without restraint from this committee." I think this is a basic inconsistency.

Personally I prefer a 1-year authorization so that our Foreign Affairs Committee and the Congress could control the authorization as well as the appropriation. I believe that would be consistent with the views expressed in Congress, especially by some of the Members of ultraliberal persuasion who wish to hogtie the President at every hand. They should support a 1-year authorization in the aid program to do so.

I will mention the Pakistani problem briefly. What we are doing in this act is to cut off all aid to Pakistan until some prescribed conditions that would meet the approval of an international organization were met.

What we are doing is creating the possibility of a major war between Pakistan and India for this very reason: The one country that has a diabolical interest in the breakup of Pakistan is India, and if we cut off all military and other forms of aid to Pakistan, what we are doing is weakening Pakistan at the expense of India. I would suggest, if the majority is being consistent, that we should have a provision cutting off all aid to India until Pakistan qualifies for some form of aid. At the moment the Pakistanis are in an especially difficult status. I am convinced the Indians will try to take advantage of it.

With all due respect to the Government of India, it is trying to alibi for its domestic failures by foreign policy agitating against Pakistan. I do not think we should directly or indirectly cooperate with such conduct of foreign policy. If I could make one point, Mr. Chairman, it is to emphasize my belief that there should be a bit of consistency in the legislative branch. I would suggest since there is an evident trend to try to control the Executive, the proper way to control the Executive would be to pass a 1-year authorization. At an appropriate time I will have an amendment to reduce this 2-year authorization to a 1-year authorization. I expect support from both sides of the aisle from Members who, consistent with their actions on other bills that have come before us and consistent with their criticism of the President in Southeast Asia, would join me in limiting the Executive to a 1-year authorization.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. PUCINSKI).

Mr. PUCINSKI. Mr. Chairman, I am deeply concerned at the provision in this bill which would put severe limitations on continued foreign military sales or military assistance to the nation of Greece. This is a 2-year bill. Surely we ought to think about this provision in the light of a 2-year commitment.

I share the concern of my colleagues about seeing democracy returned to Greece. Greece is the cradle of democracy. The Greeks invented it. Surely we, as Americans, have a close kinship with the fundamentals that have been laid down by Greek philosophers. When Thomas Jefferson was drafting the American Constitution, he borrowed very heavily and relied very heavily on Greek philosophies of democracy and incorporated them into our Constitution, using those concepts of human dignity that had been espoused by the Greek scholars. As a matter of fact, Thomas Jefferson was so thoroughly impressed with the teachings of the Greek philosophers, and he had written so much of Greek philosophy into the American Constitution, that he actually suggested we make Greek the official langauge of the United States. His proposal was defeated by only one vote. So it is understandable that we, as Americans, would have a very deep and keen yearning to see the principles of democracy return to Greece. I am certain the caretaker government of present-day Greece also want to restore those principles as quickly as possible.

I submit, Mr. Chairman, I have been in Greece and I have talked to the Greek people. I was in Greece 3 weeks after the present Government took over. I took with me our American Consul, because I wanted to rely on his translations. He spoke Greek very fluently. As we moved through the streets and talked to the people, we found that the people of Greece had stated in their reactions to the colonels, "What took them so long in coming?" There is no question that on April 21, 1967, Greece was on the verge of complete chaos and of falling into Communist hands. The Government of Greece was in a state of complete shambles and ripe for a Communist takeover.

I personally talked to the late Premier of Greece, George Papandreou. One Sunday afternoon I visited with him in his villa. We spoke in English, because he spoke a halting English, and I asked Mr. Papandreou whether or not he could have won enough votes in the May election to form a government. He said, "No, I would not. I would need 30 additional votes, and I would have to get them from the Communists."

I was moved by Mr. Papandreou's complete frankness but had no reason to doubt his sincerity.

He spoke slowly and deliberately and made it very clear he was willing to form a coalition in order to return to power as head of the government.

I said, "From the Communists?" He said: "Yes." I said, "What would be the price you would have to pay?"

He said, "Taking Greece out of NATO."

I asked: "Would you be willing to take Greece out of NATO?"

He said, "Yes, that is right. NATO is no good to Greece because in our struggles with Turkey NATO could not help us, under the rules of the NATO charter. Where two member nations are involved NATO cannot be involved."

I asked Papandreau if that was the same reason his son worked to take Greece out of NATO when he was Defense Minister and the senior Papandreau replied "Yes."

I visited Yaros Island, where the political prisoners were. I believe that Consul Peterson and I were the only Americans ever permitted to visit Yaros. I insisted on personally talking to the prisoners. And we talked to hundreds of these people. They admitted openly they were Communists and were waiting to get out of prison in order to do every-

thing they could to overthrow Greece and to deliver it to the Communist camp. Deputy Prime Minister Patakos offered them immediate freedom if they would pledge not to try to overthrow the Government by force. They jeered at his offer and said they would never stop trying to overthrow the Government. One young lady said defiantly: "I was born a Communist, I am a Communist and I'll die a Communist."

So I say, Mr. Chairman, it would be a grave mistake if we adopted this language. I know we yearn for that day when Greece will return to democracy, but right now we need Greece a good deal more than she needs us. Greece is the southeastern anchor of our defense establishment in NATO. I say that this language is much too restrictive.

If Greece should ever fall, the Soviets would have open access to the entire middle last; Israel could not survive; the entire coast of Africa would be vulnerable and our own defense capability would suffer. Greece is our first line of defense in southern Europe today.

If I were to relate all the other nations that we assist which are not under democratic rule, it would be a long list. I do not see any suggestion being made here today that we withhold any assistance to Turkey. I dare the Defense Department to show this House what the Turks are doing against American troops on American bases in Turkey—assaulting them, raiding our bases, destroying our properties, and shooting our soldiers.

Why do we single out Greece?

Why not apply these same sanctions against all of our allies which do not have our standard of democratic government?

The CHAIRMAN pro tempore (Mr. STRATTON). The time of the gentleman from Illinois has expired.

Mr. MORGAN. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. PUCINSKI. Mr. Chairman, I say we would be making a great mistake if we were to accept this language. I hope at the proper time this language will be offered.

Indeed, as we look at the Mediterranean, look at the whole coast of Africa, look at the situation in that part of the world, Greece today offers the United States its only reliable base of operations for NATO. For us to say today that we are going to deny this assistance to Greece is to play "Russian roulette" with the security of this country and peace in the world.

It is the irony of our time that while the Soviet Union continues to build new alliances to conspire against us, we Americans insist in driving our best allies into the enemy camp. Make no mistake, the Russians have been making overtures to the Greek Government; a few weeks ago a Soviet mission visited Athens. I think we should be grateful that Prime Minister Papadopoulos remains loyal to the United States and NATO.

Surely, we are pressing this nation for improvement. Our ambassador is doing a great job in Greece trying to impress upon the Greek Government the need for restoring democracy in that country as soon as possible. And much has been done. I have talked to Prime Minister Papadopoulos a great deal about this. I know his desires and yearnings. He is a fierce patriot; he wants to restore the glory of Greece. He is trying to bring the country back to democracy. But this is not the easiest thing to do.

Let me remind you that our own country, the United States of America, took more than 12 years to implement a democratic constitution after the American Revolution.

There is no question in my mind that this Government saved Greece from falling into Communist hands, and no one knows better than Prime Minister Papadopoulos that democracy must be restored. But not a way which will bring about a return of chaos and downfall to the Communists.

It would be my hope we can exert as much effort as we can to restore democracy to that country, but not to do it by cutting off military aid, which is the only source of survival for Americans participating in NATO in that part of the world.

Mr. Chairman, I am opposed to these restrictions in military and economic aid to Greece because I am not going to support a move that will plunge Greece into the Soviet orbit.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from California.

Mr. ROUSSELOT. I believe the remarks of the gentleman were very pointed and very correct in what he says. We should not neglect our very clear ally with military support. Will the gentleman offer an amendment to correct the things he has stated?

Mr. PUCINSKI. It is my hope, if an amendment like that is not offered, yes; that I will offer an amendment to reshape this language so that military aid will continue to Greece.

Mr. ROUSSELOT. I thank the gentleman.

Mr. MAILLIARD. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, a preceding speaker says it is right and proper that we have the opportunity to discuss this foreign aid bill here today. I wish he had supported the moves that were made in committee to hold it to a 1-year program so that we might have the same opportunity next year.

Mr. Chairman, as we have said in the minority report on this multibillion dollar foreign handout bill—this is the year when the American people might well have expected a farewell to alms.

Beset with rising taxes in every State, county, municipality and borough in the Nation; with debt and deficit on every hand and rampant inflation feeding upon itself; with costs of living climbing every month; with wages chasing spiraling prices in ever widening circles; with a Federal budget last year that was supposed to produce a surplus of $1.3 billion and wound up the fiscal year with a deficit of more than $23 billion, commonsense dictated that the time had come for an end, or at least drastic reductions, in the dispensing of alms to foreigners.

Instead, what have we here? Not a drastically reduced 1-year program or, better still, no new funding and a resort to the clogged pipeline, but a 2-year program and it calls for the expenditure of an additional $6.8 billion. I repeat, $6.8 billion of additional borrowed money, in addition to $24½ billion in the pipeline, to be shoveled out from Washington to Timbuktu to Ouagadougou and all points in between.

The knowledge of this magnitude of almsgiving will give little peace of mind and comfort to those Americans who are already on the way over the hill to the poorhouse.

But for those Americans who are fighting, or who have already fought and lost the battle for economic survival, what we have discussed thus far is only the tip of the iceberg in terms of past and present foreign handouts. Provision has been made in other legislation for a minimum of $9 billion more for bilateral and multilateral assistance, and, since 1947, no less than $212 billion has been scattered to the four corners of the earth by the checkbook diplomats, aided and abetted by a profligate Congress. And what has been the return for this staggering outpouring of the resources and substance of the American people? "Peace in our time," did you say?

Thirty-five thousand Americans killed and an uneasy military truce in Korea gives the lie to that. And another 45,000 killed in Vietnam, where there is still no truce, uneasy or otherwise.

Where are the architects and checkbook artists who were responsible for and promised so much from the Southeast Asia Treaty Organization—SEATO—the Alliance for Progress, and the Inter-American Bank, to name but three of a myriad of international organizations all heavily financed by the battered citizens of this Nation?

Every member of SEATO is pledged, as are members of the United Nations, to go to the assistance of another member who is the victim of aggression. There is no point in recounting what has happened. The casualty figures tell the cold, hard, tragic facts of life and death. It is Americans who have carried the brunt. And there are those who cannot wait to get all the soft loan windows open and manned in the Asian Development Bank, the better to shovel out our cash.

Billions upon billions of dollars have been dumped into Latin America through a variety of faucets. The Inter-American Bank was spawned to expedite the flow in behalf of the Alliance for Progress, and, Congress was told, it was all for the sweet-scented purpose of providing a climate in that area that would be safe for American private investors.

Call the roll of American investors in Peru, Bolivia, Chile and other countries of Latin America and ascertain how many of them are now champing at the bit to lay their cash on the line unless its return is guaranteed by big Big Brother in Washington, who has the option of

digging it out of the taxpayers' pockets or starting the printing presses.

Mr. Chairman, for years I have said, and I repeat it now: This Nation cannot police and bankroll the world without going bankrupt.

President Nixon submitted a budget for the current fiscal year of some $229 billion and a built-in admitted deficit of $11.6 billion. A short time ago the financial wizards at the White House admitted the deficit for this fiscal year would be not 11 billion, but probably more nearly $18 billion. Members of the House Appropriations Committee, including the chairman, have indicated their belief that the deficit will run to between $25 and $30 billion.

This Nation is wallowing in more debt than the rest of the world combined. It simply cannot continue to yield to blackmail. It cannot continue to fill all the tin cups that are held out and grease all the hands that are extended—palms up.

There has been growing discussion and indignation in Congress because of huge cost overruns in various programs and projects. The foreign handout program was hatched in 1947 as a 5-year deal to cost $5 billion. Thirty-four years and $212 billion later it is still with us. No cost overrun in the history of mankind can equal it.

For a Nation that has more than $400 billion of Federal debt and a public and private debt as of last January 1 of more than $1,700 billion, the continued outpouring of the substance of this country for this purpose is not only shameful—it is outrageous.

Apparently only a taxpayers' revolt or a purge of Congress can stop it.

As we have said in our minority report, Members who have little or no unemployment in their districts, and whose constitutents are not concerned about inflation, will, of course, have no difficulty in supporting this $6.8 billion bill. The rest of us must vote against it.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Arkansas (Mr. MILLS).

Mr. MILLS of Arkansas. Mr. Chairman, as a Member of the House, I have watched with deep interest the struggle of the Jewish people to establish and to defend their state. Despite the fact that Israel has been compelled to live in a state of siege, the Jewish state has been able to reclaim a desolate and neglected land, to build its economy, to develop its agriculture and industry and, above all, to absorb and rehabilitate hosts of refugees who came in search of sanctuary from discrimination and persecution.

In this effort, the State of Israel was assisted not only by the Jewish people of our country but also by the Government of the United States. In 1951, Congress voted to include Israel in the mutual security program, and for several years thereafter we approved grants and loans to Israel.

Israel made excellent use of our aid, as economists have testified, and proved to be a showcase for the democratic system and for our foreign assistance program. Israel's growth rate has been spectacular, making it possible to terminate the grants some 10 years ago. Moreover, Israel has repaid more than half the money that was loaned by our Government for economic development.

In the meantime, Israel has been compelled to fight three wars, and the peace is not yet in sight. Accordingly, she has had to acquire arms to match the sophisticated planes, missiles, and tanks which the Soviet Union has with such generous terms poured into Arab States in such abundant quantity. While the Soviet Union came to the Arabs with gifts and easy financial terms, nobody ever gave Israel any arms. She has always paid her defense bill, both in human and material resources. She counts up vast defense expenditures—and many lives lost.

Because of her defense needs, Israel's external debt burden has increased to about $3 billion. The average Israeli now owes $1,100 in external debt, almost twice as much as he did in 1967 at the time of the 6-day war. Israelis pay high taxes and they pay heavy interest charges and the Israel economy is in trouble. Israel has appealed to the administration for economic assistance. She still does not ask us for the gift of arms. She is paying for the weapons she buys from us, but there are limitations to her capacity. We must be concerned about her problems and we must be ready to assist her. Many countries receive free military aid from the United States; many receive supporting assistance to ease their heavy defense burdens. It is time we recognized Israel's urgent need.

I am glad that the House Committee on Foreign Affairs has taken note of Israel's appeal to the administration and has pointed out in its report that funds for this purpose can be made available in the current Foreign Assistance Act. I strongly urge the administration to use our assistance funds to assist Israel at this critical time. We have been generous to many countries throughout the world. If there is one country which faces a grim threat to her survival and yet remains completely constant in her commitment to democracy and to the welfare of her people—it is Israel.

She shares America's aspirations for a world where men can live in freedom and peace. I hope that Congress will make it clear that we do want the restoration of economic aid to Israel as part of this authorization.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Chairman, I rise at this time to support the provisions of H.R. 9910, which add a new chapter to the Foreign Assistance Act of 1961, concerning the international control of narcotics.

In my view, this new chapter, which is contained in section 108 of the legislation presently before us, will alleviate the drug abuse problem in this country, which has reached epidemic proportions. Undoubtedly, the passage of this legislation and its effective implementation will substantially reduce the amount of human misery and degradation that is caused by heroin addiction.

I am extremely gratified that such a proposal has been included in the Foreign Assistance Act of 1971.

I have long sought to have this provision enacted into law. Last year I made numerous attempts to arouse the interest of the administration and the State Department in this type of proposal, but my efforts proved unsuccessful. I am pleased at long last that the proposal is again before the House.

My distinguished colleagues will remember that on December 9 of last year, I introduced a similar proposal as a floor amendment to the supplemental Foreign Assistance Authorization Act. This amendment was adopted at that time by the House, but deleted by the other body.

I especially want to commend the distinguished chairman of the Foreign Affairs Committee (Mr. MORGAN) for his leadership and cooperation in this matter; and I would also like to thank the distinguished gentleman from New York (Mr. ROSENTHAL), who scheduled hearings on my proposal before his Subcommittee on Europe.

Likewise, I am extremely grateful to the distinguished gentleman from Connecticut (Mr. MONAGAN) for introducing and supporting the international narcotics control amendment in the full committee. His amendment, which is similar to my bill, H.R. 1539, has been incorporated in section 108 of H.R. 9910.

I thank our distinguished colleague from Connecticut for his efforts and warmly endorse his proposal which in my judgment serves to strengthen and expand my proposal.

In addition, I wish to commend all of my colleagues who have strenuously supported international drug control legislation and particularly the Foreign Affairs Committee for including this language in the final version of this bill.

We are all aware that the scope and severity of the drug crisis in this country, and in South Vietnam, has drastically intensified during the past few years. As a result, Congress, for some time now, has been faced with the challenge of bringing the international traffic in narcotic drugs under control.

The Foreign Affairs Committee has now realistically responded to this challenge. By including a drug control provision in the Foreign Assistance Act of 1971, the committee has recognized that drug abuse is truly an international problem and also that Congress has an obligation to protect the youth of this country by eliminating the blight of narcotics addictions by all available means.

Indeed, this committee has become the spokesman, not only for the Members of this body who have diligently pursued solutions to the drug problem, but also for millions of distressed Americans who have been affected directly and indirectly by the scourge of drug addiction.

By enacting this provision, we will have demonstrated to the countries of the world, that the United States means business and that we will no longer tolerate their exploitation of American youth.

It is my feeling that this provision would effectively induce the cooperation of many countries and would lead to more intensive international action to curtail the illegal drug traffic.

The rationale of this provision is accurately and succinctly stated in the committee report:

> The Committee recognizes that some countries may not wish to cooperate in solving the narcotics problem. Such countries should not benefit from assistance provided by the United States.

This statement demonstrates the concern of the committee and its understanding that drastic and effective action must be taken in order to halt the illegal production, processing, and distribution of dangerous drugs.

Furthermore, since the provision allows the President to make a determination that a particular country is not cooperating, it does not interfere with Presidential prerogatives in foreign policy matters. In addition, the purpose of this legislation is entirely in accordance with President Nixon's recent observation that:

> The only really effective way to end heroin addiction is to end opium production and the growing of poppies. I will propose that as an international goal.

I concur wholeheartedly in this goal and I also agree with the statement contained in the President's message to Congress on June 17, 1971, that—

> We want good relations with other countries, but we cannot buy good relations at the expense of temporizing on the [drug] problem.

Certainly, the proposal before us would provide the President with a significant weapon in his fight against drug abuse.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I just want to say, before the gentleman from New Jersey concludes his remarks on this bill, that I want to congratulate the gentleman for offering the amendment to the supplemental foreign aid authorization last fall that was a forerunner, in my opinion, of the narcotics control amendment that is included in this bill. The gentleman from Connecticut offered the language that appears in section 108 of this bill, but it follows the line taken by the gentleman from New Jersey last fall.

I want to say that we took the amendment offered by the gentleman from New Jersey (Mr. RODINO) to conference last year, and we did not make out very well with the other body on this particular matter, but I do want the gentleman to know that his preliminary work on the foreign aid supplemental appropriation bill rendered a valuable service in calling the attention of this Congress to the serious problem we are having with the narcotics that are coming into this country from other countries in various parts of the world.

Mr. RODINO. Mr. Chairman, I appreciate the kind remarks of the gentleman from Pennsylvania (Mr. MORGAN) and I do want to commend the chairman of the committee and commend the gentleman from Connecticut (Mr. MONAGAN) for the proposal which now is part of this committee bill.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Connecticut.

Mr. MONAGAN. Mr. Chairman, I thank the chairman and the gentleman from New Jersey for their kind words, and I would like to further supplement what has been said by the gentleman from Pennsylvania (Dr. MORGAN) that although this amendment was offered by me, much of the very language that is included in the amendment was the language of the amendment offered by the gentleman from New Jersey (Mr. RODINO) which was offered 2 years ago. I further want to express my appreciation to the gentleman for his work, the primary work that he did in calling attention to this very great problem. I think the support this amendment has received goes back to the work that the gentleman from New Jersey (Mr. RODINO) did.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I, too, would like to associate myself with the chairman, the gentleman from Pennsylvania (Mr. MORGAN) and the gentleman from Connecticut (Mr. MONAGAN) in congratulating the gentleman from New Jersey (Mr. RODINO).

I recall last year when the amendment the gentleman from New Jersey (Mr. RODINO) offered, was eventually passed and incorporated into the Foreign Assistance Act, at the same time I introduced a comparable amendment. Looking to it as a great hope in the fight against the drug problem. I think back with pride of having stood with the gentlemen, shoulder to shoulder, to advocate its passage. Although it was taken from the bill ultimately, there is no question but that the efforts the gentleman now in the well exerted last year are reflected in this bill, and hopefully will be enacted today, and ultimately in the completed bill.

In my judgment this deals with a problem that confronts not simply those of us in the United States of America, but throughout the world, and could produce a salutary effect in the diminution of the crops of opium poppies throughout the world.

There is no question also but that the Secretary of State and the administration responded to the dialog and colloquy that found their way into the CONGRESSIONAL RECORD last year. Notwithstanding that this provision was deleted from the bill last year there was some reaction and, hopefully, if this bill is enacted into law it will produce an even greater result in suppressing the crops of opium poppies throughout the world.

Of course, Mr. Chairman, I rise in support of the Foreign Assistance Act of 1971 and in particular in support of its new chapter entitled International Narcotics Control. While perhaps not going far enough, this section of the bill does provide discretionary authority for the President to suspend economic and military assistance to countries that fail to cooperate in the control of illegal narcotics and dangerous drugs. The section also authorizes the President to provide aid to countries to eliminate illegal narcotics cultivation and processing.

The recent successful negotiation with Turkey to eliminate their opium producing poppy crop by next year will make only a very small dent in the total international illegal narcotics market.

It is important also to close down the processing plants in France at this time. Most of the opium from the Middle East flows through France where it is processed in morphine or pure heroin and then shipped to the United States. Closing down this point of the operation and preventing its establishment elsewhere would severely cripple the illegal narcotics trade.

We have heard glowing statements from the executive branch about the increased efforts of the French police force to stop the illegal drug processors primarily concentrated in Marseilles. Yet the operations continue. The effort, while significantly greater than action taken in the past, is still only a token attempt at closing down these heroin factories.

This bill would let the President go to the French Government and request them to clamp down on the drug processors. He could even offer them assistance to do so. But if they refused, he could quickly cut off U.S. economic and military aid to the country.

This is the type of clout we need to demonstrate to the rest of the world our commitment to end the illegal narcotics trade. Diplomacy has failed to bring about the far-reaching agreements required to end the curse of drugs in the United States. Recently, Operation Intercept along our border with Mexico quickly convinced that Government to cooperate or suffer economic hardship—in this case, to the border area tourist trade. Now it is code named Operation Cooperation, a much better program for all concerned.

In addition to the measure we are considering here today, I will soon introduce other legislation that will help stop the flow of illegal drugs to our shores. One bill would create a rebuttable presumption in law such that a person arrested for possession of heroin would also be charged with smuggling. Since heroin is not grown or produced in the United States, it would have to have been illegally imported.

To remove this charge from his record, the accused would have to finger his supplier. This would give authorities an added tool to get at the big drug trafficker.

Another bill I plan to introduce would add the charge of manslaughter to the record of a person charged with pushing heroin if his customer died of an overdose of the drug.

This further punishment would make peddling narcotics much less attractive and help take some of the big pushers off the streets.

Narcotics and dangerous drug abuse may well be the most serious problem facing this Nation today. It pervades every strata of society, every economic and social class. It is in the suburbs as

well as in the cities. It affects rich and poor alike.

Rome was destroyed, not from without, but from within. The strongest military defenses in the world at that time fell quickly to the onslaught of the barbarians who found a citizenry morally and physically weakened by their own excesses.

Unless we stop the destruction of our society occurring from the abuse of drugs, this, too will be our page in history.

Only recently members of the Subcommittee on Europe on the Foreign Affairs Committee visited New York City to see firsthand the problems of drug abuse in the slums. They were shocked and horrified that the problem was so pervasive.

If it takes a firsthand visit to awaken the Members of this body to the urgency of the problem, I will be glad to personally take anyone on a tour of my city. As a 23-year veteran of the police force in New York, I have seen the problem grow and develop until it has reached out into all corners of the city and spilled over into the suburbs. No one is spared.

I urge passage of this section and hope that this will be only one of many steps this Congress will take to stop drug abuse from overtaking our Nation.

Mr. RODINO. I thank the gentleman very much for his remarks.

Mr. BIAGGI. Again, Mr. Chairman, I thank the gentleman for yielding.

Mr. RODINO. Mr. Chairman, I deeply appreciate the kind remarks made by the distinguished chairman of the House Foreign Affairs Committee. And I also want to single out for commendation the gentleman from Connecticut (Mr. MONAGHAN) who had this proposal included as section 108 of the bill before us, and the gentleman from New York (Mr. ROSENTHAL) who held hearings on my proposal by his Subcommittee on Europe. Yet gratifying as is the committee provision to me, my long struggle to bring about the enactment of this legislation has made me keenly aware that the legislation is only a first step in actually cutting down the supply of illegal narcotics. If the legislation is to be at all effective, foreign countries which seek assistance from us must be made to understand that the sanction will be effectively enforced whenever there is a lack of cooperation on their part. Because of the grave importance of this matter I note with dismay that the State Department has in the past opposed this form of sanction in the narcotics area. As a result, there is a danger that some foreign officials in countries in which illegal drugs are produced or distributed, or sold to American servicemen, will assume that the executive branch of our Government will hesitate to impose the sanctions called for by the language of section 108 of the bill before us.

I have discussed this danger with the gentleman from Connecticut (Mr. MONAGHAN) as well as with you, Mr. Chairman, Mr. ROSENTHAL, and other members of the Foreign Affairs Committee. I understand that under the Legislative Reorganization Act of 1970, after the proposed sanctions are enacted into law, the Foreign Affairs Committee will have a continuing responsibility to exercise legislative oversight to make sure that the sanctions are properly employed in appropriate cases. In my view this oversight responsibility on the part of Congress is as important as the law itself—perhaps even more important. I know that the gentleman from Pennsylvania agrees with me regarding this matter and I believe it would be helpful for the purpose of the legislative record that we are compiling here today if he would comment on the oversight responsibility of the committee.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the distinguished chairman of the Foreign Affairs Committee, the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I am in complete agreement with the observation of the gentleman from New Jersey—who was the first person to propose this form of sanction in the narcotics area—that if the sanction is to be effective it must be understood by the recipients of foreign aid that our Government will not hesitate to apply it. I also agree completely that the Congress should continuously assume responsibility after the enactment of the law to oversee its implementation. This would be the case even if the State Department had supported the enactment of legislation. The fact that our State Department has opposed the sanction and that its opposition is widely known in foreign diplomatic circles gives us a special responsibility to assure that any law that we pass of this type will be enforced.

Mr. MAILLIARD. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. BURKE).

Mr. BURKE of Florida. Mr. Chairman, I rise in opposition to H.R. 9910, this so-called Foreign Assistance Act of 1971.

The basis for my opposition rests not upon the concept of opposing helping those who deserve our help, but rather it stems from a deep conviction that the program, as it has been administered over the years, has become a shotgun approach that has drained us of much of our Nation's natural resources and has taken hard-earned money from our American taxpayers' pockets in a manner that is neither consonant with the stated purposes of the Foreign Assistance Act nor with our own national interest.

The program reflects little concern for the overburdened American taxpayer. Certainly, in this year of unrestrained inflation, skyrocketing war costs and serious domestic problems, it would seem that a significant reduction in foreign aid authorization would be in order. However, this is not the case. Instead, it is now proposed under H.R. 9910 that we spend more money this year and next in our foreign aid programs than we did last year.

Let me say at the outset, that to me, there is wide disagreement as to what constitutes foreign aid. Some would argue that many programs, such as our food-for-peace program, our contributions and assessments to international lending organizations such as the World Bank and others, and our funding of other activities such as the Peace Corps, added to the foreign-aid measure before the House, give a more accurate picture of the magnitude of our assistance.

The current effort to assist developing nations, which are deficient in skills and resources required for a modern industrial and agricultural economy, is far more different today than the programs instituted under the Marshall plan at the termination of World War II. The object of economic aid under the Marshall plan was recovery, while today the object is development. However, development of nations cannot take place unless the recipient nations are willing to aid themselves through self-help programs. Today, after many years of spending, almost $130 billion of our American taxpayers' money, the increased level of development in the so-called developing nations has not in my opinion, been particularly noteworthy.

However, since we are debating today only the bill that is labeled foreign assistance and not these other foreign assistance bills, I will confine my calculations to this particular form of aid. The most accurate estimate covering the years since 1949 then, I am told, is about $38 billion.

But regardless of which figure is used, our citizens have every right to ask: Have we received our money's worth? The answer, at best, is a resounding "No." Oh, around the world there are a few bright spots that we can see, where our foreign assistance has made a demonstrable contribution.

Western Europe's economic recovery for instance is due primarily to the combination of the skills and industry of its citizens with American assistance. Much the same may be said of Japan. In fact, I contend that these nations have recovered to the point where they now present a serious challenge to our Nation's economic well-being.

Israel in the Middle East, Korea and Taiwan in the Far East, to a great extent, owe their strength to the intelligent and industrious utilization of our aid in their behalf.

Most of these successes, however, were achieved some years ago. If I thought that other countries were on the brink of equal success perhaps I could support the bill which is before us today.

But I can see nothing today in other parts of the world that gives me encouragement to support this bill. Coups, countercoups, revolutions, and dictatorships are the steady fare of today's news readers. And we, on the Committee on Foreign Affairs who take testimony and receive briefings from the highest officials in our Government can sense even a sharper feeling of the growth of nationalism and turmoil abroad.

Mr. Chairman, I do not presume to sit in judgment as to who is right and who is wrong. Fair judgment is difficult, if not impossible.

But I do not hesitate to say, that with the tensions, stresses, and strains surging through many countries, our foreign

assistance to them cannot be put to effective use. In fact, it often is counterproductive in its application and even harmful to us as the donor country.

Let me cite a few examples: We have in the past, given or lent to Pakistan about $5 billion in economic and military assistance. Yet, in my view, this country is on the brink of disaster. The western sector, the site of the established government that we recognize, belabors us for not giving it more aid. The eastern sector maintains that we are not giving it assistance in its fight against the western sector.

Or we take the case of some of the Latin American dictatorships. Our fishing vessels, operating in waters that have been recognized as the high seas from time immemorial, are being seized by naval craft that we have given these nations under our foreign aid programs.

I recognize that within the scope of the foreign aid bill are many programs that do merit support, and these I will support to the best of my ability. I am thinking, for example, of our contributions to the Children's Fund—what it means to children deprived of the means to attain maturity in good health.

Certainly our assistance to American schools abroad that we support because they are demonstration centers of education and give a vitality to educational methods that would otherwise be lacking, is a worthy endeavor—small in cost but great in potential.

These are but two programs that are illustrative of the fact that parts of the foreign assistance bill should be supported. Unfortunately, they are offered as something of an appendage to the many more costly, and less productive, programs some of which may not even be in our national interest.

When the final vote is taken, each of us must vote for all or nothing. We cannot qualify our vote. So long then as we are presented with this grabbag approach, I must vote against this bill.

Mr. MAILLIARD. Mr. Chairman, I yield 5 minutes to the gentleman from Washington (Mr. PELLY).

Mr. PELLY. Mr. Chairman, if I had my way, no assistance would be furnished under H.R. 9910 to any country which hereafter seizes or imposes any penalty or sanction against any U.S. fishing vessel engaged in fishing more than 12 miles from the coast of that country. Nor under the Sugar Act would any such nation be given an import quota. Nor would such a nation be given benefits under the International Coffee Agreement.

However, Mr. Chairman, many of my colleagues under the persuasive lobbying of our Department of State believe that kid-glove treatment of our Latin American neighbors is necessary to keep those countries from going Communist or for some other reasons.

On the other hand, I feel certain that the majority of this House agree with me, at least to the extent that they believe allowing certain South American nations to illegally seize and fine our fishing vessels without any action on our part to deter these seizures, is simply encouraging these hostile acts of piracy to continue and spread to other countries.

Under a decision of the International Court of Justice in the Anglo-Norwegian case, no coastal nation can extend their sovereignty over the ocean by unilateral action. And I think it is disgraceful for the United States to follow a policy of cravenly accepting these illegal seizures pending a planned international conference of the Law of the Sea scheduled in 1973.

In 1968, Congress adopted an amendment to the Fishermen's Protective Act providing that the amount of fines paid to obtain release of our fishing vessels was to be deducted from the foreign assistance allocations to any offending countries. But from that day to this, our Department of State has never carried out the law. It interprets the law as not being mandatory.

Mr. Chairman, yesterday the House passed my bill, H.R. 7117, which would spell out in clear language the obligations of the Secretary of State so that the practice of misconstruing the intent of the law would cease.

I had planned an amendment to the Foreign Assistance Act in a similar fashion to strengthen the section dealing with illegal fishing vessel seizures. The law has had language providing that "consideration shall be given to excluding from such assistance any country which hereafter seizes or imposes any penalty or sanctions against any U.S. fishing vessel on account of its fishing activities in international waters."

My intention was, and I had so advised the membership of the House, to offer an amendment to H.R. 9910 to change this provision to make the amount of any fines paid to obtain release of our boats, deductible from the amount of foreign aid allocated to the offending country.

Personally, as I indicated earlier, I would prefer to ban all assistance to such a country. However, I think it best to proceed without undue confrontation right now and in view of the action of the House in passing H.R. 7117 on Monday, I will not offer any amendment.

Mr. Chairman, if Brazil begins seizing our shrimp boats, of course, I am sure the House will want to impose an actual prohibition of all assistance, and perhaps a ban on all fish imports into the United States from such a country. Certainly, however, a settlement at the conference table with these various Latin American countries is preferable.

Mr. Chairman, I hope the Members of the body will understand my change of mind about amending this bill has not altered my determination to settle this dispute one way or the other. We cannot stand by and have our fishing vessels seized on the high seas by nations that claim sovereignty to 200 miles off their coasts. On the other hand, we can work with these countries to work out a scheme in the interest of fishery conservation.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. SCHEUER).

Mr. SCHEUER. Mr. Chairman, I wish to commend the distinguished chairman of the committee, the gentleman from Pennsylvania (Mr. MORGAN) and the full committee—for their diligence in reporting a fine bill. I wish to commend them particularly for that portion of the bill which authorized the President to furnish assistance to any country or international organization for the control of the production of, processing of, and traffic in narcotic and psychotropic drugs. This provision is every bit as important as the provision permitting the President to terminate foreign aid to countries which fail to take adequate steps to prevent narcotic drugs from reaching this country.

Mr. Chairman, the President noted in his June 17 message:

> America has the largest number of heroin addicts of any nation in the world. And yet, America does not grow opium—of which heroin is a derivative—nor does it manufacture heroin, which is a laboratory process carried out abroad. This deadly poison in the American life stream is, in other words, a foreign import.

We will not end heroin addiction in this country until we stop this "foreign import." Heroin addiction appears to bear a special relationship to heroin availability. The greater the availability, the greater the number of addicts. The reverse also appears to be true. Thus, the President is correct when he said:

> It is clear that the only really effective way to end heroin production is to end opium production and the growing of poppies.

A solution to the problem, if there is one, must begin with efforts to control the production of opium at its source—in the poppy fields of the Near and Far East.

A significant step in this direction was taken less than 60 days ago when the Turkish Government announced that it would abolish opium production in 1972.

This prohibition will require an energetic law enforcement effort if it is to be successful, and American technical aid and assistance will be essential in this regard. It has been estimated that the entire American addict population utilizes only 50,000 to 60,000 pounds of opium equivalent annually and that this demand could bet met by the cultivation of no more than 5 to 10 square miles. This fact indicates the magnitude of the law enforcement effort that will be required if illicit opium production is to be eliminated.

The elimination of illegal Turksh production, while a major and necessary first step, will not guarantee an end to the availability of illegal drugs.

Most of the world's supply of illegal opium is produced in the Far East, with other areas tending to rank in descending order of importance as one moves westward. Thus, Burma, Laos, and Thailand account for more than half of the estimated world illicit production of 1,250 to 1,400 tons, with Burma alone accounting for an early 30 percent. The Afghanistan-Pakistan region is in second place and India in third.

Thus, even the total elimination of poppy culture in Turkey will not solve the problem. The cessation of illicit production in that country would only result in a shift to new sources of supply. Elim-

ination of Turkey as a source would, of course, be beneficial; indeed, such an accomplishment would diminish the number of supply routes to be discovered and disrupted and would force illegal suppliers to spend time and money to make new contacts and to develop new methods of distribution. However, we must also begin major efforts now to control the supply available from other regions as well.

Control of illicit opium production in the Far East may prove even more difficult than control of Turkish production. In this area, opium production, although illegal, occurs in regions over which the central government lack sufficient administrative control to enforce the law.

Moreover, in many of these same areas, opium is the only crop which can be grown and profitably transported to market. One expert has informed me, for example, that if one village in the Far East were to substitute potatoes for opium, it would require all of the village's 52 horses for 4 months to get the crop to market—less than 25 kilometers away.

Under these conditions, control of illicit production will require the provision of substantial resources. When the United Nations Commission on Narcotic Drugs—an organ of the Economic and Social Council—considered the problem, it noted that—

> In virtually every case, the countries where (illicit opium) production took place were developing countries, and the areas within their territory where there was such narcotics cultivation were usually the more underdeveloped and poorer parts of the whole national territory. It must be recognized that the governments concerned, with their limited financial resources and many imperative claims of high national priority in their budget, required substantial outside assistance in order to create the conditions under which the population involved could adopt other means of livelihood than the cultivation of narcotic crops.

This "substantial outside assistance" should be utilized in the development and implementation of a comprehensive international program involving crop substitution and diversification, law enforcement, drug abuse prevention education, and treatment and rehabilitation. This is the only method of eliminating illicit opium production which has any real chance of success.

The United Nations has already recognized the need for a worldwide effort of this type. In October 1970, at the urging of our State Department, the United Nations established a Special Fund for Drug Abuse Control. This Fund, run by international civil servants and financed by voluntary contributions from governmental and private sources, is designed to finance the development of a comprehensive program for the control of the international traffic in illegal opium and its derivatives.

We must utilize leadership, resources, and example to make the fund an effective and significant ally in an international effort to end drug abuse. The special fund offers a means whereby the United States can contribute to a solution to the problem of drug abuse here and abroad without charges of "American imperialism."

Mr. Chairman, the problem of narcotic drug abuse in the United States is inextricably intertwined with the worldwide problem of drug abuse. In all probability, the situation in the United States will not be brought under control without a substantial international effort involving law enforcement, crop substitution, economic development, education and prevention, research, and treatment and rehabilitation.

This legislation will give to the President the authority to develop substantial international effort such as I have outlined. However, this will require true leadership and imagination. Today the House is providing the President with the tools required to do the job but the successful implementation is up to the President.

Finally, Mr. Chairman, an international program will not produce a simple and prompt end to the problem of drug abuse. Drug abuse is essentially a symptom of underlying alienation, bitterness, and despair which produces a desire to escape to a world of unreality. Until we eliminate these root causes, drug abuse in some form will be with us.

The type of program I have outlined will, however, disrupt the criminal elements which are supplying the demand for narcotics, help get the addict out of a life of full-time crime, and, most importantly, buy time. Time we can use to deal with the causes of drug abuse; time to develop new and effective methods of addict treatment and rehabilitation; time to develop effective means of prevention, including a long-lasting blocking drug and preventive inoculation—in short, time in which to save our youth—indeed, save the next generation of leaders around the world.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. SISK).

Mr. SISK. Mr. Chairman, I commend the Committee on Foreign Affairs and the distinguished chairman, the gentleman from Pennsylvania, (Mr. MORGAN) and the gentleman from New York (Mr. ROSENTHAL) particularly for the section on International Narcotics Control.

I have some legislation pending before that committee, and I was privileged to testify regarding the establishment of a narcotics corps in Vietnam in the hopes that we could use a program in connection with AID to enhance our efforts and cooperation with the Vietnamese in narcotics control in connection with our servicemen. However, I am not going to offer an amendment. I think the language in the bill is a step in the right direction. As I say, I think the committee is to be commended.

I would like at this time to engage in a colloquy with the chairman in regard to the language on page 12 of the bill regarding Pakistan and our military and economic assistance to that country. First let me commend again the distinguished chairman and his committee on the language which is contained in the bill at the bottom of page 12 and at the top of page 13, where, as I would interpret it, all military and economic assistance to Pakistan will cease upon enactment of this legislation and continue to be held in abeyance until such time as the President has certified that the situation has corrected itself in connection with the refugee problem in East Pakistan. I believe that is correct, is it not?

Mr. Chairman, I will be glad to yield to the gentleman for his comment in that.

Mr. MORGAN. Mr. Chairman, that is correct.

Mr. SISK. Mr. Chairman, I would like to inquire as to what is the total amount of military assistance or military sales which have occurred to Pakistan within the last fiscal year, that is during fiscal year 1971, if the gentleman has that total.

Mr. MORGAN. The programed military sales for fiscal year 1972 is $5 million. I believe that what was programed for 1971 was somewhat larger.

Mr. SISK. The $5 million programed, then, for 1972 will not be delivered, assuming this bill becomes law with this language; is that correct?

Mr. MORGAN. That is correct. The Department of State has already suspended the issuing of licenses, under the munitions control act by the Department of State.

Mr. SISK. Any commitments in connection with previous appropriations which are made possible by authorizations to Pakistan, going back to past authorizations and appropriations, if I understand correctly, according to this language, are also to be stopped? Is that correct?

Mr. MORGAN. That is correct, yes.

Mr. SISK. In other words, that which has not been actually committed through contract is covered? What I am trying to get at is just how far-reaching is the language. It sounds pretty far-reaching. It says "under this act or any other act."

Mr. MORGAN. Everything except outstanding irrevocable letters of credit will be stopped.

Mr. SISK. Let me say to the distinguished gentleman from Pennsylvania, again I want to commend him on this action. I am very much concerned, when reports come to us that we have actually within the past few months continued to permit military supplies and military sales to flow to Pakistan, in the light of their conduct, which I believe is becoming well known in connection with the East Pakistan situation. I would hope that this would tend to bring some concern on the part of the West Pakistan government to the fact that something must be done toward permitting a political settlement and an opportunity for these refugees to feel some sense of security in returning to their homes in East Bengal. It seems to me we are in a very poor situation to continue to permit sales of arms to flow to a government involving itself in the kind of activity which it is, where genocide is taking place in connection with the East Pakistani.

Mr. MAILLIARD. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Chairman, as we once again engage in debate

on a foreign aid bill, the question arises as to what should be emphasized. Perhaps most of us have decided how we plan to vote on the bill but some still may be depending on the debate to help them make up their minds.

Assuming that some, perhaps especially the newer Members, are undecided, and also that they are interested in knowing more about what is involved in this bill, H.R. 9910, let me say at the outset that I personally feel its passage is of importance to the security and welfare of our own country. Though described by some as a "giveaway" and a "handout," passage of the foreign aid program, in my opinion, is very much in our own national interest.

All of us recognize that the recipients of this aid will be foreign countries, but as has already been pointed out, the lion's share of the actual expenditures will be in this country. Basically what we send abroad are goods and services, and in each cases the outlay is directly related to our own interests. Furthermore, contrary to what some may think, foreign aid does not have an adverse effect on our balance of payments. There is currently a modest inflow to this country from payments on loans already made.

How is the money to be spent? The detailed breakdown is given on page 2 of the committee report. Very briefly, the total amount of the authorization is approximately $3.4 billion for the current fiscal year; of this amount, approximately $2 billion is for security assistance and $1.4 billion for development. Similar amounts are recommended for authorization for fiscal year 1973.

Turning first to the military assistance proposed, there are three major categories of aid—grants, security support and assistance, and military credit sales. Some $705 million is sought in new obligational authority to provide grants. These are designed primarily to help our allies in Southeast Asia and the Far East. The chart on page 24 reveals that Korea is scheduled to receive the largest amount of this type of assistance, followed by Cambodia and Turkey. The amount recommended, incidentally, is very close to the amount actually appropriated for fiscal year 1971.

Somewhat more than $800 million is needed for security supporting assistance. This represents a sharp 41-percent increase in the amount actually appropriated last year. Because this increase is so sharp it is important to understand where these funds are to be spent. Of the total amount now programed, some 90 percent—$762 million—is programed for four countries. These are Vietnam, which is scheduled to receive $565 million; Cambodia, which is to receive $110 million; Laos, $47.2 million; and Thailand, $40 million.

Of these recipients, Vietnam is obviously by far the largest beneficiary. These funds are to help the Government of Vietnam assume vastly greater direct responsibility as the American military presence is reduced. The war to maintain reasonable price stability in Vietnam must still be fought and this job will not be easy. Support must be provided for the pacification program, for the refugees, and for casualties and other victims of the war.

Our contributions to Cambodia, Laos, and Thailand will also be substantial, and will be aimed at the severe dislocations and inflation brought on by the war, and to cope with internal security problems.

Changes in the Foreign Military Sales Act are also contained in this bill. It is proposed, for example, to extend from 10 to 20 years the period for which credit may be extended so that countries may find it somewhat easier than is now possible to finance their own defense needs. It is proposed also that the authorization ceiling for military sales be raised to $510 million, and that the ceiling on sales to Latin America be raised to $150 million.

The second of the two broad categories to be authorized involves economic assistance. Nearly a third of the total sought—$450 million—is to provide development loans. An additional $180 million in unused authorizations will provide the basis for the full $580 million sought by the administration.

Development loans by now have become a major instrument by which we provide assistance, on a bilateral basis, to friendly less developed countries. Only 15 countries are scheduled to receive this type of aid, and of these, three countries—India, Indonesia, and Pakistan—are programed to receive 70 percent of the total.

Technical cooperation and development grants are scheduled to receive some $183 million yearly, which compares roughly to the amounts previously made available.

The Alliance for Progress remains as a major recipient of assistance, with some $378 million recommended for authorization. Specific authorizations of $100 million apiece are included also for population programs, and for humanitarian assistance to Pakistan refugees.

Before concluding, Mr. Chairman, I should like to comment on certain restrictive language in this bill, regarding aid to Greece and to Pakistan. The language with respect to Greece is found on page 12 of the bill, and with respect to Pakistan on page 13.

No reason is given in the bill for limiting aid to Greece, and the President may waive the restriction for "overriding requirements of the national security." He is, however, limited in the amount he can provide under the waiver to the amount actually provided to Greece last year.

The committee report makes clear—on page 28 of the report—that this action is recommended "because the time has come for the United States to demonstrate to the Greek people that it does not approve of, or condone, the failure of the military dictatorship in that country to schedule parliamentary elections or otherwise to permit a restoration of constitutional processes in Greece." The committee report then asserts that this action "will demonstrate to the people of that country that the Congress supports and encourages the rapid restoration of fundamental freedoms in Greece."

Mr. Chairman, it would be difficult to argue that Congress cannot impose restrictions on assistance we may give to foreign countries. But in the case of Greece, is this wise? I doubt it very much. It is not that I object to Congress expressing its unhappiness with repressive regimes in countries traditionally friendly to us. We can, and often do, express our displeasure about the policies of other countries. It is appropriate for us to do so if a country which we might aid is pursuing policies which will more than likely make our aid of little value. Indonesia under Sukarno is a case in point.

The present situation in Greece is different. No one argues that the aid we have given to Greece, or which we might give, will be wasted. Indeed, the committee report recognizes that Greece plays

This admission, Mr. Chairman, by those who would suspend aid to Greece, underlines the weakness of their case. The committee report itself acknowledges that the President may find it "necessary" to exercise his waiver authority, in which case he is to make "every effort" to convince the Greek junta that "a failure to restore the constitutional processes in Greece will prejudice United States-Greek relations."

This language, Mr. Chairman, indicates clearly that the restriction on aid is intended to have a psychological effect. It is to "demonstrate" to the Greek people how we feel about their Government. Such a ploy will do little, if anything, to encourage the Greek Government to speed the return to democracy. Indeed, this form of pressure may even consolidate the support of the Greek people behind the present Government. The weapon which Congress seeks to employ, in my opinion, is as likely to retard as to hasten a return of constitutional government to Greece.

Restrictions on aid to Pakistan present an even more difficult problem. The committee has, I am glad to point out, recognized the urgent need for humanitarian assistance for this area. A new section 491 authorizes appropriaiton of $100 million for this purpose. Under the new provision (W) (1) in section 620, food and other humanitarian assistance to these refugees is to be "coordinated, distributed, and monitored under international auspices."

It is encouraging to note, Mr. Chairman, that the Government of Pakistan has already agreed to allow an international group of 156 experts in relief and rehabilitation into East Pakistan. According to press reports, there will be a total of 73 monitors in this group, stationed in various parts of East Pakistan and in immediate contact with a United Nations headquarters to be established in Dacca, East Pakistan.

This recognition by the Government of Pakistan of the usefulness of an international group to help cope with the tragic situation in East Pakistan is significant, Mr. Chairman. Not only should it lead to the early development of a meaningful international oversight function such as is envisaged in section 620 (W) (1), but an international presence

such as this should lead to an early reduction in tensions in the area.

The committee's recommendation that humanitarian assistance be provided contrasts sharply with its proposed suspension of all other assistance, both military and economic. It is true that the President may waive this suspension, under a new section 620(W)(2), if he determines that the Government of Pakistan is cooperating fully in normalizing the situation in East Pakistan. Time only will tell whether this waiver will be used, or whether the legislative restriction will in fact result in a prolonged suspension of aid to Pakistan.

My instinct is that this restriction on aid to Pakistan will do little to resolve that tragic situation. Indeed, I fear it may hobble the efforts which the Government of Pakistan itself must make if order is to be restored.

Recent events in East Pakistan, and the flight into India of millions of refugees, are fact, Mr. Chairman. We are all understandably appalled at what has happened. Now, however, regardless of why these events have occurred, and who is to blame for their occurrence, the immediate necessity is to do everything possible to avoid still further deterioration in the situation.

A blanket suspension of aid, both military and economic, will obviously not keep the Government of Pakistan from taking whatever steps it deems necessary to put down an insurrection. If Congress wishes to criticize recent actions of Pakistani military forces in East Pakistan, we can do so by suspending all military aid. We should not, however, limit the possibility of providing economic aid. Economic assistance in the sense of new development aid may not be feasible now, but should there be a stabilization of the situation soon—and we hope this occurs—the American Government should be able to move promptly and positively to help the people of Pakistan.

The Governments of both India and Pakistan need all the help they can get from the international community, including, quite obviously, the United States. It is to be hoped that events in Pakistan will soon develop to a point where economic assistance will be not only appropriate, but be needed on an urgent basis.

The danger of armed conflict between India and Pakistan is very real. In my opinion, in a situation as tense and fluid as this, the United States should be in a position which is as flexible as possible. For Congress to seek to impose unnecessarily harsh restrictions on Pakistan at such a time could conceivably contribute to the kind of chaos which it is in our national interest to avoid.

Mr. FRASER. Mr. Chairman, will the gentleman yield at that point?

Mr. FRELINGHUYSEN. I have very little time, but I will be glad to yield briefly.

Mr. FRASER. I wonder if the gentleman saw the statement by Mr. Kanellopoulos and also signed by the last Speaker of the Greek Parliament and by John Zigdis of the Center Union Party which states that the dictatorial regime that has been in power since 1967 exploited the military assistance granted by the United States of America to oppress the Greek people.

Mr. FRELINGHUYSEN. I might say to the gentleman I did see the statement, I predicted at the hearings held this morning with witnesses from Greece before our subcommittee that this statement would be used during the debate today.

I am glad the gentleman called it to our attention.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. ROSENTHAL).

Mr. ROSENTHAL. Mr. Chairman, I take this time to discuss briefly the comments of the gentleman from New Jersey, my distinguished colleague on the committee, with reference to the committee's action on the prohibition of military assistance to Greece.

Mr. Chairman, there are three points which I would like to make with reference to this matter.

First, I know of no country in the world in which the people of the United States have a deeper or longer lasting relationship, warmth and affection and feeling for than they have for the people of Greece. It was that kind of relationship that motivated the committee to act under these circumstances.

Second, the amendment that was offered by the gentleman from Ohio (Mr. HAYS) contains an option for the President to act, notwithstanding the expressed House statement in respect of a limitation. Nonetheless, if the President elected to state in writing that the overriding national security of the United States warranted the continuation of military assistance to Greece, that option was open to him.

Mr. Chairman, the third point is one that has deep political implications. The fact of the matter is that the United States suspended military assistance to Greece after the military takeover by the present regime in Greece. In other words, we cut off aid.

Some years later, I believe in September 1970, the United States renewed military assistance to Greece. Our Government took an overt step in renewing military assistance. That step, after suspension, is interpreted by the people in Greece as an affirmative political action of support, a sort of a pat on the back of the present regime in Greece. That is something I doubt that anyone in the Congress wants to do.

Let me read to you, if I might, the statement that was referred to by the gentleman from Minnesota (Mr. FRASER) and the gentleman from New Jersey (Mr. FRELINGHUYSEN).

The statement is as follows:

STATEMENT RELEASED IN ATHENS ON AUGUST 2, 1971, BY FORMER PRIME MINISTER OF GREECE PANAYOTIS KANELLOPOULOS

This is Panayotis Kanellopoulos, the leader of the National Radical Union, speaking from Athens. This is a statement by me, by Mr. George Mavros and Mr. John Zigdis who represent the Center Union Party, and by Mr. Demetrios Papaspyrou, the last Speaker of the Greek Parliament.

First: We do not forget that Greece's Armed Forces were reorganized after the Second World War with material assistance of Great Britain in the first instance and with that of the United States of America from 1947 onwards.

Two: We adhere to the democratic principles which inspired our decision that Greece should enter the NATO defensive organization and share the responsibility of its members in the safeguarding of peace.

Three: The dictatorial regime which has been in power since 1967 has exploited the military assistance granted by the United States of America to oppress the Greek People, to violate human rights, and to trample underfoot the principles upon which the Atlantic Alliance, the European Union, and the Common Market are based.

Four: We consider those in power today responsible for the isolation of Greece: They are responsible for Greece's expulsion from the Council of Europe, for the fact that Greece's association with the Common Market was frozen, and for the fact that the representative bodies of the great democracy of the United States of America are reacting against the further granting of military assistance to our country.

Five: The statement made by the head of the regime following the vote taken by the Foreign Affairs committee of the House of Representatives of the United States of America is not the Greek people's answer to this committee, but the personal reaction of the ones who deprived the Greek people of their freedom and political rights.

Six: The dictated reactions by the appointed organs of the regime which attempted to create the impression that their reply given to the Committee of the House of Representatives was comparable to the heroic replies given to the enemies of Greece from the time of Marathon until October 1940—these reactions are morally unacceptable and historically ridiculous.

Seven: The expression of solidarity amongst free people of whatever nationality towards each other does not constitute intervention in the internal affairs of a country. The frontiers of freedom are beyond the territorial powers of the various countries. The stand taken by the representatives of the American people that military aid should be linked to the restoration of free institutions in our country is not even technically an intervention in the internal affairs of Greece, but is the exercise of their mission as defined by their constitution.

This is the fallacy of the theory put forward by the dictatorial regime about the absolute independence of the country: it contradicts firstly the allied and other international friends of Greece, and secondly, the first obvious fact that under present-day historical circumstances, no country, not even the greatest in the world, can live in isolation. The economic and strategic interdependence of the nations of the world has become so tight that to ignore this factor would constitute a dangerous lack of elementary realism. This last statement was made by the most competent member, until his death, of the dictatorial government.

Eight: In order to avert the danger of the growing isolation of our country, the return to normal political life and democracy is essential. Upon this, Greece will automatically resume its connections with the countries and international organizations which constitute her natural climate. The Greek people, who are deeply democratic, tender no one the right to say, as the head of the dictatorial regime did, that it is only he who decides whether elections will be held in twenty months or twenty years.

Thank you.

The following is a short biography of the people mentioned in that statement:

BIOGRAPHIES

1. PANAYOTIS KANELLOPOULOS

Conservative Party Leader; very close to King Constantine; Greek Prime Minister whom junta overthrew in 1967; succeeded Karamanlis as the leader of conservative National Radical Union Party which was the largest political Greek Party between 1955–63; as Minister of Defense in October 1953 was instrumental in signing of the U.S.–Greek base facilities agreement which provides for the U.S. Naval and Air Bases on Greek soil. Internationally known, highly respected and has spent quite a bit of time under house arrest in last four years. He is the leading conservative in anti-junta forces in Greece. He is strongly anti-Communist and part of an old Greek political family.

2. DEMETRIOS PAPASPYROU

He was the speaker of the last Greek Parliament. He is a distinguished jurist; liberal, and was a key member of George Papandreou's government in '64 but after Papandreou's dismissal on July 15, 1965 by King Constantine, he sided with King Constantine. He played a very key role in political developments between July 1965 and 1967. Since the 1967 coup he has been repeatedly arrested, interrogated, and warned by the military police. He is a key spokesman in Greece of the liberal forces. He has challenged the junta publicly repeatedly and in 1970 he made a very emotional appeal to the NATO Parliament assembly in The Hague attacking the junta and the U.S. backing of it.

3. GEORGE MAVROS

Now Titular Head and leading personality of the Center Union Party in Greece. He is the former Minister of Economic Coordination and Governor of National Bank of Greece (largest bank in Greece). He is strongly opposed to the junta; and has been detained repeatedly. He has had very close relations with Washington for the last 20 years; was Minister of Defense of liberal governments and has always belonged to moderate liberal groups. He is one of the group of Center Union Party leaders who keeps in touch with the Greek Royal family.

4. JOHN ZIGDIS

Leading Center Union Party personality, and a top spokesman for Center Union Party of George Papandreou. Presently at jail being court martialed in early 1970 for publicly advocating the formation of a coalition Government of National Unity to cope with the Cyprus crisis. He has served as Minister of Industry and in other Cabinet positions repeatedly.

Mr. MAILLIARD. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I wish to take just a minute to set the record straight. I know that in his enthusiasm the gentleman from New York did not intend to stray too far from the truth. The fact of the matter is that in 1968 at the time of the Czechoslovakian crisis, for obviously practical reasons, the then Johnson administration restored certain military aid to Greece in the interest of the Western World, in the interest of NATO and in light of the Soviet rape of Czechoslovakia.

The gentleman should also have informed the House, and since he did not I must—that the resumption of military aid to Greece in 1970 had a direct relationship to Middle East complications in Jordan and problems affecting Israel, and again it was done in the interest of the strength of NATO and in the interest of the practical concept that we must have support in the eastern Mediterranean.

This is a very pragmatic approach based on the best interests of the United States and of the free world. In my judgment, the claim of Greek political exiles or former Greek leaders that the U.S. foreign policy should be used as a wedge to force their way back into government is an unfortunate precedent in this aid bill. I would suggest if you follow this precedent there might be dozens of countries in Africa, Asia, and Latin America where the same principle could be applied—and then a devoted friend of the program such as the gentleman from New York would really be gutting foreign aid.

May I also add some pertinent information on the use of Greek bases?

Greece and especially Crete provide the easternmost bases in the Mediterranean which are available to the Navy.

The increasing limitations on United States use of ports in the Mediterranean makes continued relatively free use of Greek ports most desirable.

Ship visits to North African ports are only made on rare occasions; visits to France and Turkey are very limited, and currently Malta is not available. This leaves Italy and Greece as the only countries in the central or eastern Mediterranean which permit relatively unrestricted ship visits. During the past 6 months 533 Navy ship visits were made to Greek ports. This was 52 percent of the port visits made by the 6th Fleet during this period and illustrates the relative importance of the use of Greek bases to the 6th Fleet. See following table:

The 6th Fleet port visits, Jan. 1 to July 31, 1971

Total in Mediterranean (a visit being a ship in a port)	1,030
Total in Greece	533
Percentage in Greece	52
Greece proper (visits—22 percent)	223
Crete (visits—30 percent)	310

Mr. MAILLIARD. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania (Mr. FULTON).

Mr. FULTON of Pennsylvania. Mr. Chairman, I rise in support of this U.S. foreign aid legislation because it not only is for the benefit of those countries with whom the United States has been allied, the developing nations and their peoples, and the refugees but it is also for the security of the United States.

This bill likewise carries out the Nixon doctrine which President Nixon had announced, which would help to prevent future Vietnams if wisely administered.

I would like to point out specifically the language on page 12, line 12, where it says:

Unless the President finds that overriding requirements of the national security of the United States justify such a waiver.

And that is in reference to the prohibition of aid to Greece—

And promptly reports such finding to the Congress in writing, together with his reasons for such finding.

I believe that the interest of the Greek people should be emphasized just as much as the security of the American people. The President should find it is for the protection of the people of Greece against outside aggression as one of the conditions where the prohibition can be waived.

So that under my language it will read:

"(v) No assistance shall be furnished under this Act, and no sales shall be made under the Foreign Military Sales Act, to Greece. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds that overriding requirements of the national security of the United States and the protection of the people of Greece against outside aggression justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. I yield to the gentleman.

Mr. PUCINSKI. What is the gentleman's rationale on how this language will restore democracy to Greece any faster? And what is the gentleman's rationale for putting this whole responsibility on the President?

Mr. FULTON of Pennsylvania. Under the NATO treaty the United States has the obligation to fullfill the defense of various nations, of which Greece is one. My amendment is stating that one of the situations of waiver under the provisions for waiver, will be in carrying out the NATO obligation of the United States, which we already have, to protect the Greek people against threat of outside aggression.

When the language limits the waiver of the President solely on the basis of the security of the United States, it is much too narrow. As of now the United States has the obligation for the protection of the people of Greece against outside aggression under the NATO treaty.

Mr. PUCINSKI. Would the gentleman be willing to accept an amendment to include in that language Turkey and any other nation that does not meet the complete standards of democracy as we Americans interpret them?

Mr. FULTON of Pennsylvania. I believe that policy could be considered. However, my amendment is in relation to the specific provision on Greece on page 12. I do not believe that policy fits or would be in order under this paragraph of the bill.

Mr. MORGAN. Mr. Chairman, I yield as much time as he desires to the gentleman from Florida (Mr. SIKES).

Mr. SIKES. Mr. Chairman, the Foreign Assistance Act which we are now considering will clear the way for the expansion of a productive and important program—the training of foreign military officers at U.S. military bases and schools.

Legislation now in force contains severe restrictions on the number of such foreign officers who may train in this country. This is an unfortunate situation which has operated adversely for our own country and our allies. The act which we consider here today deletes that restriction and paves the way for the orderly expansion of this program. The Committee on Foreign Affairs is to be commended for its action in this regard.

There are few foreign assistance pro-

grams which have demonstrated such a high level of return for the United States. In years past, officers who have come to this country for advanced training often have gone on to positions of leadership and responsibility in their respective nations. The result has been that important leaders in other countries have close ties with the United States fostered by their training here and cemented by their warm regard for the American people.

There are many aspects of the foreign aid program which some of us have found objectionable. It goes on and on, and sometimes there seems to be little relationship between the actual needs of a country or its friendship to us, and the foreign aid which it receives. There has seemed little connection between foreign aid and reciprocal acts which denote friendship for our Nation and its objectives in the conflict between capitalism and communism.

But the program to train bright, intelligent officers for positions of future leadership, not only in the military but in government, has resulted in solid friendships for the United States and for the democratic way of life. One of the best illustrations of the value of the program is to be found in the Government of Indonesia. This important country, with one of the largest populations in the world, almost went down the drain to communism. It was saved by dramatic action on the part of officers, many of whom received training in their early years with U.S. military missions. These same officers now hold important places in the Government of Indonesia and as that country moves forward in world affairs, their friendship for the United States is repeatedly being demonstrated. The program now in effect should be expanded rapidly and effectively and without delay.

By removing the restrictions previously contained in the foreign assistance acts passed by the Congress, we can now proceed to expand this important program to more realistic levels. The returns for the United States and for freedom around the world will be well worth the small additional cost.

Mr. MORGAN. Mr. Chairman, I yield as much time as he desires to the gentleman from Connecticut (Mr. MONAGAN).

Mr. MONAGAN. Mr. Chairman, I rise in support of the legislation.

Mr. Chairman, I support H.R. 9910. Over the years of my service, I have supported foreign assistance legislation and I firmly believe that legislation of this type has an important place on the national and congressional agenda.

In the 13 years of my congressional career, I have seen many changes in this type of legislation and a marked alteration in the attitude of most Members of Congress relating to foreign assistance.

In the earlier years there still was a substantial body of support for this legislation but as time went by it has become increasingly difficult to obtain the necessary backing. Over this period the total amounts authorized were reduced and the number of restrictions placed upon the legislation were increased until the restrictive provisions outweigh the authorizing sections.

There has been a gradual increase in the disenchantment with which Members have viewed the assistance program. In many instances, of course, there were defects in performance and even outlandish perversions of proper procedure which did serious damage to the program. In addition, there was a rising tendency of opposition to the United States in many countries and the receipt of assistance in no way lessened the intensity of this opposition. In fact, nationalism appeared to be a much stronger influence than the desire for economic help. This had a lateral effect in reducing support for the program. In addition, the tendency to employ multinational organizations for the channeling of economic assistance has greatly increased in recent years and has justified in many minds the reduction in the older form of bilateral aid.

Another element of opposition which has risen sharply in the immediate past is the problems posed by national priorities and the competition for available national resources and the consequent belief on the part of some Members that any funds available should be spent on urban and domestic problems rather than in dealing with foreign nations.

It does seem to me that there is an important place in the scale of national responsibilities of the United States for foreign aid and when the term "foreign aid" is used it should be understood that this is not a donation of funds abroad but constitutes largely a procurement in the United States which adds to the sum of employment and economic activity in this country.

It does seem to me that this country should make a serious attempt to assist the smaller countries of the world. The Development Assistance Committee of the Committee for Economic Development has set forth the proposal that 1 percent of a nation's gross national product should be devoted to foreign assistance. This would mean that something like $10 billion should be the target of the United States. This would include private and public assistance as well, and even though one does not necessarily accept this standard it does give some idea of the goal which many international statesmen believe reasonable. The total of the assistance authorized by H.R. 8961, including military assistance, amounts to $3.546 billion and recent estimates place the total of our governmental assistance including contributions to international lending organizations, including military aid, at $5.8 billion. If the private contributions were added to this, the total commitment of the United States would be a very substantial one indeed.

This legislation was originally placed on a 1-year basis and I regret that the 1-year authorization was not retained. Congress was requested by the President to consider widespread changes in this program and we have determined not to take any action for an additional period of 1 year. This hardly seems to be responsive to the Executive request and it also fails to satisfy the congressional responsibility which would, in my judgment, be better fulfilled if we had an annual examination of the program instead of a biennial one.

There are sections of this bill which I believe should be supported with enthusiasm. One of these is the section which deals with the international traffic in drugs. This section complies with the President's wish and furnishes him authority to deal with and provide assistance to the governments of nations with whom commerce would otherwise be forbidden, either because we have no diplomatic representation in those countries or because they are Communist nations. This provision of the bill would waive existing prohibitions to permit the President to assist such countries in setting up organizations to deal with the menace of international drug traffic.

In addition, the President is authorized to suspend aid to any country which does not cooperate with the United States in attempts to control illegal drug traffic. Although I am not overly sanguine about our capacity to influence other nations through the withholding of aid, I do believe that this expression of intense concern on the part of the Congress is important, and I believe that we should provide the President with every possible tool to terminate this frightful commerce.

The present bill contains a provision relating to aid to Greece which I find particularly difficult in that, on the one hand, we recognize that Greece is an inch pin in the arm of NATO and that we need every ounce of cooperation that we can get in the Mediterranean to counter the threat posed by the vast increase in Soviet armed might in that area as well as elsewhere throughout the world. On the other hand, we regret the suspension of democratic government in Greece and the termination of normal, democratic rights of publication, and freedom of speech. As individuals, and as a Nation, we oppose this retrogression. At the same time, we can hardly assume to govern every other country in the world and it becomes a question as to whether we find it more important to protect our own security or try to bring about a type of government in another country which we find difficulty in maintaining in our own. With this reasoning, I did not support the inclusion of this provision in the bill, but now that it has been included I believe that the bill should remain in its present form. The question has been sufficiently agitated and I see no purpose in reversing the decision in such a way as to appear to constitute a national approval of the present regime.

The weaknesses in attempting to run diplomacy from the House floor are becoming more evident every day and I believe that we should bring a stop to this practice. Perhaps it is advisable for us to try to run the internal affairs of other countries, but I doubt it. I also question the advisability of the policy which appears to develop hostility to many or most of the other nations in the world who are willing to stand with us in our attempts to preserve peace and security in the world. If we eliminate these coun-

tries one by one because there are details in their national policies that we do not approve, eventually we shall have very little strength left to support the structure for peace and security that we have tried to create in the postwar world.

For these and other reasons I support this legislation.

Mr. MORGAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. RANGEL).

Mr. RANGEL. Mr. Chairman, I intend to offer an amendment. The amendment, generally, would give the President the type of powers we need to enforce the economic agreements with nations we have given aid to that are actively engaged in the cultivation and production of opium, which, of course, has presented a plague on our Nation and on the Armed Forces. I hope to be heard further on the amendment when the appropriate time comes. Thank you.

Mr. ICHORD. Mr. Chairman, the House is about to engage in the annual Santa Claus Derby as we once again consider renewal of the U.S. foreign aid program.

What we are faced with in H.R. 9910 and the report of the House Foreign Affairs Committee on the measure is a $7 billion handout proposition designed to distribute more of America's painfully extracted tax dollars to recipient countries throughout the world for the next 2 years.

Ever since I came to Congress I have voted against foreign aid expenditures because—with the exception of a limited number of worthwhile projects—I believe such aid has largely become an attempt to buy friends rather than to advance the best interests of the United States. Events have clearly demonstrated, time and again, that this effort has backfired in a frequently hostile and, at best, ungrateful world.

If there be any degree to my opposition, let me say I am more opposed to the foreign aid bill this year than ever before. America has just about spent itself into the poorhouse. We have recently learned that our deficit is running at a $23 billion a year pace. We are taxed virtually to the point of diminishing return. Our Nation is plagued with economic indicators of recession if not depression. Industry is plagued with many problems. Price rises have withered markets for our products in competition with some of the very countries on which we have lavished foreign aid.

I take no issue with our generosity following World War II when the United States helped rebuild a war-torn world. That was necessary to get the free world economy rolling again. But I have never agreed with the principle that we should finance the modernization and industrialization of every developing country on the face of the earth—often at the expense of our own hard-pressed agricultural and manufacturing enterprises.

Daily we hear increasingly ominous reports that we are losing the race in competition with the world for our products. Henry Ford suggested just a few days ago that in the foreseeable future the United States might have to go out of the automobile business because of the rising costs of labor and materials.

We have just seen the results of a steel contract that hoisted prices another 8 percent at a time when Japan seems to be on its way to grab the No. 1 spot in the output of steel. Our railroad industry appears to be on its last legs and the plight of the aircraft industry is a subject with which Congress is all too familiar at this particular time.

Textile and shoe production has been sliding downhill for some time in the United States because of foreign competition. Yet we continue to dole out foreign aid to build the economies and productive capacity of other countries so they can turn around and price us out of the marketplace. It just does not make sense to go on with this suicidal program, Mr. Chairman. We simply have to face the realities of life—namely, that we cannot afford to give away our dwindling resources any longer. There are some who say that it is too late for the United States to avoid national bankruptcy. I do not think that it is. But I do believe that it is time to put an end to the wastefull luxury of foreign aid without further delay.

The United States is no longer in a position to compete in the Santa Claus Derby of government giveaways.

And may I remind my colleagues in the House that this $7 billion, 2-year package on which we are voting today is only the tip of the iceberg when it comes to foreign assistance if one considers the host of other programs we have in separate bills. When will it all stop? I do not know but I hope the House begins to apply the brakes on this 3d day of August 1971. That is the only way to get it to stop.

Mr. NIX. Mr. Chairman, I rise in support of H.R. 9910.

Before I made my decision to vote for the foreign assistance bill this year, I weighed the pros and cons of the issue presented to this House. Like most of my colleagues, my constituents have a sense of priorities. Urban problems, taxes, inflation, and unemployment are of daily concern to them. They understand these bread-and-butter issues.

Foreign aid is more difficult to understand and to justify. It is not that people are hostile to the program; rather I detect a large measure of indifference to the program in the face of other competitive demands for the tax dollar.

This viewpoint is understandable. They read of revolutions and coups, dictatorships and civil wars, in countries where we are giving our aid. Understandably they wonder if the effort is worthwhile, possibly even counterproductive.

Anyone trying to answer these reasonable questions must have something of a sense of history. In the total development process the shortest distance is seldom a straight line. One need only look back upon our own history—the false starts, the bad judgments, the faulty leadership, the wasted resources—to recognize that a century of progress has also been a century of interruptions in that progress.

Our development efforts abroad span little more than 20 years. They have been concentrated in countries that are, for the most part, newly created; whose governments are often inexperienced and where administrative talent is in short supply.

Yet these countries are determined to achieve some measure of progress. It is in our longtime national interest that they do so. I say "longtime" advisedly. We should not expect immediate results. Rather we should weigh the dedication with which governments address their economic problems.

A number of the less developed countries cannot devote all their efforts to development. Their very existence as independent states is often threatened. Sometimes the threat is in the form of direct attack as in the case of Cambodia; in other cases internal subversion is practiced. I sometimes wonder that so many of these new governments have been able to survive in the face of these multiple threats.

More basic to their survival is the assistance that we are giving them in the development area.

Let me make clear that we are not "giving" or "sending" money to the less developed countries. Increasingly we have relied upon loans, made in dollars and repayable in dollars. Loans instill a discipline in the borrower that results in a more careful and frugal use of the loan proceeds. Such proceeds are directed toward the financing of specific projects such as port improvements, roadways, and powerplants. The money that is loaned is spent in the United States for a wide array of goods and services that contribute to our economic activity.

The real grassroots contribution in foreign assistance is in the form of technical assistance. There the focus is on upgrading human resources of these countries through training and advice. Only in that way can they adapt to the requirements of a technological society.

I must admit that one can always get up an argument that there is too much or too little money in the foreign assistance bill. Certainly there is no absolute figure. It must always be relative to the situation we seek to improve as well as our own ability. These factors will vary from year to year.

The Committee on Foreign Affairs under the direction of my distinguished fellow Pennsylvanian, Dr. MORGAN, has made its decisions on each of the authorization requests with care and consideration. Critics can, of course, challenge this or that point or amount. But such carping overlooks the fundamental issues with which we are dealing—the well-being of our own citizens as they respond with their characteristic humanitarian concern to the improvement of life elsewhere on this planet.

I urge the House to pass H.R. 9910.

Mr. HALEY. Mr. Chairman, had I not been always opposed to this country's interminable effort to buy the friendship of nations of the world by lavish disbursements of our inadequate revenues, I would at this point become an opponent. I do not think as we consider this bill today that we can afford any longer to ignore the critical state of our own economy.

I would point out to you that only a few days ago, the Republican administration, abandoning its wishful thinking about its so-called full employment budget, has conceded that we are faced with a $23½ billion deficit for this fiscal year, a figure that I suspect again is less than what the actual deficit will be.

That alone should speak for itself. That alone should say to us—if we are the responsible Representatives of the people—that the time has come to stop giving away our money, money that we do not, in fact, have but must borrow.

The truth is that we should have managed our fiscal affairs so that we do not have to borrow money. But if we must borrow money, I plead with you to let us borrow money only to meet our own pressing and urgent domestic needs and not for the purpose of bribing nations, many in better financial shape than we are, to be on our side.

Mr. ROSTENKOWSKI. Mr. Chairman, I rise in support of H.R. 9910, as reported by the Committee on Foreign Affairs, which would amend the Foreign Assistance Act of 1961. I would like at this time to commend the committee for their action concerning the withholding of all military and economic assistance to Pakistan. Some would say that the situation in East Pakistan is merely a civil war and does not involve the world community. However, a brief glimpse at what is occurring should dispel this view.

Since the outbreak of hostilities in March, over 200,000 East Pakistanis have been killed. The number of refugees who have fled to India has been estimated to be 6 million, thereby creating a disastrous situation for India. The Foreign Minister of India, Sardar Swaran Singh, recently noted:

> Each day some 100,000 East Bengalis are driven by the Pakistan army across the border of East Bengal into (India) . . . We are receiving one refugee every second.

All schools in India bordering near Pakistan have been closed to provide shelter for the refugees. In some areas, there is one refugee for every two Indian citizens. The Indian Government has already spent $80 million to provide relief. And there are certain factions which are presently exerting pressure on Prime Minister Gandhi to declare war on Pakistan.

It seems to me that the threat of international conflict is a large one. The World Bank has discontinued all aid to Pakistan until the situation is stabilized. And all members of the Bank's Consortium have followed this example—all except the United States, whose aid is being used to prolong the military action.

André Malraux, former French Culture Minister, recently stated:

> You in the United States will have a big new problem in Asia: Bengal. It will be like Vietnam, except that there are 78 million Bengalese.

We should be very careful that we do not make Mr. Malraux a prophet. Mr. Speaker, I think it is imperative that we discontinue our military and economic aid to Pakistan as soon as possible.

We in this country are supposed to uphold Democratic principles. Yet in Pakistan we are unwittingly supporting a repressive military regime which openly suppresses these principles. The elections which took place last December gave the Awami League a sweeping victory on a platform for greater control of East Pakistani affairs. What has happened in the interim is that a clear Pakistani minority, with the benefit of arms and money from abroad, has undone by brute force the verdict of popular vote.

Mr. Chairman, the action of the Foreign Affairs Committee would suspend all military and economic assistance to Pakistan until the President reports to Congress that the Government of Pakistant is cooperating fully in allowing the situation to stabilize. I think that this is the proper course for our country to take, for it is consistent with our principles and desires for world peace.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of H.R. 9910 as reported by the House Foreign Affairs Committee. This bill would extend for 2 years our foreign economic and military assistance programs at $3.44 billion in fiscal year 1972, and $3.49 billion in fiscal year 1973. Of this, the security assistance portions total $2 billion in each of the 2 fiscal years, and the development portion totals $1.4 and $1.5 billion in fiscal years 1972 and 1973, respectively.

I especially want to commend the committee on unifying all international security authorizations and distinguishing these from long-term development assistance. This is a positive step in the direction of the President's reform proposals which evolved from the Peterson task force report. I am also pleased by the committee's action in making the population programs administered by AID a separate line item appropriation totaling $100 million in fiscal 1972 and $125 million in fiscal 1973. The committee has clearly recognized the importance of dealing with the population crisis on an international basis.

I particularly want to express my full support for the committee's action in suspending all aid to Pakistan until the situation in the East has returned to relative stability and the 7 million refugees who have fled to India are permitted to return to their homes and reclaim their property. The war initiated in March by the West against the East is perhaps the most monumental tragedy of modern times. It is estimated that up to 1 million East Pakistanis have already lost their lives, and millions of others have been forced to flee the country and are now crowded into refugee camps in India. The refugee problem has already cost the Indian Government some $400 million, and is costing them $3 million daily. And refugees continue to pour across the border at the rate of 50,000 daily. The committee has wisely authorized an additional $100 million in this bill for the relief of East Pakistani refugees.

Pakistan's war against the East grew out of a fear that the Awami League's strong showing in the recent elections would lead to the East's secession. It is true that the Awami League's platform did call for a looser federation with greater autonomy for the East. It is not difficult to understand the popularity of such a platform in the East when one considers that the East has been consistently shortchanged ever since the formation of Pakistan in 1947. Although the East's 78 million people comprise 58 percent of Pakistan's total population and the East contributes up to 70 percent of Pakistan's foreign exchange earnings, the West regularly devours three-fourths of all foreign aid and 60 percent of export earnings. Per capita income in the East is $30 annually, while in the West it is $48. Discontent in the East was further exacerbated when the government in the West was slow to respond in assisting the victims of the devastating cyclone last November. That cyclone claimed some 500,000 lives.

For these reasons, I think the House Foreign Affairs Committee was totally justified in suspending all economic and military assistance to the Government of Pakistan until such time that it does cease its outrageous campaign against the East and takes affirmative steps to compensate for its actions and restore stability.

Finally, Mr. Chairman, I want to make brief mention of the President's foreign assistance reform proposals as incorporated in the message and legislation sent to the Congress in April of this year. I can appreciate the time problem the committee was up against and therefore its failure to give these far-reaching reforms the consideration they are due. The chairman of the committee, the gentleman from Pennsylvania (Mr. MORGAN), has assured me in the Rules Committee that he does intend to conduct full and comprehensive hearings on these reform proposals after the recess. I think there is a great deal of merit in these proposals and I am therefore hopeful that the committee eventually will see fit to report this or similar legislation to the House. The reform of our foreign assistance apparatus is long overdue and if we are to effectively address ourselves to the development needs of the third world in the seventies and beyond, we must act now to streamline and modernize these mechanisms and programs along the lines suggested by the President.

Mr. MINISH. Mr. Chairman, it is evident from the debate today that many features of the Foreign Assistance Act of 1971 reported from the Committee on Foreign Affairs are highly controversial. There is one provision, however, that I am confident will meet with overwhelming approval and I should like to commend the committee for its action. I refer to the committee's judgment that Israel is fully eligible for U.S. supporting assistance in view of her defense burdens and that funds can be made available under the act by providing the full $800 million authorization for the program. To quote from the committee's report:

> The committee is aware that a request for assistance has been made to the executive branch by Israel to assist in meeting its urgent needs for foreign exchange and other requirements brought about through the Middle East hostilities. In the judgment of the committee, Israel is fully eligible to re-

ceive assistance under this chapter and believes that if the request for assistance is approved sufficient funds can be found, either from existing availabilities or through the process of a supplemental authorization and appropriation. Although there was considerable sentiment in the committee to recommend a reduction in the amount of supporting assistance requested by the administration, the Committee's recognition of the possible need of supporting assistance for Israel prompted it to recommend the full amount sought by the Executive.

It should be noted that Israel's external debt is more than $3 billion—about 67 percent of her GNP. Each Israeli, man, woman, and child, now owes $1,100 in foreign currency—twice as much as in 1967 and by far the highest of any people anywhere. This is part of the heavy toll exacted of the Israelis in managing to retain their sovereignty in three defensive conflicts within the last 22 years.

As I stated in a letter last month to the President urging the uninterrupted delivery of Phantom Jets to Israel—planes to be purchased by Israel—this stanch ally is in the front line of western defense in the Middle East. It is in our own interest to meet Israel's need for money, material and open support.

I am disturbed at the administration's irresolution in the Middle East crisis which plays into the hands of the totalitarians at the expense of our stanch and self-reliant ally. This misguided diplomacy is unworthy of a democratic nation committed to the ideals of justice and freedom, and moreover it is doomed to failure. If we should have learned one lesson from these past tragic years it is that neglect of morality in foreign policy is disastrous to a democracy. Israel has the right to expect honest, straight-forward treatment by the United States. At this time, more than ever, she must have our uncompromising support of her legitimate interests.

The administration requested funds for supporting assistance for "friendly countries that have especially heavy defense expenditures or face extraordinary economic or political problems." As defined by the administration, these nations are Vietnam, Cambodia, Laos, Thailand, Jordan, Nigeria, and Haiti. Surely Israel meets these standards, and its exclusion by the administration is, to say the least, baffling. It is, I am afraid, yet another example of the futile and ill advised policy of trying to conciliate Israel's age-old enemies at her expense.

I applaud the committee's insistence upon including Israel among the recipients of support assistance. I reiterate my confidence the committee will be upheld by the whole House and the Senate, and hence the administration will be put on notice that the American people insist that Israel must remain strong and secure.

Mr. BADILLO. Mr. Chairman, I intend to support the Foreign Assistance Act when we vote on it later this afternoon because I favor the principles of development assistance and the basic premises underlying the concept of helping other peoples to help themselves achieve social reforms, economic development and progress and political stability. I do so, however, with considerable reluctance, as I believe this measure carries forward badly distorted priorities and misdirected goals.

I am deeply distressed, for example, that military and security-related funds authorized by this legislation are nearly twice as much as economic assistance funds and that they represent a 38-percent increase over such funds appropriated for fiscal year 1971. Particularly disturbing, is the fact that foreign military credit sales are to be more than doubled in the next 2 fiscal years, including a doubling of the ceiling for sales to Latin American nations from $75 to $150 million. Not only does the burgeoning market in U.S. arms and military equipment overseas encourage arms races and frequently transform political conflicts into open warfare, but funds urgently required for economic and social development are being diverted for military purposes. The resources devoted to the growing conventional arms race throughout the world could certainly be better spent on feeding the hungry, healing the sick and teaching the illiterate. Of all the post-World War II conflicts, 95 percent have occurred in the world's underdeveloped regions and they have been fought with imported weapons—a very high percentage of which were manufactured in and/or by U.S.-based or controlled firms.

Furthermore, not only has U.S.-purchased military equipment led to unnecessarily increased tensions and hostilities among nations but it is also being used to suppress internal dissent. Much of the bloodbath in Guatemala and repression in Brazil can be attributed to the use of American arms and the State Department has already admitted that U.S.-supplied tanks and jets are being used by the central Government of Pakistan in trying to annihilate opponents in East Pakistan. Although the conscience of the world has been deeply stricken by acts of terrorism and suppression of basic liberties, U.S. military equipment to Pakistan, Greece, Brazil, Portugal, and Guatemala continues to flow unabated. I am encouraged by the action of the Foreign Affairs Committee in suspending assistance to Greece and Pakistan but believe that attention must also be given to those other areas of the world where U.S. arms, materiel, and training are being used to perpetuate dictatorships and authoritarian regimes. I commend the welcome and well-reasoned minority views of my distinguished colleague the gentleman from California (Mr. DELLUMS) and I intend to support the multipurpose amendment he proposes to offer.

Although I am encouraged by the attention given by the committee to the growing world narcotic crisis and to the need for realistic and effective programs related to population growth, I am very disturbed by the low level of overall funding for development assistance. With all of the wealth and power the United States possesses, only 0.4 percent of the gross national product is devoted to such assistance—a far cry from the 1 percent of GNP level of assistance recommended by the Pearson Commission on International Development.

As we consider the foreign aid legislation this afternoon I urge our colleagues to very carefully review our current priorities and the tragic imbalance which presently exists between economic and military assistance. It is clear that corrective action is urgently needed and that we must commit the United States to a program of encouraging economic and social development and progress rather than one of short-term political and military adventurism and encouraging international tensions. The future progress of the world's developing nations is in our best interests and we must stand ready to offer our wealth and knowledge to those countries who seek our assistance in achieving healthier, better educated and more productive lives for their citizens.

Mr. HAMILTON. Mr. Chairman, the foreign aid bill stresses three important aspects of U.S. policy in the Near East: First, the U.S. overriding interest in peace in the area; second, the U.S. interest in helping all peoples in the area so that their lives will be productive and meaningful; and third, making the Near East conform to certain general foreign policies objectives.

SUEZ CANAL

The nearly year old cease-fire along the Suez Canal demonstrates both the fragility of the peace and the hope that it can be strengthened. In an effort to improve the prospects for an interim peace settlement, the Foreign Affairs Committee asks that the President be authorized to make available U.S.-owned foreign currencies in Egypt, of which there are over $200 million, for clearing and dredging the Suez Canal so as to facilitate the opening of the canal when the Egyptians and Israelis reach an agreement. The estimated costs of opening the canal vary from $20 to $40 million. This provision—section 102(c) of the bill to add a section 220A to the act—stipulates that the canal would be available for the use of all nations, including Israel. The committee recognizes the importance of encouraging an agreement on the canal as the only way to break the deadlock and lead toward a peace agreement. It should be emphasized that this provision does not involve any appropriation of funds from the Treasury.

TRAINING AND EDUCATION

Palestinians: The committee continues to support the Palestinian refugees. Besides a recommendation of regular budgetary support of some $13 million and continued Public Law 480 contributions—section 106(a) of the bill—the committee asks for an extension of the yearly $1 million special appropriation for the vocational training of refugees—section 106(c) of the bill. Of the 30,000 refugees who annually complete their 9-year basic education, only some 4,000 get further education or vocational training. The greater the percentage of the 30,000 refugees that receive vocational training each year, the greater the hope for the refugees having a rewarding life outside the camps and the less the attraction of the council of despair who see Palestinians gaining dignity only through the barrel of a gun.

Reinforcing the committee's concern that an increasing number of refugees

be given the skills for a rewarding life, there was an additional and new recommendation that $1 million worth of U.S.-owned foreign currencies in Egypt be made available for the vocational training of refugees in Egypt—section 106(d) of the bill. Such facilities in Egypt would particularly aid in the training of refugees from Gaza who have until recently received very little education or work opportunities.

Schools and Hospitals Abroad: This year, as in the past, a substantial portion of U.S. support for American Schools and Hospitals Abroad—section 102 (b) of the bill which amends section 214 of the act—is earmarked for institutions in the Near East, over 60 percent of the funds being recommended for institutions in Israel, Lebanon and Egypt. As the committee report suggests—

The primary purpose . . . [of this provision] is not to help take care of the educational and health needs of foreign countries, but to demonstrate to their people, on a selected basis, American ideas, practices, and advances in the fields of education and medicine.

It should be noted that many of these institutions serve an entire region.

Technical Assistance: The committee bill recommends that the United States continue its modest technical assistance to the Near East. While Jordan would receive some funds (less than $1 million) for rural, health, manpower and urban development programs, other Near East technical assistance programs are channeled into regional manpower and health undergraduate and graduate educational programs, some involving CENTO countries and others the American University of Beirut.

SUPPORTING ASSISTANCE

Jordan: There is a recommendation of a substantial increase in economic supporting assistance for Jordan. In fiscal year 1971, Jordan received a total of about $10 million in economic supporting assistance and contingency funds for relieving human suffering brought on by the September 1970 civil war. It is hoped that economic supporting assistance of some $30 million for fiscal year 1972 will enable Jordan to rebuild and strengthen herself as she and other states in the Near East committed to implementing U.N. Security Council Resolution 242 and to bringing peace to the area search for a negotiated political, rather than military, solution of the Arab-Israel conflict. This increase for Jordan is deemed necessary because of the loss of Arab Governments' subsidy payments after September 1970, her heavy military expenditures and the need for reconstruction following the civil war.

Israel: The committee is aware that a request for economic supporting assistance has been made to the executive branch by Israel to assist her in meeting her urgent needs for foreign exchange. It is the judgment of the committee that Israel is fully eligible to receive such assistance and believes that, if the request for assistance is approved, sufficient funds can be found.

MILITARY ASSISTANCE

The moderate amount of military assistance, sales and credits recommended for Near East countries is essential to maintain the military balance in the area and to strengthen the capacities of those countries friendly to the United States to defend themselves. It is crucial to remember that once the military balance in the Near East shifts perceptibly to one side or the other, then the danger of war greatly increases, Our policy, therefore, has to be to try to maintain a balance so that neither is encouraged to embark on an aggressive course. The committee considers it essential that Israel's deterrent capabilities be maintained and to that end, military credit will be extended. United States military training programs involve Lebanon, Jordan, Saudi Arabia and Iran, and Jordan will receive some military assistance. Not one of the nine countries receiving 88 percent of military assistance is among the countries within the jurisdiction of the Near East Subcommittee.

DRUG ABUSE

Finally, the committee, in expressing its deep concern over drug abuse in the United States, has recommended that the President be authorized to enter into agreements and other forms of international cooperation to put an end to the illicit production, trafficking in and abuse of dangerous drugs—chapter 8 of part I (new) of the act, section 108 of the bill—this provision includes giving the President not only the authority to enter into agreements and cooperation with foreign governments to facilitate the curbing of drugs, but also the authority to suspend all economic and military aid, military sales and sale of agricultural commodities to countries which fail to take necessary control measures. Several countries of the Near East besides Turkey are involved in the growing and trafficking of drugs. Some countries, like Iran, are becoming increasingly aware of the United States' concern about this problem and are taking appropriate measures to curb the growing of plants that can be processed into drugs.

It is hoped that more progress is made in all Near East countries in the next year to control drugs.

Mrs. ABZUG. Mr. Chairman, I rise today to call the attention of my colleagues to some of the implications of this bill, H.R. 9910, the foreign aid authorization bill for fiscal years 1972 and 1973.

By the committee's own admission, the bill is a perpetuation of old concepts of U.S. foreign assistance—pending a more thorough congressional review of the administration's suggested revamping of our foreign aid policy.

Two points of this outmoded policy—and I trust fiscal 1974 will find them outmoded—are worth pointing out. The first is how little we spend in foreign assistance, not only in relation to our own total assets—it is one-half of 1 percent of our gross national product—but in relationship to the 15 other developed countries who make up the Development Assistance Committee. The United States ranks 11th of 16 in percentage of GNP spent by these developed countries.

But more significantly, of the one-half of 1 percent, 60 percent is for some version of military assistance. This puts the United States in a very peculiar position. It does not support the economic development of countries who embody certain principles of freedom, democratic selection of leadership. It does not assist them in their pursuit of the economic self-determination which we proudly say American history represents. For instance nine African countries will receive only $90 million in development assistance among them—hardly much assistance. We do not set much of an example domestically for those countries to emulate. And finally with few exceptions we offer our other remaining form of foreign assistance—our military assistance—to countries who should be anathema; to Brazil, to Spain, to Portugal, and a half dozen other repressive and Fascist countries to whose military strength we eagerly contribute.

We congratulate ourselves on the proposed cutoffs in this bill of aid to Greece and Pakistan. And I do commend the committee for the forthright language prohibiting aid to Pakistan. I only wish that that provision also applied to Greece. The prohibition of aid to Greece is late and riddled with escape clauses so obviously placed that Mr. Nixon will be hard pressed not to invoke them.

I commend the decision of the committee to endorse the full funding of the Israeli request for section 202 Security Supporting Assistance. Due to the tremendous defense burdens Israelis now shoulder as a result of massive Soviet arms shipments to surrounding Arab countries, earlier this year Israel requested $200 million in economic aid. The Committee on Foreign Affairs looked into this request and last week reported that Israel is "fully eligible" to receive economic assistance under this bill. I note however, that after the allocations to the other recipients of section 202 moneys that there is only $85 million left for fiscal year 1972, and there certainly will be other applicants. The committee of course feels that the very substantial authorizations for the Southeast Asian countries will not be fully used and that $50 million will be available for Israel. This is a far cry from the $200 million requested, and it would be more assuring if the Israeli authorization were included specifically with the others listed in the report accompanying this bill.

I am pleased to note that the Department of Defense plans more than 50 percent of its fiscal 1972 authorization of $510 million under the Foreign Military Sales Act included in H.R. 9910 for credit sales to Israel. For Israel is the kind of country we should be supporting; a unified country, its leadership democratically elected, a country threatened with extinction. I am struck by the fact that in the recent coup and counter-coup in the Sudan, the only common theme among those fighting for power is their implacable hatred of Israel. This theme is echoed throughout the turbulent Middle East. Sadat is determined to wage the "war of destiny" against Israel and Qadaffi promises never to rest until the Zionist state is removed from the area. Again, this theme is repeated from Algiers, to Khartoum, to Baghdad.

All this belligerency would not be possible if the Arabs were persuaded that

despite all the millions in arms and aid they get from the Soviet Union, they will not be able to destroy Israel. Israel is a fact. Our Government accepts it. Most of the world's nations accept it. Only the Arabs still refuse to accept the reality of Israel's existence. It is time, and I mean now, to provide Israel with the additional Phantoms she needs, and I trust that the DOD plans will be carried out to meet these needs.

These requests are not extravagant. They are for credit sales. Israel will pay her way. She doesn't ask for American boys to pilot her aircraft to get shot down over the Suez Canal as they are now being shot down over the Mekong Delta, the DMZ, the forests of Cambodia, Laos, and the rice paddies of North Vietnam. Let us recognize this difference and act accordingly.

I further commend the committee on the provision in the bill authorizing exploration of the possibility of using our supply of Egyptian pounds for the reopening of the Suez Canal—pending agreement between Israel and Egypt, adequately protecting the rights of each. Any kind of assistance we can give to negotiations as a means of dispute settlement, rather than the armed conflict that 60 percent of this bill speaks to, should be fully explored. Provisions such as this are what I look forward to in the next Foreign Aid Authorization bill—one that reflects our interest in an end to armed conflict, to a strong commitment of our resources and policies to development aid to those countries committed to fundamental democratic principles.

We must come to a new era in foreign affairs; Vietnam should prove to be the last tragic example of the consequences of intervention in the self-determination of other countries. We in this Congress, in our attempts to reclaim our abdicated powers over foreign affairs, can make the mid-1970's and our subsequent foreign aid bills proof of this new kind of policy.

Mr. RUNNELS. Mr. Chairman, I would like to take this opportunity to comment on the pending foreign aid bill, H.R. 9910.

The Bureau of the Budget has just informed the taxpayers of our Nation that the Nixon administration has incurred a deficit of $23.2 billion for the fiscal year which ended last month. This figure is somewhat different from administration predictions last year that we would have a surplus for fiscal year 1971. I understand that next year's deficit will approach $35 billion. I hope these estimates are exaggerated. However, there is no question about the $23.2 billion deficit for the past fiscal year.

Today, we are asked to approve a foreign aid bill authorizing a total expenditure of $6.93 billion in fiscal years 1972 and 1973. If we use the fiscal year 1971 foreign aid bill appropriation as a reference base, we find that the bill now before us represents a total increase of $1.6 billion for fiscal years 1972 and 1973.

That is a $1.6 billion increase in foreign aid on top of a $23.2 billion deficit. It includes a 21-percent increase in economic assistance and a 38-percent increase in military security funds for fiscal year 1972. The American taxpayer is being asked to pay $115.2 million in administrative expenses alone for the Agency for International Development.

During the past 25 years, our foreign aid expenditures have totaled more than $145 billion, and I question whether we can continue to dole out the hard-earned money of our average taxpayers to countries all over the world.

One thing we should have learned some time ago was that we as a nation cannot buy friends. Actually, it seems as though the more we shell out the more many of them hold us in contempt. As an example, we continue to shell out money to Turkey, but have had little success in controlling that country's production of hard drugs, which continue to make their way into the United States.

It is time to stop talking about priorities and start doing something. That is why I intend to vote against this foreign aid bill. That is why I urge you, my colleagues, to vote against this bill. A $1.6 billion increase in foreign aid following a $23.2 billion Federal deficit and accompanying a possible $35 billion deficit is a tragedy compounded by an absurdity.

We face a probable 2-year Federal deficit of almost $60 billion and we are asked to increase foreign aid by $1.6 billion. I think the workingman of America needs aid. He is being overwhelmed by the taxes it takes to pay for all of this. He is even asked to support failing defense contractors who can't compete in the open market. The American wage earner needs some support or he won't be able to compete with the tax collector.

President Nixon has told us that tax reduction legislation will not be requested this year. I have introduced a bill, H.R. 9880, to allow Social Security taxes to be deductible from Federal income taxation in hopes that Congress will set its own priorities and give the working American a tax break for a change. If H.R. 9880 is taken up for consideration, it will most likely be amended to limit losses to general revenues to whatever amount is deemed reasonable in light of other Federal requirements. Let me suggest that a Social Security tax deduction at a rate of 9 percent will probably decrease revenues by an amount equal or possibly less than the $1.6 billion increase in foreign aid in the bill before us today.

Should any of you question the desirability of enacting my social security tax deduction bill instead of enacting a bill increasing foreign aid by $1.6 billion, I suggest you start reading your mail. You might even include such a proposition in your next questionnaire to your constituents. You might point out that this foreign aid bill includes $565 million for South Vietnam and $310 million for Cambodia. It includes $239.4 million for the modernization of the Korean armed forces and $200 million for the modernization of the Cambodian armed forces.

It includes almost $100 million for Turkey where President Nixon is paying farmers not to grow poppy crops. It even includes almost $80 million for Greece if the President finds that overriding requirements of national security justify the aid.

I submit that there exists today an overriding requirement for a reduction of Federal expenditures. I urge you to vote against this bill.

Mr. SCHWENGEL. Mr. Chairman, it seems to me the report and recommendations of the Foreign Affairs Committee on the foreign aid bill are sensible and fair. A Nation like ours that has received so much help in various forms should be willing to give foreign aid.

Every day evidence mounts that our program to help the developing nations overcome disease, illiteracy, poverty, and hunger is making solid gains.

It is regrettable that heavy demands on the national resources make it impossible at this time to do more. So much remains to be done to bring relief to people all over the world.

The United States produces more goods and services each year than any other country, and yet for fiscal year 1972 all our foreign economic aid represents less than one-half of one percent of this gross national product.

One might think that the United States would lead the developed nations in the proportion of skills and resources devoted to bettering the human condition.

But we are not first. We are not even second or third. Among the 16 principal nations having development assistance programs the United States ranks 12th in terms of the percentage of gross national product which we allocate as official aid to international development.

What we have provided for international development has, however, been put to very good use.

Vital food production is up in the developing nations, thanks to technological breakthroughs dramatically increasing outputs of cereal food grains. Malnutrition is being attacked by encouraging production of high protein foods and expanding livestock production, and by spreading education on human nutritional needs. The frightening prospect of world population growth that would far exceed the earth's capacity to support diminishes with the steady advance of family planning programs.

Many of these countries have safe water and sewerage systems for the first time because of our help. Diseases such as malaria and smallpox are on the run and the extension of modern health technology is reducing the grim toll of many other human ills. New classrooms and schools have been built, and in one recent year alone there were more than 30 million students enrolled in schools or colleges around the world which have been assisted by the United States. Also, AID funds have helped to send more than 150,000 persons from developing countries to the United States and other countries for training.

Roads and highway systems transportation, electric power production, mining, manufacturing and construction are all being modernized and improved in the poorer nations, thanks to U.S. technical assistance and the development loan program. And the record of repay-

ment on our development loans continues to be good.

The American people are a compassionate and generous people, but this program is not charity. It is not philanthropy. It is an intelligently conceived effort to help other nations accomplish the things they must accomplish to remain independent nations eventually capable of fully sustaining their own economic and social progress.

It is a better world of peace and freedom for them and for us that we are trying to build through this program. It deserves our continued support.

Mrs. MINK. Mr. Chairman, I rise today in support of those provisions in the Foreign Assistance bill which would terminate U.S. military and economic aid to the Government of Pakistan until the situation in East Pakistan has been stabilized, and the refugees in India have been repatriated. This restriction would prevent further involvement and complicity by the United States in one of the most vicious and devastating civil wars of modern times. It would insure the maintenance of American neutrality, thereby further substantiating the claims of the State Department that this is the actual intent of our policy.

Unless Congress acts to abrogate our assistance to Pakistan, this conflict will drag on until both sides have so exhausted themselves that recovery will be next to impossible. I have no doubt that as long as the Pakistani Government retains the military capacity to suppress the people of East Pakistan it will continue to do so regardless of the consequences. In addition I would emphasize that each day this war continues the danger to the peace and stability of the entire Indian sub-continent increases. Saddled with 7 million refugees, the Indian Government is urgently seeking an early end to the conflict, an objective which further U.S. aid to Pakistan can only hinder. We must not underestimate or ignore either the extreme plight of these refugees nor the potential threat they pose to the stability of the Government of India.

Remember that there are 7 million refugees, a figure which equals one-tenth of the prewar population of East Pakistan. Almost all of them are huddled in the already impoverished and politically unstable state of West Bengal, easily the most volatile area of India. Torn by political disagreement the Government and people of West Bengal are in no position to care for them. Calcutta, the capital city of West Bengal and the largest city in India is already on the edge of complete collapse, and a large migration of refugees could well tip the balance. These people are in the most desperate situation imaginable. Lacking shelter, medical care, and food, they have not only seen their families and friends butchered by Pakistani Government troops but have suffered through a cholera epidemic as well. Most of them are caught up in a political situation they had no hand in making and are innocent victims of a leadership which chose to repress rather than acknowledge the results of what were, for a change, really free and democratic elections. The word "tragedy" has been so indiscriminately used in recent years that it has lost much of its power to suggest and evoke any response. There can be no doubt, however, that this particular situation can only be described as a tragedy, as a disaster with few parallels in the history of man.

It is imperative then, for both humanitarian and political reasons, that the United States alleviate the strains placed on the Government of India by this sudden influx of refugees. We have thus far provided $70.5 million in money and supplies, and while this represents the largest single contribution within the international community's total of $144 million, it will be completely expended by October 1, 1971. I, therefore, strongly urge my colleagues to join me in supporting the additional grant of $100 million which the bill before us would authorize for the relief of these refugees and for humanitarian efforts in East Pakistan itself. This money would be distributed under international auspices and would in no way compromise the neutrality of the United States in this area. In contrast to the administration, I believe that any leverage which this country may have to effect a peaceful solution between the participants depends upon their confidence in our neutrality and not upon the continuation of our ill-advised arms shipments.

The dispersal of this money by international organizations also allows the United States to reach the people of East Pakistan, who have remained in their homes and are in no better condition than their countrymen who have fled to India. Our own officials in East Pakistan have cabled that the "specter of famine" hangs over the province and that the prospects for averting widespread hunger, suffering, and starvation are not good. We cannot support this government which has so terrorized its own population that all economic activity has ground to a halt purely out of fear and not because of any damage to infrastructure or materiel. Yet that policy must not prevent us from aiding its victims whenever possible.

Taken together the provisions in this bill pertaining to Pakistan insure the neutrality of the United States toward all governments concerned while providing some measure of relief for the affected peoples. If the United States is to play any effective mediative role in this conflict, the legislation before us is an indispensable first step.

Mr. WOLFF. Mr. Chairman, as a member of the Committee on Foreign Affairs I want to take a moment to express my support for H.R. 9910, the Foreign Assistance Act of 1971, and to express my continuing admiration for our able chairman (Mr. MORGAN) who has again provided vital leadership during the preparation of this bill.

Since there was scarcely time to consider the several pending suggestions for revamping our foreign aid program, the committee had no choice but to continue the present programs with some needed changes. What is important is that we continue, uninterrupted, our policy of providing foreign assistance so that recipient nations and our partners in the developed world may be assured of our commitment to the concept of international development assistance.

Foreign aid is important for the help it gives to those countries which are willing to help themselves. It is a tangible indication of our desire to see improved conditions throughout this world. It is consistent with basic principles of human understanding and concern which are part of our national heritage.

And foreign aid is also in our interests. For it helps develop productive trading partners and creates long-range markets for U.S. goods. Also, and quite importantly, foreign aid is a basic ingredient in our national defense against totalitarianism. It is essential that we understand that by providing people in developing nations with the means to help themselves we are providing them with a positive alternative to totalitarianism in any of its insidious forms. Through foreign aid we can show the possibilities inherent in a democratic, free enterprise system and thus stem the flow to the extremes of either the left or the right.

I hope my colleagues will pass this bill today without destructive amendments for if we fail to do so we will have set back American foreign policy for years to come.

At this time I do want to say a special word of appreciation and thanks to our committee chairman (Mr. MORGAN) who understands so well the importance of foreign aid and who demonstrates year after year a sophisticated knowledge of the legislative process and a compassionate understanding of what it is we are trying to do with the foreign aid program.

Mr. RARICK. Mr. Chairman, in my three terms in this House I have never seen a foreign aid bill that deserved my people's vote. I have always felt that we should have Americans helping Americans first, not after they got through helping everybody else.

But, section 401 on page 14, of this bill contains the most absurd provision yet. I refer to the amendment calling for the new concept of extending credit terms from 10 to 20 years for sales under the Foreign Military Sales Act. For one thing, it is not a sound principle of credit—the usefulness of the goods sold does not cover this extended credit period. An airplane has either lost its ability to function or is completely outmoded long before a 20-year credit period has run its course. Who ever heard of a tank, truck, or ammunition lasting 20 years? The entire concept borders on the ridiculous. We are to believe that the children and grandchildren of our foreign aid "friends" will pay for their grandparents' military prestige.

This proposed financial extension of credit to foreigners is an insult to our people who would like to borrow this easy money for a car or other purposes. No sane financial agency makes a loan wherein the length of time allowed for credit exceeded the expected lifespan of the object for which the loan was arranged.

The American taxpayers have long been financing wars the world over—

now we are asked to give better credit terms so our foreign aid "friends" can fight wars on credit.

I oppose this bill and intend to cast my people's vote "no."

Mr. KOCH. Mr. Chairman, I am supporting H.R. 9910 which extends for 2 years our foreign economic and military assistance programs. I should like to comment on provisions contained in that bill which I believe are of paramount importance and will produce a substantial change in the policy of this country if enacted.

The provision which cuts off military and economic assistance to Greece unless that country reestablishes parliamentary democracy is long overdue and is one that I take special pride in supporting. In 1970 when the bill extending certain naval vessel loans and new loans was debated on this floor I offered an amendment to bar the leasing of a submarine to Greece; my amendment failed by a vote of 10 to 50. The debate in this House on this provision today makes it clear that supporters of the Greek junta in this House no longer command a majority. I hope that President Nixon will not destroy what we are doing by using the provisions in the bill giving him the power to resume aid if he determines that our national security requires such resumption. Unless there is an extraordinary change of events I personally do not believe that he could morally justify the use of such power.

The provision of the bill cutting off aid to Pakistan is forthright and even stronger than the provision applying to Greece. Under that provision no aid may be resumed until Pakistan ceases its brutal campaign against her own citizens in East Pakistan and takes affirmative steps to restore to their homes those 7 million refugees which the Pakistan military junta have caused to flee to India.

The committee's judgment that Israel should be made fully eligible for U.S. supporting assistance in view of her enormous defense burdens and that funds should be made available to her is a provision which I wholeheartedly endorse. Israel, surrounded by Arab States bent on her destruction, is burdened with a defense budget which is the highest in the world. We have not done enough to support that State. The provisions in this bill will permit us to do more. The President has been urged by many Members of Congress, myself included, to continue the uninterrupted delivery of Phantom jets to Israel. Those planes cost nearly $5 million each. The Soviet Union has supplied Arab States with planes and arms under terms which can only be described as outright gifts. We have provided other countries with military assistance without repayment required, but not Israel. I believe that we should do the same for Israel. The defense needs of that country have caused its external debt to exceed $3 billion, an enormous drain. It is in our own national interest to provide Israel with economic and military aid unstintingly and to the fullest measure.

I am delighted that the committee incorporated in the bill a provision which I have supported each year since my coming to Congress in Juanry 1969, and that is a provision requiring the suspension of all economic and military aid, military sales, and sales of agricultural commodities to countries which fail to take necessary measures to control the growing, production, and traffic in dangerous drugs. Substantial progress has been made through the State Department's efforts in bringing this matter to the attention of the Turkish Government so that that government finally has agreed to terminate as of 1972 the growing of the opium poppy from which heroin is produced. We must be ever vigilant that Turkey in fact stops the growth of opium and that other countries such as Iran and the area known as the "Golden Triangle" which includes parts of Vietnam, Laos, and Cambodia do not now take the place of Turkey as suppliers. The drug traffic in the United States has reached monumental proportions so that we now have an estimated 300,000 heroin drug users. The control of this drug traffic so as to eliminate the introduction of heroin into the United States is among our highest priorities. The effects of drug addiction on our population are obvious to all. Any foreign country implicated in the illegal trafficing of drugs deserves to be cut off from all aid from this country and it can never be in the interest of our national security to exempt such a country from such restrictions.

I am sorry, Mr. Chairman, that the amendment to cut off our aid to Brazil was defeated in view of the well documented incidents involving the torture in that country of its own citizens with the tacit consent of that country's military junta. It took us a number of years to reach the point where we have agreed finally to cut off aid to Greece and I hope that it will not take the same number of years to cut off aid to Brazil.

Mr. MORGAN. Mr. Chairman, I have no further requests for time.

Mr. MAILLIARD. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

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 "Foreign Assistance Act of 1971".

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: On the first page, immediately after line 4, insert the following:

"SEC. 2. The Foreign Assistance Act of 1961 is amended by inserting immediately after the first section thereof the following new section:

"'SEC. 2. Limitation on Fiscal Year Authorizations.—Notwithstanding any other provision of this Act, nothing in this Act authorizes apppropriations for the fiscal year 1973.'."

The CHAIRMAN. The gentleman from Illinois is recognized in support of his amendment.

Mr. DERWINSKI. Thank you, Mr. Chairman. I intend to be brief since I have discussed the issue in part during general debate. We have before us a 2-year authorization. When 2-year authorizations were first offered, certain Members vehemently pleaded for a 1-year authorization. The tables are now completely reversed.

I make the point that a 2-year authorization does give the executive branch a freer hand than most Members wish to give that executive in many other fields. I believe that with the obvious turmoil in foreign affairs, a 2-year authorization is too long of a period for the House Committee on Foreign Affairs and the Senate Committee on Foreign Relations and for the Congress as a whole to lose control of this program. I appreciate the fact that there is an annual appropriation, but the annual appropriation for foreign aid has become one of the more entertaining but less meaningful performances in the appropriation machinery. I believe that control of authorization, annual control of authorization, is important.

This amendment would limit the entire bill to the fiscal year 1972 and would thus limit it to 1 year and give us an opportunity a year from now, when we take a look at the progress in all parts of the globe, to ascertain what revisions should be made in this program.

I believe it is a practical amendment. The fact that it cuts the cost of the program in half is obvious. It does give Congress more control of this spending. To repeat, this is a practical amendment. I would hope to have some support on the floor this afternoon.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I commend the gentleman for his amendment. If there is a Member of the House with a crystal ball large enough and clear enough to give an indication of what the fiscal situation of this Nation may be in fiscal 1973, I have not yet met that gentleman or gentlewoman. For that reason I think it is more important than ever that we take another look at this bill next year and guide ourselves accordingly.

Mr. DERWINSKI. Mr. Chairman, I thank the gentleman for his support.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the gentleman.

Mr. Chairman, as one of those who used to advocate a 1-year authorization myself, I, nonetheless, cannot help feel there is real justification for a 2-year program this year. For one thing, we have no idea when final action will be completed on an authorization. The other body has indicated it may be months before they take action, so we will be well into the fiscal year 1972 before we act on this program. What we may end up with is only a little more than a year to develop the new approach which the President has recommended.

I would think this kind of leeway is not unreasonable if we want to come up with a change in format such as has been recommended. Nor do I see any unleashing of the Executive by allowing an authorization to run for a period of more than 1 year.

Mr. DERWINSKI. The gentleman from New Jersey is one of the most

astute Members of this body, but I would suggest to him if he is interested in the proposals of the Executive to revamp and rename this program, the only vehicle might be a 1-year authorization. One year from now the 1973 authorization could be a vehicle for some of the long-term reforms the gentleman is calling for, including the renaming of this agency to escape criticism, which has become a standard procedure every 5 or 6 years.

I do not share the gentleman's optimism that the Congress, especially the Committee on Foreign Affairs, will now expedite the processing of the President's reformation of the AIR agency. Having passed a 2-year authorization, they will not touch this subject for 2 years.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield further?

Mr. DERWINSKI. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, the gentleman talks about the situation a year from now. A year from now we shall already be in the fiscal year 1973. If we should then be discussing what changes should be made in the program, when the fiscal year 1973 had already begun, we surely need a 2-year authorization for this program.

Mr. FRASER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the 2-year provision in this bill had very strong bipartisan support in the committee. While I usually find myself in agreement with the gentleman from Iowa (Mr. GROSS) I think in this case he overlooks the fact that the Appropriations Committee would have to give consideration to the second of these fiscal years and to make whatever reductions might be consistent with the status of the national debt, and the general level of the economy, so it is not as though we are giving away any controls. We are simply suggesting that this authority will be longer, and the Appropriations Committee can give whatever examination they think is warranted to the appropriations at the time.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from California.

Mr. MAILLIARD. Mr. Chairman, I would like to add to the discussions that I started out in the committee opposing the gentleman's amendments which extended this for 2 years, but I now would like to join the gentleman in opposing this amendment which would reduce it back to 1 year.

The reason my own position has changed is that some time has gone by. I had hoped a 1-year extension could be approved by the committee and by the House a couple of months ago. This did not transpire. Now, here we are about to recess. To have our opportunity to go into the President's proposals in depth, which is going to take a long time if we do the job the way we ought to, is going to carry us practically through fiscal year 1972. I think at that point, with the national conventions staring us in the face, and everything else, would be the wrong time to try to extend the program for another year, just at the time we should be making our efforts to try to revamp the program.

Mr. FRASER. I thank the gentleman.

I would make the point, in passing a 2-year bill this year we are only doing what we did 2 years ago, when we passed a 2-year bill. We seemed to live with that comfortably. I would think this is not an amendment we should accept. It would be unfortunate if we did.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. I never cease to marvel at how things operate around here. I was certainly surprised that the gentleman supported the 2-year extension of military assistance, knowing of the position he has taken against military assistance.

The point is, what are we trying to do? Is it to provide a comfortable way of life for the Members? We are coming back from the pending vacation the forepart of September. There are a good many weeks to follow for I do not believe anyone really believes we are going to get out of this place before Thanksgiving. Why not get into this program when we return in early September?

Mr. FRASER. I heard we were going to get out by October 15.

Mr. GROSS. That is what you have heard, but you would not bet a plugged nickel on it, I am sure.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Massachusetts.

Mr. CONTE. I want to join the gentleman in the well in opposing this amendment. I served on the subcommittee of the Appropriations Committee on Foreign Operations for 12 years. I know what we have gone through on that committee. We would have completed our hearings many, many times and then we would sit on our hands waiting for the authorization bill to come through.

That is the case this year. Next year is going to be an election year. Let me warn my friends here who are thinking about voting for this amendment that if we have to come back here with an authorization bill next year, it is going to tie up the appropriation bill.

We do not lose control. We still have control when the appropriation bill comes through.

If Members are interested in getting back home with their constituents early next year, in an election year, they had better defeat this amendment.

Mr. FRASER. I thank the gentleman.

Mr. PUCINSKI. Mr. Chairman, I move to strike the requisite number of words.

This is a discussion of great interest. I certainly would be willing to support a 2-year authorization. However, I have one great concern.

We are going to act on this bill here, and then it will go to the other body. Reference was made here a little while ago to the other body. If we have been observing with any degree of accuracy what has been going on in the other body, it is safe to assume they will try to tack on all sorts of amendments.

Legislation which comes back here in the form of a conference report provides very little opportunity for the House to make any corrections to what the other body added to the bill. The first thing we know, we are stuck with a 2-year bill, with very little opportunity to work our own will on this very important legislation.

If I had any assurance there was going to be a reasonable approach to this subject in the other body I would say it certainly would be a good thing to go for 2 years. But I have seen too many of these bills go over there. When they come back here, any similarity between what we did and what they have done is too often strictly coincidental.

For that reason it does seem to me there is great merit to this, on this very important subject.

Furthermore, there are a number of new provisions in this bill. Assuming they are not changed, or assuming they are not stricken from the bill, that would lock this House in for 2 whole years.

I believe world events are changing just too fast for that. We have a President who now is going to China. That could conceivably change the whole ball game, when he does get back.

It does seem to me Congress ought to retain for itself the flexibility of dealing with these problems as they come up. I respect the committee's recommendation and I respect the argument made here a little while ago for a 2-year bill.

On balance it seems to me that the gentleman from Illinois does offer a reasonable amendment.

Mr. MORGAN. Will the gentleman yield?

Mr. PUCINSKI. I yield to the chairman of the committee.

Mr. MORGAN. I just want to say to the gentleman from Illinois that I have been the chairman of the House conferees on the foreign aid bill since 1959, and I want to deny that there have been great changes in the foreign aid bill as it passed the House made by the other body. The record of the House conferees in defending the House foreign aid bill in conference over the years is a very good one.

Mr. PUCINSKI. I yield to no one in my high respect for the job that the gentleman from Pennsylvania has done as the chairman of the Committee on Foreign Affairs, and I am sure he has the admiration of every Member of this House, including the gentleman speaking now. He has done an outstanding job, and I respect him for that. We are grateful and lucky to have him as our chairman. But we do see what is happening on the other side in the other Chamber. With an election year coming up I am not sure how many amendments they will tack onto this bill by the time it gets back here.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield to me?

Mr. PUCINSKI. I am glad to yield to the gentleman.

Mr. MAILLIARD. Mr. Chairman, I want to join the chairman of the committee in saying that our record over the years in bringing back to the House a bill with very, very few of the many appendages added by the Senate is very good. One year we had 62 amendments in

disagreement and we gave in on only three. On the rest we prevailed. So the notion that we are unable to handle ourselves in a conference is not borne out by the record.

I also want to say that they were putting crazy things in over there then, just as much as they are now.

Mr. PUCINSKI. I merely wish to add that in making these observations I am in no way critical of how our House conferees have been acting. You are hard bargainers and you have done a very good job. We can all agree on that. However, it is my judgment, if we look at what has been happening in the Senate this year, I am not sure that it will be quite that easy for our representatives at the conference table.

Mr. DU PONT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, referring back to the comments made by the gentleman from Minnesota concerning the 2-year extension, when he brought up in the committee the question of the 2-year extension I was initially opposed to it. There is one danger that ought to be set upon the record and which we ought to be aware of. The President has put forward a very extensive program for review and reform of our foreign aid procedure. What I am worried about is that by extending the authorization for 2 years we will lose the impetus for reform. Every Member of this body will agree that the foreign aid program does need a fresh look. While I am reluctantly going to vote against this amendment on the floor, because of the time required for hearings on the new proposals and the need for careful examination of the administration's proposals, I am concerned that after 2 years have gone by and the next administration is taking office, that there will be demands for further study, and we will have lost our opportunity for reform.

I am sure the distinguished chairman of the committee is going to start up the hearings for consideration of the President's proposal. I commend him for that. I am sure that those hearings will move forward in a spirited fashion. But let us not lose sight of the fact that reform of the foreign aid program is vital, and let us make sure that we do not allow the pressure of time at this moment to kill the opportunity for reform in the future.

Mr. FULTON of Pennsylvania. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I favor this 2-year U.S. foreign aid authorization provision. The Congress is coming into a presidential election year, and in the other body there will be probably 100 presidential candidates. To have a U.S. foreign aid bill come up next year in the spring and try to get it disposed of when there is all of the campaigning both for the Senate and the House, as well as the political presidential year conventions I just do not see how it is possible.

The second point is on the Peterson report made to the President at his request, our Foreign Affairs Committee will be spending a considerable amount of time and study, in fact, all of its time in deciding what basic changes ought to be made in the Foreign Aid Acts. Neither the Foreign Affairs Committee, nor the Congress should take time for another go-around on foreign aid legislation of the same kind within about a 9-month period of time, when we will have to begin another 1 year authorization extension of U.S. foreign aid.

I would like my good friend, the gentleman from Illinois, with reference to his amendment, to reply to the question on this point: In section 404 when he put in an amendment to authorize participation by the United States in the Interparliamentary Union, he put that amendment in containing a continuing authorization, not just for 1 year. So, the authorization is for an indefinite period. Therefore, when it comes to a program in this bill that the gentleman himself is personally interested in he certainly goes beyond the 2-year committee foreign aid limitation about which we are talking.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. I yield to the gentleman from Illinois.

Mr. DERWINSKI. At that point I was merely rolling with the punches in the committee.

Mr. Chairman, if the gentleman will yield further——

Mr. FULTON of Pennsylvania. On that issue you went beyond the Foreign Affairs Committee's 2-year foreign aid extension because you provide for an indefinite authorization on the Interparliamentary Union on which you are our chief official Congress representative for the current year.

Mr. DERWINSKI. Mr. Chairman, if the gentleman will yield further, if necessary, I would accept this limitation of 1 year on that item.

Mr. FULTON of Pennsylvania. No; you are such a fine fellow we shall not insist upon it.

MOTION OFFERED BY MR. MORGAN

Mr. MORGAN. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MORGAN).

The motion was agreed to.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as chairman of this committee, I realized that such a 2-year extension to the foreign aid bill would draw some fire. However, those who were here during my initial remarks will recall that I pointed out why I thought a 2-year authorization for the foreign aid bill was necessary at this time.

Mr. Chairman, in 1969 this House passed a 2-year authorization. The other body had a 1-year authorization. The House conferees prevailed in conference and we came back with a 2-year authorization and, it was adopted by the House.

Now, in that 1969 bill we requested that the President consider a complete revamping and make a restudy of foreign aid. That was the so-called Javits amendment which was accepted in conference.

The President on March 1 appointed a committee headed by Mr. Peterson of the Bank of the United States and they reported back to the President. This Javits amendment contained a mandatory date that the Commissioner report back by March 1, 1970. The Peterson committee, reported to the White House in September 1970, but the President's program did not come from the White House to the Congress until April 23, 1971. Six days after it came here, the Committee on Foreign Affairs began hearings. But, as the end of the fiscal year approached, I realized that we were not going to be able to complete the hearings on the President's recommendations in time. So, I made a 1-minute speech pointing out that I intended to continue the hearings after the House had approved an authorization to keep the program going. However, it took the Committee on Foreign Affairs over 5 weeks to mark up the bill providing for this extension.

I realize that here we are, standing here in the House Chamber on August 3, 1971, and that we are going to leave here on Friday for a 31-day recess. When we get back the chairman of the Foreign Affairs Committee intends to go immediately into hearings because, as I mentioned in my opening remarks, I want to give the President's approach to foreign aid a full hearing.

As I also said, there are some things in the President's proposals that are objectionable to me. I am opposed, for instance, to Treasury borrowing for foreign aid, and also to some of the other suggestions made in the Peterson report. It is going to take a long time. Right now over in the Committee on Foreign Affairs we have a request to hear over 100 public witnesses. I am not talking about administration witnesses who want to discuss every provision in detail, but over 100 requests from private citizens who want to be heard on this new approach to foreign aid. It emphasizes the multilateral aid approach instead of the bilateral approach. There are many people who are interested in this particular matter. So, as I say, it is going to take this committee 2 years—2 years—to complete the hearings and work out a new foreign aid bill providing for a basic reorganization of the program.

I hope that you will defeat the amendment offered by the gentleman from Illinois (Mr. DERWINSKI). Again I assure you that as the chairman of the Committee on Foreign Affairs that we are going to need the 2 years. I am not worried about the national conventions next year, or about the time we are going to take off for Christmas, or Thanksgiving, but I assure you that we want to complete this matter.

So again I urge defeat of the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The question was taken; and on a di-

vision (demanded by Mr. DERWINSKI) there were—ayes 23, noes 45.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PART I—ECONOMIC ASSISTANCE

DEVELOPMENT LOAN FUND

SEC. 101. Title I of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to the Development Loan Fund, is amended as follows:

(a) In section 202(a), relating to authorization—

(1) strike out "and $350,000,000 for the fiscal year 1971" and insert in lieu thereof "$350,000,000 for the fiscal year 1971, $400,000,000 for the fiscal year 1972, and $450,000,000 for the fiscal year 1973"; and

(2) strike out "and June 30, 1971" and insert in lieu thereof "June 30, 1971, June 30, 1972, and June 30, 1973".

(b) In section 203, relating to fiscal provisions—

(1) strike out "the Mutual Security Act of 1954, as amended," and insert in lieu thereof "predecessor foreign assistance legislation"; and

(2) strike out "and for the fiscal year 1971" and insert in lieu thereof ", for the fiscal year 1971, for the fiscal year 1972, and for the fiscal year 1973".

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 2, beginning in line 2, strike out "$400,000,000 for the fiscal year 1972, and $450,000,00 for the fiscal year 1973" and insert in lieu thereof the following: "$300,000,000 for the fiscal year 1972, and $300,000,000 for the fiscal year 1973".

Mr. GROSS. Mr. Chairman, I shall be brief. I think everyone in the Committee of the Whole knows what this amendment seeks to do. It would reduce by $150 million the development loan fund handout to $300 million in fiscal year 1973 which, for some reason unknown to mankind, was increased by $50 million over the figure for 1972. It would cut the figure for fiscal 1972 from $400 million to $300 million.

The committee has just voted for the comfortable way of life in 1972. The road has been paved to the political conventions and to the hustings in the various districts. And if the taxpayers are in a tighter bind in 1972 and 1973 than they are in now, they can take the consequences, because the House is not going to do anything about this foreign giveaway bill for 2 years.

I do not understand how anyone can know at this time whether this country will be coming apart at the seams financially in fiscal year 1973. So I seek only to give the taxpayers a modicum of protection by cutting $100 million for fiscal year 1972 and $150 million for 1973. That is little enough to do for the taxpayers of this country.

Mr. ANDREWS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Alabama.

Mr. ANDREWS of Alabama. Mr. Chairman, I want to commend the gentleman on the fine statement he is making.

I would correct a statement that he has made. The gentleman earlier stated that the deficit for this year was $23.2 billion. That is the so-called unified budget deficit. In arriving at that figure they took all the unused money—the social security trust funds and other trust funds—and added it or subtracted it from the actual deficit.

The true deficit—and when I say "deficit" I mean the amount that the Government spent over and above what they took in—was around $33 billion for this past fiscal year. I have always contended when you take that trust fund money and use it for current income, they are stealing from Peter to pay Paul, and history will show that any Government that steals from Peter to pay Paul will always get the support of Paul.

Mr. GROSS. I thank the gentleman for his statement.

Yes; there are going to be a lot more IOU's in the till.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. LONG of Maryland. I am inclined to support the gentleman's amendment. I wonder if the gentleman could tell me how much money that has been authorized or appropriated is unspent or unobligated.

It is my understanding that there is quite a backlog from past years, so that even if this money is cut down, there will be plenty of money in the pipeline.

Mr. GROSS. The total in the pipeline is $24.5 billion.

Mr. LONG of Maryland. So we are only taking a few drops out of the pipeline.

Mr. GROSS. That is exactly right. I could offer an amendment to cut it deeper, and if I thought the House would accept it, I certainly would.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. DENNIS. I would like to express support for the gentleman's amendment. Indeed, it is difficult for me to see, in view of the financial circumstances in which we now find ourselves, how any reasonable reduction can fail to draw support.

But in addition to that general statement, I would like to point out that on page 14 of the report, the statement is made that 70 percent of the appropriation which the gentleman is seeking to reduce goes to India, Indonesia, and Pakistan. Later in this bill all aid to Pakistan is suspended, and it, therefore, seems to me that if it is one of three countries which take 70 percent of this appropriation, that certainly if we are going to remove all assistance to that country, we can afford to reduce the appropriation which the gentleman addresses in this amendment.

Mr. GROSS. I thank the gentleman from Indiana for his statement.

Mr. FRASER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. FRASER. Mr. Chairman, I think that when we look at the question of economic assistance, we need to put it in relation to other expenditures we are making in connection with our involvement in the world. We are spending approximately $80 billion a year on military forces and hardware—airplanes, tanks, ships, guns, missiles, and bombs—in our efforts to maintain some kind of security for the United States. We are spending less than 5 percent of that amount of money trying to build for the future, trying to carry out some modest level of responsibility as an important, indeed a primary member of the world community.

We have fallen from first place in the ranking of the advanced nations in the proportion of wealth we give to the developing world down to No. 11. To adopt this amendment we will probably go down to No. 13.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I am glad to yield to the gentleman from Maryland.

Mr. LONG of Maryland. I wonder if the gentleman feels that we must be absolutely first in every category of world giveaway? It seems to me that we certainly are first or very close to first in military defense. We are defending the world. Why should we also have primary responsibility to give money in every category?

Mr. FRASER. Right now I would settle for being in a middle-rank place. Does the gentleman want us at the bottom? Does the gentleman favor an increase in our military contribution but a decrease in our economic aid?

Mr. LONG of Maryland. I would favor a decrease in military aid of this country. I think we are throwing billions away in that area. In this respect I agree with the gentleman. But I do not see why, if we are throwing many millions of dollars away, we must also throw money away in economic aid.

Mr. FRASER. We are spending $80 billion a year on defense.

Mr. LONG of Maryland. The defense of the United States is included.

Mr. FRASER. Do you know how much $80 billion is? It is more than the gross product of Africa. On defense we are spending $80 billion. Does the gentleman want to see us fall even further behind in our efforts to provide assistance to the nations of Africa and Asia?

Mr. LONG of Maryland. I say we are doing a big thing for the rest of the world in defending our own country and providing the chief defense against aggression in the world. In my estimation, we are not spending enough in defending the heartland of America. I would not deprecate that part.

Mr. FRASER. You and I share the same view on that. We want to do more to help people at home. But when we spend money to meet problems abroad, where are we going to put our money? Some say we ought to put it in weapons, a big navy, more B–1 bombers, and such things, and less in economic and development aid. But such aid is the only constructive force we exhibit in the world. I, for one, would rather go the other way.

We can modestly reduce our military expenditures without diminishing our security and put a part of the savings in building up our country at home and a part in discharging some of the respon-

sibilities we have as part of the world community. I think this country is really in bad shape. We have been sliding backward in our responsibilities as a contributor to the economic development of other countries.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. The gentleman spoke of Africa. The gentleman, I am sure, well recalls that we started out to make Nigeria the foreign aid showcase of Africa and we wound up watching from afar while hundreds of thousands were massacred and starved. Somehow they acquired U.S. arms, too; did they not?

Mr. FRASER. We have not sent many arms to Nigeria.

Mr. GROSS. Anyway, they got them.

Mr. FRASER. They got them from Britain and the Soviet Union. You know, our aid program does not give us a lot of leverage. We cannot run the world with it, but we can make a modest contribution with the other countries that are part of the world community.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Indiana.

Mr. DENNIS. The gentleman asked the question about whether we should contribute military aid or economic aid, and I say to the gentleman that we cannot choose either necessarily, as such. The purpose of foreign aid, if it has any—the justification of it to me is—what is good policy for this Nation; and that is it.

In some cases that will call for economic aid and in some cases it will be military, but we can say for military aid at least—although there is also waste there—that there are certain countries with which we have alliances or in which wars are actually going on, and their economies have got to be supported to a certain extent with economic aid as well as with military aid if there is to be any success. In certain of these purely economic programs in Latin America and in other places, however, the results are very disappointing.

Mr. FRASER. I am not talking about military aid. I am not friend of that. I am talking about the fact that we spend $80 billion to protect against possible enemies or aggression from abroad and only 5 percent of that amount on the constructive side of our foreign policy.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(On request of Mr. PUCINSKI, and by unanimous consent, Mr. FRASER was allowed to proceed for 1 additional minute.)

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. FRASER. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Chairman, I was concerned by the statement made by the gentleman that we have gone from No. 1 to being No. 11 as a world power in the amount of economic assistance we give to the remainder of the world. Does my distinguished colleague have any idea how much economic aid we have given to the world since World War II, and what percentage is that of the total economic assistance given to nations since World War II?

Mr. FRASER. It all depends on whether we exclude Western Europe. We put about $20 billion into Western Europe, and to the rest of the third world we have given between $65 and $70 billion cumulatively in economic aid.

Mr. PUCINSKI. We made Germany the No. 1 world exporter with the economic aid we have given that country since World War II.

Mr. FRASER. If the gentleman wants to go back and reargue the Marshall Plan he is free to do so, but I think it is one of our great foreign policy successes.

Mr. PUCINSKI. Does the gentleman think we have not done enough in economic assistance?

Mr. FRASER. No; all I am saying is that we have got to do our share now as a responsible nation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 27, noes 42.

So the amendment was rejected.

AMENDMENTS OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer amendments; and I ask unanimous consent that this series of amendments may be considered en bloc.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. DELLUMS: Page 2, line 2, strike "$400,000,000" and substitute "$1,708,000,000"

Page 2, line 3, strike "$450,000,000" and substitute "$2,113,000,000".

Page 2, lines 20 and 21, strike "$183,500,000" and substitute "$608,000,000 for the fiscal year 1972 and $647,000,000 for the fiscal year 1973."

Page 3, line 1, strike "$30,000,000" and substitute "$100,000,000".

Page 3, line 2, strike "$30,000,000" and substitute "$105,000,000".

Page 4, line 7, strike "$378,250,000" and substitute "$1,218,000,000".

Page 4, line 8, strike "$428,250,000" and substitute "$1,524,000,000".

Page 4, lines 15 and 16, strike "$100,000,000" and "$125,000,000" and substitute "$347,000,000" and "$465,000,000".

Page 5, line 4, strike "$143,000,000" and "$143,000,000" and substitute "$461,000,000" and "$521,000,000".

Page 6, line 7, strike "$30,000,000" and substitute "$100,000,000".

Page 6, line 8, strike "$50,000,000" and substitute "$166,000,000".

Page 8, line 2, strike "$100,000,000" and substitute "$347,000,000".

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. MORGAN. Mr. Chairman, reserving the right to object, for clarification I should like to ask the gentleman from California a question. Do I correctly understand that the gentleman is requesting unanimous consent to have these amendments considered en bloc, and that they refer to various sections in the bill, beginning with the development loan section and continuing at various points to the East Pakistan refugee section?

Mr. DELLUMS. That is correct, Mr. Chairman.

Mr. MORGAN. If the Committee of the Whole grants the unanimous-consent request to consider the amendments en bloc, then really the gentleman is offering eight different money amendments to various sections as they appear in the bill.

Mr. DELLUMS. That is correct.

Mr. MORGAN. Mr. Chairman, as chairman of the committee I have no objection to the amendments of the gentleman being considered en bloc. I want to say that the gentleman from California offered these amendments in the Committee on Foreign Affairs during the markup of the bill, and the committee at that time gave him unanimous consent to offer them en bloc.

PARLIAMENTARY INQUIRY

Mr. FULTON of Pennsylvania. Mr. Chairman, reserving the right to object, I should like to make a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FULTON of Pennsylvania. If we vote on these particular money amounts for the various provisions of the bill, and there are other amendments to these sections, in my opinion this should then determine what the amounts are at each of these points in the bill. Otherwise we will have other amendments all the way through. Are there amendments to this amendment?

The CHAIRMAN. The Chair has no knowledge as to what other amendments will be offered.

Mr. FULTON of Pennsylvania. A further parliamentary inquiry, Mr. Chairman. If this amendment is voted down can there be further amendments then offered to the money provisions of the various sections of the bill?

The CHAIRMAN. If this amendment is rejected, when those particular sections are open to amendment there could be other amendments offered.

Is there objection to the request of the gentleman from California that the amendments be considered en bloc?

There was no objection.

Mr. MITCHELL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred four Members are present, a quorum.

The Chair recognizes the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, the congressional black caucus' recommendation five of its foreign policy statement to President Nixon proposed that the United States allocate at least 1 percent of its gross national product to international economic aid. The caucus statement noted:

> Of all major industrial nations, the United States for years allocated less proportionately for international development efforts. We propose that the United States direct at leas 1 percent of its annual gross national product to international aid, with priority attention to Africa.

The 1-percent GNP concept does not originate with the caucus. It goes back

to 1958 when the World Council of Churches adopted a proposal asking industrialized nations to divert at least 1 percent of national income to grants and development loans.

The theory gained initial official acceptance 2 years ago when the United Nations Commission on International Development—the Pearson Commission—formally recommended that all advanced countries allocate 1 percent GNP to lesser developed nations by 1975 at the latest.

Earlier, in 1960, the U.N. General Assembly adopted a resolution based on the 1-percent scheme, and at the first meeting of the U.N. Council on Trade and Development in 1964, the Development Assistance Committee endorsed the proposal.

AID PERSPECTIVE ON WORLDWIDE ASSISTANCE

A more thorough picture of the development situation is shown by the following analysis made by the Agency for International Development:

AID PERSPECTIVE ON WORLDWIDE ASSISTANCE

A. WORLDWIDE PROBLEM, WORLDWIDE EFFORT

Over two-thirds of the people of the world live in more than a hundred less developed countries. They enjoy only about one-eighth of the world's production of goods and services.

In the non-communist industrialized countries, the average annual gross national product is about $2,850 per person; in the less developed countries, it is little more than $200 apiece.

Those raw numbers—subject as they are to substantial distortion because of cost variations and differences of life styles between economically developed and less developed countries—are nevertheless suggestive of the disparity that does exist. Behind the statistics lie the realities of living and dying in the developing countries—widespread disease and malnutrition, high infant mortality, low life expectancy, extensive unemployment, wholesale illiteracy—the whole catalogue of physical and social ills which measure the human frustration and misery that go hand in hand with underdevelopment.

Malnutrition or undernourishment affects most of the children in the less developed countries. In a few, as many as one-half of the children die before they reach the age of five—primarily because they are malnourished and highly susceptible to "simple" infections and "childhood" diseases such as measles and whooping cough.

In some of these countries, there is only one doctor for every 20,000 or 30,000 or in extreme cases 50,000 people, compared to one for every 700 people in the United States.

One-fifth of the entire male labor force has either work that does not pay a living wage or no job at all.

Two-thirds of the adults are illiterate. Some 300 million school-age children get no schooling at all.

The problems that afflict the people in the less developed countries are not theirs alone—for the world's problems are not contained by national boundaries. Disease ignores national boundaries, pollution flows across national boundaries; the impact of uncontrolled human reproduction vitally affects the well-being of all nations. Such problems cannot be bottled up. Neither can the sense of injustice, frustration and bitterness which will accrue if people in the less developed world are unable to see progress toward a better life.

For in a world where the poor, seeing affluence around them, are no longer resigned to perpetual poverty, violence is likely to be the result of economic stagnation and social indifference. And violence, too, flows across national borders.

There are now about 3.6 billion people in the world—three times the population of 100 years ago. In another 100 years, *at the present growth rate*, there could be *25–30 billion people* on the earth. If, by the year 2040, each family had on the average of no more than two children, the world population would stabilize 70 years later in 2110 at about 15 billion, an awesome figure more than four times the present world population. Even if the world could achieve the two-child family by the year 2000 (not an easy task by any means), the world population still would not stabilize until it reached 8.2 billion—more than double the present population and an immense drain on the earth's limited resources.

We cannot ask ourselves where the rich countries will be in the years ahead without asking where the whole world will be. And we cannot imagine that as the world's increased population places an ever greater burden on the earth's resources—and on man's capacity to live at peace with his fellow man—we few in the economically developed countries can live comfortably here while across the continents of Asia, Africa and Latin America billions struggle desperately to eke out an existence. There can be no assured peace for the rich countries unless we develop a world order based on social and economic progress.

The rich nations of the non-Communist world have responded to these stark facts by joining in a broad international aid effort to help the poorer countries meet the critical problems of development. Recognizing the self-interest, as well as the simple humanity involved, they have provided increasing amounts of assistance over the years to help the developing countries fulfill in greater measure the aspirations of their people for a better life.

The development assistance effort has now become a worldwide cooperative effort to which virtually every major industrial nation contributes—compared to 15 years ago, when the United States provided the bulk of the aid.

The developing countries, too, are putting more money, talent and political muscle into the effort. Their contribution to their own development far surpasses all the help they receive from other countries. On the average, they are investing eight dollars from their own resources for every dollar which comes to them through foreign assistance.

The result has been a sizeable measure of economic growth. The developing countries have increased their Gross National Product at a rate of more than 5% a year over the past decade. This is considerably faster than the growth rates estimated for the presently industrialized countries in the early stages of their development. This progress has not been confined to particular regions or to countries with particular resources, topography, or population.

A number of former aid recipients—Taiwan, Argentina, Mexico, Iran, Greece, and Israel—no longer need assistance. Korea and Turkey are candidates to join this group in a few years.

But the record of growth among developing countries is uneven. Major problems remain. Most countries will require some measure of concessional foreign assistance for the next decade, or more. There is now hope, however, on the basis of the record of the past 20 years, that the developing countries' aspirations for a better, more productive life for their citizens can be achieved.

While significant achievements have been realized, the struggle to raise living conditions to acceptable levels has a long way to go.

As we have planned our development assistance program for the 1970's, we have tried to strengthen it with adjustments designed to build on past progress as well as deal realistically with the world of the coming decade.

B. THE U.S. ROLE

For over 20 years the United States has played a leading role in the international development effort. We should continue to play a major role, for economic and social progress in the less developed world remains important to us, as it does to other industrialized countries and to the developing countries themselves. But the world has changed, and the United States no longer needs to play the dominant role.

In many of the poorer countries, the capability for planning and setting priorities has been improved to the point where they no longer need—and are rejecting—extensive guidance in development from others. They need access to new technology, and they need capital assistance, but they are increasingly capable of employing these inputs themselves.

Moreover, the growth of worldwide cooperation in development assistance has brought increased requirements for international and regional leadership. Many multilateral institutions have responded with strengthened capacities for the guidance of bilateral assistance programs such as ours and for the operation of truly international assistance programs.

Thus, today our contribution can best be made as part of the common effort in which the international agencies and the developing countries themselves increasingly take the lead.

The Types of Aid. The U.S. roles in the international development effort takes several forms, of which foreign aid is the most obvious and direct. But only part of the total U.S. foreign aid program is designed to further development; foreign aid is also used to meet immediate human needs and to help other countries achieve greater security. The President's new proposals would divide the U.S. foreign aid program into three components—development aid, humanitarian aid and security aid—to distinguish more clearly the separate purposes of each. Although there may be some overlap among the three types of aid, there are clear distinctions to be drawn in the overriding purpose—as well as in the nature of the results—of each kind of aid.

What is Development Aid? Development aid is provided to assist the economic and social development of less developed countries, i.e. increase their economic growth and distribute available goods and services more widely. The provision of development aid may result in increased security or direct and immediate relief of human suffering, but those are not its main purposes. Similarly humanitarian aid and security aid often contribute to development, even though they are provided for other reasons.

Development aid is meant to support economic and social change—to increase agricultural and industrial production, to educate and train people, to help prevent population growth from outrunning economic growth, to build lasting institutions, to reduce economic disparities and promote wider distribution of the benefits of economic progress. The aims of development aid are fundamentally long term; its goals can seldom be achieved quickly. It is not a very good instrument to try to achieve short-term political purposes, and it should not be measured against that standard.

In the long run, what happens in the developing world will determine in large part the fate of mankind. Our future cannot be separated from the future of the rest of the world. Development aid is a long-term investment in both.

C. U.S. INTERNATIONAL DEVELOPMENT ASSISTANCE PROGRAMS

The United States provides development aid under a variety of programs.

Authority for some of these programs—primarily Technical Cooperation, Development Lending and Voluntary Contributions to International Organizations and Programs—is now contained in the Foreign Assistance Act and is being sought for FY 1972 and beyond in the International Development and Humanitarian Assistance Act of 1971. This volume contains the basic Congressional presentation materials for those programs.

Authority for other programs—contributions and subscriptions to international financial institutions, Food for Peace (P.L. 480), the Peace Corps, the Inter-American Social Development Institute (to be renamed Inter-American Foundation), and the Overseas Private Investment Corporation (OPIC)—is contained in other legislation and presented to the Congress elsewhere.

Some of these programs are bilateral—although often provided in a multilateral technical assistance activities and to international banks—are entirely multilateral.

D. HOW MUCH DEVELOPMENT AID DOES THE UNITED STATES PROVIDE?

The amount of development assistance being provided by the United States is modest compared to this country's economic capacity and to the efforts of other economically developed countries.

International Developmnet and Humanitarian Assistance Act Programs. The $1.2 billion appropriation request for development assistance programs to be carried out under the International Development and Humanitarian Assistance Act amounts to

Only about half of one percent (0.5%)—one two-hundredth—of the Federal Budget, and

Little more than 1/10th of one percent (0.1%)—one thousandth—of our Gross National Product (GNP).

The Total U.S. Development Assistance Program. The total U.S. development aid program proposed for FY 1972—both bilateral and multilateral—amounts of $3.6 billion, or about 1½% of the Federal Budget and less than one-third of one percent (0.3%) of our GNP.

All U.S. Foreign Economic Aid. The total of all U.S. foreign economic aid proposed for FY 1972—whether development, humanitarian or security aid—amounts to less than $4.5 billion. This is about 2% of the Federal Budget and well under ½ of 1% of our GNP, compared to about 6 times those percentages during the beginning of the Marshall Plan.

HOW THE UNITED STATES COMPARES WITH OTHER COUNTRIES

The United States—with a GNP greater than all the other DAC members combined—now contributes less than half the economic aid going to less developed countries and multilateral agencies, with other countries' contributions expected to continue rising during the 1970's.

There are several ways of measuring foreign assistance—not all of them very meaningful. The DAC and the UN have set 1% of Gross National Product as a goal for the industrialized countries, but count toward that target flows of private funds, as well as official government resource flows, and the latter include everything from hard-term export credits to outright grants. Seven of the 16 DAC member countries exceeded the 1% target in calendar year 1969, the latest year for which figures are available. Many DAC countries have five-year plans to reach the target. The United States has subscribed in principle to the 1% target, but has not set any time in which to achieve it. By this standard of total financial resource flows as a percent of GNP, the United States ranked last among DAC member countries in 1969.

Official Development Assistance. In the last few years, the DAC has been using a more meaningful concept, called "official development assistance" (ODA), which excludes not only private funds, but also most hard-term credits and financing provided primarily to finance exports rather than to benefit developing countries. By this standard (which is approximately equivalent to total U.S. economic assistance), the United States ranked in 11th place in 1969.

Even the concept of official development assistance is an imperfect measure of foreign aid, primarily because while it contains only assistance provided on concessional terms, the terms nevertheless vary considerably, from grants to a few quite hard loans. The United States also ranked 11th among the DAC countries in relative softness of the terms of aid provided in 1969.

In short, the United States, which has more, gives less, and our proportion of the economic aid provided by all countries is still declining.

The 1-percent GNP concept embraces all resource flows. Summing the latest statistics of private and other governmental economic aid—that is, food for peace, Peace Corps, subscriptions/contributions to multilateral agencies—with the funds as recommended by the committe, this bill falls far short of the 1-percent level for both fiscal 1972 and 1973.

Yet already seven of 16 DAC—Development Assistance Committee—member countries exceeded the 1-percent target in calendar 1969. Other DAC members have 5-year plans aiming to reach the goal. The United States remains the one major nation subscribing in theory to the concept, but without a timetable for it. As the AID analysis concluded, we have more, give less.

THE DELLUMS AMENDMENT

This en bloc amendment has been calculated to show what the amounts of economic assistance could be if we were to allocate 1 percent of GNP for the next 2 fiscal years. The following chart presents in a concise form the increases I have just proposed.

REVISED AMOUNTS OF ECONOMIC AID

[In millions of dollars]

	Fiscal year 1972	Fiscal year 1973
Development loans	1,708,000	2,113,000
Technical cooperation	608,000	647,000
American schools and hospitals	100,000	105,000
Alliance for Progress (total)	1,218,000	1,524,000
Population assistance	347,000	465,000
International organizations	461,000	521,000
Contingency fund	100,000	166,000
East Pakistan relief	347,000	
OPIC[1]	19.000	19,000

[1] OPIC is fixed by law at $19,000,000; therefore, differential amount between $19,000,000 and what OPIC would be at a 1 percent GNP rate calculation has been added instead to development loans.

METHOD OF COMPUTATION

(1) Total economic aid (A) = Private flows (P) + Foreign Aid Bill (G_1) + Other Government Aid (G_2):

$$A = P + G_1 + G_2$$

(2) Assume (P) and (G_2) grow at same rate as total economy, a rate we assume to be around 3%.

For calendar 1970, P=$2.75-billion; at a 3% rate, the fiscal 1972 amount=$2.91-billion and for 1973, $2.99-billion.

For fiscal 1972, G_2=$2.21-billion; at a 3% rate, for fiscal 1973, it would be $2.27-billion.

(3) Objective is for (A) to reach 1% GNP.

(4) With the amount as recommended by Committee, (A) is much less than 1% GNP for either fiscal 1972 or fiscal 1973.

(5) Therefore, the calculations are to increase the bill (G_2) by the difference between (G_2+P) and 1% GNP.

(6) For 1970, GNP=$990-billion; a reasonable estimate—one done by the UCLA Business School—sees 1971 GNP reaching $1.052-trillion.

(7) Therefore, for fiscal 1972:

($P+G_1+G_2$) = $6.55-billion and 1% GNP = $9.9-billion and difference is approximately $3.5-billion.

And, for fiscal 1973:

($P+G_1+G_2$) = $6.74-billion and 1% GNP = $1.052-billion and difference is approximately $3.78-billion.

(8) Summing all economic aid components, the calculation is made to find the percentage each is of the total economic aid package.

For example, Development Loans=26% of fiscal 1972 economic aid and 31% of fiscal 1973 aid.

(9) That percentage is then multiplied by the total difference figure between (A) with the Committee figures and (A) at 1% GNP.

For example, Alliance for Progress:

$3.5-billion • 24% = $840-million.

(10) That amount is then added to the amount in the Committee bill to get the figure recommended in the amendment.

For example, Alliance for Progress:

$840-million + $378-million = $1.218-billion.

Mr. Chairman, I submit this amendment because I believe that our Nation cannot afford not to aid the lesser-developed peoples of the world. Compared to the percentages of GNP we have wasted on carnage and destruction, even the 1-percent level is too low.

Mr. MORGAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from California is submitting the same sort of amendment he presented in the committee. His basic argument is that the developed countries should be able to afford 1 percent of their gross national product for foreign aid. This might be true in the case of some of the other countries who are not carrying the other international commitments that this great country of ours has to carry.

Mr. Chairman, if we accept the theory on which this amendment is based and if the gross national product of the United States at the present time is almost a trillion dollars, this would increase our foreign aid total to almost $9 billion.

I know the gentleman is sincere in seeking economic aid for the poorer countries of the world, but there is no long-range program for using this increased amount of money.

For instance, the gentleman proposes to increase the Development Loan Fund from $400 million to $1,708 million. There is no program ready that could absorb that amount. With reference to the Alliance for Progress the gentleman would increase that amount from $378,250,000

to $1,218 million. There is no program for using this amount of money.

With reference to programs relating to population growth the gentleman's amendment would increase the amount from $100 million to $347 million.

Mr. Chairman, we could not spend that kind of money on population control in the world today.

With reference to the international organizations the gentleman's amendment would increase the amount of $143 million to $461 million. Again, there is no program worked out by these organizations to absorb that amount of money.

Now turning to the increase in East Pakistan relief from $100 million to $347 million, that amount could possibly be used, but the committee in this authorization bill is providing a contribution of $100 million. We will be doing our share. There should be a worldwide relief program and not just a burden for the United States to carry alone.

Taken in all, Mr. Chairman, the $9 billion figure called for by this amendment I feel is much too much and I ask for its defeat.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not share the attitude of all-out criticism of the foreign assistance program that has been reflected in some of the debate here today. I believe that the Marshall plan in view of all of the alternatives was a resounding success. I believe that continuing investments in developing countries can well prove a better policy for us than for us to fail to do what this bill provides that we do in that area.

Mr. Chairman, it would seem to me that if the Nixon plan is to be implemented, with our lower profile in Asia, with our development of a partnership relationship with other countries which might assume some share of the burden of the continuing development program in underdeveloped countries, and if we can replace dollars for such combat involvement of our young men as has been the case in Vietnam and Korea, we should want to do this.

Mr. Chairman, I support the committee bill. However, the gentleman from California overlooked in his amendment many other forms of aid which we are presently extending. The gentleman overlooked the fact that under the Marshall plan we gave up to 3 percent of our GNP. In other words, we had a very substantial headstart over all other countries in giving aid and I think it is now time for our partners to do their share.

Also we should consider the tremendous military burden that we have carried in assisting other countries. So it seems to me that the gentleman is unrealistic in his suggestions, and I believe the gentleman has failed to see and consider what the United States has already done in this respect, and is doing. I believe this bill is at a level that is adequate, that is completely adequate to pay our fair share of whatever partnerships we enter into in either defense or development of these countries.

Therefore, Mr. Chairman, I urge the defeat of the amendments offered by the gentleman from California (Mr. DELLUMS).

Mr. GROSS. Mr. Chairman, would the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, did I understand the gentleman to say that something on the order of money was substituted for Americans in Vietnam?

Mr. BUCHANAN. I said that the President had indicated as part of the Nixon plan, which I support, that in the future we would seek to provide our economic and military assistance to such countries, but we would seek to avoid a combat role, as in Vietnam and Korea, and to the extent that we can substitute economic and military assistance to those countries which are important to us and to which we have previous commitments, for the kind of combat involvement which we now have in Vietnam, I think this would be a good idea.

Mr. GROSS. I was afraid the gentleman had been carried away by something, because there is no evidence now that there has been anywhere a substitute for American combat troops. When the United States gets into a war Americans do most of the fighting and all of the financing and the gentleman knows it.

You could spend 10 times the amount that has already been spent on foreign aid, and you would still get the same result. When blood and guts are spilled these days, it is Americans, who are called upon to spill them, regardless of the billions we throw around the world.

Mr. BUCHANAN. I will say to the gentleman that the President has indicated this will not be the case in the future, but in order to fulfill the kind of commitments and obligations that are in our own national security interest, it seems to me that economic and military assistance is necessary for this purpose.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. DELLUMS. Mr. Chairman, would the gentleman yield?

Mr. FASCELL. I yield to the gentleman from California (Mr. DELLUMS).

Mr. DELLUMS. Mr. Chairman, I would like to comment briefly with respect to the statements that the previous speaker made so that he would not be in the position of making incorrect statements on the floor of the House of Representatives.

Time did not permit me to be able to explain how the figures were computed. We did introduce some figures in committee, but they did not include the total foreign assistance to the multilateral agencies, nor did they include the private flow. However, the figures that we have introduced on the floor of the House of Representatives today, Mr. Chairman, in these amendments which have been offered en bloc, do include—and the figure we are utilizing—the total economic aid we were projecting and includes the private flow plus the foreign assistance bill plus all other Government aid to multilateral agencies.

So I would like to correct the gentleman's statement so he would not be in the position of making an incorrect statement.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I do not have control of the time.

Mr. FASCELL. I have control of the time.

Mr. Chairman, I want to commend the gentleman from California for offering his amendment. While I shall not support the amendment, I know of the gentleman's sincerity in representing the views of the black caucus with respect to their interests in foreign economic assistance. I think his purpose is commendable to call attention to a goal desired by many people.

As a matter of fact, the 1-percent figure of gross national product for economic assistance abroad is a figure which has been deemed desirable by many experts both in development and finance. Some important international commissions which have studied the whole problem of underdevelopment and the need for assistance by developed countries have concluded that 1 percent of GNP is a minimum. The OECD has arrived at that figure. So the amendment of the gentleman from California is an expression of the desirable level of assistance which has to be met in the view of many people who have made a very serious study of the underdevelopment in this world, and the commitment that would have to be made by the developed nations if we are to in some way resolve the difficulty.

I am not saying that the United States has not more than adequately met its commitment already, and on that point we can agree with the gentleman from Alabama (Mr. BUCHANAN) who spoke on this.

But I think the point of the amendments is apparent, if I understand the gentleman from California (Mr. DELLUMS) that the United States can and ought to continue to realize the problems of underdevelopment around the world are severe, and we must assist as much as we can to the peaceful processes of helping humanity rather than relying only military means to solve problems; and thereby we would probably have a better world and a better country.

So for that purpose and with that understanding I commend the gentleman.

However, I am not sure, Mr. Chairman, that we at this point in time can fulfill that desirable aim and goal in terms of national commitments, in terms of increased authorizations, or increased appropriations.

Nevertheless this amendment is an expression which deserves commendation and gives recognition to a fact that despite what we have done, and we do have a proud record in this country in our aid to other people—despite all this and despite the assistance of other developed countries there remains so much more to be done.

Mr. MONAGAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there has been question about the contribution that the United States has made over the years in the form of assistance to underdeveloped countries of the world. And I think it is a bit easy to denigrate the role we have played. But actually when one looks at the records and reads the figures that have been assembled to show how much of our gross national product is actually going into these programs I do not think it is too far from the objective that has been set forth by the gentleman from California.

For example, in 1970, according to the statistics assembled by AID there were $4.7 billion passing from the United States to other countries of the world. Of course this is not limited to the program that we are considering today but it includes the Export-Import Bank and Food for Peace and many other programs. If we added the military it comes to a total of $5.8 billion. And if we add the private flow which recent figures show as being $2.2 billion we come to $8 billion or very close to the figure which I estimate would be something over $9 billion a year.

So I do not believe that we have anything to be ashamed of, in our international effort and certainly the considerations that have gone into the reductions in this program have been those relating to providing greater assets and greater resources to solve our domestic problems rather than those in the international sphere.

Mr. LONG of Maryland. Mr. Chairman, I move to strike out the last word and rise in opposition to the amendment.

Mr. Chairman, I wonder if the gentleman from California has considered all the consequences of his proposal of vast sums of money for foreign aid. He has mentioned that he belongs to a liberal group which has proposed a long list of domestic projects—a list that adds up to hundreds of billions of dollars for internal improvements. We know that those vast sums of money are not going to be spent because we do not have them. Yet the gentleman wants to "shoot the works" on a vast foreign aid program over which we have very little control.

Now he talks about our trillion dollar economy, and says we ought to be spending 1 percent of that on foreign aid.

Apparently it is assumed that we have to be No. 1 in the world in every category of foreign adventure.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. Not at the present moment.

I wonder if the gentleman realizes how much we are being asked to spend on foreign aid this year and how much in past years. We are talking here about a very narrow category of foreign aid expenditures.

I have a list here of 25 different requests for foreign aid assistance which are before us for the 1972 fiscal year:

New requests for authorization and/or appropriation for foreign aid and assistance (July 1, 1971) fiscal year 1972

Foreign Assistance Act (including Military Assistance)	$3,313,000,000
Overseas Private Investment Corporation (OPIC)	25,000,000
Inter-American Development Bank	500,000,000
Inter-American Development Bank (supplemental)	486,760,000
International Bank for Reconstruction and Development (supplemental)	246,100,000
International Development Association	320,000,000
Asian Development Bank	40,000,000
Asian Development Bank (supplemental)	60,000,000
Expanded Multilateral Assistance	35,000,000
Receipts and Recoveries from Previous Programs	370,310,000
Military Assistance (in Defense Budget)	2,250,800,000
International Military Headquarters	74,400,000
Economic Assistance (in Defense Budget)	90,900,000
MAAG's, missions and military groups	262,600,000
Permanent military construction—foreign nations	106,000,000
Export-Import Bank, long-term credits	2,445,000,000
Export-Import Bank, regular operations	1,195,639,000
Peace Corps	82,200,000
Ryukyu Islands	4,450,000
Migrants and refugees	8,650,000
Public Law 480 (agricultural commodities)	1,320,400,000
Contributions to international organizations	160,680,000
Education (foreign and other students)	51,000,000
Trust Territories of the Pacific	59,739,000
Latin America Highway (Darien Gap)	20,000,000
Total new requests—foreign aid and assistance—fiscal year 1972	13,528,628,000

These requests add up to $13,528,628,000. Too much of this is military assistance—which I oppose. I wish we could get rid of our military assistance program. Even if you subtract the military assistance from the $13,528,628,000, we are left with more than $10 billion in economic aid programs. That is over the 1 percent of our national income that the gentleman feels should be our goal.

A lot of people deprecate the American foreign aid program by redefining it, by narrowly defining what we are asking for. But if you add together all the facets of our aid program—you have an impressive sum, and we surely are at the top of the world.

I do not see why we have to be up-to-date on spending 1 percent of our GNP on foreign aid even if that goal were being met. I would defy anybody to name any country, over the last 25 years, that has given as much money away in economic aid to all countries, either in absolute terms or in percentage of its gross national product, as the United States.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from New York is recognized.

Mr. ROSENTHAL. Mr. Chairman, I had not intended to speak on this amendment, but the fact that the gentleman from Maryland suggested that perhaps it was not sensibly authored or did not have merit strikes me as kind of silly to begin with. He said that the gentleman from California wants to "shoot the works," but let me tell you how I see "shooting the works" in this thing. The gentleman from Maryland is a distinguished economist, and I am sure he has read some of the works of Barbara Ward, a colleague of his in the field of economics. Mrs. Ward has suggested many times that if this planet were to survive, you could not have one-third of the world, which is probably the top half, rich, and the bottom two-thirds of the world poor, that at sometime in history, maybe not next year or the year after it, but some time in history there would be a confrontation between those who have and those who have not.

My theory of economics, as distinguished from the brand of economics of the gentleman from Maryland, is that you ought to try to balance off the inequities that exist to prevent the configuration that could occur some time in the future. So that perhaps when you use the term "shoot the works," it means a penny spent today may prevent spending a great deal more sometime in the future.

The gentleman from Maryland also suggested—and he held his hands away—does the United States have to be No. 1 in everything? Sometimes I think we really ought to, but this is one of the fields we have been far from No. 1. There are a half dozen nations of the Western World that have contributed more per capita, more in terms of percentage of their gross national product, than has the United States.

I am perfectly willing to admit that the amendment offered by the gentleman from California is provocative. It is almost radical. But it has been offered by many, many responsible citizens of this world, and it is something to shoot at. It is a very realistic effort to acheive a goal that might sometime in the future bring tranquillity to our sorely troubled society.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield? He has mentioned my name.

Mr. ROSENTHAL. I yield back the balance of my time.

The CHAIRMAN. The question is on the amendments offered by the gentleman from California (Mr. DELLUMS).

The amendments were rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TECHNICAL COOPERATION AND DEVELOPMENT GRANTS

SEC. 102. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to technical cooperation and development grants, is amended as follows:

(a) In section 212, relating to authorization, strike out "$183,500,000 for the fiscal year 1970, and $183,500,000 for the fiscal year 1971" and insert in lieu thereof "$183,500,000 for the fiscal year 1972 and $183,500,000 for the fiscal year 1973".

(b) In section 214(c), relating to authorization for American schools and hospitals abroad, strike out "for the fiscal year 1970, $25,900,000, and for the fiscal year 1971, $12,900,000" and insert in lieu thereof "for the fiscal year 1972, $30,000,000, and for the fiscal year 1973, $30,000,000".

(c) At the end of such title II, add the following new section:

"SEC. 220A. SUEZ CANAL.—The President is authorized to furnish financial assistance, on such terms and conditions as he may determine, for assisting in the reopening of the Suez Canal after agreement has been reached by the parties involved, which agreement provides for the use of the canal by the ships of all nations, including Israel, on a nondiscriminatory basis. For the purpose of carrying out this section, there are authorized to be appropriated such sums in Egyptian pounds now owned by the United States and determined by the President to be excess to the normal requiremens of departments and agencies of the United States. Amounts appropriated under this section are authorized to remain available until expended.".

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I should like to ask the chairman, for purposes of the record, one question. I hope it can be limited to one. Am I correct in assuming that there is no intention of committing the United States in any way, shape or manner to provide troops under the terms of the section just read; that is, to provide troops for the purpose of protecting the Suez Canal once it is opened under the terms of this section?

Mr. MORGAN. I would not think this section would give the President that authority. If the chairman of the Committee on Foreign Affairs thought it did, he would not approve the section. All this would do is give the President the authority to negotiate or to use some of the surplus Egyptian pounds we have now in Egypt. I understand, it is about $250 million, in helping to open this canal. These Egyptian pounds are surplus to our needs for any other purpose.

Mr. GROSS. So it would be the gentleman's understanding that the use of the funds would not be used for the stationing of U.S. troops on the Suez Canal?

Mr. MORGAN. That is correct.

Mr. GROSS. I will say to the gentleman, I cannot think of a better way to become involved in another war than to station U.S. troops on the Suez Canal.

Mr. Chairman, I thank the gentleman for his response.

AMENDMENT OFFERED BY MR. DOW

Mr. DOW. Mr. President, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dow: On page 2, line 20, strike "183" and substitute "167". On page 2, line 21, strike "183" and substitute "167".

The CHAIRMAN. The gentleman is recognized in support of his amendment.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. DOW. I yield to the gentleman from Pennsylvania (Mr. MORGAN.)

Mr. MORGAN. Mr. Chairman, the gentleman is speaking of 167, and I assume he is speaking about 167 million?

Mr. DOW. That is correct.

Mr. MORGAN. This amendment means the gentleman is talking about 167 million?

Mr. DOW. Dollars. I thank the gentleman.

Mr. Chairman, I offer an amendment to strike the $26 million in section 102 of the bill under "Technical Cooperation and Development Grants" which has been requested for public safety funds for fiscal year 1972 and the same amount would be striken for fiscal year 1973.

In reading over the brochure explaining this section I was impressed with the fact that the times have caught up with the rhetoric heard in the Chamber for the past few years. By providing these funds for public safety we truly can be called the world's policeman. We stand ready, apparently, to provide everything from "correctional facilities"—loosely translated as tiger cages—to assisting Pakistan, and here I quote the unfortunate language found in the congressional presentation for the international security assistance program:

Pakistan has been making a serious effort to build up the police as its first use of defense against threats to internal order." I recognize that the Foreign Affairs Committee has wisely provided a cutting off of all military, economic or other assistance under this bill—but the language found in the AID documents should not be overlooked. While the brochure does mention that the recent strife has brought assistance efforts to a standstill, it remains regrettably hopeful when it states, "there continues to be a need for public safety assistance in Pakistan.

The greatest resources planned in the bill for public safety are for Vietnam and Thailand, the other 25 countries average out to roughly $100,000. My mathematics, if correct, indicate that Vietnam will receive $11,148,000 for assistance in training police and improving telecommunications, and correctional centers. The average cost of the training for the 186 U.S. advisors and 13 third-country nationals is $34,000. While the average training cost for the Vietnamese policeman is equivalent to an American college education, $3,610, or at least a good part of it.

Thailand does all right too, here, being committed to $9,000,000 for fiscal year 1972. This figure is almost double the total of $5,000,000 listed for 1971.

Mr. Chairman, my amendment would simply cut off these funds. I cannot believe that our good intentions in exporting modern police methods are as respected by the peoples in the countries we are proposing to assist. Perhaps it is overly simplistic to recall our own history and discover that the Redcoats we finally drove from these shores would have been able to submit their proposal for funds on a Government form to maintain internal security.

We are not buying time or friendship with these funds, nor are we purchasing internal reform. The infrastructure of a developing nation is not shorn up by money which preserves the present political order.

An administration spokesman, testifying this year on the public safety program before the Foreign Relations Committee in the other body, said these funds "can serve to prepare civil police forces to prevent the development of threats to internal order before they become explosive problems requiring military action."

Yet, the United States today might be picking the wrong side when it provides funds for police in other lands.

Perhaps we are supporting satraps, exploiters and military dictators, when we should, instead, be supporting the people.

We should be remorseful when we see that American-supplied equipment contributes to death and defeat of people trying to assert independence. This has happened in the capitals of South America and is happening today in East Pakistan.

Have we not learned anything from Vietnam? Have we not learned of our own incapacity to properly judge the merits of internal disputes in distant nations? Or, has the arrogance of power gone permanently to our head?

I submit that if the Congress is so determined to improve public safety we could very well use these funds for our own policemen's salaries and our own correctional programs. I urge the adoption of this amendment.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

First I should like to call to the attention of the gentleman from New York that when he talks about $26 million in his amendment, he apparently is asking for a reduction of that amount but the way I figure, the difference between $183 million and $167 million is only $16 million.

I can see where he gets the figure of $26 million, but there is only $5.4 million for public safety in this technical assistance figure.

The gentleman from New York, it seems, wants to penalize the technical assistance section by taking out the full amount for all public safety programs in this bill from technical assistance.

There is some money in the bill in the security supporting assistance authorization for some of the countries he named, for public safety, but that should not be taken out of this section. It belongs over in the part 2 of the bill in the security supporting assistance section. There is only $5.4 million in this section for public safety.

Let us look at what public safety is. This is a point four type program. This is one of the most popular programs we have in the entire foreign aid program.

Of course there are people in Latin America working on technical assistance police work. We are teaching police officers how to take fingerprints. We are teaching them how to build crime laboratories. We are teaching them about police communications. We are teaching them about different police training methods and so forth, because this is the point four type approach and public

safety is very important in any country if the country is going to develop economically.

I believe this is a very important program, but only $5.4 million in technical assistance is involved. The $16 million covered by the amendment of the gentleman from New York is too large to do what he says he wants to do. It should be $5 million; $16 million might be cut from supporting security section in part II in order to be consistent.

So, Mr. Chairman, I am asking the House to defeat the amendment.

Mr. HALL. Mr. Chairman, the time has come to arise in support of the civilian constabulary. I oppose the amendment intended to eliminate our public safety officers who work overseas and around the world in the interest of peace, security, and safety.

Those of us who have studied this organization sufficiently to truly understand its dedication, direction, mission, and objectives; are a thousandfold reassured of its economy and worthwhileness. Its history dates from the G–5 or civilian occupational forces during and after World War II. One of its proud accomplishments is the training of the Japanese security police forces. Since then the organization's Police Academy in this city has trained thousands of nationals from friendly countries in control of traffic, riots, borders, subversion, and narcotics, to mention only a few of their missions and objectives. They are economical and indeed have developed communications devices adopted by some of the armed services.

I consider the Director of the Office of Public Safety as a close personal friend and hold him in the highest esteem. His experience is outstanding and his integrity plus organizational ability and hard work have been demonstrated. All of the officers I have known have been paramount in training and ability.

In recent years an attempt was made in the interest of economy to replace these dedicated and knowledgeable servants of the public trust and safety with men in uniform, such as drafted and trained military police. It just does not work and one of the obvious and principal reasons is the sovereignty and nationalism of the host countries in which the dedicated advisers work.

Mr. Chairman, it is a weird coincidence that we should discuss this bill and amendment on the anniversary week of the assassination of OPS officer and adviser Don Mitrione in Uruguay while in line of duty. I shall not repeat, but call your attention to my remarks and those of his Representative in Congress, the Honorable DAVID W. DENNIS, of Indiana, in the August 5, 1970, CONGRESSIONAL RECORD. Also ibid, CONGRESSIONAL RECORD, volume 116, part 21, page 28071.

The people, the Department, and the Corps still recall Don Mitrione and I insert here a list of anniversary memorial services for him at home, in Montevideo, and in this city. I also include a beautifully conceived and written editorial in the National Observer of yesterday by Peter T. Chew. It is time for all who respect rule by law, duty, honor, and country—plus world peace and order—to stop, think and pray for men like this.

The material follows:

MEMORIAL AND COMMEMORATIVE EVENTS, FIRST ANNIVERSARY OF DAN MITRIONE'S MURDER, AUGUST 10, 1971

MONTEVIDEO

6:30 p.m. Special Memorial Mass, at Catholic Church of Sacred Heart.

Special Prayers—Holy Trinity Episcopal Church.

Dedication Mitrione Plaque in Entrance to U.S. Embassy Chancery.

WASHINGTON

Memorial Mass at St. Stephens-Martyr Catholic Church, 25th & Pennsylvania, N.W., sponsored by four Uruguay Police now attending International Police Academy. 11 a.m.

Secretary of State awards Secretary's Medal for Heroism posthumously to Dan Mitrione, to be accepted by his widow, Mrs. Henrietta Mitrione.

RICHMOND, IND.

8 a.m. Memorial Mass at Holy Family Catholic Church, conducted by Father Minton. Mitrione was a lay leader in this church during the period he was Chief of Police in Richmond before joining A.I.D.'s Public Safety Program in 1960.

[From the National Observer, Aug. 2, 1971]

DAN MITRIONE'S LEGACY

(By Peter T. Chew)

On August 10, Secretary of State William P. Rogers will present the State Department's highest posthumous award for bravery to a hero of this country's quiet "war" against Communist terrorists and subversives. He was Dan Mitrione, a civilian police adviser, who was kidnaped and brutally murdered a year ago by Tupamaro urban guerrillas in Montevideo, Uruguay. In other ceremonies this month, Uruguay will issue a commemorative stamp in his honor, and the city of Montevideo will name a street for him. Mr. Mitrione was a member of the Office of Public Safety of the Agency for International Development (AID). The organization provides advisers to police departments, mostly in underdeveloped countries, to help them cope with terrorists and common criminals alike by upgrading their training, equipment, and tactics.

Because men such as Mr. Mitrione have been so effective, it is not surprising that they have become targets of Communist propaganda. Mr. Mitrione, say the Communists, was in Uruguay to teach the local police how to torture political prisoners. Harder to understand is the apparent eagerness of so many liberal U.S. congressmen, newsmen, clergymen, and academics to believe the worst about their fellow Americans who have put their lives on the line in this struggle.

For instance, Sen. Frank Church, Idaho Democrat, in his capacity as chairman of a subcommittee on Western Hemisphere Affairs, dispatched two committee aides to Brazil this spring to check out—among other things—Communist-inspired charges that U.S. Public Safety advisers in *that* country were teaching torture tactics. Last week, Senator Church at least had the grace to concede, however grudgingly, that the charges were groundless.

Today there are 340 U.S. public safety advisers at work in 26 countries at the request of the host governments. It has been my experience that these men are carefully screened professional policemen of the highest caliber. They are, as well, brave men. Public safety advisers have been shot at, wounded, bombed, and murdered. Mr. Mitrione was the seventh adviser to lose his life—and one of the finest.

He was a quiet, gentle man, the son of Italian immigrant parents, a stanch Catholic, and the father of nine children. Before joining AID, he served as the popular police chief of Richmond, Ind., where he was noted for his work with youth. He continued his work with young people in Belo Horizonte, Brazil, where he served for four years before going to Uruguay two years ago. Belo Horizonte has named a street for him.

On July 31 of last year, Dan Mitrione was ambushed and kidnaped by Tupamaros in Montevideo. They threatened to kill him if the government of Uruguay failed to release scores of Communist terrorists from prison. The government refused, and his body was found in a stolen car on a Montevideo street.

Largely because of the force of Mr. Mitrione's personality and character, his murder may prove to have far-reaching significance for the future of democratic Uruguay. His murder led to a nationwide revulsion and may have turned the tide irrevocably against the Tupamaros. Perhaps his sacrifice, and those of the other public safety advisers who have given their lives, will lead to a greater understanding—and respect—in the United States for the important work that these advisers do.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Dow).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

HOUSING GUARANTIES

SEC. 103. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to housing guaranties, is amended as follows:

(a) In section 221, strike out "$130,000,000" and insert in lieu thereof "$230,000,000".

(b) In section 223(i), strike out "June 30, 1972" and insert in lieu thereof "June 30, 1974".

AMENDMENT OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FASCELL: Page 3, after line 25, insert the following:

OVERSEAS PRIVATE INVESTMENT CORPORATION

SEC. 104. Section 240(h) of title IV of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to agricultural credit and self-help community development projects, is amended by striking out "June 30, 1972" and inserting in lieu thereof "June 30, 1973".

And renumber the following sections accordingly.

Mr. FASCELL. Mr. Chairman, this amendment simply extends the pilot program. There is a great deal of interest in this body and in the committee, in the community credit guarantee program.

When we went to the 2-year bill we overlooked extending this section. This amendment extends the program 1 more year.

I will be glad to yield to the distinguished minority leader of the committee.

Mr. MAILLIARD. Mr. Chairman, I have not had an opportunity to talk to all of the members of the committee, but as far as I am personally concerned, I think this is a good amendment. Really, we would have put it in in the committee if we had thought about it.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I am glad to yield to the distinguished chairman.

Mr. MORGAN. Mr. Chairman, I want to concur with what the gentleman from California (Mr. MAILLIARD) said. This

merely confirms the 2-year program in the rest of the bill, and we have no objection to it.

Mr. FASCELL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. FASCELL).

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ALLIANCE FOR PROGRESS

SEC. 104. Section 252(a) of title VI of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to authorization for the Alliance for Progress, is amended by striking out "for the fiscal year 1970, $428,250,000, and for the fiscal year 1971, $428,250,000" and inserting in lieu thereof "for the fiscal year 1972, $378,250,000, and for the fiscal year 1973, $428,250,000".

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of H.R. 9910, to extend the Foreign Assistance Act.

None of us likes every part of this bill: for some it contains too little, for many more it contains too much, and for a growing number of Members its heavy emphasis on military assistance is an increasing source of concern, as indeed it should be. But, taken altogether, and despite all its many weaknesses, I believe that continuance of the foreign assistance program remains vital to our own national interest, because on a steadily shrinking globe, what happens far away does and will continue to affect us whether we wish it to or not. This does not mean we must play policeman to the world, but it does mean that we must continue to be what President Roosevelt once called a good neighbor.

As chairman of the Inter-American Affairs Subcommittee, I want to take just a few moments to speak about our relations with Latin America and the importance of continuing our assistance programs in this hemisphere.

First of all, let me be frank and say at the outset what is already becoming apparent: the decade of the 1970's will be overshadowed by rising problems in U.S. relations with Latin America. There are even today many unresolved problems:

Conflicts, accompanied by seizure of American fishing vessels, over fishing rights in ocean waters off the coasts of Ecuador, Peru, and Chile;

Graver conflicts which cut across interests of national and hemispheric security, over claims to 200-mile territorial seas by nine Latin American countries;

A movement toward economic nationalism accompanied by the expropriation of foreign investments, the largest and most vulnerable share of which is American;

Difficulties in trade over the entry of Latin American goods into U.S. markets at a time when recession and unemployment have turned many traditional supporters of free trade toward protectionism;

Political and security problems arising from the inability of some Latin American governments to cope with internal terrorism, and the growing reluctance of many Americans to help authoritarian and militaristic regimes through public safety programs;

Diversion of scarce development funds to increasing military expenditures in some countries where such a need is difficult to perceive; and

Expanding ties between some Latin American countries and the Communist world which could have serious security and economic complications.

These are just a few of the problems. There will be many more and perhaps more serious ones as we move through the seventies, for these individual problems are really only symptoms of what really is the overriding issue in Latin America: the need for rapid economic and social development.

It is difficult to comprehend the enormous problems confronting Latin America; the world's highest birth rate, unemployment equivalent to 27 percent of the work force, massive illiteracy and ill health, a migration to the cities which is shattering centuries-old social and economic patterns virtually overnight. I could go on. The statistics are overwhelming. The facts—the sheer misery of millions—are staggering.

It is against this background that we must measure our relations with Latin American governments. The pressures on them are immense. Even where development efforts seem to be working, there has been so far almost no impact on the life of the masses. Progress is agonizingly slow. Despite tremendous efforts, Latin America has not yet found the key to rapid economic growth, but it is trying, and to a certain extent, since the inception of the Alliance for Progress, it has succeeded:

Annual growth in GNP has averaged 5.2 to 2.4 percent on a per capita basis;

Tax collections have increased and with them public expenditures on housing, education, and health facilities;

Industrial production has increased significantly, allowing greater trade diversification; and

Major progress has been made in education and with increased emphasis, the process of eliminating illiteracy is being accelerated.

These accomplishments indicate, more than anything else, that the process of change and growth vital to Latin America's future has begun. The United States can be proud of the part it has played in this process, but there is a long, long way to go.

These are times that call for patience and for a steady hand on the part of the United States. It is a time to continue and to strengthen our constructive partnership with Latin America—not to shrink back in fear from the momentous forces of change which we have helped let loose. It is a time for perseverance.

The bill before us today embodies just such a policy of continued partnership based not on short term problems, but on long term friendship.

Admittedly, the bill falls short of the reorganization belatedly recommended to the Congress by the President, but it will provide needed continuity while Congress examines more closely the complexities of the President's proposals. In addition, this program incorporates several new innovations including a major reform recommended by the President—an increased role for the Department of State in coordinating security assistance programs. It also provides useful new tools for controlling international traffic in narcotic drugs.

Mr. Chairman, as I said at the outset none of us is totally pleased with every aspect of this bill. As with many pieces of legislation, it is a compromise between many conflicting points of view. Moreover, we must bear in mind that this bill deals with one of the most complex and difficult tasks which man has ever undertaken: the deliberate and systematic transformation of entire nations and societies to a new way of life. We should not, therefore, be surprised that we do not have all the answers—that this program itself is far from perfect.

I hope that 1971 will not be the year that the Congress will turn its back on this vital program—that this will not be the year we shirk our responsibilities because of the enormity and complexity of the problems we face abroad. I hope we will reaffirm our friendship and concern for the rest of the world. I hope we will enact H.R. 9910.

AMENDMENT OFFERED BY MR. GROSS

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 4, beginning in line 7, strike out "for the fiscal year 1972, $378,250,000, and for the fiscal year 1973, $428,250,000" and insert in lieu thereof the following: "for the fiscal year 1972 $300,000,000, and for the fiscal year 1973, $300,000,000".

Mr. GROSS. Mr. Chairman, I offer this amendment for two reasons. In the first place, it is a modest attempt to save a comparatively small amount of money on behalf of the overburdened citizens of this country, and in the second place I think we are spending altogether too much money in Latin America.

Mr. Chairman, I do not think it is necessary for me to speak at any length on what has happened most recently in Chile; for instance, where the former head of the Alliance for Progress, Allende, was made the Communist President of Chile and is the President of that country today.

Not only has Chile, but practically all the countries of Latin America have done very well with their feet in the foreign giveaway trough, and Chile, along with some of the rest of them has done a pretty good job of confiscating American properties. In order to salve the officials of Chile, officials of this country moved right in with $5 million worth of military assistance, gave them an armed, seagoing navy tug, and is now dickering with them for the credit purchase of 747 jets. Meanwhile, the Chileans have grabbed and hold without settlement thus far, three American-owned copper companies, plus other investments of Americans in that country.

Mr. Chairman, it is about time the people of Latin America and the heads of government in Latin America were told that we will no longer tolerate the confiscation of American properties, in-

cluding the seizures of American fishing vessels. I urge adoption of the amendment.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there are no illusions on the part of anyone, I am sure, about the difficulties that confront Latin America and the difficulties that confront the relationships between the United States and Latin America.

Yet, there are ties between us which we can ill afford to sever entirely or to severely impact as would be the case if an amendment of this kind is adopted.

Mr. Chairman, in the Western Hemisphere we must strive for unity and friendship notwithstanding differences of opinion, frustrations, and severe difficulties. It is almost impossible to conceive of the fantastic problems confronting the nations of Latin America underdevelopment, underemployment, ill health, and we could go on and on. We are all familiar with them. These countries have been struggling. They have made tremendous contributions to their own assistance. We in the United States have met our commitments, although in recent years they have been on a sliding scale, and this bill before you today reflects that downward trend with the lowest amount in 7 years.

I would hope, therefore, that we would not support the pending amendment which would be more drastic in its cuts and impacts in Latin America. The United States is not going to solve all problems unilaterally; and is not going to solve all the problems by military or other threats.

We do have considerable effort on the part of this administration and on the part of Latin American governments to solve the differences in claims of sovereignty over the ocean, or in fishing, or in expropriation of properties.

Suffice it to say that experience has shown us that punitive or restrictive actions usually have been counterproductive.

Therefore I would hope that we would not act on this amendment in that sense, as a punitive action. Many people are working extremely hard in delicate areas charged with high emotion to solve the problems in the Western Hemisphere. But let us not make the mistake that the United States alone can solve our problems; that the United States can remove our frustrations by turning our back on people who are struggling and by breaking apart the bulwark of freedom that must exist in the Western Hemisphere.

Such action is not the answer to solidarity, nor is it the answer to security of the United States.

And if we want to look at it from a purely personal point of view it certainly is not in our economic best interest. We cannot help American business which has $12 billion of investment in Latin America by attempting to be punitive to the Latin American governments who exercise sovereignty over those businesses. As long as they exercise sovereignty and we seek to exacerbate our differences, we are not going to help our own people or the Latins. Also let us not forget that as a national policy, we urge private investment abroad to carry out the concepts of the American free enterprise system to help our American businessmen, who sell a great deal in Latin America, and thereby help the national economy.

For all of these reasons, and others North America is inextricably bound to South America. It would be a grievous mistake, in my judgment, to permit the aggravations and the complaints and the actions which seem to us to be so impertinent to guide our policies, to blind us to what is in our best interest, and in the best interest of the free world.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from New Jersey (Mr. FRELINGHUYSEN).

Mr. FRELINGHUYSEN. Mr. Chairman, I want to thank the gentleman for yielding, and I commend the gentleman on his very eloquent and comprehensive statement.

I rise to oppose this amendment myself. If the Alliance for Progress means anything, and our relationship with Latin America means anything, it means that there should be continuing assistance such as is provided.

The gentleman from Florida has pointed out that there has been a very sharp reduction in the volume of assistance. The amount in the committee bill is the lowest that has been requested since the Alliance for Progress was invented.

Mr. Chairman, I hope we support the committee in the request for $428 million.

Mr. DENNIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to briefly support the proposal of the gentleman from Iowa (Mr. GROSS). It is very difficult for me to see why we should reward nations which confiscate our industries or which confiscate our fishing boats. I do not believe it is a good way to get good relations. I do not believe you make friends by letting people push you around, because they lose respect for you. That is one phase of the matter.

The other phase of the matter is that this has not been, as I understand it, a very successful program. Every nation in Latin America, or almost, is under a dictatorship of either the right or the left—and they have both. They are characterized uniformly by exceeding wealth on the one hand, and severe poverty on the other, and from what I have read the Alliance for Progress has done very little to change that, and they have done relatively little to change it themselves.

Now that is their business. I am not in favor of telling them how to run their countries. But I just doubt whether this is a very productive place to pour American money. The gentleman's proposals are quite modest. He is not removing the program. We are trying to save about $78 million here the first year, which I think would be better employed, and it would make this a better bill than it is now.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DENNIS. I yield to the gentleman.

Mr. GROSS. I thank the gentleman for his support of my amendment.

I would like to point out to the gentleman and to the House that we have put no less than $1,281,800,000 of American taxpayers' money into Chile—and it is pretty shabby treatment that the Chileans are giving us now.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. DENNIS. I yield to the gentleman.

Mr. FASCELL. I think for the purpose of the record this discussion should be put in better perspective.

There were expropriations in Chile of American copper interests by partial buy-ins which were negotiated and settled in 1969. Likewise, in 1971 a settlement was negotiated on the Bethlehem Steel properties, the NIBCO properties, the Bank of America properties, the Anglo-Lautaro properties, the ARMCO properties, and the RCA properties.

Of course settlements are difficult. Each country is sovereign. The United States is doing the best it can to resolve the differences that do exist and is cooperating with U.S. business interests.

I think, while we may want to criticize the Chilean Government, at the same time, we must give them credit for negotiating settlements already agreed to and urge them to continue prompt settlements with fair and reasonable payments.

Mr. GROSS. They have not settled for the seizures of the copper processing and mining properties. There has been no settlement.

Mr. FASCELL. There has been no settlement yet but they are in the process of negotiation and we hope they will be settled.

Mr. GROSS. Of course—and apparently there are those who think we should pay tribute to them in the meantime.

Mr. FASCELL. I am not aware that we are.

Mr. GROSS. We have paid tribute to them to the tune of $1,281,000,000.

Mr. DENNIS. Mr. Chairman, I am of the opinion that reformation should come before appropriation—and not afterward.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GROSS).

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 23, noes 63.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PROGRAMS RELATING TO POPULATION GROWTH

SEC. 105. Section 292 of title X of chapter 2 of part I of the Foreign Assistance Act of 1961, relating to authorization, is amended to read as follows:

"SEC. 292. AUTHORIZATION.—To carry out the purposes of this title, there is authorized to be appropriated to the President $100,000,000 for the fiscal year 1972 and $125,000,000 for the fiscal year 1973, which amounts are authorized to remain available until expended. Other funds provided to carry out the provisions of part I of this Act shall also be available to carry out the purposes of this title and, notwithstanding any other provision of this Act, funds used for such purposes may be used on a loan or grant basis.".

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 106. Section 302 of chapter 3 of part I of the Foreign Assistance Act of 1961, relating to authorization, is amended as follows:

(a) In subsection (a), strike out "for the fiscal year 1970, $122,620,000, and for the fiscal year 1971, $122,620,000" and insert in lieu thereof "for the fiscal year 1972, $143,000,000, and for the fiscal year 1973, $143,000,000".

(b) In subsection (b)(2), strike out "for use in the fiscal year 1970, $7,530,000, and for use in the fiscal year 1971, $7,530,000" and insert in lieu thereof "for use in the fiscal year 1972, $5,000,000, and for use in the fiscal year 1973, $10,000,000".

(c) In subsection (e), strike out $1,000,000 for the fiscal year 1970 and $1,000,000 for the fiscal year 1971" and insert in lieu thereof "$1,000,000 for the fiscal year 1972 and $1,000,000 for the fiscal year 1973".

(d) At the end of such section 302, add the following new subsection:

"(f) There are authorized to be appropriated to the President in addition to other amounts available for such purposes, $1,000,000 for the fiscal year 1972 and $1,000,000 for the fiscal year 1973, in Egyptian pounds owned by the United States and determined by the President to be excess to the requirements of departments and agencies of the United States, for the purpose of providing technical and vocational training and other assistance to Arab refugees. Amounts appropriated under this subsection are authorized to remain available until expended."

CONTINGENCY FUND

SEC. 107. Section 451(a) of chapter 5 of part I of the Foreign Assistance Act of 1961, relating to the contingency fund, is amended by striking out "for the fiscal year 1970 not to exceed $15,000,000, and for the fiscal year 1971 not to exceed $30,000,000" and inserting in lieu thereof "for the fiscal year 1972 not to exceed $30,000,000, and for the fiscal year 1973 not to exceed $50,000,000."

INTERNATIONAL NARCOTICS CONTROL AND REFUGEE RELIEF ASSISTANCE

SEC. 108. Part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new chapters:

"CHAPTER 8—INTERNATIONAL NARCOTICS CONTROL

"SEC. 481. INTERNATIONAL NARCOTICS CONTROL.—It is the sense of the Congress that effective international cooperation is necessary to put an end to the illicit production, trafficking in, and abuse of dangerous drugs. In order to promote such cooperation, the President is authorized to conclude agreements with other countries to facilitate control of the production, processing, transportation, and distribution of narcotic analgesics, including opium and its derivatives, other narcotic drugs and psychotropics as defined in the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Public Law 91-513). Notwithstanding any other provision of law, the President is authorized to furnish assistance to any country or international organization, on such terms and conditions as he may determine, for the control of the production of, processing of, and traffic in, narcotic and psychotropic drugs. In furnishing such assistance the President may use any of the funds made available to carry out the provisions of this Act. The President shall suspend economic and military assistance furnished under this or any other Act, and shall suspend sales under the Foreign Military Sales Act and under title I of the Agricultural Trade Development and Assistance Act of 1954, with respect to any country when the President determines that the government of such country has failed to take adequate steps to prevent narcotic drugs (as defined by the Comprehensive Drug Abuse Prevention and Control Act of 1970) produced or processed, in whole or in part, in such country from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents, or from entering the United States unlawfully. Such suspension shall continue until the President determines that the government of such country has taken adequate steps to carry out the purposes of this chapter.

AMENDMENTS OFFERED BY MR. MONAGAN

Mr. MONAGAN. Mr. Chairman, I offer two amendments.

The CHAIRMAN. The Clerk will report the first amendment.

The Clerk read as follows:

Amendment offered by Mr. MONAGAN: Page 6, line 23, immediately after "psychotropics" insert the following: "and other controlled substances".

Page 7, line 14, immediately after "narcotic drugs" insert the following: "and other controlled substances".

Mr. MONAGAN. Mr. Chairman, I offer another amendment, and I ask unanimous consent that the two amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The Clerk will report the second amendment.

The Clerk read as follows:

Amendment offered by Mr. MONAGAN: Page 7, line 16, immediately after "such country" insert the following: ", or transported through such country,".

Mr. MONAGAN. Mr. Chairman, I was the author of this section 481, "International Narcotics Control," which was unanimously adopted by the Committee on Foreign Affairs. After the committee had affirmatively passed on this section, it came to my attention that there were certain parts of it that might be either subject to misinterpretation, or to the claim that they were not sufficiently inclusive to cover all the situations that we had in mind to control.

The first amendment read by the clerk would cover the first section, which would be on line 6, beginning at line 23, and to the drugs there described we would add the words "and other controlled substances." This is because this term "controlled substances" means a drug which is included in the Comprehensive Drug Abuse Prevention and Control Act, that includes opium, hallucinogenic substances, those of vegetable origin, and others as there set forth. In other words, by placing these changes on page 6, line 23, and on line 14 of page 7, we make the provision all-inclusive of the drugs that we seek to control under the provisions of this act.

The other area, to which the second amendment is addressed, adds the phrase "or transported through such country." That, as correctly pointed out by representatives of the Bureau of Narcotics and Dangerous Drugs, would include those countries which did not manufacture or process, but through which the drug traffic passed. Therefore, for the purpose of improving this section and blocking any possible exemptions or loopholes, I have offered these amendments, and I hope they will be adopted.

Mr. ZABLOCKI. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. It is my understanding that the chairman and the Members on the majority side have no objection to the amendments and will accept them.

Mr. MONAGAN. I thank the gentleman from Wisconsin.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from California.

Mr. MAILLIARD. I know of no objection to the gentleman's amendments. I believe this is in a sense a technical perfection of the language, and I am willing to accept the amendments.

Mr. MONAGAN. I thank the gentleman from California.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Connecticut (Mr. MONAGAN).

The amendments were agreed to.

AMENDMENT OFFERED BY MR. RANGEL

Mr. RANGEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RANGEL: Page 6, strike out line 14 and all that follows down through page 7, line 22, and insert in lieu thereof the following:

"CHAPTER 8—INTERNATIONAL DRUG CONTROL ASSISTANCE

"SEC. 481. AUTHORITY.—(a) The President is authorized to furnish assistance to any foreign country, on such terms and conditions as he determines necessary, in order to encourage and enable that country to control or eliminate the production, processing, or distribution of drugs within such country or across its boundaries.

"(b) The President is authorized to furnish assistance to any international organization, such as the United Nations Special Fund for Drug Abuse Control, involved in efforts to control or eliminate the production, processing, or distribution of drugs.

"(c) Of the funds provided to carry out the provisions of this Act, not less than $25,000,000 shall be available each fiscal year only to carry out the provisions of this chapter.

"SEC. 482. DISCONTINUANCE OF FOREIGN ASSISTANCE.—(a) Beginning July 1, 1972, the President shall determine annually, before continuing any foreign assistance under this or any other law, whether the recipient foreign country has undertaken appropriate measures to prevent drugs, partially or completely produced or processed in such country, or transported into or through such country, from unlawfully entering the United States or from being unlawfully supplied to citizens of the United States.

"(b) Except as otherwise provided under subsection (c) of this section, if the President determines that a foreign country has not undertaken appropriate measures to prevent any such drugs from unlawfully entering the United States or being unlawfully supplied to United States citizens, he shall immediately discontinue all foreign assistance to such country authorized under this or any other law. The President is urged also to seek, through the United Nations or any other international organization, the imposition of international economic sanctions against such country.

"(c) If the President finds that a foreign country referred to in subsection (b) of this section has undertaken, after his determination, appropriate measures to prevent such drugs from unlawfully entering the United States or being unlawfully supplied to United States citizens, or finds that the overriding national interest requires that foreign

assistance be continued to such country, he may ask the Congress to waive the provisions of such subsection, and if the Congress agrees by concurrent resolution, the provisions of such subsection shall not apply to that country unless the provisions of such subsection would apply further to that country as a result of a further determination.

"(d) The President shall utilize such agencies and facilities of the United States Government as he may deem appropriate to assist foreign countries in their efforts to prevent the unlawful entry of drugs into the United States or from being unlawfully supplied to United States citizens.

"(e) No provision of this or any other law shall be construed to authorize the President to waive the provisions of this section.

"SEC. 483. DEFINITIONS.—As used in this chapter—

"(1) the term 'drug' means any matter which is included within the definition of controlled substance under title II of the Comprehensive Drug Abuse Prevention and Control Act of 1970; and

"(2) the term 'foreign assistance' means any tangible or intangible item provided by the United States Government (by means of gift, loan, sale, credit sale, guaranty, or any other means) under this or any other law to a foreign country, including, but not limited to, any training, service, or technical advice, any item of real, personal, or mixed property, any agricultural commodity, United States dollars, and any currencies of any foreign country owned by the United States Government."

Mr. RANGEL. Mr. Chairman and my colleagues, some of the imperfections have already been corrected by the adoption of the last amendment. Most of us are seeking now a way in which the voice of Congress can be heard on behalf of the taxpayers who are footing the foreign aid to these offending countries and who are outraged when they see that narcotics from these countries continue to flood in. I have found cities, towns, and villages plagued with the epidemic of drug addiction.

It seems as though the President of the United States has already spoken, on June 17, when he outlined his war on drug addiction as it relates to his domestic policies. After 10 long years the State Department has finally concluded an agreement with the Government of Turkey in this matter. It seems to me that now is the time for the Congress to act. I think the Committee on Foreign Affairs is to be commended for including in the foreign aid bill a provision giving the President the power to do things which should have been done a long time ago.

While this bill offered the President the opportunity to furnish assistance to any nation or international organization, it has not earmarked any specific amount of money for the President to spend in this regard. In my amendment I offer a minimum of $25 million which is to be earmarked for the sole purpose of giving the President the sufficient funds necessary to offer assistance to those nations who are cooperating in stopping the international flow of narcotic drugs.

Mr. Chairman, the second part of my amendment authorizes the President to withhold economic and military assistance to nations that are not cooperating. My amendment calls for an annual review of the extent of that cooperation not only by the President but a review where we as Members of Congress can know with some degree of accuracy the extent of that cooperation or the lack of it so that we can return to our respective districts and not have to rely solely on the State Department to determine what these nations are doing or not doing as the case may be. It is very important that we have this review made by the office of the President.

The next section of my amendment, Mr. Chairman, has been taken care of already, and I am glad that that portion dealing with transportation was agreed to by this body.

In addition to talking about the economic and military assistance that is withheld by the President, my amendment urges the President, as I am certain you all want to do, to go beyond our foreign aid contributions to these offending nations and urges him to seek international economic sanctions against them.

Lastly, Mr. Chairman, my amendment will include the Congress of the United States in this. Under this bill the President will be mandated, when in his opinion these countries are not cooperating, to have foreign aid to them cut off, severed.

I think realistically that we would find the President of the United States would be in a position where, because of overriding national interests, he would not be fairly able to report the failure of cooperation by offending nations. My amendment allows him to come to the Congress of the United States, and we would waive the provisions of this act when we agree with the President that overriding national interests require foreign aid to be continued. It allows for the first time the Congress to participate in a review of the nations to which we give military and economic assistance.

So I hope you will consider this amendment favorably, because it is not changing a law which is, I think, a basically good one but is adding to it in order to give the President of the United States the power and the leverage to deal with these offending nations and at the same time to allow the U.S. Congress to become involved.

Mr. BRASCO. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I am glad to yield to the gentleman.

Mr. BRASCO. I want to commend the gentleman for introducing his amendment to make the enforcement section of this particular provision more meaningful.

Mr. Chairman, I rise in support of the gentleman's amendment and urge that the committee adopt it.

Mr. Chairman, hard drugs are pouring into the United States in an ever-increasing stream, turning hundreds of thousands of young Americans into addicts, complete with criminal records and broken families.

For the past year and more, America has been greeted almost weekly by another horror tale, ranging from gory to disgusting, regarding narcotics addiction in the Nation.

It has become increasingly obvious that we have a cancer gnawing at our innards. If we do not excise it, it in turn will destroy our country as we have come to know it. Action is imperative on the part of highest authorities, commencing with the Congress and executive branch of our Government. Delay is intolerable.

Our starting point is obvious. Drugs are grown in places we have full knowledge of. They are transported by organized groups we know quite a bit about. They are sent to trade centers we are fully aware of. There they are refined into heroin we are all too familiar with in specialized laboratories. We know much of these operations as well. Then it is shipped to the United States where local criminals take over preparation, distribution, and sale of this poison. The key lies in foreign sources of hard drugs.

Each nation involved in this traffic by activities of its nationals and use of its territory is perfectly aware of what is transpiring. Many such countries are recipients of American foreign aid in a variety of forms, over a period of years and in significant quantities. Through the foreign aid bill, which we are considering today, we, the Congress, have an opportunity as well as a responsibility, to crimp this traffic by penalizing jurisdictions which allow it to continue. We can do this through an international drug control amendment appended onto this foreign aid measure.

The pertinent portion of the bill, as it already stands, is altogether inadequate to cope with the situation we face today. Its language is too loose, permissive and prone to misinterpretation on the part of those affected.

It contains no provision for a total cutoff of foreign aid to nations which traffic in hard drugs. I consider those who allow such activity to be as guilty as countries actually producing or processing them.

While it authorizes the President to make available aid to nations to fight narcotics, he already has such power. What we need is language that would require him to spend funds for such a useful purpose. Authority to act in such a manner is useless without the will or compulsion on the part of the President to do so.

It requires the President to halt foreign aid to a country when he determines it has failed to take adequate steps to halt such internal activities. Yet, there is no requirement to make this part of an annual review of such situations.

There is no provision urging the President to seek international economic sanctions against noncooperating nations. And there are other shortcomings as well. All in all, the provision dealing with drug traffic is weak. We have an amendment before us to correct these glaring deficiencies, and it has my support. It is desperately needed.

Mr. Chairman, what makes this situation so outrageous is the fact that in each case, we are being victimized by nations and regimes supposed to be friends or allies. Yet revelations emerging from Southeast Asia in a steady stream are damning. It is obvious that members of governments and armed forces of South

Vietnam, Thailand, Laos, and Cambodia are actively engaging in heroin traffic.

Further, it is plain that such activities are not being carried out by enlisted men and local administrators. Such activities are transpiring as a result of corruption and collusion at high levels of these governments and their military establishments. How dare we tolerate such outrages? How dare we allow these people to send here an entire generation of hard core drug addicts? How dare our Government not act with outrage and vigor against this state of affairs and these people?

It is an international scandal that most of the opium produced in the world which eventually reaches the United States finds its way to the south of France. In particular, to an area just around and including the city and port of Marseilles. Located there are many clandestine laboratories, manned by skilled chemists, where raw opium is turned into morphine and then into heroin. From there it is packaged and shipped out by groups, many of whom are French nationals, to the United States. The French Government and its police, both locally and nationally, are aware of what is happening.

The U.S. Government is also fully aware of the facts in this particular equation. Everyone knows about it except the American people. We put immense pressure on Turkey, yet the French, who are perhaps the most perfidious beneficiaries of this traffic in death, smile suavely, looking the other way.

Certainly the people of the United States are entitled to know all about this. Most assuredly the Congress of the United States should act to deliver the most smarting blow and public embarrassment possible to those we know are involved in this slimy traffic up to their oh-so-innocent ears.

Certainly the President should act in the most vigorous manner imaginable to put such people on notice that we will not tolerate their inaction, permissiveness or participation in such activities any longer.

Mr. Chairman, every Member of this body knows of horror stories involving drugs. We each know of some young man or woman who has perished because of this curse. We know of ghoulish crimes committed because of drugs. We know what is being done to our entire society because of them. Let us, then, turn harshly upon any jurisdiction knowingly playing a role in this atrocious traffic. Let us put teeth into this law by making its enforcement more meaningful.

Mr. DU PONT. Mr. Chairman, will the gentleman yield?

Mr. RANGEL. I am glad to yield to the gentleman from Delaware.

Mr. DU PONT. Are not the provisions of this amendment mandatory? It does not give the President discretion, but if he triggers the mechanism by a finding of inappropriate action, he must stop all foreign aid. Is that not so?

Mr. RANGEL. That is not so. It allows the President the opportunity to review the conduct of the so-called offending nations. The bill as it now stands almost mandates, once he finds these conditions do exist, that he shall withhold economic and military assistance. My amendment, on the other hand, provides that when the President finds that there are overriding national interests, he can call upon the U.S. Congress to waive the provisions of this act. That waiver provision is not now contained in the present bill.

Mr. DU PONT. Mr. Chairman, if the gentleman will yield further, as I read the gentleman's amendment, on page 3, subparagraph (b) once the President has made the determination that a country has failed to take appropriate measures, it says he shall immediately discontinue all foreign assistance, and this includes surplus foods by other definitions and so forth.

I worry about the fact that it is a mandatory provision and does not give the President flexibility except to come back to the Congress.

Mr. RANGEL. It does allow the Congress to be involved in these decisions although the President has the authority. It does mandate that the Congress should really have the final power.

Mr. MONAGAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is with regret that I rise in opposition to this amendment, and I want to begin by complimenting the gentleman from New York (Mr. RANGEL) for his great interest in this subject and for the contribution that he has made to the discussion, as well as for the education that he has given many of us here in the House in this very difficult and dangerous subject because of the depth of his knowledge and experience with it in his home district.

My opposition, Mr. Chairman, is based upon the fact that this amendment and section 481 are really substantially the same. I believe that in all of the essential provisions there is similarity. There is the right of the President to determine whether or not substantial performance has been demonstrated by the countries involved.

I will admit that there was a difference between the provision in the bill and that as just amended because as the gentleman from New York has pointed out there was a failure in the bill to cover countries where there was simply transportation involved but not actual growth or manufacture.

Now, insofar as making funds available is concerned under the amendment which has been offered by the gentleman from New York, the sum of $25 million is provided, but in the bill itself all of the funds available under this act are available for these purposes and these amount to $3.4 billion. So, there is really no limitation; that is, no specific limit to the funds that, the President will be able to use.

I might say that the President did ask for legislation. He did ask for permission to enter into arrangements with countries with whom we do not have diplomatic relations, and countries behind the Iron Curtain, and that authorization has been granted by H.R. 9910.

Under another provision in the bill the President must continually monitor this program, because whenever he determines that the objectives are not being reached, then he has the right and the obligation to take action to suspend this aid. Now, when he finds that there is a legitimate and effective effort on the part of the country involved, of course he can resume assistance.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield?

Mr. MONAGAN. I yield to the gentleman from California.

Mr. MAILLIARD. In trying to analyze this suggested amendment of the gentleman from New York, it seems to me there are several things that are very awkward about it. One, it seems to me, if I read it correctly, that once the President did have to make a finding that some country was not cooperating sufficiently and if there was a national disaster or earthquake or something, under this language even that kind of assistance would not be available which I would not think we would want to do as a matter of policy.

The other thing that also strikes me here is that it is sort of ridiculous for the Congress to give itself waiver power, because the Congress can repeal any law that it passes, so that would seem to me to be a meaningless provision.

Mr. MONAGAN. Also there is provision in H.R. 9910 for the President to furnish assistance to any international organization specifically set forth in the amendment of the gentleman from New York. There is a general provision in section 481, as it has been presented to the House, and with the amendments that have already been made.

So, Mr. Chairman, I believe that the gentleman from New York has performed an effective service in pointing out at least two of the defects in the original bill. These have been amended, and I think have been effectively taken care of. I should like to thank the gentleman from New York for his very substantial contributions.

Mr. Chairman, I yield back the balance of my time.

Mr. PEPPER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the gentleman from New York (Mr. RANGEL) who is a distinguished member of the House Select Committee on Crime, has rendered a valuable service in helping to establish a very clear legislative record here, that if it is not necessary to pass his amendment making a minimum of $25 million available to the President under this section, that there are funds even in excess of $25 million which the committee leadership here asserts are available to the President for the purpose of carrying out the provisions of this section.

Is my understanding correct? And I will ask for confirmation of that from the able gentleman from Connecticut (Mr. MONAGAN) who was just in the well, and the able chairman of the committee, the gentleman from Pennsylvania (Mr. MORGAN) whether that is substantially true.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from Connecticut.

Mr. MONAGAN. On page 7 of the bill, beginning on line 5, there is a provision which says:

In furnishing such assistance the President may use any of the funds made available to carry out the provisions of this Act.

The amount available under this act is $3.4 billion, and the President, therefore, has a far greater authority than the $25 million specified in the amendment offered by the gentleman from New York.

Mr. PEPPER. Mr. Chairman, would the able chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania (Mr. MORGAN) confirm what the distinguished gentleman from Connecticut has just stated?

Mr. MORGAN. Mr. Chairman, if the gentleman will yield, that is correct. The President can use money authorized for economic assistance, military assistance, or the supporting assistance in this bill for this purpose.

Mr. PEPPER. Mr. Chairman, I thank the distinguished chairman, the gentleman from Pennsylvania (Mr. MORGAN) and the able gentleman from Connecticut (Mr. MONAGAN).

Mr. Chairman, I just want to add that I commend the distinguished chairman and the committee for the clear authority, and I think the admonition that goes with it, to the President to exercise a vigorous policy, and program, in the international field with respect to curbing the production, and smuggling of heroin into this country. We have more hope now than we have ever had that something substantial to curb the growth of the opium poppy is going to be done by the agreement the President has obtained with Turkey, that after 1972, in the fall, Turkey, from which comes the morphine base providing 80 percent of the heroin coming into the United States will not produce opium poppies any more. We must now assure that other countries will not become the source of the heroin coming here which Turkey has been.

One of the great challenges we face now is what we can do with France for in the area of Marseilles the morphine base coming from Turkey is refined in laboratories into the heroin which constitutes the greatest part of the heroin smuggled to our country.

Saturday a week ago, with our very able Ambassador, Mr. Arthur Watson after conferring with top United States and French police and narcotic officials in Paris, I flew to Marseilles to talk to the highest police and narcotic officials there. I think they and their superiors in Paris are honest men. I think they are dedicated in their duties, but Ambassador Watson and I told them how deeply disappointed and concerned we and our President and people are that in 2 years they have not been able to find a single one of the laboratories making most of the heroin that comes into this country with all the devastating and destructive effect that it has.

Now we do not give the French anything or sell them anything I am informed so evidently there is nothing to cut off under this section but at least the President would have authority to put more American personnel over there to help the French destroy these laboratories and give them other assistance, and perhaps exercise other authority to induce the French Government to exert a greater and more effective effort to stop heroin from being produced in southern France and smuggled into this country. The President must make France realize that this situation presents a grave emergency and it must be dealt with as a grave emergency by the French who are our long-time friends and to whose defense we are committed.

For this heroin from France is killing many of our people every day and daily ruining the lives of thousands of our citizens.

Moreover, according to the testimony of the head of the Narcotics Bureau, Mr. John Ingersoll, this heroin primarily from France is costing this country from $3.5 billion to $4 billion a year and it is responsible for half of the violent crime in our Nation.

So I commend the committee for assuring us that there will be adequate funds available to the President to carry on his effort to stop the production of heroin and its movement into this country with all the deaths, misery and crime it causes.

Mr. PUCINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to congratulate the chairman of the Foreign Affairs Committee for including this provision in the bill. I also want to congratulate the gentleman from Pennsylvania, Mr. MORGAN, for sending two of our colleagues, members of his committee, on a trip of inspection dealing with this entire problem of narcotics.

We in Chicago are particularly proud of the enormous contribution our colleague Congressman MORGAN MURPHY has made toward bringing this entire problem of narcotic traffic into perspective. As a freshman Member of Congress, he made this trip and came back and made a spectacular report in a most judicious manner which today serves as the basis for this very important legislation. Congressman MORGAN has handled himself in the most dignified way during the entire debate. He has not permitted himself to be used by those who would exploit this subject for personal gains. We in Chicago are very proud of the contribution that he has made, particularly because, as a freshman Member of this Congress, he has shown exceptional skill to put into perspective the needs for effective legislation to deal with this monstrous problem.

I congratulate Dr. MORGAN for sending these two young men on this trip. Congressman MORGAN MURPHY brings pride and dignity to this institution for his singular contribution in our Nation's war against dope traffic and addiction.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman.

Mr. ROSENTHAL. Mr. Chairman, I want to concur completely in what the distinguished gentleman from Illinois said. Both Congressman MURPHY of Illinois and Congressman STEELE, of Connecticut, did a yeoman job in bringing this serious and devastating problem to the attention of the public. Both are freshmen Members of the Congress and we ought to be very, very grateful to them. As a matter of fact I personally am very proud of them. Congressmen MURPHY and STEELE did a massive job in bringing this problem to the attention of the American people. My own personal view is that as a result of the effort they made we have the executive branch finally beginning to move with dispatch, with speed, and with determination. I think we owe them an enormous debt of gratitude.

Mr. PUCINSKI. I thank the gentleman.

Mr. BRASCO. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not intend to take the 5 minutes but I do want to clear up in my mind one point that was raised in the amendment offered by the gentleman from New York (Mr. RANGEL).

I would like to find out the difference between his amendment and what is contained in the committee bill concerning the President's annual report with respect to whether or not countries that are involved are doing something about the growing trafficking and processing of opium into heroin ultimately to be exported to the United States.

I yield to the gentleman for that purpose.

Mr. RANGEL. I would like to make clear that the amendment I am offering mandates that there be an annual review of the conduct of those countries that are not cooperating to stop the international flow of drugs.

I would like to point out further to those who spoke about funds being already in the bill, by accepting this amendment, notwithstanding the fact that the bill can be interpreted to make moneys available is assisting that those nations that need help, we earmark at least the sum of $25 million for the President to do just that.

Finally, I do not see where the final provision urging the President take international economic sanctions against nations trafficking in drugs—I do not see where that takes anything away from the original bill.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. BRASCO. I yield to the gentleman.

Mr. MONAGAN. I would just like to point out one thing in this connection. First of all the amendment only provides that the President shall determine annually—it does not make any provision about a report. I think that is one of the questions I would have about this provision. While under the committee bill the President is required, as I said before, to continually monitor this program because at any time when he finds there is this lack of cooperation then he has to take action.

Mr. BRASCO. I understood that the import of the amendment offered by the gentleman from New York was not only to require the President to make an annual determination but report to the

Congress thereon. Again I yield to the gentleman from New York to clarify that point.

Mr. RANGEL. That was the intent of the amendment, to allow Congress to have an opportunity to participate in these decisions. When the President is mandated to move because of failure in these countries to cooperate. I think it is incumbent upon the Congress to have the President come to us. Even though we always have the power to repeal laws, this is not a question of repealing an appropriation as it might relate to one country, but it would give the Congress an opportunity to waive the provision until such country cooperates.

Mr. MITCHELL. Mr. Chairman, the amendment offered by the gentleman from New York (Mr. RANGEL) calls for the cutoff of foreign assistance to nations which engage in the growing or processing of illicit narcotics which wind up in the United States, and whose governments fail to take serious measures to curb the drug trade.

Now, it is an agreed principle of international relations that foreign aid is an element in the vital task of economic growth and social progress, not a Christmas turkey dispensed by an international political boss, and that it should not be used as a pressure tactic by the rich against the poor. In practice, of course, this principle is shamelessly ignored, but in theory it is agreed to.

In general, we write the theory into legislation, leaving its practical violation to the executive branch. This is known as the separation of powers.

Are there good reasons in the case of drugs to depart from this general rule and raise the violation to the status of an exception? I think so.

The case rests on four basic propositions about the American narcotic problem, which I believe will command general agreement:

First. Heroin addiction in America is so widespread and so destructive as to constitute a major national disaster.

Second. No possible treatment program can keep ahead of the addict population unless the present rate of new addictions falls drastically.

Third. No enforcement effort at the local level can be effective unless the flow of narcotics into this country is seriously cut into.

Fourth. Customs enforcement at the ports of entry cannot of itself do the job; the attack must be made at the points of production and processing.

All this being the case, shipping, or allowing the shipment of, heroin into the United States is an unfriendly act on the order of poisoning the water supply. But this is not well understood by most foreign officials. They have little or no heroin problem, and therefore do not comprehend the extent of ours. After all, smuggling is accepted in some quarters as a more or less harmless expression of the free-enterprising spirit, and a semi-legitimate source of income supplementation for underpaid public servants.

But heroin is in a class by itself; and we are entitled to expect cooperation in this area from those who would be our friends. We are also entitled to take measures to remind the world just how seriously we take this problem.

But why not leave the reminder to the sole discretion of the executive? This would have the advantage of flexibility. The argument is strengthened by the memory of the disaster the Hickenlooper amendment has been. The problem is that we have a multiplicity of foreign interests and it is the function of the State Department and the National Security Council to safeguard these interests. We have reason to fear that our pressing national needs will be forgotten in the tangle of geopolitics. Consider, for example, Southeast Asia.

Whatever the accuracy of the accusations which have been made against various individuals, it is quite clear that the Governments of Laos and South Vietnam are massively involved in selling heroin both for use by American servicemen and for export stateside. If any governments in the world are susceptible to American influence, they should be Laos and South Vietnam. Both depend on continued massive American support for their survival. And yet our support and the heroin trade both continue. Clearly, stopping the traffic is not a policy goal comparable in importance to maintaining an anti-Communist South Vietnam. In effect, we have been subsidizing with our arms and our men and our money the poisoning of this Nation and it is time for us to stop.

This Government should act decisively to stop the flow of filth into this country and into the bloodstreams of its citizens. Whatever the merits of our Indochinese military adventure, no conceivable result of its success or failure is of a magnitude which justify allowing the continued entrapment of American soldiers into addiction, or, worse, the opening of another major heroin-supply route to replace the Anatolia-Beirut-Marseilles connection that may now be broken, if the Turkish Government goes through with its plan to abolish poppy-growing.

And yet our present policy seems better designed to protect the feelings of South Vietnamese generals and ministers than to eradicate the heroin menace. It is in the light of this situation that we must view the State Department's comments on this legislation.

The Department tells us that "an explicit threat to terminate assistance will not promote our mutual objective of controlling the illegal international traffic in narcotics. Such action would create internal political pressures which would make it difficult for governments to take the actions we desire." But what does that mean in the context of Laos and Vietnam? Both governments are filled with officials who are getting rich from dope-running. It is understandable that "political pressures" would result from any action which threatened their profits. But if we make it clear to these governments that stopping the drug traffic is not a distraction from their war effort but a vital part of it, that traffic will be stopped. If it is not, we can stop it by picking up and leaving. Somehow we must keep the heroin away from our troops or get our troops away from the heroin.

The gentleman from New York (Mr. RANGEL) proposes that we exercise our right as legislators to insist that it be a top-priority goal from now on. We can do so by requiring the President to make a determination which would trigger a mandatory aid cut-off for any nation which is not doing its best to stop the flow of opiates from or through its territory.

Even better, in my opinion, was the gentleman's original proposal, which would have left the determination to an independent official, the Comptroller General. But that proposal is not before us.

I do not believe that encouragements to other governments to take action in this area should be entirely negative. It is our responsibility to make it economically feasible for those nations which want to get out of the drug business to do so. There is no reason why the Anatolian poppy-farmer should be sacrificed to the solution of America's social problems.

Finally, it should be noted that no legislation we write will be a panacea. The governments of some poppy-growing nations, notably Afghanistan, lack effective control over the relevant regions. We should not expect them to do the impossible. With others, particularly Pakistan, our influence may be weakened by the general course of events. But because we cannot do everything, it is not necessary that we do nothing. We can, and we should, make a start.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. RANGEL).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

"CHAPTER 9—REFUGEE RELIEF ASSISTANCE

"SEC. 491. REFUGEE RELIEF ASSISTANCE.—There is authorized to be appropriated to the President for the fiscal year 1972, in addition to funds otherwise available for such purpose, not to exceed $100,000,000, to remain available until expended, for use by the President in providing assistance for the relief and rehabilitation of refugees from East Pakistan and for humanitarian relief in East Pakistan.".

PART II—MILITARY ASSISTANCE

SEC. 201. Part II of the Foreign Assistance Act of 1961, relating to military assistance, is amended as follows:

(a) In section 504(a), relating to authorization, strike out "$350,000,000 for the fiscal year 1970, and $350,000,000 for the fiscal year 1971" and insert in lieu thereof "$705,000,000 for the fiscal year 1972 and $705,000,000 for the fiscal year 1973".

(b) In section 505(b)(2), relating to conditions of eligibility, strike out "and" and insert in lieu thereof "or".

(c) In section 506(a), relating to special authority, strike out "1970" each place it appears and insert in lieu thereof "1972", and strike out "1971" each place it appears and insert in lieu thereof "1973".

(d) Section 510, relating to restrictions on training foreign military students, is repealed.

(e) At the end of chapter 2 of such part II, add the following new section:

SEC. 511. CONSIDERATIONS IN FURNISHING MILITARY ASSISTANCE.—Decisions to furnish military assistance made under this part shall take into account whether such assistance will—

"(1) contribute to an arms race;

"(2) increase the possibility of outbreak or escalation of conflict; or

"(3) prejudice the development of bilateral or multilateral arms control arrangements.".

AMENDMENT OFFERED BY MR. DOW

Mr. DOW. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dow: On page 8, line 13, strike "$705,000,000" wherever it appears and substitute "$509,800,000".

Mr. DOW. Mr. Chairman, I am offering a simple amendment to restore some creditability to our foreign assistance programs. I cannot believe that now is the time to add $200 million to our military assistance efforts for Cambodia. My amendment would return aid to Cambodia to its level in fiscal 1970 which was $4.8 million. Figures for 1971 are still classified and that is the problem when one is trying to work with current figures.

I find it unconscionable that we are creating a $200 million fund for each of 2 years for Cambodia which only received $4,800,000 in 1970 and I request support to bring this figure into balance with our worldwide commitments.

After the congressional bar to the sending of ground forces into Cambodia, and after all the public outcry against our aggressive air warfare in Cambodia, we still propose to increase the military assistance there by more than 50 times.

We would substitute dollars for GI's so as to encourage the war in Cambodia to escalate, not subside. Indeed, I believe that this enormous increase is a direct contradiction of the expressed American purpose to wind down the war.

I question the foresight about our declining role in Southeast Asia that can discern in Cambodia a need for $200 million of military assistance in fiscal 1973.

What mentalities are at work in our administrative and defense system which can blandly increase the costs and burdens of war in a faraway country from which our own flesh and bodies are kept studiously safe?

It has been said that American activities in Cambodia are intended to protect the remaining American forces in Vietnam. How can a 5,000-percent increase be justified for this protection, when every week the numbers of our troops in Vietnam decline? I can only condone this Cambodia extravagance as nothing short of warmongering—trying to buy with money what we could not do by military and diplomatic means.

I urge that this House repudiate adventurism in Cambodia by voting for this amendment to reduce the military assistance there by $195.2 million.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment. It is with reluctance that I rise in opposition to the amendment offered by the gentleman from New York, who is extremely sincere in offering his amendment. However, the amendment would not necessarily cut funds to Cambodia.

The amendment, in effect, would take a broad slice out of the funding and reduce it by $196 million. What this does is affect not only Cambodia, but also, if the military chose to do that, it would affect our ongoing programs in Korea, where we have, in connection with the withdrawal of our troops, undertaken a very serious obligation to modernize the equipment there in order to take American troops out.

It would interfere with the Vietnamization program.

It would, to a great extent, slow down our ability to allow the Nixon doctrine to take place by lowering our profile throughout the world.

It further would affect the Turkish Armed Forces which are presently underequipped and are in process of a reequipment under the NATO agreement. What it would do would be to interfere with our ability to maintain bases and staging areas and areas in foreign countries for possible strategic deployment of our forces.

So, Mr. Chairman, while the amendment is well-intentioned, it is not restricted to Cambodia alone, and it does seriously jeopardize the overall problems of this nature. The committee did consider the cuts intended in this amendment and, in effect, did so.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. Mr. Chairman, I want to emphasize what the gentleman from New Jersey said. This in no way earmarks any cut as applying to Cambodia. The gentleman takes $196 million out of the whole military assistance program and give no direction to the DOD as to where they should make the cuts. I am sure Cambodia would be the last place that the $196 million would come from. They would cut some of the other forward defense countries, which I feel, are as important in our defense as Cambodia.

It worries me that we just use a meatax and say we will cut $196 million out of $705 million, with no requirement as to what should be cut. As the gentleman from New Jersey has said, we are in a 5-year modernization program for the country of South Korea. We are pulling out 20,000 troops from there now, and we are going to reduce the other 40,000 as we modernize their armed forces. We should not make a cut that would retard this program. This is the wrong way to go if we want to get our boys home.

Mr. DOW. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the gentleman from New York.

Mr. DOW. Mr. Chairman, I would say to the Chairman and the gentlemen who have answered me so effectively, I think they realize their opposition, based on the assumption that the Defense Department might not effect this saving in the manner I indicated, is a purely technical objection. If they are in favor of the amendment and believe that it deserves to be perfected technically, I am sure they could advise me about a more specific way of doing so.

I would very much doubt if we pass this amendment that the Pentagon would seek to spend these funds or very much of them in Cambodia.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Dow).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 202. (a) At the end of such part II, add the following new chapter:

"CHAPTER 4—SECURITY SUPPORTING ASSISTANCE

"SEC. 531. GENERAL AUTHORITY.—The President is authorized to furnish assistance to friendly countries, organizations, and bodies eligible to receive assistance under this Act on such terms and conditions as he may determine, in order to support or promote economic or political stability. The authority of this chapter shall not be used to furnish assistance to more than twelve countries in any fiscal year.

"SEC. 532. AUTHORIZATION.—There is authorized to be appropriated to the President to carry out the purposes of this chapter for the fiscal year 1972 not to exceed $800,000,000, and for the fiscal year 1973 not to exceed $800,000,000: *Provided,* That where commodities are furnished on a grant basis under this chapter under arrangements which will result in the accrual of proceeds to the Government of Vietnam from the sale thereof, arrangements should be made to assure that such proceeds will not be budgeted by the Government of Vietnam for economic assistance projects or programs unless the President or his representative has given prior written approval. Amounts appropriated under this section are authorized to remain available until expended. None of the funds authorized by this section shall be made available to the Government of Vietnam unless, beginning in January 1971, and quarterly thereafter, the President of the United States shall determine that the accommodation rate of exchange between said Government and the United States is fair to both countries.

"SEC. 533. UNITED STATES REFUND CLAIMS.—It is the sense of the Congress that the President should seek the agreement of the Government of Vietnam to the establishment and maintenance of a separate special account of United States dollars, which account shall be available solely for withdrawals by the United States, at such times and in such amounts as the President may determine, in satisfaction of the United States dollar refund claims against the Government of Vietnam arising out of operations conducted under this Act. Such account should be established in an amount not less than $10,000,000 and maintained thereafter at a level sufficient to cover United States refund claims as they arise.".

(b) Chapter 4 of part I of the Foreign Assistance Act of 1961 is hereby repealed. References to such chapter or any sections thereof shall hereafter be deemed to be references to chapter 4 of part II of the Foreign Assistance Act of 1961, as added by subsection (a) of this section, or to appropriate sections thereof. All references to part I of the Foreign Assistance Act of 1961 shall hereafter be deemed to be references also to chapter 4 of part II, and all references to part II of such Act shall be deemed not to include chapter 4 of such part II.

Mr. MONAGAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MONAGAN: Page 10, line 13, immediately after "exchange" insert ", and the rate of exchange for United States Government purchases of piasters for goods and services,".

Mr. MONAGAN. Mr. Chairman, the reason for this amendment is the fact that one of the types of exchange pro-

grams in Vietnam was omitted from this legislation 2 years ago when the amendment which I proposed and which the gentleman from California, (Mr. Moss) had recommended was adopted.

Under the situation which prevails there, there is of course a wide gap between the rate at which piasters can be purchased by the United States and used for various purposes and the actual value of the currency.

In 1966, for example, under the import program there were 60 piasters to the dollar, under the Government of Vietnam program 73, and the accommodation rate for U.S. personnel was 118.

However, the black market was 160 to 200 to the dollar. In October 1970 the black market had gone to 435, the accommodation rate had gone to 275 and the official rate to 118. So that even though these exchange rates have been increased, they are far beyond the actual value. It has been estimated that during 1970 because of this difference there was a subsidy to the Government of Vietnam by the United States in the amount of $195 million. If we are to subsidize them further, it does seem to me it should be done by direct provision of law rather than indirectly.

Therefore, Mr. Chairman, I hope that this amendment, which includes the rate of exchange for U.S. Government purchases along with that for accommodation which is in the law at the present time, will be adopted in the House and that we can continue to get the regular reports from the AID agency or whoever the President's agent may be that the rate of exchange in these particulars is in fact fair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. MONAGAN).

The amendment was agreed to.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to say first that it is a great privilege to serve on the Committee on Foreign Affairs under the leadership of our distinguished chairman. He has the respect and affection of all the members and conducts the committee's proceedings in an admirable manner.

I would like to discuss with him the request that is known to have been presented to the U.S. Government by the Government of Israel for $200 million in supporting assistance.

As the chairman will recall, I proposed an amendment in the committee that would have included Israel specifically and by name as a country eligible to receive security supporting assistance under this chapter of the bill. Following some discussion in the committee and the understanding that was reflected in the committee report on page 26 I withdrew that amendment. I would like to have the comments of the chairman and his view as to whether the present provisions in the bill will take care of the needs that may be determined for Israel in this regard.

Mr. MORGAN. Will the gentleman yield?

Mr. BINGHAM. I am glad to yield to the chairman of the committee.

Mr. MORGAN. I think the gentleman is substantially correct. He offered an amendment earmarking a certain amount of supporting assistance for Israel in the committee. In my long tenure in the committee we have found that there are always problems on earmarking funds. The chairman did not offer an amendment in the committee to reduce supporting assistance by $85 million, because he knew that Israel had made a request for supporting assistance, that Israel is eligible for security supporting assistance and that there should be adequate money to take care of Israel.

As far as the chairman is concerned, looking at the language, I am sure that Israel could qualify for supporting assistance. It is the chairman's belief that the administration should seriously consider the request which was made by the Government of Israel last April at a time when this bill was being considered by the committee. Economic assistance should be available if the economic condition of Israel so justifies.

Mr. BINGHAM. The chairman does not mean to suggest, does he, that the amount that might be made available should be limited to the $85 million?

Mr. MORGAN. No; it is the chairman's intention to show that there is some possibility of this money.

Mr. BINGHAM. And depending upon such justification as might be later made, Israel would be considered for whatever amount that happened at that time to be justified?

Mr. MORGAN. That is correct.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Minnesota.

Mr. FRASER. Mr. Chairman, I commend the gentleman from New York for his concern and his attention to this matter in the committee, to be certain that Israel could qualify as being eligible for supporting assistance, especially in view of the very large drain upon her foreign exchange and in view of the very large externally held debt. There was widespread sentiment in the committee that clearly Israel should be given every possible consideration when AID and the President proceed on this matter of allocating supporting assistance.

Mr. BINGHAM. I thank the gentleman. I think he would agree that the wording of the report is very clear and very explicit.

Mr. FRASER. Yes.

Mr. FULTON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Pennsylvania.

Mr. FULTON of Pennsylvania. I commend the gentleman upon his fine statement in support of the request by the Government of Israel for $200 million in supporting assistance. I join with him in strongly recommending this addition of aid, because I feel that the people of Israel are a dedicated people. The people of Israel have been our good friends, and are a progressive democracy that deserves adequate support in these difficult times. I recommend that the President provide full supporting assistance to Israel under the provisions of this act, to enable Israel to maintain her security, and keep on with the progress and safety for her people.

Mr. BINGHAM. I thank the gentleman from Pennsylvania.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PART III—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 301. Section 612(d) of chapter 1 of part III, relating to use of foreign currencies, is amended to read as follows:

"(d) In furnishing assistance under this or any other Act in or to any country in which the United States owns foreign currencies determined by the United States Treasury to be excess to the needs of the United States Government, except those currencies generated under the Agricultural Trade Development and Assistance Act of 1954, as amended, the President is authorized to utilize such currencies to the extent agreed upon with the government of such country to carry out purposes for which new funds authorized by this Act would be available.".

The CHAIRMAN. For what purpose does the gentleman from Iowa rise?

POINT OF ORDER

Mr. GROSS. Mr. Chairman, I rise to make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GROSS. Mr. Chairman, I make a point of order against section 301, beginning on line 18, page 11, and running through line 2 on page 12, as being an appropriation on authorizing legislation.

I call the attention of the Chair to page 27 of the report of the committee on this bill, H.R. 9110, and to the language to be found dealing with this subject:

Part III—GENERAL AND ADMINISTRATIVE PROVISIONS

SEC. 301—Local Currency Utilization,

wherein it is stated:

It is the expressed intention of the committee that these funds be used for such purposes notwithstanding the requirements of section 1415 of the Supplemental Appropriation Act, 1953.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard?

Mr. MORGAN. Mr. Chairman, I yield to the gentleman from New York who is the author of the amendment.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. WOLFF. Yes, I do, Mr. Chairman.

Mr. Chairman, this amendment was in the previous foreign aid bill and was passed by the House and signed by the President.

The amendment that is before us is a perfecting amendment and has precedence in the Mondale amendment which was a waiver of section 1415 which is similar to this. Also the amendment that provided for the use of these excess currencies which have been used in the same manner.

I must say that I am surprised that the gentleman from Iowa makes a point of order on this amendment since he has been one of the foremost proponents of the utilization of excess currencies.

At the present time there are more than

$2 billion in excess currencies that we are not using.

Mr. GROSS. Mr. Chairman, I suggest that the gentleman should direct himself to the point of order.

The CHAIRMAN (Mr. PRICE of Illinois). The Chair is ready to rule.

This is obviously an appropriation on an authorization bill in violation of clause 4 of rule XXI of the rules of the House. Therefore, the Chairman sustains the point of order raised by the gentleman from Iowa (Mr. GROSS).

THE CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 302. Section 620 of chapter 1 of part III of the Foreign Assistance Act of 1961, relating to prohibitions against furnishing assistance, is amended by adding at the end thereof the following new subsections:

"(v) No assistance shall be furnished under this Act, and no sales shall be made under the Foreign Military Sales Act, to Greece. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. Notwithstanding the preceding sentence, in no event shall the aggregate amount of (1) assistance furnished to Greece under this Act, and (2) sales made to Greece under the Foreign Military Sales Act, in any fiscal year, exceed the aggregate amount expended for such assistance and such sales for the fiscal year 1971.

"(w)(1) All military, economic, or other assistance to the Government of Pakistan, all sales of military equipment, and all sales of agricultural commodities (whether for cash, credit, or by other means), under this or any other Act, shall be suspended on the date of enactment of this subsection.

"(2) The provisions of this subsection shall cease to apply when the President reports to the Congress that the Government of Pakistan is cooperating fully in allowing the situation in East Pakistan to return to reasonable stability and that refugees from East Pakistan in India have been allowed, to the extent feasible, to return to their homes and to reclaim their lands and properties.

"(3) Nothing in this section shall apply to the provision of food and other humanitarian assistance which is coordinated, distributed, and monitored under international auspices.".

AMENDMENT OFFERED BY MR. KYROS

Mr. KYROS. Mr. Chairman. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KYROS: On page 12, beginning on line 9, strike out "pursuant to any authority contained in this Act".

Mr. KYROS. Mr. Chairman, the amendment which I am proposing would strike the words "pursuant to any authority contained in this Act", appearing on lines 9 and 10 of page 12.

This language would prohibit the furnishing of military assistance and military sales under the Foreign Military Sales Act to Greece. The language my amendment strikes really ties the hands of the President. I do not believe it was the intent of the committee to do so in this manner, because it makes it impossible for the President to use any of the transfer and separate authority contained in existing law in the event of an emergency. Specifically, section 614, which provides that the President may authorize in each fiscal year the use of certain funds not to exceed $250 million in the event the President determines that such authorization is important to the security of the United States.

All of us, I am certain, are aware of the very serious situation which has been brought about by the entry of Soviet naval vessels into the Mediterranean, and Soviet military personnel into the United Arab Republic. These developments pose a potential and grave threat to the eastern flank of NATO, and the eastern flank of NATO hinges in large part on Greece. I do not believe it was the intent of the sponsor of the amendment to restrict military assistance and sales to Greece to make it impossible for the United States to respond in an emergency promptly and effectively to any threat that may confront the North Atlantic Treaty Organization. We have now deployed our 6th Fleet in the Eastern Mediterranean to provide a credible deterrent to powerful Soviet air and naval forces which may be tempted to intervene in the current Middle East crisis. In this respect bases and facilities afforded the United States by Greece are vital to maintenance of our position in this area. The President should have available this special authority which he could use in the event of emergency. It is for this reason that I urge adoption of my amendment.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. KYROS. I certainly yield to the distinguished gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I have no objection to the gentleman's amendment.

I just want to say as a matter of clarification that the gentleman's amendment has been discussed with me and I, in turn, discussed it with legal people here and downtown. This modification is somewhat in the nature of a technical change.

In providing the prohibition on aid, it was my intention to protect the overriding national security of the United States by providing the President with authority under clearly prescribed conditions to waive the prohibition. This authority can only be used in certain circumstances relating to the overriding national security interest.

In any event, the amount under the amendment provided for Greece cannot exceed the assistance furnished to Greece for the fiscal year 1971.

The purpose of this change which you propose, as I understand it—and I am sure we both understand it correctly—is to provide for this Presidential flexibility in the new section of the act. And I have no desire now or when I proposed the amendment or in the future to handcuff the President so that he cannot react in the interest of the national security of this country or as to any of its treaty obligations.

Mr. KYROS. I thank the gentleman for his clarification.

Mr. DERWINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I commend the gentleman from Ohio (Mr. HAYS) for the careful review he has given the subject and the explanation that he has given to the House.

Mr. Chairman, I am supporting this modification to the language in the bill affecting Greece although, as I emphasized in my supplemental views, I do not believe this restriction should be in the bill at all.

I believe restrictions on military assistance to Greece would be untimely. Any such action could—

Retard the ability of the Greek forces to carry out their defense commitments under NATO.

Cause the Greek regime to reassess its willingness to make available the key naval, air and communications facilities the United States now possesses on Greek soil. These facilities are irreplaceable and their loss, coupled with our evacuation of Wheelus, the questionable situation on Malta, could completely unhinge our defensive position in the eastern Mediterranean.

Eliminate a central source of influence the United States can utilize to press for the restoration of democratic norms in Greece.

Prevent the delivery of equipment already programed and funded under prior year appropriations.

Restrict the latitude of the President to act in an area of foreign policy where the exercise of great care is needed in protecting NATO's southern flank.

Decrease the ability of Greece to play an expanded role in countering the growing Soviet naval presence in the Mediterranean.

Adversely affect our flexibility in reacting to Middle East military developments.

Mr. Chairman, the precedent here of dictating the domestic affairs of another country is a major step which, I believe, was not fully pondered in committee nor on the House floor. But of equal concern to me is the danger of further eroding our military flexibility in the entire Mediterranean.

Mr. SIKES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, untimely restrictions against aid to Greece in the Foreign Assistance Act must be viewed as unfortunate and unwise. This longtime friend which has the closest of ties with the United States has been one of our stanchest and most dependable allies. Greek-American families in nearly every community of our Nation constitute some of our most loyal citizens. Their family ties with the old country are another strong factor for continued cooperation between our two countries.

Most importantly, Greece has served as a cornerstone in the NATO alliance for the defense of Europe.

In the Mediterranean, an area of very considerable concern, Greece is strategically located. The deterioration of U.S. influence and NATO effectiveness in this area should in itself constitute a clear warning against antagonizing or weakening a good friend and effective ally. The steady growth of Russian military power and diplomatic influence in the Mediterranean is too well known to re-

quire comment here. The dwindling number of friends remaining to the United States and to the NATO cause should be equally well known. Where once our fleet and our personnel were greeted enthusiastically throughout the area, there now are a very limited number of ports open to us and friendly nations to welcome us. The picture is continuing to worsen. Even Malta, with its very strategic location, may be lost to us. There just isn't much left for the western cause.

There is no good reason that the United States should deny assistance to the Greek military forces. Already their forces have been hurt by partial denial of weapons or by tardy deliveries. When the Greek forces suffer for lack of modernization so does NATO suffer. To further restrict the military effectiveness of Greece would be one of the worst errors of judgment we in the Congress could commit.

For us now to deny the hand of friendship of Greece just because there are objections in some areas to the present government of that country would be most damaging to our own interests. The United States cannot afford to lose the friendship of the people of Greece regardless of the government in power.

Whether or not we like the present government is immaterial. Bitter experience should have taught us that U.S. efforts to meddle in the internal affairs of other nations usually has done more harm than good. At least the present government is pro-United States and pro-Western in an area where this is rare. We should let well enough alone and not invite chaos and communism. I support the amendment but would prefer to support the elimination of the restriction.

Mr. HANNA. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in accord with the feelings that are expressed by the members of the committee and by those who are acting with the committee in placing this restriction upon the money to go to Greece. But at the same time I am somewhat bothered with the viewpoint of some who are more or less looking at the abstract and emotional quantities that go into making this whole thing of democracy work and not at the real hard facts of life.

It seems to me that this House ought to have some responsibility to look at the situations around the world as they really are and not in terms of abstractions or emotions.

In the country of Greece the true and operative facts are that it is a fractionalized and a factionalized country. It has a long history of this. It makes democracy under our definitions very, very difficult in practical operation. There has been a history of 400 years of Turkish occupation in Greece. Prior to that Greeks were always citizens of their city before they were citizens of their country. And it has given them a base, coming into this century, of a fractionalized country—and they operate with factions. So that when you come to an election, for instance, they have multiple parties—six or eight—none of whom can form a government. So what happens is that when you finish with an election where a man from one area has been elected from one party and he goes to the capital, he starts to wheel and deal with the power that his people bestowed on him, because his party cannot form a government, nor can anybody else. Representatives are bought off to form whatever government makes the best bid and he remains at bid all the time to a new government with a higher offer which might take over.

That is one of the reasons why democracy is having so much trouble in Greece. So I suggest that we should when we approach these matters of telling other people how to run their countries approach it somewhat on the basis of understanding the practical problems of the area as well as our desire for the purest approach on democracy.

I have no brief nor hold a brief for the present Government as such. I am dedicated to the belief that America should continue to stand for parliamentary governments as an alternative to dictatorship. On the other hand I believe we serve our interest best by avoiding any form of direct intrusion into other countries' political lives. Our efforts should be to encourage and support evolution toward freedom and away from authoritarianism and dictatorship. But always short of direct intrusion.

I am for an emerging democracy. I hope they will have elections in Greece. But I do have sympathy for them with the terriffic problems these people have in trying to mend the fractionalization of their country which has come to them from a long history and are trying to put together two or three parties instead of the seven or eight parties they now have so they can make the country work under a democracy.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from Minnesota.

Mr. FRASER. Does the gentleman recognize the fact that the colonels instigated their rule 30 days before an election?

Mr. HANNA. I understand that.

Mr. FRASER. Does the gentleman know that the Greeks fought the civil war during 1947 and 1948 while under a parliamentary democracy, at a time when they were under more stress?

Mr. HANNA. I understand that. I know the Greeks have done some great things under and for a democracy. In fact, Greece is the cradle of the democracy.

Mr. FRASER. Then why does the gentleman stand up for the colonels who destroyed democracy?

Mr. HANNA. I do not stand up for colonels or anybody else. I am just trying to say that it is not an easy country in which a democracy can work until they have strong enough parties to create stable and functioning administrations, and we should know that and appreciate it. We should encourage them to put themselves in a position to make it work. I am for that. I am not for the colonels or anybody else. I am for us having a sensible appraisal of what is going on in the world before we tell somebody else how to make it work. That is all I am saying. We should avoid taking sides with either the ins or the outs.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine (Mr. KYROS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BURKE OF MASSACHUSETTS

Mr. BURKE of Massachusetts. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BURKE of Massachusetts: Page 12, line 6, strike "subsections;" and insert "subsection;" and strike out line 7 through 20 and renumber "(w)" as "(v)" on line 21.

Mr. BURKE of Massachusetts. Mr. Chairman, I usually try to stay out of foreign policy debates because I think that it is one subject that gets pretty good coverage on the floor of this House. Every shade of the rainbow is usually well represented in these debates. But this is an exception. Today I rise, deeply disturbed about what some of my liberal colleagues are attempting to do today to Greece.

I had hoped that if the past few years had taught us anything about the conduct of our foreign policy, it was that the days of our playing policeman for the world should be over; that the days when we made it our business to meddle in other countries' affairs are best left in the past; that our mission as a Nation to make the world safe for democracy was as dated as Versailles and the League of Nations.

I could have sworn that if a resolution were to be introduced in this House tomorrow to limit this country's meddling in the internal affairs of other nations that it would receive the wholehearted support of the liberal bloc. Yet, irony of ironies, what do we see before us today? A group of self-appointed consciences of the Nation are trying to dictate through economic pressure the internal political course the Greeks should be following.

There is much about recent developments in Greek politics which I take exception to. Arguing further, there is much about previous chapters in Greek internal affairs that are not to my liking. But this seems to be hugely irrelevant because I do not think it is the business of this body to determine political developments in Greece. If we were to apply the same criteria and show the same concern for internal developments in other countries around the world, in recent years we would be left with a very short list, indeed, of governments that we could feel completely comfortable with and give our 100 percent approval to.

The group behind today's motion to eliminate direct military assistance to Greece is upset about the suspension of parliamentary government as practiced in Greece in recent years. Yet tomorrow there could well be another bloc that would be equally, if not more, upset about recent developments in Chile, the Sudan, Jordan, Malta, Ceylon, Peru, even Jamaica.

The list could go on and on, whether the issue be suspension of parliamentary

democracy, one coup to replace another coup, expropriation of foreign-owned factories, the election of a Marxist government—all are events which could and have led to demands on the floor of this House for instant retaliation. I would have hoped that we were past this stage in our international development, and that we had learned to live with other countries who may have chosen other routes to travel than we have, providing such a route does not end up interfering with the affairs of other nations.

In other words, I am going to vote to restore the funds for military assistance to Greece because I am against our telling the Greeks how to live. The fact is that the present Greek Government is there and anyone who has visited Greece recently knows that there is no imminent likelihood that it will be replaced because of widespread public dissatisfaction. And this is not because the present Greek Government is running the country like a totalitarian dictatorship.

Anyone who knows anything about the Greek character and recent Greek history knows that this is patently ridiculous to argue. Recent years have been remarkably free of serious incidents and challenge to the present government. The jails are not filled with hundreds of thousands of political prisoners. While any political imprisonment is lamentable and not something we would want to see in this country, the fact is that if we are about to set out to clean house for the other countries of the world, we would find that there would be very few countries we could find completely free from this charge.

No; I think it is time that we stop using our foreign policy and our foreign aid as leverage to force other countries to take orders from us. These funds that I am voting to restore serve a purpose. Greece is a NATO member. Certainly no one can deny that there are legitimate interests of this country in the Mediterranean which must be protected. The Middle East situation is, needless to say, an uneasy one at best.

If anyone here today feels we do not need outposts in the Mediterranean, given the present situation there, then let him drop the mask and come out firmly against NATO and the idea behind it. If it is admitted that there are considerations of military security in the Mediterranean which make Greek cooperation valuable at this juncture in history, then I think that we should proceed and vote for these funds.

If one feels that there are not legitimate matters of military security in the Mediterranean which require proximate bases of operation, then go ahead and vote against restoring these funds, but at least face up to what the real issues are in including these funds in the budget in the first place. Surely, no one is seriously arguing that these funds under discussion today spell the difference between one form of government or another in Greece today.

It may well, however, in my opinion, spell the difference between an effective naval and military presence close to the Middle East and none at all. Recent events in Malta convinced me that our ability to rely on other countries in that area for support are limited indeed.

I am convinced that when the history of world alliances is written, the Greek-American NATO alliance will not emerge as the most unusual case of strange bedfellows in the history of the world. As a matter of fact, quite the contrary. There are the strongest historical ties between this country and Greece, not just cultural ties in common with all the other nations of the Western World; but the strongest ties of all, blood ties.

I do not condone singling out the Greek Government and, indirectly, the Greek people for special judgment from here in Washington. Too much time has been spent trying to argue these many miles away just how much support the present Greek Government does or does not have. In the process, we have ignored Embassy reports; we have ignored the reports of returning visitors to that country; and we have ignored the advice and pleadings of the majority of the Greek-American community in this country who have indicated to me, as one Member of Congress, their strong feelings and ties for the motherland are paramount in this case and override all political differences that might exist with the present Government in that country. I think it is the height of presumption for anyone here today to sit in judgment on the Greek people, not because they might be wrong, but because they presume to judge in the first place. In the process, they are willing to jeopardize the security of a whole area vital to our national interests. I will not be a part of it.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I compliment the gentleman on the well-phrased statement he just made, but it does not quite hit the mark.

As the gentleman stood down here in the well, he made a patent plea for dictatorship. That is what it amounts to. What does the amendment in the bill do? It gives the President the right to waive this restriction if he sees fit. And it gives the President a little leverage to ask these people, who are running Greece at the present moment, to keep their commitment, which is to hold elections.

I have heard a great deal of unadulterated baloney in my time, and I have heard more of it this afternoon than recently.

What about the history of Greece? Oh, they are not smart enough to run a democracy. Well, they were smart enough to fight a war against the whole Communist apparatus with a democracy. And I do not know where the gentleman was in 1949, but I was in Congress, and I was there in Greece, and I spent a week with General Van Fleet up on the front, on the Albanian front in the mountains, in Ioannina and Konitsa, and many another little village, and I saw those peasants, as poor as anyone can get, who were out there throwing flowers in front of the jeeps, because they were American jeeps, and because they had an American flag, and because Americans were there helping them fight against the Communist dictatorship, which they did not want and which they were willing to lay down their lives to fight.

We had American troops in there helping them. I am proud we did. I voted for President Truman's Greek-Turkey policy, and I supported every dime for Greece down through the years, and I am not going to be against the President if he decides to waive this, and if it is in the interests of our country. And the other gentleman's amendments, if they are in the interests of Greece—I am not going to fight them.

I just think these people ought to move along. I think the gentleman from California said that Greek politics have factions. If that is a good reason to have a dictatorship, the Pentagon ought to move in and wipe this House of Representatives out this afternoon, because where are there more factions than here?

I have some regard for the Greek people, and I have some Greeks in my district who think I am wrong, and I have some who think I am right on this. But I believe the taxpayers of the United States want the President of the United States and the Congress to be a little selective about where we spend our money.

Under this amendment if Greece is threatened or NATO is threatened or the United States is threatened the President can waive the restriction.

What kind of an extremist am I? Some of the controlled press out there say I am a Communist sympathizer.

I was the President of the North Atlantic Assembly when the question came up about booting Greece out, like they did in the Council of Europe, and I said, "No, gentlemen, I do not think we ought to do that." When it came to the standing committee, I voted against it. and they voted with me 14 to 1. I said, "The Greeks have no representative here. There is no parliament in Greece. This is an organization of parliamentarians. I think we ought to send the money back to the Greek Government, since they have no representative here, with a nice letter saying that 'we are returning your funds because you have no representative here and we do not think it is fair to take your money, but as soon as you have a parliament,' "—we did not even say "an elected parliament"—"as soon as you have parliamentarians to send, you send them up and we will be delighted to put them in the seats reserved for Greece, and we are hoping you send them quickly and in a hurry.' "

Does that sound like I am trying to destroy Greece or that I am an enemy of Greece? I do not think so.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent, Mr. HAYS was allowed to proceed for 1 additional minute.)

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I appreciate the gentleman's statement. It is my intention, when this matter is disposed of, to offer a further protective amendment to put this in a positive tone.

I wonder if the gentleman would be

good enough, at least for the purpose of the record, to explain that portion of the language in the bill, line 14 on page 12, placing certain limitations on expenditures.

Mr. HAYS. I shall be glad to explain it. Mr. Chairman, I ask unanimous consent for 3 additional minutes, because I have a letter here from the State Department that will take me at least 2 minutes to read.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. BURKE of Massachusetts. Mr. Chairman, reserving the right to object——

The CHAIRMAN. The gentleman from Massachusetts reserves the right to object.

Mr. HAYS. Mr. Chairman, I withdraw the request, and I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. I should like to ask the gentleman at the microphone if he would like to have the Greek people know what type of democracy he would like to have them receive. Is he in favor of the type of democracy that we experience here in our Nation's Capital, where the crime rate and where the bank holdups are increasing over 50 percent?

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. BUCHANAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, I thank the gentleman for yielding.

Mr. BURKE of Massachusetts. And if the gentleman is in favor of having the type of holdups of banks in the city of Athens we have here in the Nation's Capital?

Mr. HAYS. I get the gentleman's point.

Mr. BURKE of Massachusetts. Is he in favor of the crime rate we have here in the United States?

Mr. HAYS. I do not yield any further. The gentleman knows I am not any more in favor of crime than he is, and perhaps, from the record in the east as compared to Ohio, not as much.

Let me say, crime rate or not, I am more in favor of democracy. If you think you are going to get me to say I want a dictatorship to cure crime, forget it, because I am not going to.

Mr. BUCHANAN. Mr. Chairman, I wonder if the gentleman would proceed with the answer to the question?

Mr. HAYS. Yes, I want to do that. The State Department has written me a letter, and I will try to read pertinent parts of it.

> DEAR MR. HAYS: I am pleased to reply to your inquiry concerning the Department's interpretation of the Hays Amendment to the Foreign Assistance Act of 1961, which would restrict assistance and sales to Greece to "the aggregate amount expended for such assistance and such sales for the fiscal year 1971."

They go ahead, and I am going to condense this big paragraph. Under their program an expenditure is equated with a delivery.

So they really do not know how much they have expended this year. I am not being kidded by this. I know what will happen, and so does everybody else, but this is what it says in the final paragraph:

> Under this interpretation of "expenditures", the latest figures which are available from the Department of Defense indicate that, as of March 31, the total FY 1971 expenditures were: MAP—$49.9 million; FMS credit—$3.5 million;

Incidentally, in this paragraph they say—and I agree with them—that these sales are not included.

They go on to say:

> The Defense Department estimates that overall figures for fiscal year 1971 will not be available for another 35 or 40 days.

So at the end of 35 or 40 days the figures will be about $90 million. So this amendment really does not restrict them in the amount at all over what they programed. I am not stupid enough that I do not know that, and they know that I know that. We have discussed it with them, and that is the story.

There is one other thing they have said although that is not pertinent to it. However, that is the story that the gentleman wants on this. It would be, in my opinion, about $90 million, which is what they programed for fiscal year 1972. what this amendment does is say that the President must make this determination.

Now, let me say this to you: I cannot quote the people downtown, and I am not quoting them, but I would be willing to bet a month's salary that they are not too unhappy with this amendment, because our ambassador has been talking to these colonels right along and saying to them:

> Gentlemen, why do you not do what you said you would do and hold elections? Let us set a date and have them.

The gentleman throws in the crime situation in the District, which has nothing to do with it. He asks what kind of a democracy I would like to have.

Mr. BURKE of Massachusetts. Will the gentleman yield?

Mr. HAYS. I do not yield. It is not my time. The gentleman from Alabama yielded to me.

I would like to see a two-party democracy in Greece.

Maybe it is too much to ask, but you know the French had a multi-party system and they wrote a new Constitution. Now they have a two-party system and are getting along pretty well. I am not going to stand here and let anybody say that the nation that invented democracy, the nation from which the word "democracy" derives, from the Greek word demos, cannot run a democracy in 1971.

Finally maybe we have to agree with Churchill who said one time:

> The worst possible form of government on earth is probably a democracy until you have looked at every other form.

So it has some shortcomings, but——

Mr. BURKE of Massachusetts. Will the gentleman yield?

Mr. HAYS. The gentleman over here has the time.

Mr. BUCHANAN. Then, the gentleman is saying that the only real restriction this amendment gives is that the President has to certify it is in the overriding national security interest of this country to continue military assistance to Greece?

Mr. HAYS. That is right.

And the gentleman from Pennsylvania is going to put in an amendment saying "and if the national safety of Greece is threatened," which I am all for, because that is the name of the game.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Massachusetts (Mr. BURKE).

Mr. BURKE of Massachusetts. Mr. Chairman, you know the gentleman from Ohio is an old pro. He knows you have 5 minutes up here to discuss an amendment.

The fact is that in Athens, Greece, today you can walk around any part of that city any time of the day or night and be completely free from being mugged, held up, raped, or murdered.

Mr. HAYS. Will the gentleman yield?

Mr. BURKE of Massachusetts. A lady can walk home from a job at 1 a.m. in the morning completely free from worry about any type of attack. You can live in your home without being worried about the house being broken into. You do not have to worry about drug addicts. Here we are in America trying to place restrictions on Greece and telling them that we are going to impose our will on them when we cannot clean up our own problems here in America. When we clean up the crime problem in America and straighten out the drug problem and reduce juvenile delinquency and do these other things, then we will be in a position to advise the Greek people how to run their government.

Mr. BOLAND. Mr. Chairman, I yield to the gentleman from Maine.

Mr. KYROS. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Maine.

Mr. KYROS. I would like to ask my distinguished friend from Massachusetts for whom I have the highest admiration, is it not a fact, that walking the streets of Athens and being free of drug addicts and the ladies being able to walk freely about the city has been a tradition of long standing among the people of Greece?

Mr. BURKE of Massachusetts. It has always been that way, but I say in view of the problems which we have in this Nation, we have a nerve trying to tell another nation how to run their internal affairs.

Mr. KYROS. Mr. Chairman, if the gentleman will yield further, is it not a fact that under this regime Greece has made considerable economic progress?

Mr. BURKE of Massachusetts. Yes, that is a fact.

Mr. KYROS. And has achieved political and social stability?

Mr. BURKE of Massachusetts. That is true. I was in Greece 4 years ago and I did not see a policeman or a soldier on the streets any place and you could walk any place you wanted to. All of the people seemed to be happy.

Mr. KYROS. Is not that a reason then to begin a return to constitutional democracy, to be rid of martial law because

there is no apparent threat to the present regime?

Mr. BURKE of Massachusetts. I am in favor of returning to a normal democracy. I am in favor of a democracy. What I oppose here is our imposing our will upon the people of Greece and telling those people that they can get this help if they bow down to our wishes.

Mr. Chairman, Greece has always been our friend. The Greek people have been the greatest friends we have ever had. We do not have any restrictions on Chile where they have a Marxist government. We are not concerned about that. We are concerned about Greece, one of the few friends we have in the Mediterranean, one of the few places that our Navy can stop at. I do not think we should undertake to impose our will upon Greece or any other country.

Mr. HOWARD. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New Jersey.

Mr. HOWARD. I do not think everything would be so wonderful and perfect over in Greece if they did not have to come here asking for an awful lot of additional money. Maybe we in this country could reduce the rate of crime, perhaps, if we did not send the money over to Greece but put a little more money into our own crime prevention program through the enactment of a real drug addict treatment program, through educating the people as to the danger of drugs and providing jobs for our own people. Then, in my opinion, we would not have any problem at all and we would be just as well off as the people in Greece.

Mr. BURKE of Massachusetts. I wish I could understand the gentleman's logic.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Ohio.

Mr. HAYS. Now, Mr. Chairman, the gentleman from Massachusetts said I was an old pro. He did not think I was amateur enough to let him have the last word, I hope.

I am an old pro in another way. I can smell a red herring further than you can see one. That stuff about crime in Athens is surely a red herring because you yourself Mr. BURKE, just admitted that these conditions existed in Greece when it was a democracy. So, the fact that a dictator has taken over and denied the people the right to vote, has thrown great numbers of them in jail, has not done a darn thing to increase the security of that lady who is walking around by herself at 1 o'clock in the morning.

I can recall what the New Yorker magazine said about a certain congressman about 20 years ago—he must either be very young or very naive because most of the people he sees at 1 o'clock in the morning are not spies following congressmen. Spies are usually thick-set men with derbies and a cigar. So, the gentleman can draw whatever conclusion he wants to from that. But I repeat that under the gentleman's own admission, the story the gentleman has told has nothing to do with the issue. We are not telling the Greeks how to run their government, and with reference to Chile, if they go ahead and expropriate the copper firms I will be in here doing the same thing to them. I am at least consistent. I do not care whether it is a dictatorship to the left or to the right. I do not like it.

There is language in this bill that prohibits a lot of things being done for the Communist bloc, the so-called Warsaw bloc. You must have overlooked them over the years.

Mr. ROSENTHAL. Mr. Chairman, I yield back the balance of my time.

Mr. GERALD R. FORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, if I had been on the Committee on Foreign Affairs I believe I would have voted against the Hays amendment and against the Findley amendment to the amendment. But we do have this provision in the proposed bill, and I believe with the amendment offered by the gentleman from Maine (Mr. KYROS) the objections that are really meaningful to the original amendment, or amendments, have been overcome.

I understand that there may be one or more other amendments that will make this provision more palatable, but I see no basic harm to the efforts of the administration to help Greece perform its function as a part of NATO, with the amendments that have been offered, and those that are contemplated to be offered.

It seems to me that the President can make an affirmative determination that the aid ought to be made available if the aid is necessary for our own self-interest, or for the purpose of maintaining our treaty commitments. And I do not believe the President would have any trouble in making that determination under this legislation, any more than he made the determination a few months ago when he resumed U.S. aid to the Government of Greece.

Mr. HAYS. Mr. Chairman, would the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, when I was over to NATO a few weeks ago the American Ambassador to NATO in Brussels approached me and said there was a rumor going around that I was going to offer an amendment barring all aid to Greece, and that Secretary Laird had expressed some concern to him about this.

I said to him, "This seems to be a roundabout way, since I am just across the river from the Pentagon, to get me the word, but I will talk to the Secretary when I get back." And I did. And I told the Secretary then that I agreed with this amendment which further unshackles the President, but I did not intend in the first place that I would offer an amendment which would indicate to the dictatorship that we thought they ought to kind of lessen their moves and they ought to restore the right to vote to the people, but that I would specifically write in an escape clause so that the President's hands would not be tied, and he would not be held up in any way, shape, or form. That has been done. And I have cooperated with the administration all the way down the line, although I do not believe they would want me to say so publicly, and I will not. But I do not believe they will lose any sleep if this amendment stays in.

Mr. GERALD R. FORD. Mr. Chairman, because of the revisions that have been made, and those that are contemplated, I for one feel that the legislation is acceptable to the administration, and, therefore, I do not intend to support the amendment of the gentleman from Massachusetts, even though at the time the bill was considered in the committee, if I had been a member of the committee, I undoubtedly would have voted against the Hays amendment, and the Findley amendment.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. Mr. Chairman, I thank the minority leader for yielding. I must express my regret that he has taken the position that if he were a member of the committee he would have voted against the language in the bill, yet now he is not opposing it. The language has not been modified in any substantial way. What has come out as a result of the discussion has been the fact that there is a loophole that the President can use. All our committee has done has been to put the monkey on the President's back. The minority leader says that this is all right. The President will apparently go ahead and utilize the waiver, and Greece will be provided with the assistance and Congress will have expressed its views with respect to the Greek question.

I would think the wiser course would be to strike the language entirely. The views of Congress are a matter of record on what we have said here today, and we would be at least as well off if there were no restrictions on the President.

Supposing the President could not find, or did not feel he should find, that the overriding requirements of the national security authorized the triggering of this waiver? Then we might find ourselves in a predicament. I would think if we also add language saying that there must also be a finding that there is a threat of outward aggression against the people of Greece, which I understand is going to be offered, we will be compounding the confusion which the committee created by authorizing this language.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(Mr. GERALD R. FORD asked and was given permission to proceed for 3 additional minutes.)

Mr. GERALD R. FORD. Mr. Chairman, I do not believe that this escape clause puts any undue burden on the President of the United States. It is a method that we have used many, many times both in authorization bills and in appropriation bills relating to foreign

aid. I am sure that the President will use it in this case because the facts will justify it, just as the facts justified the resumption of certain aid to the Government of Greece a few months ago.

Furthermore the amendment that has been offered by the gentleman from Maine as I understand it does, in effect, eliminate the dollar limitation that was imposed by the Findley amendment to the Hays amendment. And as long as that amendment prevails, the Kyros amendment, I see no harm in this Hays-Findley amendment that we now have in the bill.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Is it not true that the administration in the resumption of aid took the position that this was for our national security interest and the fulfillment of our NATO treaty obligations and not an endorsement of the present Government in Greece?

Mr. GERALD R. FORD. That is my understanding.

Mr. BUCHANAN. It seems to me that if here on this floor the position of your committee which simply was an expression of concern about the failure of this Government to move toward a resumption of the constitutional rights of the people and toward free elections should be reversed, the Committee of the Whole House will be giving an endorsement to this present Greek Government and truly meddling in Greek internal politics in a way that I consider most unwise. It would seem to me much better to let the President make the determination which he can surely do.

Mr. GUBSER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think it is really time that we gave some consideration to the purpose of the bill now before us. I think everyone in this Chamber will agree it is definitely not the purpose of a foreign aid authorization bill to influence the decisions of peoples in other nations as to the kind of government that they should have for themselves.

I think everyone of us will agree and I agree in retrospect, admittedly, that it was a mistake for this Nation to attempt to impose our brand of democracy upon South Vietnam and that that mistake led to very dire and very serious circumstances which surround us and envelop us today.

I think it is a mistake for this Congress to set itself up as the judge of what is right for a people in any other part of the world. That is exactly what you are doing with this amendment.

I am not in favor of a military dictatorship and I want to see it disappear from the scene in Greece just as quickly as I can possibly imagine. But I wonder if all of us here today really know the feelings of the Greek people—and after all they are the ones who are going to live under whatever government may be decreed for them.

Now I do not profess to know very much about Greece. I have only spent 3 days there in my whole life—and this was in the early part of May. I only talked to a very few people but I did make a very conscientious effort to talk to ordinary people and not just to government officials.

I think the attitude that I found—and I do not claim it is the majority attitude because I do not know—but the attitude which I found can best be described by my conversation with one chauffeur or a driver. When I questioned him about when Greece would return to a democratic form of government, he snorted and said, "Do you know what democracy means to me?"

I said, "What?"

He said, "I used to have a little piece of property on the way out to the airport, and the Government that was called a democracy came in and took it away from me and paid me nothing. To me democracy means graft, it means corruption, it means riots, it means inflation, it means distress, it means that I do not know when I go to work this morning whether I will be able to work and whether the people there will let me work."

He said, "It means instability, and if Greece ever needed stability it needed it at the time the present regime took over.

"We have had stability since that regime took over."

I do not think you can ever ask Greece to fulfill its commitments to the rest of the free world if, in that most strategic part of the world where Turkey is doubtful, Israel is ready to go up in flames, the strategic Dardanelles are in doubt, and the 6th Fleet is in trouble—I do not think you can ask Greece to maintain its commitments to the rest of the free world if it must work from an unstable base. That is what you would get—an unstable base—if you prematurely tried to restore the old type of corrupt democracy.

I said to this chauffeur, "What do you think of this famous actress who goes around telling Americans that Greece should return to a parliamentary system?"

He said, "Her father was a Communist and her husband is a Communist and she wants a return to the graft and the corruption because that kind of instability is what communism feeds upon."

He then went on, "We will have democracy in due time, but before we can get a true and an honest democracy, we must have stability, and we must wait."

I think that the judgment of these people is worthy of consideration and we should not set ourselves up in this body as their mind and their conscience to decide for them what is best for them in terms of our own system of government.

Mr. DENNIS. Mr. Chairman, will the gentleman yield?

Mr. GUBSER. I yield to the gentleman from Indiana.

Mr. DENNIS. I would like to ask the gentleman, who is a member of the Armed Services Committee, if the real point here is—not what kind of government they have in Greece—I have no brief for these colonels and I have no brief for the Communist government in Chile; I have no particular brief for any foreign government—but is not the point of foreign aid, and particularly military aid, our interest, and is it not highly important to us to add that anchor in the eastern end of the Mediterranean, regardless of the type of government they may have today or tomorrow?

Mr. GUBSER. I would say to the gentleman that the point of foreign aid is our interest as a member of the free world, and it is to the interest of the entire free world.

(Mr. SCHMITZ asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SCHMITZ. Mr. Chairman, I would like to speak in favor of the amendment proposed by the Gentlemen from Massachusetts. It seems nonsensical to cut off aid to one of our NATO allies at this point. At a time when the Soviet Union is increasing its naval presence in the Mediterranean by leaps and bounds why jeopardize the pro-Western stance of a littoral nation of vast strategic importance for the entire free world?

The Government of Greece is pro-United States, pro-NATO, pro-free world and anti-Communist. Greece is the only Balkan nation not currently in the Communist camp. It is flanked by two NATO nations, Italy and Turkey, which are showing increasing signs of instability. Is it really necessary for the Congress to contribute to the destabilization of Greece?

The only rationale behind foreign aid as I understand it is to strengthen those nations whose strength coincides with the national interests of the United States. Greece certainly falls into this category. If we are going to spend millions of taxpayers' dollars the least they can expect in return is an increase in their security.

It might also be pointed out that the present Government of Greece has not felt it necessary to erect walls and string up miles of barbed wire to keep people behind some type of "Grecian curtain," although from some of the remarks which have been made tonight one might think that this was the case.

Aid to Greece makes good sense and should be continued.

Mr. KING. Mr. Chairman, I support the amendment to strike the provisions of this bill which would deny aid to Greece. I would like to associate myself with the remarks of the gentleman from California (Mr. GUBSER) and the gentleman from Massachusetts (Mr. BURKE).

Contrary to the misleading reports of some American and anti-Greek Government sentiment circulated by a small minority, the Greek Government has the overwhelming support of the majority of the Greek people. Likewise, the U.S. Government has the respect and admiration of the majority of citizens in Greece, and I personally feel that Greece has become one of the most loyal NATO members.

The history of Greece has been the story of a constant struggle to keep burning the flame of liberty. The achievements of the Greek people and their contributions to western civilization in art, architecture, science, drama and literature have been unsurpassed by any other culture. Yet today, we hear

voices in this House highly critical of the present Greek Government. These people have been listening to the wrong voices; voices of people of a social strata in Greece who should not influence our decisions.

I have talked with many of my constituents of Greek origin, and they are most enthusiastic about the present Government of Greece, and have urged us to do everything we can to help the government. These Americans of Greek origin believe that the present Greek Government has been dedicated to sound remedial reforms, both social and economic, and that these reforms have greatly benefited the entire nation. The progress and tranquillity which has taken place in Greece during the past 4 years, has been evident to the 1½ million tourists last year, many of whom were Greek ethnics from various parts of the world.

Mr. Chairman, the ties between the Greek people and the American people are strong. The Greeks have been among our greatest friends in the Mediterranean. I do not believe that we as a nation should impose our will on other peoples as to the type of government they must have before they can receive military aid. We make no such demands on Bolivia, Chile, Haiti, or many of the African nations which are just as dictatorial, if not more so, than the Government of Greece.

NATO cannot survive without the strong anchor of Greece; nor can Israel. For without Greece we would have no base for our fleet in that vast end of the Mediterranean Sea.

We should do all in our power to help Greece. I shall vote no on the final passage of this bill, because of these provisions if the amendment fails.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. BURKE).

The question was taken; and on a division (demanded by Mr. BURKE of Massachusetts) there were—ayes 57, noes 122.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. PUCINSKI

Mr. PUCINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PUCINSKI: Page 12, line 9, strike out the word "not" and on line 10 substitute the word "when" for the word "unless".

Mr. PUCINSKI. Mr. Chairman, this is a further perfecting amendment to the amendment offered by the gentleman from Maine. What it would really do is have the language read:

This restriction may be waived . . . when the President finds that overriding requirements of the national security of the United States justify such a waiver.

This means that Greece would be placed in the same position as all other nations in qualifying for military aid. The President must now certify that military aid to any country is vital to American security.

It is really a perfecting amendment. It puts the whole thing on a more positive tone and gives the President greater latitude in deciding when giving military aid to Greece is justified. I, myself, believe we ought to continue to help Greece. I have said here before Greece is the anchor of our whole defense structure in Europe. There is no question in my mind that the loss of Greece would make us suffer an enormous loss. We need Greece a good deal more than Greece needs us at this juncture in world affairs. That is my I am opposed to any restrictions on aid to Greece.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Ohio.

Mr. HAYS. Mr. Chairman, as an old English teacher, I can say to the gentleman I have no objection to his language. It substitutes "may" for "may not," and "when" for "unless." If there is any substantive change in the meaning of it, it escapes me.

Mr. PUCINSKI. It puts the whole thing on an affirmative tone.

Mr. HAYS. It puts it on a more positive basis, and it also proves the gentleman is another friend of Greece, and I am all for that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. PUCINSKI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FULTON OF PENNSYLVANIA

Mr. FULTON of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULTON of Pennsylvania: Page 12, line 12, immediately after "United States" insert a comma and the following: "and the protection of the people of Greece against outside aggression,".

Mr. FULTON of Pennsylvania. Mr. Chairman, I offer a very simple amendment. As the language now reads, as amended with this recent amendment, it now reads:

This restriction may be waived when the President finds that overriding requirements of the national security of the United States justify such a waiver—

My amendment simply adds after the words "United States"—

and the protection of the people of Greece against outside aggression" to justify such a waiver.

With my amendment the provision will now read:

This restriction may be waived when the President finds that overriding requirements of the national security of the United States and the protection of the people of Greece against outside aggression justify such a waiver.

This means that the United States is stating that the United States will fulfill our obligation under the NATO treaty for protection of the Greek people, and that we have equal feeling for the protection of the people of Greece as well as just the security of the United States.

I have strongly admired the good people of Greece over the years. I must say to the Members that the people of Greece are as fine people as there are anywhere, and as good friends of the American people as we have anywhere. Let us continue this long friendship between the American people and the Greek people.

Many who have been friends of Greece have voted for this provision in order that the Greek people shall have the opportunity to move toward democracy, and parliamentary form of government.

To provide that the President can exercise the waiver under this bill taking into consideration only the security of the people of the United States is not enough. The language of the provision should also state the President can use the waiver when it is for the national security of the United States and the protection of the people of Greece against outside aggression.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. FULTON of Pennsylvania. I yield to my friend chairman Morgan.

Mr. MORGAN. I just want to say that I am afraid this would require the President to make a double-barreled determination. I feel this amendment has already been perfected enough. I should like to proceed with the next section, if we can.

I hate to put the President in a position where he has to make this kind of a determination. I reluctantly have to oppose the gentleman's amendment.

Mr. FULTON of Pennsylvania. I have to disagree with my chairman, because I believe we should specifically state the waiver can be used not only on the basis of the national security of the American people, but also for the protection of the people of Greece against outside aggression, which is our U.S. NATO commitment. When the provision place the decision by the President to use the waiver solely on the national security of the American people Congress certainly would be ignoring the good people of Greece.

Mr. MAILLIARD. Mr. Chairman, I rise in opposition to the amendment.

When this amendment was first presented to me it read "or" and not "and" and I had no objection to it, because there were two provisions under which the President could exercise his power of waiver.

When we ask the President to make both findings, I can envision a situation where it might be determined to be in the interest of the national security of the United States but where there was no direct threat to the people of Greece, and I do not know how the President would be able to make the finding that the waiver was required for the protection of the people of Greece against the threat of outside aggression, if there were no threat of outside aggression at that point.

I believe this is a boobytrap and hope the amendment will be voted down.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. MAILLIARD. I yield to the gentleman from Illinois.

Mr. PUCINSKI. The gentleman makes a very important point. I do not see how the President could possibly administer this when he has to make two determinations. First he has to determine that military aid to Greece is in the interest

of the United States, and then he has to make the determination that Greece's own security is threatened before he can move forward with the military aid program the gentleman from Ohio described earlier in our discussion.

It seems to me this would really tie the hands of the President. I do not see how the President could ever make that determination.

For that reason, I hope the amendment will be rejected, as the distinguished minority leader of the committee so eloquently stated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. FULTON).

The amendment was rejected.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: On page 13, line 12, strike out "and" and insert in lieu thereof "or".

Mr. DERWINSKI. This is an attempt to add a technical amendment to the restriction relating to aid to Pakistan. Specifically it is my intention in this amendment—and I believe I have the concurrence of the gentleman from New Jersey—to create flexibility whereby specifically in the case of Public Law 480 funds and other items made necessary by emergency famine conditions in East Pakistan that the language in the bill would not preclude such aid.

Is that the gentleman's understanding of this amendment?

Mr. GALLAGHER. Yes. We discussed this in the committee and we feel that this is an amendment that should be adopted. The "and" does make it rather ambiguous with regard to distribution efforts. It may be interpreted as a means of limiting distribution through the United Nations and humanitarian aid solely through the United Nations. We agree to the amendment.

Mr. DERWINSKI. The purpose is to permit maximum use of U.S. surplus commodities to be distributed to the people in East Pakistan who are in obvious need and to avert famine conditions in that area of the country.

Mr. GALLAGHER. Mr. Chairman, 4 months have passed since the Pakistan Army launched its campaign of genocide on the people of East Pakistan in an effort to suppress the verdict of the elections of last December and to terrorize the Bengalis seeking self-rule into submission. Since then, on conservative estimates, a quarter million innocent Bengalis have been massacred and 7½ million have taken refuge in the adjoining States of India. Even now, thousands of them are moving across the border into India every day to escape the humiliation, indignity, and the sheer brutality and horror of life in East Pakistan.

II—SPECTER OF FAMINE

There appears to be yet more tragedy in store for the unfortunate people of East Bengal. Senator KENNEDY recently brought to light some telegraphic reports from American officials in Dacca to the State Department stressing the danger of a terrible famine in East Pakistan.

Owing to the civil war and the dislocation of masses of people from their homes and farms, the sowings in the rice paddies did not take place in time. Hence, the impending shortage of foodgrains. The system of transport and communications has been disrupted. An alienated population is unwilling to extend its cooperation to a military regime whose functionaries are, in the eyes of the local populace, alien in language and culture and medieval, to say the least, in their brutal methods of rule.

The threat of famine looms large in East Pakistan, and there are reports to the effect that some 30 million people may be affected by it in the coming months. That may further step up the exodus of East Pakistan refugees to India.

III—THE WAR OF RESISTANCE TO ARMY RULE

In recent weeks, a new feature has emerged in prominence in East Pakistan, and that is countrywide armed resistance by the Bengalis to the West Pakistan Army. Before the military crackdown, which began on 25 March, there were perhaps about 40,000 to 50,000 Bengalis trained in the use of arms, belonging to the country's military and paramilitary units such as the East Pakistan Rifles, the East Bengal Regiment, and the police. These Bengalis deserted their units to the last man and after unsuccessful initial pitched encounters with the Pakistan Army, went underground with their arms and other equipment. In addition, much military equipment has been captured from the Army of West Pakistan.

This force appears to have been transformed into a network of guerrilla groups. They have launched a countrywide guerrilla warfare against the Pakistan Army in East Bengal.

That was bound to happen. Terror does not always succeed in subduing a people; it never wins their loyalty and affection. It only succeeds in strengthening their resolve to put an end to the tyranny to which they are subjected and to fight back for their lives and for their honor and freedom. The more brutal the terror, the more determined the resistance. That is the kind of battle that is developing in East Pakistan today. We have a new Vietnam in the making; it will be a Vietnam five times the first with which we are acquainted. I will attach a report from the New York Times, of July 30, which makes this point well and which contains quotes sadly like some our leaders made in the early days of Vietnam.

IV—ALLEGATIONS AGAINST INDIA

Allegations are made by Pakistan that "miscreants" are infiltrating into East Pakistan from India. The fact is that a large potential guerrilla force was in existence in East Pakistan right from the start of the present conflict. It is quite possible, however, that some of the refugees who had fled to India initially to escape the Pakistan Army's campaign of terror and genocide have returned to participate in the fight. During my inspection of some of the refugee camps in West Bengal, I had met East Pakistani young men who had suffered at the hands of the army, had fled to India to receive some medical treatment or to escort their parents, and loved ones to safety. They were itching to return to their homeland to seek revenge for the injury caused to them, for the loss of their near and dear ones and especially for the humiliation and dishonor perpetrated on their women.

So far as the Government of India is concerned, it has refrained from recognizing the Government of Bengla Desh. They have accepted and handled the burden of 7½ million refugees with remarkable fortitude and praiseworthy competence. The world has not given India enough help; it has not given India enough credit for its patience and restraint. The burden India carries is the world's burden, not its own.

At the same time, the Parliament, the press, and the people of India are openly, and for good reason, sympathetic to the people of East Pakistan and their fight for their freedom and survival. The frontier between East Pakistan and the neighboring states of India is 2,720 miles long. There are no natural features along this frontier. People on both sides speak the same language, wear the same dress, eat the same foods, and belong to the same ethnic and cultural group. This frontier cannot be sealed except with the fullest cooperatiton of the East Pakistani population itself. But that cooperation is not available to the Pakistan Army at all.

It is possible that the Indian people may give aid and shelter to East Pakistani guerrillas; but no government can prevent people-to-people cooperation in that manner. Besides, in the context of traditional India-Pakistan relationship, it would be futile to expect that the Indian Government join hands with the Pakistan military junta to quell Bengali resistance in East Pakistan.

This war of resistance in East Pakistan is bound to spread. A whole people has risen in revolt against an unpopular regime. The Pakistan Army cannot win this war. For that army is fighting an outmoded colonial war in a land far away from its home base against a vast population of 75 million which its barbaric actions have totally alienated.

V—A POLITICAL SOLUTION

The war of East Pakistanis' liberation and independence may already be too far gone for a settlement short of independence through the processes of political conciliation and negotiation. The question really is how long will this war last? or how much more bloodshed will there be? or what will be its repercussions on the South Asian region? The one man who holds the key to these questions is held prisoner by President Yahya Khan in West Pakistan. President Khan has threatened to put the Bengali leader, Sheikh Mujibur Rahman, on military trial in camera on grounds of treason, with death penalty if the charges are proved. The day that trial begins, the last remote hope for a peaceful, political settlement will have vanished for good.

VI—DANGER OF WAR

As the power and effectiveness of the Bengali freedom fighters increase, Gen. Yahya Khan and his military govern-

ment become more desperate. Twice in recent days he has threatened to declare a general war upon India on hypothetical grounds. He is reported to have said on July 31 that if the Indians have the idea of taking a chunk out of East Pakistan, he would declare a general war on India.

The Indians want the Pakistani refugees to go back, but they have not said that they want any part of East Pakistan. Indeed, it makes little sense for the Indians to seek a chunk of East Pakistan territory. India is neither short of territory nor people.

But it is quite likely that the Bengali freedom fighters will liberate, sooner or later, one or more chunks or perhaps the whole of East Pakistan and set up their own independent government there. It seems to be Gen. Yahya Khan's intention, in that circumstance, to precipitate an India-Pakistan war with serious threat to world peace. That will be an act of the gravest delinquency on the part of a Junta which has already acted with extreme irresponsibility and in unbelievable cruelty toward 75 million gentle and cultured people whom it claims to be its own.

A distinguished and respected American, Angier Biddle Duke, who heads the International Rescue Committee team studying the plight of Pakistani refugees in India is reported to have told the Washington Post of July 29—Marilyn Berger's despatch attached—that the Pakistani Army has tried to maintain a desperate air of tension along the border with India by mortar fire.

There is every reason, therefore, for the world to take serious note of Gen. Yahya Khan's threats of war with India if he cannot get his way in East Pakistan and to forewarn him against such recklessness.

VII—PARALYSIS OF AMERICAN POLICY

In these circumstances, the paralysis in our Pakistan policy is a cause for serious concern. We are continuing to permit the despatch of arms and spare parts to Pakistan, knowing full well that these arms are being used by the Pakistan Army in East Pakistan. In its war upon the people of East Pakistan, the Pakistan Army is using artillery and tanks and jet fighters for which spare parts and ammunition continue to be shipped from here.

We have thus become partisans with the military against the majority of Pakistan's people. Are we in a position to advise others, the Indians or the Russians or the Chinese, to remain aloof in this civil conflict?

Our economic assistance continues to go to Pakistan even though the World Bank has said that in view of the disruption and alienation caused by the military action no constructive economic development activity can take place in East Pakistan for a long time. The money provided by us can, therefore, only be diverted to the purposes of war.

It must reluctantly be concluded that we have already intervened on the side of the Government of Pakistan.

The Awami League, the party for which the people of Bengal voted with near unanimity in the December elections, is an anti-Communist and a pro-Western party with friendly feelings toward the United States. It is this party and its following which have been driven to a bitter war of resistance and liberation. Our policy of drift antagonizes and radicalizes a people and a potential government who are inclined to be moderate and friendly.

Our current policy assists only the most radical groups in East Pakistan and in India. We are fomenting a Communist-controlled revolution in this region and we are laying the groundwork for a Communist dominated government. No. policy could be further from the American tradition or more deeply against American long range interests.

Gen. Yahya Khan has shown no inclination to negotiate a political settlement with the elected leaders of the Awami League. And we have not effectively exerted pressure and persuasion on him to do so. We do not seem to be sufficiently alive to the dangers of the situation and seem to be persevering in their ineffective line with the Pakistan military regime at much peril to Pakistan, to South Asia, and the world.

By being firm with this reckless dictator from the beginning we would, perhaps, have helped save Pakistan. By being firm with him even now we could help avert an unnecessary war.

VIII—UNWELCOME MANEUVER

There is discussion of a maneuver which is anathema to India. This maneuver suits Pakistan and may have originated from there. The proposal concerns the stationing of United Nations observers both in India and East Pakistan with the ostentatious purpose of facilitating the return of refugees from India to Pakistan.

Indians are understandably indignant that they are being equated with a regime which because of its evil actions in East Pakistan has already imposed unbearable burdens on India.

Indians have rejected the proposal saying that the question of facilitating the return of refugees will arise only when conditions in East Pakistan are such as to generate confidence among the refugees that they can return to their homes and hearths with some assurance of safety of their lives and their honor.

These are the very provisions your Committee on Foreign Affairs has written into the foreign aid bill to allow assistance to be resumed.

The Indians also point out that close to a thousand foreign volunteers are working in refugee camps in India, which are open to inspection by foreigners. They have nothing to hide from the world in these camps and the Indian Ambassador here has personally extended invitations to a large number of Senators and Congressmen to visit the camps.

I share the Indian Government's view that a political settlement in East Pakistan is of fundamental importance and that the issue should not be confused by such diversionary moves as the proposed posting of U.N. observers on the Indian side. A large U.N. presence and the presence of other foreign voluntary agencies on the East Pakistan side would be entirely justified, and is, in fact, necessary to the fair and equitable distribution of relief assistance in East Pakistan.

For the sake of a Pakistan which cannot survive in its present form we are alienating the people of the world's largest democracy, India. We are alienating the 75 million people of East Pakistan. By associating ourselves with the barbaric actions of a reckless regime, we are tarnishing our own image, as a humanitarian, free and freedom-loving people, in the world.

I have thought it necessary to bring these facts out in the open so that the Congress can assert its role in helping the administration formulate a rational and meaningful policy towards Pakistan, towards East Pakistan and towards India.

Because of the undue solicitude for Pakistan on our part, America's relations with India today face a serious challenge. Indians have not suggested that we endorse their viewpoint; but they are far more deeply concerned with the situation in East Pakistan than are we. We ought to have close consultations with them and show some deference to their concerns and anxieties even if we disagree with them. We should help them to bear their burden of Pakistani refugees. We should not permit them to feel that ours is not the country that they can look to for help and understanding in a difficult situation not of their making.

In Asia, India with its 600 million people is nearly as important as China. If India is antagonised to the point of being driven into the arms of Soviet Russia, any success in the policy of rapprochement with China would have been offset by an avoidable and unnecessary failure in the policy towards India because of a misplaced attachment for what is really no more than a medium-sized middle-eastern country, West Pakistan.

IX—DEFINITION OF AN AMERICAN POLICY

There is no longer any rationale, if ever there was, for the continued supply of American arms and economic assistance to Pakistan while the conflict between West Pakistan and East Pakistan lasts.

All such assistance must be stopped forthwith: Hopefully, the House of Representatives may force the issue by passing the foreign aid bill, including my amendment.

The United States should disassociate itself from and condemn the atrocities of the Pakistan Army in East Pakistan.

President Yahya Khan should be pressured to end the military action and to order the army back to its barracks in East Pakistan.

Pressure must be exerted on the military government of Pakistan to immediately release Sheikh Mujibur Rahman and to enter into negotiations with him with a view to setting up a civilian, provincial government in East Pakistan headed by him and his Awami League party which swept the polls in December last on the platform of autonomy for East Pakistan.

Pending the formation of a popular

provincial government, large scale relief assistance should be furnished to avert famine and epidemic in East Pakistan provided it can be insured that such assistance is administered either directly by or under the close supervision of U.N. personnel, by specialized agencies of the U.N., and by foreign voluntary agencies. Again this is exactly what your Committee on Foreign Affairs has provided.

It should be insured that there is no interference from the Pakistan military in the distribution of relief assistance where it is needed. It should also be insured that resources provided for relief, such as boats and vehicles, are not taken over or misused by the army for the purposes of military action.

The Awami League Government should then undertake the responsibility for the return and rehabilitation of East Pakistan refugees now in India.

Further financial assistance should be given to India on a scale commensurate with the needs of relief for 7½ million Bengalis who have taken refuge there.

The U.S. Government should suitably warn the President of Pakistan against any action which might precipitate a war with India. Any such war would lead to a confrontation between the Soviet Union, China, and the United States and divert attention from the fundamental issue of repression in East Pakistan.

The articles mentioned follow:

[From the New York Times, July 30, 1971]

PAKISTANI REGIME IS PREPARING FOR LONG GUERRILLA WAR IN EAST

(By Malcolm W. Browne)

DACCA, PAKISTAN.—Pakistan's military Government is waiting for what it fears may be a protracted guerrilla war in East Pakistan, and Government strategists are drawing from the writings of Mao Tse-tung and other experts in their plans.

"Ours is a regular army," a ranking Pakistani officer said in an interview. "We recognize that regular armies are not suitable for guerrilla campaigns, as the Vietnam experience has shown. We can shield the nation against external threats, notably India, but only the people can conduct antiguerrilla warfare."

Pakistan's army, which consists mainly of West Pakistanis, attacked Bengali dissidents on March 25 to re-establish the authority of the national government and to suppress the separatist movement.

Tens of millions of East Pakistanis, it is reported, fled the major towns for the relative security of the countryside and several million crossed the border into neighboring India.

OPEN BATTLES FOUGHT

Initially, the Bengali separatists fought the army in open battles. Bengali forces included almost all of East Pakistan's police and militia forces, as well as the East Bengal Regiment, a unit in the national army.

But the national army quickly seized all the major towns in East Pakistan and wiped out opposition strongpoints. Resistance became sporadic and took the form of sniping and sabotage on railroad lines.

During the last two weeks, however, guerrilla activity has accelerated and has begun to pose a problem for the military authorities. The three divisions of troops, armor and artillery now being maintained in East Pakistan have not been able to prevent the dynamiting of power installations, bridges, roads and houses by guerrillas.

Most experts speculate that Bengali guerrillas who went to India on March 25 have now had time to receive training and weapons in Indian camps and are now back in action in East Pakistan. According to one estimate, there are 30,000 active guerrillas in the province. One step toward countering this force was taken by the Government on July 15 when it organized the new Razakar (Volunteer) force.

AUXILIARY MILITIA FORMED

Razakar units are hamlet militia responsible to the local police as a kind of auxiliary. Anyone over 14 may join after a loose screening procedure. After brief training the recruit is given a rifle and paid about 70 cents a day while on duty.

"The Razakars guard vulnerable points such as power stations, bridges and so forth, but they should be especially helpful as members of rural communities who can identify guerrillas," an army officer said.

The Government says it has already recruited more than 22,000 Razakars of a planned force of 35,000.

"The people are definitely giving us information about the guerrillas," the officer said. "The people realize that the guerrilla operations are hurting the economy and that this hurts the people. If we can convert this resentment into support for us, we'll overcome the guerrilla problem."

The officer said the army was increasingly successful in determining guerrilla infiltration routes and in ambushing them.

"Mao Tse-tung teaches that roving rebels accomplish nothing and that successful guerrillas must have a base inside their target country," he said. "This we are denying them."

[From the Washington Post, July 29, 1971]

10 MILLION PAKISTAN EXILES PREDICTED BY END OF YEAR

(By Marilyn Berger)

Angier Biddle Duke, who headed an International Rescue Committee team studying the plight of Pakistani refugees in India, predicted yesterday that the continuing tension in the region would bring the number of refugees to 10 million by the end of the year.

Duke, a former U.S. ambassador, was in Washington to seek U.S. government cooperation in a number of programs the IRC has started in India to aid the refugees. In a report that Duke gave yesterday to Francis L. Kellogg, special assistant to the Secretary of State for refugee affairs, the IRC reported on "the desperate air of tension the Pakistani army has tried to maintain along the border by mortar fire to which the mission can bear personal witness."

The report stated: "There is no indication that the exodus has been halted. If the present trend continues, the figure is likely to go to seven million before July is out. Seven million is the total population of Cuba."

Indian sources indicated the prediction was correct. The movement of refugees from East Pakistan started on March 25 when the forces of the Pakistani central government cracked down, allegedly to prevent the establishment of a secessionist state. Reports from the scene told of rape, murder and other atrocities, and Bengalis poured into India to escape what was widely described as a bloodbath.

State Department officials said yesterday that military activity in East Pakistan has largely subsided since May although action against guerrillas continues. These officials also note that the flow of refugees has dropped to "as low as 20,000 a day."

Duke said that the continuing state of tension rather than any actual bloodshed is enough to keep the refugees coming into India. He said the IRC was setting up programs to use refugee doctors and teachers to work with the Bengalis who are filling camps in India. He said the IRC hoped to raise $1 million and to get additional funds, partly from the U.S. government, to run a program that would cost $2 million over the next six months.

But Duke said that any attempt to work with the refugees is nothing more than a palliative. "Political solutions for the return of the Bengali refugees must be found," the IRC mission report said.

There is concern within the U.S. government that the continuing drain on India caused by the presence of the refugees could lead to an explosion.

Some officials are also worried that the end of the monsoon rains in October could bring more bloodshed. Intensified civil war with a greater flow of refugees could create still greater strains on India.

A possible Indo-Pakistani conflict carries with it the potential for a Sino-Soviet confrontation, U.S. officials have noted. Pakistan is understood to feel confident of Peking's support, while India has been backed by the Soviet Union.

The United States, meanwhile, has sought to keep up a dialogue with both sides. Assistant Secretary of State Joseph J. Sisco saw both the Indian and Pakistani ambassadors on Tuesday before he left for Israel. The United States has welcomed Pakistani President Yahya Khan's willingness to accept a United Nations presence along the border.

The Indians have turned down the Secretary General's proposal, refusing to be "equated" with Pakistan in this situation. Indian officials say further that it is impossible to seal a 2,720-mile frontier with no natural geographic barriers.

The United States has officially taken on a low-key stance, urging restraint on both India and Pakistan and quietly nudging Yahya to reach a political accommodation with the Bengalis that would allow the refugees to return.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. DERWINSKI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. DELLUMS

Mr. DELLUMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DELLUMS: Page 13, strike out line 13 and insert in lieu thereof the following: "auspices."

Page 13, immediately after line 13 insert the following:

"(x) No assistance shall be furnished under this or any other Act, and no sales shall be made under the Foreign Military Sales Act, to Brazil until such time as the President reports to the Congress that the Inter-American Commission on Human Rights has determined that the Government of Brazil is not engaging in the torture of political prisoners.".

(By unanimous consent, Mr. DELLUMS was allowed to proceed for 3 additional minutes.)

Mr. DELLUMS. Mr. Chairman, this amendment serves to suspend all U.S. aid to Brazil until such time as the Brazilian Government has permitted an official commission of the Inter-American Commission on Human Rights to go to Brazil to investigate, in loco, the many accusations that have been leveled against that government for having extensively used torture against political prisoners.

I had intended to offer this language before the committee, but a sudden illness kept me from it, and even though my friend and colleague, Congressman DONALD FRASER, offered the amendment for me, I offer it again on the floor because I am convinced that it is absolutely imperative to the interests of the

United States to suspend aid to the military dictatorship in Brazil until such time as there are reasonable assurance that that government is going to permit investigation of the many accusations of torture, by a responsible international group.

Many errors have been committed by the U.S. Government in its foreign policy under the rubric of the "defense of the free world." The McCarthy-inspired anti-Communist neurosis of the 1950's has long since become a hardened and institutionalized ideology in some sectors of the Defense Department and the State Department. It is a disaster for the United States to embrace military dictatorships in the name of defending the free world. If you still believe, as I do, that all peoples long to be free, and would be free if the oppressive forces that deny them freedom were overthrown, then it is not anti-Brazilian but pro-Brazilian to want to deny aid to a minority, military, oppressive, illegal and nonelected government, that has succeeded in escalating rather than diminishing the oppression in the 7 long years since it took power, that has succeeded in making Brazil safe for big American and international investors while making it unsafe for even the mildest dissent, that has succeeded in making the rich richer, and keeping the great majority of Brazilian poor in the abject poverty that has always been their plight.

The record clearly indicates that the present government of Brazil does not merit aid from the United States. When it illegally seized power in 1964, it promised a speedy return to democratic government. But after antimilitary candidates were elected in the first, partial elections to be allowed, in October of 1965, the generals again clamped down—even harder, and dissolved the existing political parties, imposing two artificial parties on the Brazilian people. Again, when in 1968 students and workers peacefully protested the neglect of their plight by the Government, the Government reacted by closing Congress, suspending the Constitution, and the right of habeas corpus.

Indeed, since the army seized power in 1964, over 100 Congressmen and Senators have had their mandates—given to them in popular elections—arbitrarily suspended, with no public hearings, no reasons given, and no right of appeal. Many of these same Congressmen and Senators have been forced to flee their country to escape illegal imprisonment—illegal because even the existing Brazilian law demands that every prisoner be formally charged within 60 days of being arrested, and yet thousands—thousands—of Brazilians are political prisoners today, often with no formal charges lodged against them, even though some of them have been prisoners 6 months, or a year, or several years.

The tortures in Brazil are not isolated cases of police brutality such as occur in every nation. An independent study team of the International Commission of Jurists wrote, in December of 1970, that tortures had been systematized and institutionalized as part of a conscious plan of political intimidation and repression. The most dramatic incident to illustrate the nature of the present Brazilian military dictatorship is the recent and tragic police kidnaping, almost certain torture and death at the hands of his military captors, of the former Brazilian Congressman, Rubens Paiva. Congressman Paiva, though elected with an impressive vote in 1962, was stripped of his congressional seat and civil rights by the military in 1964. He lived quietly, practicing his trade as an engineer, in Rio de Janeiro, until one afternoon in January of this year he and his wife and daughter were forcibly arrested by military police carrying submachineguns in their house in Rio. His wife and daughter were released after a few days, but Congressman Paiva evidently died under torture. Rather than admit the fact, and punish the torturers, the Brazilian Government concocted a story about the abduction of Congressman Paiva by "unknown terrorists." And though this supposed abduction took place in February, it was only in June that the Government announced the supposed event. To date, no Brazilian policeman or military enlisted man or officer has been charged or tried for torture.

It is a disservice to the American people and the Brazilian people to give any aid and comfort to such a government. Some day the Brazilian people will again be master in their own house, and will have a free congress in which debate is expected and permitted. Someday the military will go back to their barracks, and the Brazilian people will have the right to ask, "Who supported this oppressive government, that tortured our young people, that censored our press, that circled our Congress building with troops and tanks because one Congressman dared to criticize the army during a session, and Congress—quite correctly—refused to accede to military pressures and strip that Congressman of his congressional immunity so he could be tried in a military court. It is far better for the United States to be on the side of the Brazilian people than on the side of the few generals who rule Brazil today by force and terror.

Someday, too, the American people will know the full story of the nature of the repressive government in modern Brazil. As it took us, as a people, some years, to understand the nature and danger of fascism in Italy and nazism in Germany. so today it is taking the American people—and their representatives—a while to understand fully the nature and implications of fascism in Brazil, Latin America's largest country. And when the American people finally realize what is happening, they will want to know why we, their representatives, compromised our national interest and principles so long by supporting such a government.

The Brazilian Government has not kept its promises to the Brazilian people to return to democracy. They have not observed their international obligations to the declarations of human rights, nor have they heeded appeals by the Pope, by international jurists, by academics, by artists, by workers, by plain people in many nations, to desist from their cruel and terroristic practices of torturing priests, nuns, students, workers, newspaper reporters, and even Congressmen. State-directed terror continues unabated. U.S. aid has had no visible impact on Brazil. It has defied world public opinion. It dishonors the American people, and weakens the chances of the Brazilian people to restore democracy and progressive government to their own land, to continue U.S. aid to that military dictatorship.

Mr. Chairman, for the consideration of my colleagues, and so that they may better understand the nature of the Brazilian situation, I am inserting into the RECORD the following articles and reports:

VOLTA REDONDA BISHOP REPORTS TORTURE

Dom Waldyr Calheiros, Bishop of Volta Redonda in the State of Rio de Janeiro, sent a report to the National Conference of Brazilian Bishops concerning the maltreatment of a priest and several members of JOC [1] imprisoned in the Infantry Battalion of Barra Mansa since November 2, 1970. We are reprinting parts of this text: [2]

The report of the following facts is depressing for those who have experienced this tragedy. Some were afraid to talk about what happened to them. Others felt humiliated by what they had suffered. All of them were under great emotional stress, very nervous and depressed. Some were not able to be heard because they were still in prison. We think that the following depositions will be sufficient to give an idea of the kind of repression used.

BACKGROUND

While the members of the National Committee of JOC were still in prison in Rio de Janeiro, members of the Volta Redonda JOC were arrested on November 2, 1970 simultaneously with the mass arrests that were taking place in Rio and Sao Paulo during the pre-election week.

The total number of members and ex-members of JOC prisoners at this time amounted to 30. Until this time, the detentions lasted only a few days and, for some, only a few hours. Those who were soon liberated did not complain of any maltreatment.

But the situation changed and of the original 30, 6 were detained, including a JOC priest, Father Natanael Campos. The treatment given these last prisoners was inhuman and humiliating.

THE DEPOSITIONS

Case No. 1: X . . . a young man

He was questioned the day after his arrest. On this occasion he suffered electric shocks on his hands and feet.

During another questioning session, with wires attached to his genitals and one hand, he received shocks while his torturers laughed at his convulsions.

When the torture session was over, while one of his companions waited in the next room for his turn, Lieutenant Tenorio (today a Captain) said, "Lets give him a last big shock so that he screams and frightens his friend Y who will be coming next. They then gave him a violent shock. He screamed. The Lieutenant said, "That's enough now."

This young man had been employed for 7 years at the Companhia Siderugica. When he returned to work after being released, he found that he had been dismissed.

Case #: 2 . . . a young woman

Questioned immediately upon arrival in

[1] Youth Catholic Workers Group.

[2] For more on Bishop Calheiros and the National Conference of Brazilian Bishops see "Brazilian Information Bulletin" number 2, March 1971.

the prison, she refused to speak and was subjected to torture.

Lieutenant Tenorio and Lieutenant Cesar ordered her to strip. She refused. Lieutenant Cesar took a knife and cut off her clothes. She was completely naked during all the questioning, exposed to the mocking taunts of her captors. The questioning went on for five hours, from 11 P.M. on November 3 until 4 A.M. the next day.

Lieutenant Tenorio beat her repeatedly with a broomstick on the knees and breasts. She fell and he threatened to insert it into her vagina. Meanwhile Lieutenant Cesar kicked her and socked her.

Then they threatened to bring in a "good-sized negro" to have sexual relations with her while they watched.

During another questioning session, Lieutenant Tenorio ordered wires to be attached to her leg and inside her vagina. One of his auxiliaries said that she was too frail to stand it. He then ordered the wires attached to the hips and legs instead.

Case #3: W . . . a young man

He was immediately taken to a dark cell, called the "submarine", where there was no light and almost no air. He was left there for 8 days.

After the nervous strain of 8 days' of solitary confinement in a dark cell, he was taken in for questioning and given repeated shocks on the legs.

During another questioning session, the wires were attached to his genitals and one leg. While he squirmed under the shocks, his tortures (Lieutenant Tenorio and Sergeants Pires and Isac) laughed at his contortions.

Besides the shocks, he was violently beaten on the stomach, kidneys, neck and face. A blow on the side of his head made him fall to the ground. Before he could get up, his captors upset a wastebasket filled with refuse over his face.

During the tortures, one of the soldiers offered him a pill. Another said it was too soon for that. He doesn't know what kind of pill it was.

After his release, he returned to his job at the Companhia Siderugica where he had been employed for the last five years and learned that he had been dismissed for "abandoning work".

Case #4: Father Natanael de Morais Campos

He is a director of JOC. Two days before his arrest, he had been operated on his shoulder from a triple fracture suffered in an automobile accident.

Until November 17, he was allowed to receive visitors.

On December 18 he was taken to a cell with no windows, no water, no toilet, no air or light, in a suffocating atmosphere of extreme heat. He stayed in this cell until January 7.

On the night of the 3rd to the 4th of January, he was taken to a room where a young man whom he knew, Edi, who was naked and covered with numerous wounds, was undergoing electric shocks and beatings. Father Natanael and Edi were attached to each other with electric wires around their fingers, and made to walk up and down the room. Depending on the intensity of the shocks, they were sometimes thrown to the ground, and given more shocks to get up and resume walking.

On January 5, Father Natanael received more shocks, this time with wires attached to his hand and foot.

Lieutenant-Doctor Erico examined him and told the Captain that he would not resist any more torture. The captain then asked the doctor to see to it that the priest was in a better physical condition so that he could receive more shocks. The doctor said this was impossible.

Father Natanael is still in prison, under a preventive arrest charge that was decreed by the 2nd Chamber of the Air Force Military Court of Justice.

These are the facts; what should be done?

The situation is complicated by the fact that the Bishop of this Diocese is responding to a Military Court Order against him and 16 other priests; that he is considered "hot" for having denounced tortures suffered by a worker and for having defended two men, both married with families, who had been arrested because they had worked for him.

I accept all the advice my brothers wish to give me so that, with my priests and my people, we can perceive through the grace of the Holy Spirit what God awaits us at this moment.

WALDYR CALHEIROS,
Bishop of Volta Redonda.

[From The New York Times, May 31, 1971]

UNITED STATES DECIDES NOT TO TAKE PART IN SAO PAULO BIENAL THIS YEAR

(By Grace Glueck)

For the first time since 1951, the United States, citing lack of funds, is making no official plans to participate in Brazil's upcoming Sao Paulo Bienal, the international art exhibition second only in prestige to the Venice Biennale.

Although officials of the Smithsonian Institution's International Art Program, which sponsors United States exhibitions in such shows, say the decision was not made on a political basis, they are probably also mindful of the disruptive controversy that broke out over the last Brazilian Bienal in 1969.

ARTISTS' BOYCOTT URGED

Shortly before the big show that year opened, the United States withdrew its proposed exhibition after a number of artists dropped out in protest over the "repressive tactics" of the Brazilian military regime. Several other countries also canceled their exhibits. An abridged version of the United States show, organized by the Center for Advanced Visual Studies at the Massachusetts Institute of Technology, opened later in Washington at the Smithsonian's National Collection of Fine Arts.

Although the Sao Paulo show for 1971 is not scheduled to open until September, two letters are already circulating among artists here and abroad, urging them not to participate. One has been sent out by two groups of Latin American artists living here, the Museo Latinoamericano and the Independent Latin American Cultural Movement.

"We refuse to participate in cultural acts . . . that give an illusion of dignity to a Government which steps on its people by the bloodiest repressive tortures in our hemisphere," it says.

The letter urges artists to avoid the informal invitations that it says are issued by the private but Government-approved foundation that sponsors the Bienal through embassies, consulates and "the elite." As one such inviter for this particular Bienal, it cites the Center for Art and Communication of Buenos Aires, headed by Jorge Glusberg, an art critic.

Mr. Glusberg is getting together a show for the Bienal that, he says, will be separate from the official one. But the artists contend that his exhibition will actually take place under Bienal sponsorship.

A second letter has been circulated by Gordon Matta-Clark, a New York artist who declined an invitation to participate in Mr. Glusberg's show.

"It is now common knowledge that freedom of speech survives nowhere in Brazil, thus returning a virtual sentence of death against the Bienal and all free public communication in that country," he writes.

Mr. Matta-Clark, a son of the Chilean artist Roberto Matta-Echaurren, said that a number of New York artists had said they would withhold their work.

In Washington Dr. Joshua C. Taylor, director of the Collection of Fine Arts, said that other commitments made it impossible to finance an exhibition at the Bienal.

"We'd like to devote more effort to circulating exhibitions around—getting more shows by more artists into more areas—and less on one-shot art festivals," he said.

The fund scarcity, has not affected United States involvement in one large international show, the 11th Biennial of Outdoor Sculpture, organized by the Middelheim Museum in Antwerp. Opening next Saturday and running until Oct. 3, it will emphasize this year the American continent, with contributions from Argentina, Mexico, Brazil, Canada and the United States.

WORKS OF DIVERSE ARTISTS

The United States exhibition, 27 monumental works of contemporary sculpture assembled by Andrew C. Ritchie, director emeritus of the Yale University Art Gallery, is by invitation the largest. Representing the major tendencies of Americans sculpture in the nineteen-sixties it includes works of such diverse artists as Alexander Calder, Mark di Suvero, Donald Judd, Tony Smith, Claes Oldenburg, David Smith and Barnett Newman.

Participation has been largely financed by the American Business Committee of Antwerp, a group representing the American business community in Belgium. The city of Antwerp has also contributed, and the Belgian Lines has provided free shipping for the massive works.

"We had hoped to participate in 1969, but funds were not available," said Lois Bingham, chief of the International Art Program, "We were only able to do it this time because of the private financing."

Asked whether the United States would sponsor an official show at the Venice Biennale in 1972, Miss Bingham said a decision had not been made.

[From the New York Times, April 24, 1971]

REPRESSION IN BRAZIL

TO THE EDITOR:

Several weeks ago we learned that Brazil's leading theater director, Augusto Boal, had disappeared in Sao Paulo on his way home from a rehearsal at his theater, the Arena Theater of Sao Paulo. It was only on March 9 that further word reached us outlining some of the details of his disappearance.

Reports state that Boal was arrested on Feb. 10 by the Department of Political and Social Order, the nonmilitary federal agency in Brazil in charge of political investigations. He is still being held.

For ten days after his arrest, neither his colleagues nor his family could obtain any information from the Brazilian authorities regarding his whereabouts and the circumstances of his arrest. On Feb. 20 he was allowed a visit from a member of his immediate family who learned that Boal had been in solitary confinement since his arrest and he has been "at the hands of his interrogators."

He has been denied access to a lawyer. The charges against him are allegedly related to his recent visits to New York and Argentina, where his company presented plays critical of the present regime in Brazil. Boal had planned to return to New York this spring to direct a Latin America Fair of Opinion.

As members of New York's artistic community and as United States citizens, we are deeply concerned about suppression of distinguished artists in Brazil, or in any country. Boal's arrest has its repercussions to the right of artistic expression throughout the world. His is not an isolated case.

The general climate of cultural repression in Brazil has been reported by The Times and other responsible news agencies.

Brazil is a member of the United Nations and the Organization of American States, whose charters clearly state that the human rights of citizens of member countries be honored and upheld. Yet, Brazil has denied organizations such as the International Red Cross and Amnesty International permission to carry out impartial investigations of the reported torture of political prisoners in the country's jails and prisons.

Perhaps the most alarming aspect of this situation in Brazil is the minimal coverage it receives in this country from our press. The public must be informed. And we urge it to stand with us in our concern for Augusto Boal and for the reinstatement of human rights in Brazil.

[From the Washington Post, Mar. 7, 1971]

TORTURES IN BRAZIL LEAK OUT DESPITE REBUFF OF OAS PROBE

(By Dan Griffin)

The Government of Brazil has refused to let the Inter-American Commission on Human Rights, an organ of the Organization of American States, enter the country to investigate charges that political prisoners are being tortured there.

At the same time, new reports of torture continue to filter out of Brazil, where urban guerrillas have obtained the release of 130 prisoners held by the government in exchange for the safe return of four kidnaped foreign diplomats. And Brazil's Catholic bishops have said for the first time that torture does exist in Brazil.

The most recent report of tortures came from the Metropolitan Archbishop of Sao Paulo, the Most Rev. Paulo Evaristo Arns, described by one knowledgeable foreigner as "calm, balancer, highly respected and formerly skeptical" of torture charges.

In an official proclamation Feb. 4, which he ordered affixed to the doors of churches in his archdiocese, Archbishop Arns stated that he and a fellow prelate "personally verified" that a priest of his archdiocese and a woman social worker were "ignominously tortured" in the Sao Paulo State Department of Political and Social Order after they were arrested in late January on suspicion of subversion.

In a letter smuggled out of Brazil, a foreign missionary priest working in the Sao Paulo archdiocese said that the social worker had been "worked over sexually" by six men while she was in custody. The priest's letter added that there is "a systematic method of torture for all accused political prisoners."

Archbishop Arns said in his proclamation that the governor of the State of Sao Paulo had offered to allow the two prisoners to be examined by a physician chosen by the archbishop. The prelate added, "To date, however, they have not permitted us to carry out this measure."

NUN'S TORTURE CHARGE

Archbishop Arn's accusation is by no means the first to be issued by a Brazilian bishop. In July, 1969, Bishop Waldyr Calheiros of Volta Redonda, center of Brazil's steel industry, issued—together with 11 priests of his diocese—a letter charging that a labor leader had been tortured during an interrogation at a local military unit. Bishop Calheiros was charged with subversion as an agitator.

In November, 1969, Bishop Felicio da Cunha Vasconcelos of the diocese of Ribeirao Preto excommunicated two police officials for having tortured a jailed nun, Sister Maurina Borges da Silveira. Last August, the bishops and priests of the State of Maranhao charged that a young rural priest had been tortured for two days.

Other denunciations of torture have come from Archbishop Helder Camara of the Northeast's principal archdiocese, Olinda and Recife, and from Eugenio Cardinal de Araujo Sales, archbishop of Salvador and primate of Brazil.

A number of international groups have denounced torture of political prisoners in Brazil, among them the International Commission of Jurists, which said last July that torture appeared to be a systematic and scientifically developed practice of the Brazilian government. The jurists' commission—a nonpolitical organization having consulative status with the United Nations and the Council of Europe—has frequently criticized Communist countries and military dictatorships in its role of defending human rights and the rule of law.

The National Conference of Brazilian Bishops last month sent Bishops Calheiros and Arns letters of solidarity that reflected a change in attitude among some bishops who had previously been skeptical of the torture charges. The letter to Bishop Calheiros said: "Tortures, unfortunately, do exist in Brazil, and in many cases in the most shocking ways." The bishops' strongest language previous to this had been a condemnation of torture "wherever it occurs, either in Brazil or in any other nation."

A CAUTIOUS PROCESS

The Inter-American Commission on Human Rights does not act on the basis of published reports or denunciations issued to the world at large—not even those issued by bishops. Rather, it responds to complaints made directly to it by individuals or governments, and its response is painstaking, diplomatic and time-consuming.

According to Louis Reque, the executive secretary, the commission first received denunciations of the torture of Brazilian prisoners late last spring. On Oct. 26, Reque said, the commission took the next step in its procedure: It sent the Brazilian government what information it had gathered concerning the cases and requested further information. It also asked permission to send a commission member—Prof. Duward V. Sandifer of American University—to investigate the charges.

Reque said that the Brazilian government refused the request for an on-the-spot investigation in a letter dated Jan. 11 and signed by Foreign Minister Mario Gibson Barboza. However, Reque said, the Brazilian reply did furnish information about the cases the commission had asked about.

Sandifer—who has been designated "rapporteur" in the case—is now considering the charges and Brazil's answer and will report to the commission. If the commission concludes that there have been violations of human rights, it can recommend steps the Brazilian government can take to remedy the violations. If the government takes no such action within a reasonable time, the commission can report the case in its annual report to the Organization of American States next spring.

Meanwhile, other organizations, including the U.S. Catholic Conference and the Canadian Catholic Conference as well as nonreligious groups such as Amnesty International, continue to collect information on individual cases. One group—the Brazilian Information Front, made up largely of Brazilian exiles and headquarters in Algiers—has assembled a file of more than 120 cases.

The Front is a mixture of Christians and Marxists and includes some individuals who were prominent in Brazilian national life until the military takeover of April, 1964, or, in some cases, until the Brazilian Congress was closed in December, 1968. It cloaks itself in anonymity.

MANY ACADEMICS

Of the cases in the Front's dossier, nearly half the victims are students or teachers; most of the rest are in the professions—psychiatrists, lawyer, sociologists, a dentist, etc.—though there are a few laborers listed. The youngest is 18, the oldest 63, and the average age is slightly over 29.

Most of the cases were in the three most developed states of Brazil: Sao Paulo, Guanabara (Rio de Janeiro) and Minas Gerais; in most cases, a branch of the military service was involved. Here are two fairly typical cases:

Victim: Dolce de Souz Maia, actress, single, 30.

Circumstances of arrest: Taken prisoner in her home in Sao Paulo in January, 1969, accused of belonging to a subversive organization.

Place and date of torture: Sao Paulo Department of Political and Social Order. (No date given.)

Types of tortures: Violated several times in front of other prisoners. Electric shocks in the vagina.

Torturers: Police of the army.

Other important data: The victim was among those exchanged for the West German ambassador. The victim shows traces of mental disturbances.

Victim: Joel Jose de Carvalho, printer, 21.

Circumstances and date of arrest: May 23, 1969, in Sao Paulo, suspected of subversion.

Place and date of torture: Sao Paulo Department of Political and Social Order, on the same day as his arrest.

Type of torture: Electric shocks, principally on the genital organs; telephones (simultaneous blows on both ears); parrot's perch (being hung by wrists and knees from a pole); suffocation; kicks; beatings.

Torturers: (The dossier lists 10 names, adding, "and others.")

Responsible authorities: Gen. Vianna Moog, Gen. Canavarro Pereira.

Witnesses and sources of information: Reports of other prisoners.

Other data: Granted asylum in Chile in exchange for the ambassador of Switzerland.

MOST STILL IMPRISONED

Both of these cases involve individuals now outside Brazil, though most of the Front's cases conclude by indicating where the victim is imprisoned. A few are listed as being at liberty in Brazil.

The places where the tortures are said to have taken place were usually police or military headquarters, though a few cases mention the use of deserted cabins or the prisoners' own homes. In nearly every case, the prisoners had not been formally charged at the time of the tortures which seem to have been practiced as a means of interrogation.

Tortures listed most frequently are beatings, the "parrot's perch" and "telephones," stripping and sexual molestation, electrical shocks and being forced to watch the tortures of others.

The anonymity of the Front's operation may weaken its credibility; the same cannot be said for another detailed list of names, dates and places smuggled out of Rio's Ilha das Flores prison, for the 16 women prisoners who compiled the list signed it Dec. 8, 1969.

Brazil's government and its urban guerrillas seem to have arrived at an impasse. The government continues to arrest those it suspects of subversive activities, such as belonging to an armed revolutionary group. The guerrillas charging that their imprisoned comrades are being tortured, kidnap foreign diplomats to trade for prisoners.

When the OAS discussed measures to deal with diplomatic kidnapings, Brazil's government leads the faction that insists that these must not be considered as "an isolated problem but rather, in some cases, an end to a sequence." When the OAS Commission on Human Rights asks to be allowed to investigate the torture charges—which many observers regard as another part of the "sequence"—Brazil refuses.

The cycle seems destined to continue, beyond the 130 prisoners Brazil has released and

the four diplomats the guerrillas have kidnaped, unless the government adopts the suggestion of one congressman: Send all political prisoners out of the country, depriving the guerrillas of their main excuse for kidnaping diplomats.

LETTER FROM ILHA GRANDE PRISON

This is a statement from the political prisoners incarcerated on Ilha Grande, an island off the coast of Brazil near Rio. Signed by Marco Antonio da Costa Maranhao on behalf of 30 other political prisoners there, it was written on the floor of a cell. One prisoner watched while another wrote. Every time a guard passed by, the paper had to be quickly hidden under a mattress.

Marco Antonio da Costa Maranhao was later released in exchange for the Swiss Ambassador and is now in Chile. The other 30 are still in jail.

To: The International Press

To: The International Commission of Human Rights

To: The free people of the world and all institutions that struggle for Justice and Freedom

Our voice rises from the entralls of the Brazilian dictatorship, hoping to tell you the true facts concerning the life of political prisoners of the Brazilian military regime to people all over the world.

Because we struggle to overcome the misery and exploitation that oppress the Brazilian people;

Because we struggle against the military regime that implanted terror all throughout the country since 1964.

Because we struggle against the anti-national and anti-popular policy of the tyrants, we were thrown in jail.

We live desperate hours jailed in this island-prison, about 20 miles off the coastline. The growing process of destruction to which we are subjected in this prison clearly reflects the policy of individual annihilation by the penitentiary system of the Brazilian dictatorship. With higher or lower intensity, this is happening in prisons all over Brazil, generating a morale of despair.

We are confined in cells 10 feet long and 13 feet wide for 23 hours a day, being allowed only one hour in the open air when there is sunshine. All night long lights are kept on, causing nervous strain. More aggravating, is the fact that we have to live in groups of three in each of these small cells.

Our relatives, who are allowed to pay us a visit once a month, are subjected to grievous hardships in order to see us. Means of transportation are made difficult for them to get to the prison. They have to travel in old boats and in the back of old trucks. As if that were not enough, they are charged high prices (Cr$10.00 and Cr$20.00) for the transportation. They go through all these sacrifices for a visit of only two hours. All this is done to hinder us from any contact with our relatives.

We live segregated from the world, from our relatives and our friends, feeling that alienation, along with loneliness, will lead to our degradation and mutilation as human beings.

Alleging censure, our jailers forbid any access to culture. We are not allowed to work. Inactivity, coupled with isolation and constant terror, have generated psychic disturbances in many of our fellow-prisoners.

The director of this prison, Captain Sebastiao Calheiros, is a professional torturer who is responsible for a continuous policy of terror with the help and assistance of such abnormal guards as Adilson and Ezequiel. We are constantly subjected to provocation and, for little or no reason, are thrown into solitary confinement—dark, humid, unhealthy cells where we are kept for months. We find it imperative to mention the names of some of our cell-mates who have been subjected to this inhuman treatment: Sebastiao Medeiros Filho, Nelson Eleuterio, Aluisio Ferreira Palmer, Sebastiao, Cornelio—these last three went mad.

We know that, by bringing to the public our tragic plight, we may be subjected to all kinds of violence by the Brazilian dictatorship. Nevertheless, the desperate living conditions we are submitted to at this moment give us little choice: either we passively accept the growing process of annihilation we are subjected to, or, while our strength is not yet thoroughly exhausted, we will raise our voices and tear the deceitful cloak of the Brazilian fascist regime and bring truth to light.

This kind of life in jail is a lengthening of the tortures applied to the political prisoners during the time of interrogation by the police offices of the dictatorship—CODI (Coordination for Internal Defense), CENIMAR (Navy Information Center), OBAN (Operacao Bandeirantes), PE (Military Police) and others. The "parrot's perch" (pau-de-arara), simulated drowning, electric shocks and many other methods used during the time of interrogation are now replaced by isolation, provocation, threats of shooting and beatings.

Would it be too much to ask for us to be removed from this island? Would it be too much to ask for us to have a regular relationship with our relatives, friends and fellows? Would it be too much to ask for the Declaration of Human Rights to be enforced?

The only weapons we have against terror, against torture is protest, denouncement. To protest, to denounce, we went on a hunger strike against terror, against torture and for human living conditions.

We ask for an international commission to visit this prison and to find out the truth of the facts we are now bringing to light.

We ask the world to listen to us and to make us heard.

MARCO ANTONIO DA COSTA,
Maranhao.

[From the Washington Post, Apr. 4, 1971]

BRAZIL CONGRESS A RUBBER STAMP

(By Brady Tyson)

Every four years since the dictator Getulio Vargas was overthrown in 1945, a new Brazilian Congress has been inaugurated, surrounded by the colorful and dignified ceremonies befitting Latin America's largest nation. This has continued despite the Brazilian army's coup d'etat of 1964, when it deposed President Joao Goulart during a period of intense economic and political instability, conjuring images of a possible Communist coup if the army did not intervene.

Last Wednesday in its impressive modern buildings in Brasilia, the Brazilian Congress began the work of its seventh session. The date—March 31—is ironic, because that is the date seven years ago when the army seized power, because a majority of congressional members in 1964 were probably supporters of the coup, and many of them have since been purged by the army, and because the dignity and pomp surrounding the opening of the new session now constitute a mockery of the impotence of Congress in the national political system.

Amaury Kruel, retired army marshal, was not present for the ceremony. Twice during his army career he was the critical man in overthrowing Joao Goulart: first, in 1954, when Goulart was Minister of Labor; then, in 1964, when his support of the military-civilian dissidents assured the coup's success. But, disillusioned by the authoritarianism and continued army control. Kruel retired from the military and was elected to Congress in 1966 as a member of the opposition MDB party. He refused to run for reelection in 1970, however, saying that "the national Congress has been castrated in its power to make decisions." Of his ex-colleagues, the generals who run Brazil today, he declared: "They always talk about democracy, but they don't practice it."

POWER IS A MEMORY

During the period of its greatest power and influence—1946 to 1964—the powers of the Brazilian Congress were roughly equal to those of the U.S. Congress. It had the power to initiate and enact legislation (subject only to constitutional limitations), to override presidential vetoes, and to appropriate all funds and enact all tax measures. Moreover, Congress could request information from cabinet ministers, initiate and conduct impeachment proceedings, and establish special investigative commissions with sweeping investigative powers. Beyond this, Congress also had the power to call itself back into special session, and the president could not dissolve or recess congressional sessions.

Before 1964, Congress provided an open forum where all opinions and interests could be voiced, often in tumultuous debate. The tensions and changes precipitated by modernization were reflected in the widely diverse opinions and political groups present in Congress. There were always at least six to eight political parties represented, but even party positions splintered on numerous issues, and every member was free to vote his conscience or his interests.

The facade of representative democracy remains, as symbolized by the Congress, but its powers and prestige have been reduced to the vanishing point. What remains today is a docile and impotent Congress, meeting at the pleasure of the president and the army high command, attending to whatever details might be handed to it, meekly ratifying major decisions (when asked to) already made by the generals. Since 1964 the Congress has been deprived of most of its constitutional powers, and a supplementary system of repression and intimidation has developed to practically eliminate the pre-coup kind of congressional behavior.

Congressional powers were drastically reduced by the army-dictated constitution of 1967, amended by presidential decree and restricted even more in December, 1968. Under the new constitution of 1969. Congress can initiate no law that deals, in the opinion of the president, with national security or financial matters. The national budget is the responsibility of the president, and any amendments or changes in it must be approved by him. The investigative powers of Congress have been severely circumscribed, and, in the words of a recent Brazilian magazine commentator, "there is no reason to suppose that it can exercise this function" with all its political powers effectively denied it.

The constitutional powers once vested in Congress are now largely assumed by the president, and the national legislature has nothing more than "concessions of the executive power," as the same commentator noted. The president can recess Congress, and make it nearly impossible for Congress to convene itself.

In periods when Congress is in recess, the president can legislate by decree. Even when Congress is in session, the president has preemptive power to legislate by decree on national security and financial matters, and, in fact, on any other matter he so chooses.

Three times since March 31, 1964, the Brazilian army has given the president-general discretionary powers to "cassate" elected officials (strip them of their elected positions) and suspend for 10 years the political rights of any Brazilian citizen. Twice these powers were allowed to lapse, but they were reinstituted in December, 1968, and there is no evidence that the present regime intends to divest itself of this power.

The threat of cassation is an ominous weapon, for it can be used against any con-

gressman who is critical of the government or who gains too much popularity. Indeed, to stifle criticism, the government, since 1964, has stripped nearly 200 congressmen of their elected offices and political rights. Moreover, the decision to cassate cannot be appealed in any court, and the government need not (and usually does not) explain its reasons in any detail. Some of those ousted have been jailed and tortured, and others, to escape possible torture or death, have fled into exile.

Even though nominally free elections are still allowed, strict and rigid controls are maintained. For instance, all congressional candidates undergo a securtiy check by the Brazilian army, which can reject the candidacy of anyone it considers subversive or a strong critic. Again, there is no appeal, and no explanation given.

The power of the government in controlling elections was made manifest in the 1970 congressional campaigns, which began in September. Each party was given equal time on the major television networks, but the lack of funds for technical assistance on TV programs, "technical difficulties" which interrupted the speeches of opposition party candidates and censorship by the army of any criticism of the government all cut into the effectiveness of the campaign of the opposition party.

Two weeks before the November elections, President Emilio Garrastazu Medici announced that he did not intend to renounce the "exceptional" powers given him by Institutional Act Number 5, including the power to suspend the political rights of any Brazilian citizen. The next day a series of arrests of persons suspected of "subversion" (many of them opposition party leaders, including some candidates) commenced. Over 2,000 persons were arrested throughout the country, and at least half of the arrests would have to be classified as political. It was in this atmosphere that the Brazilian electorate went to the polls on Nov. 15.

The elections were hailed by the government as proof of the popularity of the regime, for its party (ARENA) won a lopsided majority, with 223 of the 310 deputies (members of the lower house) and 59 of 66 senators. What the government did not mention, in addition to the intimidation and controls of the campaign, is that almost half the registered electorate refused to vote (despite legal obligations requiring it to do so), and that many who voted (to escape penalties) did so by casting blank ballots with antigovernment phrases scrawled across them. The apathy of the voters produced the first reversal in Brazil's previous record of expanding the percentage of its population voting in each successive national election.

EN BLOC VOTING

The defection from the government line by many members of the government party in December, 1968, increased the already profound district by the army of all political parties, and its contempt for the lack of "discipline" that allowed each member of Congress to vote his own conscience or interests.

The Congress was closed, and before it was allowed to reopen (solely to confirm the army's choice of the successor to the stricken Arturo Costa e Silva) in late 1969, new legislation was decreed that specified that every member of a party must vote the party line as decided by the executive committee of that party. Indeed, the floor leader of he party was given the power to "vote" his party's total votes. Failure to vote the directed way would result in automatic expulsion from the party and consequent loss of the position as a member of Congress.

In January of this year, the members of the government party awaited impatiently the "nomination" by President Medici of the presidents of both houses of Congress and the leaders of the government party in the Congress. Dutifully accepted by the party, this means that the president has handpicked his own men for the executive committee which controls the majority vote of the government party in Congress.

It has taken only six years for the Brazilian army to reduce the Congress from its once significant role to that of a seldom-used rubber stamp. Even though it seized power ostensibly to protect democracy, and promised to return the country to civilian rule after "purifying" the political institutions, from the beginning the actions of the army have indicated another trend.

Only a few days after President Joao Goulart fled the country (and before Gen. Humberto Castelo Branco was named president), the Revolutionary High Command (the ministers of the three armed forces—all generals or admirals) suspended the political rights and cassated the mandates of Goulart's major supporters in Congress.

Before that purged Congress, the Minister of War, Gen. Costa e Silva (who became the second military president in 1967 when Castelo Branco's term expired) said on April 10, 1964: "Let it be very clear, we are not seeking legitimation (of the 'revolution') by the Congress, we are legitimating it (the Congress)!" Perfunctorily, the purged Congress speedily ratified the army's "nominee" for president, Gen. Castelo Branco.

When government candidates for governor were defeated in two major states in 1966, the army retaliated against its congressional critics. Under his powers of cassation, President Castelo Branco canceled the mandates of some key members of Congress. Dr. Doutel de Andrade (leader of the opposition party in Congress) and Dr. Adauto Luis Caroso (the equivalent of the Speaker of the House and a member of the government party), along with 150 members of Congress, protested the government's action and defiantly camped out in Congress for three days. The army surrounded the Congress buildings, finally cut off water and electricity and drove the congressmen out.

This crisis resolved, the newly purged Congress, watched over closely by the army, was ordered to consider a new constitution. Congressional effort to amend the document significantly was rejected by the president and it was reluctantly approved by the Congress and went into effect March 15, 1967. The period of "normality" thereafter lasted until Institutional Act Number 5 of December, 1968, which closed the Congress, suspended the constitution and gave the president the right to rule by decree. This latter act was brought about by the defiance by some members of the government's own party of the army's demand that Congress strip a federal deputy of his congressional immunity.

Having now experienced three major purges, its constitutional powers nearly eliminated and "party loyalty" laws imposed, Congress was allowed to reopen in March, 1970. During that session, the president sent it complex but not vital pieces of legislation to deliberate and perfect.

The army officers of Brazil tend to view the Congress as an enemy of "true democracy," as a preserve of "economic interests," as the natural habitat of demagogic politicians and as a stronghold of corruption and inefficiency. Endless debate, constant changes in party allegiances, gales of high-blown rhetoric, inability to set and keep a schedule—all these congressional antics offended the army in earlier years.

Congress, as well as Goulart, was blamed for Brazil's economic and political instability prior to the 1964 coup. Marshal Cordeiro de Farias, one of the 1964 coup generals, later stated that "until 1964 the government sent (the Congress) its proposals, and that they were neither accepted nor rejected, but simply forgotten. Now it is necessary that we have a Congress with more harmony than independence."

"YES" AND "YES, SIR"

In short, the army wants a Congress that is like the army—following strong leadership quickly and efficiently, with basic decisions made at the top and a minimum of public discussion. (One of the leaders of the government party commented publicly last year that the optimum situation for Brazil, in his opinion, would be when there was no political news at all for the newspapers to print.) The army is content with the present impotent Congress and sees little reason to change it, or to try to enlarge or make more effective the two artificial parties now allowed. (They are popularly called the party of "Yes, Sir!" for the government party and "Yes!" for the opposition party.)

The political decisions of contemporary Brazil are thus made in a small circle of army generals plus perhaps some few who have access to them. The government is an "administrative state," with a few decorative appendages like the Congress and the court system. It is the army high command which makes the crisis and succession decisions, and the president (always a retired general), armed with his decree and cassation powers, who sets the policies and runs the nation on a day-by-day basis.

No timetable has been set, or even more than mentioned, for the return to civilian rule and effective representative institutions. The once bright promise of an increasingly broader-based Brazilian democracy has been replaced by a tendency toward a neocorporatist, Portuguese-style permanent tutelary dictatorship, guaranteed by the army. Army officers who might have favored a different approach have, since 1964, either been dismissed, involuntarily retired or have learned to conform.

JUST A FACADE

The inherently skeptical "Carioca" (as natives of Rio de Janeiro are called) is not surprised by the hypocrisy of this form of representative institutions without substance. He explains that the Congress, the elections, the courts and even the much-ignored constitution are really meaningless in domestic politics, and that all this apparatus has been maintained "for Americans to see." The Brazilian army feels the need of reassuring American businessmen, diplomats and military personnel that the system of repression and intimidation is "really" only temporary and necessary because of the threat of "Communist subversion." But there are other reasons as well for keeping the facade.

Brazilians have always prided themselves on being a tolerant and egalitarian people who avoid violence and confrontation, unlike their hot-blooded Spanish-American neighbors. Brazil has a tradition of long friendship with the United States and has fancied itself as the potential "big democratic brother" of the southern half of the hemisphere, cooperating with the big, Anglo-Saxon democratic brother north of the Rio Grande. It is hard for even the most authoritarian Brazilian generals to admit that the new, dictatorial vocation of the Brazilian army may well be a long-term one. Therefore, the facade is kept not only for Americans to see, but for Brazilians (generals included) to see, as well.

In the meantime, unlike the old days before 1964, the galleries in the Congress buildings are empty (or nearly so). The last time they were full was when Queen Elizabeth visited Brazil in the fall of 1968. Even the guards at the gallery entrances have been removed; they no longer have a function.

[From the Washington Post, Apr. 5, 1970]

BRAZIL TWISTS THUMBSCREWS: BRAZIL JUNTA REPRESSION STIFLES THE OPPOSITION

(By Brady Tyson)

It is now just over six years since the military coup that placed the Brazilian army in control of that nation's government. What was probably intended by most of its instigators as a relatively brief extralegal intervention in the country's political process and a temporary suspension of normal constitutional rights and procedures has now stretched out far longer than any previous similar intervention. And the majority of both friends and foes of the military regime agree that the end of army rule in Brazil is not in sight.

Three successive Brazilian army generals have assumed the presidency, each expressing the hope of restoring political freedom as soon as the process of purifying Brazilian political life of "communism, corruption and chaos" has been completed. But each of them has been led by the internal dynamics of army politics and military political ideology to adopt successively more stringent and repressive political measures until Brazil today resembles the harshness and insensitivity of the Greek military dictatorship.

Since the army seized power in 1964, physical force and torture have been used against political prisoners, either to force information or confessions or for purposes of intimidation and punishment. But what began as an unplanned and sporadic series of cases that might be described as "police brutality" has now become, according to the report of two French lawyers who visited Brazil in early March, a truly organized system used as a means of political repression. It is a system that has become general, with the participation of higher echelon officers and often even the presence of medical doctors in attendance who are attached to the police or to the armed services.

The Brazilian people are surely one of the most tolerant and amiable peoples in Latin America, with a reputation for nonviolence in politics. What are the factors that have produced an apparently durable and inflexible military dictatorship that is increasingly using torture as a systematic tool of repression? What have been the results of the policies of repression on Brazilian political life, and what has been the impact on the Brazilian people?

Immediately after the military coup of 1964, thousands of people of all professions and classes were arrested, and some of these suffered various types of mistreatment and torture. In the first months, relatively few cases were reported.

During the first two years of the regime of President Humberto Castello Branco—after the first wave of repression had passed—many political factions were allowed to operate openly, if impotently, and this provided a channel through which tortures could be denounced. Likewise, the press remained largely free, and in this sense the government was under some restraints, and torture of political prisoners did not become common.

There was one notable exception, however, that demonstrated the pattern that was to be followed very often in the future when the army encountered stubborn opposition. In the state of Goias in late 1964, in a struggle to discredit and remove from office the governor of the State, Mauro Borges (who had been one of the original supporters of the military takeover earlier that year, and was himself an army officer), the army investigators "discovered" a "Polish spy ring." The tortures used by the police and army investigators in this case were subsequently publicized widely in the Brazilian press, with pictures and statements from those who had been tortured.

As a result of the indignation thus aroused, the federal government named a prominent general to visit the army posts of the country. The only public announcement made was that the inspection team found nothing abnormal, thus setting very early a pattern that has persisted: the government has refused to acknowledge or seriously to investigate the charges of torture, and to punish those responsible.

During 1965 Brazil was fairly tranquil, and violence against political prisoners diminished although President Castello Branco assumed greater powers to cancel out the effect of opposition victories in some state elections.

After General Artur Costa e Silva was elected president at the end of 1966 by a rubber-stamp Congress that had been purged of the most effective opposition leaders, prospective civilian candidates for the announced presidential elections of 1970 began to appear. A mild form of protest politics, against inflation principally, emerged in the major cities.

The lid was tightened when the government, to placate a group of hard-line air force officers, announced a ban on mass demonstrations against its policies. The opposition was thus forced into cowed silence or clandestine activity.

By 1967, the government had secret police and paid informers sitting in the classrooms of university professors, and efforts were begun to destroy the national students' union. And in prisons, a serious of ingenious forms of torture became more common.

A TURNING POINT

In the spring of 1969, a student was killed in a scuffle with military police in a student restaurant, marking the first such public use of violence against unarmed students who had begun a peaceful demonstration. Angered students took to the streets, with labor union and popular support that surprised the army. For the first time in memory, Brazilian soldiers were stoned and booed as they dispersed the demonstrators.

On April 4, 1968, a mass celebrated for the dead youth, Edson Luis, led to a protest march by his fellow students. Mounted military police rode into the marching students. Serious bloodshed was avoided when the Roman Catholic bishop and his priests locked arms and placed themselves between police and students. But the deep alienation between the army officer corps and the civilian population, especially the students, was now in the open for all to see.

The army officers were bitter and resentful, which led to a mood demanding an end to half-measures in dealing with what they saw as the nation's social and political ills. An agreement evolved among them that, to bring about a cure, "the patient must be held still" through political repression.

In September 1968, a five-minute speech by an opposition Federal Deputy in the National Congress, Dr. Marcio Moreira Alves, calling on the Brazilian people to ignore the army parades on Brazilian Independence Day (Sept. 17) because the army was harboring torturers, was sufficient to provoke the army into the next step towards open and systematic repression.

The military high command demanded that Congress strip Dr. Alves of his congressional immunity so he could be tried by a military court for defaming the name of the army. The crisis was put on ice until after the visit of the Queen of England, but in early December the Congress, in a surprising vote, refused to take away the legislator's immunity. The army acted swiftly, and on Dec. 13, 1968 a new "Institutional Act," closing Congress and giving almost limitless discretionary power to the president, was proclaimed by the ministers of the three armed forces.

MASSIVE PURGE

In a new wave of political repression many of the leaders of the official opposition party were stripped of their offices and political rights, as also were many members of the official government party who had dared to vote with the opposition in the key test. Thousands of federal and state employees suspected of being subversive or of sympathy with the subversives, were summarily fired, with no right of appeal. There was a new wave of arrests. The press was intimidated, and in the new situation there was virtually no way to denounce the tortures and abuses of the police power. The courts were subject to new limitations, and were thoroughly intimidated. And the tortures began to increase.

Students, dissenting soldiers, labor organizers, professionals, young priests and others became more and more attracted or driven to underground political and protest activity, and they began to organize clandestine groups dedicated to overthrowing the military dictatorship. The first task set was to win the confidence of the Brazilian people, and to undermine the authority of the military regime. There was some talk of guerrilla warfare, but very little physical violence has been practiced by the Brazilian underground to date. The movement began to rob banks to finance itself, and has staged a few dramatic incidents, such as the kidnapping of the U.S. Ambassador in September 1969, and of the Japanese Consul General in Sao Paulo last March, to dramatize the plight of the political prisoners.

By early 1969 the Brazilian government was aware that a significant amount of torture was going on in various prisons and army barracks, but it has consistently refused to name courts of inquiry, probably for fear that such inquiries would encourage the underground groups and paralyze the repressive work of the police and the army by destroying their morale.

The go-it-alone attitude of 20 or so competing federal agencies combating "subversive activities" began to show ugly tendencies again. The "Squadron of Death," composed of police from several important Brazilian states, began as early as 1967 to murder some common criminals without bothering to arrest them. It is believed that more than 200 criminals were killed this way during the high-point of this activity in 1968, even in the face of protests in the press. Again, the government maintained an official silence, and no one has been publicly charged or punished for these acts.

THE SITUATION TODAY

Recent reports from Brazil—furnished by the Brazilian underground and therefore still needing verification from independent sources—tell of a demonstration of various methods of torture used on five live prisoners for the benefit of 100 policemen in training. Names of the police instructors and the prisoners are given, the time is set as October 1969, and the place as Belo Horizonte. Other reports list many cases, giving names of the tortured and sometimes of the torturers, and describing in detail the tortures suffered. The number of people imprisoned probably reached an alltime high in December of last year, and though there is apparently a small drop in the total number of prisoners, the tempo of torture appears to be increasing.

In November 1969 the Minister of Justice of Brazil told journalists that "violence is against the law in Brazil." He continued by stating that the President of Brazil—by this time General Garraztazu Medici had been named by Congress to assume the place of the ailing Costa e Silva—had directed that all federal agencies dealing with internal security should review and revise, if necessary, their methods of repression and put an end to the use of all physical violence against political prisoners.

The national press, taking advantage of this opening, applauded the official statement and published reports of numerous cases of torture. A few days later the Minister

of the Air Force said at a press luncheon that members of the opposition to the government were criminals and would be treated as such. The press ceased from that moment any further attempt to publicize the cases of torture.

No one, probably including the Brazilian government, has really accurate statistics on political persecution and torture in Brazil since 1964. But the following figures—pieced together from Brazilian exiles, sources in Brazil, newspapers and magazines in Latin America and Europe, and U.S. academics who have done research in this area—constitute a conservative consensus:

Political arrests since 1964—30,000.

Political prisoners today—10,000 (of which about two-thirds have not been formally charged).

Prisoners beaten and mutilated—3,000 to 5,000.

Prisoners tortured systematically—500 to 800.

Prisoners who died from torture—25 to 100.

Political exiles—1,200 to 1,800 (mostly in Uruguay, Chile, France and Mexico, small groups in U.S., Cuba and Algeria).

Persons deprived of political rights—4,300 (includes three ex-presidents, about 20 ex-governors, 190 legislators and at least 2,000 civil servants).

Even if the above estimates were cut in half, the army would still be the initiator of far more violence than the underground.

NEW METHOD

In its frustration, the clandestine political opposition in Brazil has turned recently to the much-publicized kidnapings of diplomats, who are held as hostages for the liberation of imprisoned members of the underground. The current wave of kidnappings of foreign diplomats in Latin America must be seen largely in this context.

But the kidnapings are more evidences of the military weakness of the underground than of its strength, and contribute little to its campaigns to overthrow the governments of Brazil, Guatemala, Argentina or the Dominican Republic.

There is, indeed, no recourse, to courts; the press and public protest are largely silenced, and outside Brazil, international organizations such as the United Nations and the Organization of American States have ignored the problem. Only in Western Europe has the situation received any appreciable publicity.

Of the five prisoners released in Mexico City on March 15, four claimed to have been tortured, and one of the four showed signs of weakness and infirmity. One of the four who claims to have been tortured is a Catholic mother superior of an orphanage, who also claims to have been innocent of the charges leveled against her. Shortly after her arrest the archbishop of the city where she was being held excommunicated the police chief because of the alleged tortures.

The dissidents in Brazilian society have suffered repeated shocks as each new repressive feature was revealed or announced. I happened to be in Brazil last September when the government (inspired by the military high command) announced in the wake of the kidnapping of the U.S. ambassador and subsequent events, the institution of the death penalty. Brazil had long prided itself upon the civilized virtue of having no death penalty, and this new evidence of the hardness of the Brazilian army shocked even the Brazilian left, even as late as September 1969.

The tortures and persecutions have produced an atmosphere of suspicion, despair and listlessness among great sectors of educated Brazilians. (That 50 per cent of Braizil that is still functionally illiterate has lived in despair for centuries.) Brazilian university students are especially bitter.

"We have no friends or allies anywhere in the world," one Brazilian student told me during a visit there a few weeks ago. "We stand for justice for all our people, freedom for all our people, against imperialism and military dictatorship. The Russians do nothing for us. The Chinese ignore us. Fidel just makes propaganda. The American government helps the military dictatorship. American students and professors have no sense of solidarity with us. Our own professors have either run away or accommodated themselves. Our parents don't understand us and are afraid. We stand alone."

CHURCH OPPOSITION

A significant portion of the Catholic clergy, including some Bishops and some of the laity, has tried during the past 20 years to create a church more responsive and more helpful to the needs of the socio-economically depressed classes of Brazil. Some of the Church's leaders and organizations have become the symbols and focus of visible opposition to the policies of the new government. The Vatican has been concerned with the persecutions of the Church, and has been careful to avoid over-identification with the military government.

Rather than risk solidifying national and world public opinion on the side of the church by attacking it directly, the Brazilian government has evidently decided that a war of attrition against the progressive elements of the church is a sounder policy. Occasionally, as in the case of the kidnap-slaying of young Father Henrique Pereira Neto last May in Recife, rightist paralegal groups exercise their intimidation outside the jails and police stations. A few priests have gone into the clandestine life of the underground, and many of the students there are products of the Catholic student movement. There are also at least several Brazilian priests in jail today, and the tension between the government and certain sectors of the church remains high.

Will the Brazilian army continue to tighten its control by increasing political repression and the torture of political prisoners? The frustrations of trying to govern a large nation (the fifth largest by population in the world and one of the fastest growing), deeply divided between the rich and the poor, with a restless people awakening from centuries of deprivation to the possibilities of a better life, are enough to tax any government.

The Brazilian army has shown itself either insensitive to or irritated by all criticism from outside its own ranks. It has tended during the past six years to isolate itself even more from the people it rules, and to become more resentful of the skepticism of civilians. Indeed, there is a growing "anti-civilian" mentality among Brazilian army officers that makes one wonder if they ever intended to turn the country back to constitutional rule.

Neither the criticism and opposition, nor the difficulty of the problems is likely to diminish in the future. And there seems to be little likelihood that the Brazilian army will change its pattern of reaction.

So far only Pope Paul on the international scene has expressed concern over the tortures and persecutions in Brazil, and he rather timidly. The U.S. government remains essentially committed to the Brazilian government's policy of "stability" as the road to progress and so far it too shows no sign of moving away from the status quo.

EXCERPTS FROM SENATE FOREIGN RELATIONS COMMITTEE HEARINGS

REPORT OF INTERNATIONAL COMMISSION OF JURISTS

Mr. HOLT. Are you familiar with the report of the International Commission of Jurists of last summer about the situation in Brazil?

General BEATTY. No.

Mr. HOLT. Let me read you an excerpt from it and ask for your comment:

Since the second military coup of 1968 the Brazilian government has adopted the policy of subversive war. Brazilian officers have learned such methods from American experts and theoreticians whom they meet in great number either in their own military schools in Brazil or during regular training courses in the Panama Canal Zone.

General BEATTY. What was the first allegation there?

Mr. HOLT. Since the——

General BEATTY. What is it we are supposed to be teaching them; subversion?

Mr. HOLT (reading).

Since the second military coup of 1968 the Brazilian government has adopted the policy of subversive war. Brazilian officers have learned such methods from American experts and theoreticians whom they meet in great number either in their own military schools in Brazil or during regular training courses in the Panama Canal Zone.

General BEATTY. Negative.

Mr. HOLT. You are not aware of any American experts or theoreticians that Brazilian officers have learned subversive war methods from?

General BEATTY. Negative; none.

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PURCHASING OF MILITARY AND POLICE EQUIPMENT

Mr. HOLT. Going back for a moment to military sales, leaving aside the more publicized items such as F-4's and that kind of thing, how frequently do you decline to make military sales to Brazil?

General BEATTY. As often as we don't have a ceiling to permit them or when we can't make arrangements.

Mr. HOLT. Do they make all their military purchases through you or for some items do they go through normal commercial channels through their mission in Washington or their consulates?

General BEATTY. They are free to go any way they want to. They have been coming through me since I have been there and I think this has been the pattern before.

Mr. HOLT. To what extent, if at all, through your group, has the United States sold the Brazilian Armed Forces such items as we were talking about this morning of tear gas, riot control equipment, police-type weapons?

General BEATTY. I don't know of any that we have sold, Mr. Holt. I would have to check the actual sales to determine this for sure.

Mr. HOLT. Would you do that for the record because I think the record ought to show it.

General BEATTY. None have been sold since I have been there, and based on the limited sales we have made in recent years I would suspect none.

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NUMBER OF POLITICAL PRISONERS

Mr. ROUNTREE. Senator, may I make one addition to the record?

Senator CHURCH. Yes.

Mr. ROUNTREE. Because I was interrupted at the point by Senator PELL, and it left me high and dry. I just mentioned I was talking about the 12,000 political prisoners allegedly having been, being held in Brazil and I wanted to from that point and say that the Brazilian Government has stated that the number was less than 500 and this figure has been accepted as accurate by Brazilians who were released under exchanges for kidnapped ambassadors.

Senator CHURCH. Is there anything else you would like to add to what you have said, Mr. Ambassador?

Mr. ROUNTREE. I think not, Senator.

Senator CHURCH. I want to thank you very much for your coming and for your answers and testimony this afternoon.

Mr. HOLT. Mr. Chairman, I think, if you will permit me, we need to clarify this matter of the number of political prisoners a little bit more. I think both the 12,000 figure you mentioned, which came from the

International Commission of Jurists, if I remember correctly, and the 500 figure which the Brazilian Government mentioned, referred to political prisoners being held at a particular time, and there is a distinction to be made between that and the number of people who might have been or who have been arrested and held for varying periods of time and subsequently released since 1964 or 1968 or whatever time.

Mr. ROUNTREE. I understand.

Mr. HOLT. Would you have an estimate of the total number of people who have been arrested on political charges since 1968 or 1964 and subsequently released after varying periods of time?

Mr. ROUNTREE. No. I think the record should clearly indicate that I do not know the accuracy of either figure or what figure would be correct. I might add that the Government of Brazil maintained that the 500 figure they stated represents not political prisoners but people arrested for acts of terrorism and so forth. In other words, crimes rather than political prisoners as such.

Senator CHURCH. Do you believe there are no political prisoners presently held in the jails of Brazil, as we would define a political prisoner?

Mr. ROUNTREE. I have no way of knowing in precise detail.

Senator CHURCH. You have no way of knowing. All right, Mr. Ambassador, thank you.

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PROJECTS CRITICIZED BY GAO

Mr. HOLT. Thank you.

In a report from the General Accounting Office in 1968 GAO was critical of a number of AID major capital projects and in the response to GAO, AID commented on the political and economic situation in Brazil and informed GAO that normal AID criteria and procedures had had to be relaxed somewhat because of overriding U.S. political considerations. What were those overriding U.S. political considerations?

Mr. ELLIS. Well, if my memory is correct the last of those loans was made in 1964, maybe one in early 1965. Most of them were made in the last few months of the Goulart government or perhaps in the first few months of the new government but had been under negotiation previously. They were an attempt, they were part of a deliberate strategy, to support State governors or regional institutions which were ready to cooperate with the United States in the development of their states or institutions under the Alliance for Progress, and which we thought might be personalities or states [deleted].

Examples are the state of [deleted] where [deleted] was governor at the time; the state of [deleted] where [deleted] was governor. [Deleted.] But with respect to the projects, there were 11 or 12, as I recall, 11. Nine of them are operating satisfactorily or better; some of them turned out to be excellent projects.

Two of them are still in trouble. The worst of the 11 is the synthetic rubber plant in Recife.

Our share of that project was 10 percent. It was $3.4 million of a $30 odd million project. The loan is not in default. It is being paid, and from the standpoint of AID management it was not a major disaster. I am not condoning the fact that it is a bad synthetic rubber plant only mentioned that AID had a relatively small piece of it.

The other bad project, or project in difficulty, is in the state of Mato Grosso, among the largest and poorest and most remote areas. Power distribution over long distances involves very high unit costs. In the poor areas it is extremely difficult to impose a rate structure on rural or semi-rural clients that would amortize that loan. But from the standpoint of the development of the state it is probably a very important project. It is in default now, although AID is being paid by the guarantor.

Mr. HOLT. There are, I have a number of questions here——

Senator CHURCH. I just want to comment here that I think your answer was given most candidly, and [deleted]. I don't know of any country that has undertaken to spread so much money in such a profligate way in so many foreign lands [deleted] as has the United States. No wonder so many people have come to the conclusion that we are the most imperialistic nation in the world today. I think this has the enormous potential for backfiring.

SECURITY ASSISTANCE

General BEATTY. It depends on how you define advice, Pat, because from the standpoint——

Mr. HOLT. Well, advice, counsel was Secretary Meyer's word.

General BEATTY. Yes.

Mr. HOLT. Or what are you doing in the words of the Defense Department to assist them to counter the threat.

General BEATTY. In all of this training, of course, there are things that are done which assist them to make their units more responsive, more mobile, more capable; and as more capable military forces they are therefore useful to them in handling this problem. But from the standpoint of my advising the Brazilian military on how to take care of their internal threat they simply don't ask how I would do it, and I don't offer to tell them.

Senator CHURCH. I would like to just follow up. That makes a great deal of sense to me, that is how I would have expected it to be, and I appreciate your frankness, because we are trying to get at the basic facts here.

What you are really doing then, General, is furnishing training most of which takes place in the United States or in Panama——

General BEATTY. Right.

Senator CHURCH (continuing). To upgrade the professional standards of the military as we might upgrade our own standards, that is in accordance with our own concept of a well-trained and operated professional military force.

General BEATTY. Right.

Senator CHURCH. All right.

Mr. HOLT. But to follow up what Senator Church was saying, after they have received this training what they do with it is quite outside your area of concern.

General BEATTY. Yes.

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SUBJECTS COVERED IN TRAINING COURSES

Mr. HOLT. I think at this point, Mr. Chairman, it might be well to put in the record some of the points which are covered in some of the training courses which Brazilians receive in the United States. These come from a number of course outlines which were submitted to the subcommittee by the Defense Department and in case we are misinterpreting what is involved here it would be well for General Beatty or the Defense Department to comment or otherwise elaborate on it.

Some of the topics that come from these course outlines deal with censorship, checkpoint systems, chemical and biological operations, briefings on the CIA, civic action and civil affairs, clandestine operations, communism and democracy, cordon and search operations, counterguerrilla operations, cryptography, defoliation, dissent in the United States, electronic intelligence, electronic warfare and countermeasures, the use of informants, insurgency intelligence, counterintelligence, subversion, countersubversion, espionage, counterespionage, interrogation of prisoners and suspects, handling mass rallies and meetings, nuclear weapons effects, intelligence photography, polygraphs, populace and resources control, psychological operations, raids and searches, riots, special warfare, surveillance, terror, and undercover operations.

Do you have any comment on this, either now or later?

General BEATTY. No, I think those are all subjects in some and probably a number of intelligence courses, differing ones, depending on the level. I think the senior officer courses have some things and the NCO courses have others but I would have to look at it, you have been looking at it so I assume they are subjects in the courses but they sound like they would be.

Mr. HOLT. And you don't know to what use the Brazilians put this training after they have gotten it?

General BEATTY. No. The men usually wind up being intelligence instructors in one of their schools. That is what they usually do.

Senator CHURCH. General, is there a heavy emphasis on military intelligence in your training courses?

General BEATTY. No, sir; no more than any other. They are interested in intelligence as any military group would be but I don't see that there is any overemphasis or great emphasis even. They are interested in it. They are also interested in how to fire artillery pieces, too.

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DIFFERENCE BETWEEN JOINT BRAZIL-UNITED STATES MILITARY COMMISSION AND DEFENSE COMMISSION

Mr. HOLT. Could you distinguish between the Joint Brazil-United States Military Commission and the Joint Brazil-United States Defense Commission?

General BEATTY. I would be glad to. They were created at the same time, and the Military Commission is in Brazil. The Defense Commission is here in Washington. The Military Commission is chaired, presided over, by a Brazilian; the Defense Commission is presided over here by an American.

Mr. HOLT. Do they do substantially the same things?

General BEATTY. Actually the Defense Commission has had less business in recent years than it had when it was created, apparently for the reason that so much of the Brazilian arrangements for students, for travel, et cetera, in the United States is handled through other agencies such as the Inter-American Defense Board or the attaché or the Military Purchasing Commission so that the Defense Commission has found itself less occupied than it was in years gone by. They consult very seldom, as I understand it, but are available, and everyone is on it on an ad hoc basis; that is to say he is a member of it in addition to his other duties. This includes both the Brazilians and the Americans.

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OBJECTIVES OF U.S. AID

Senator CHURCH. Certainly, we are not supporting these large aid programs in Brazil because we approve of the political system there, are we?

Mr. ROUNTREE. That is correct.

Senator CHURCH. So, our objective, so far as it has been explained to me, has to do with our interest in the growth and stability of the economy, and that gets us back to the earlier question that I ask you, and than we were detoured, we never did get to give you a chance to answer it fully. That question had to do with our national interests in Brazil and what justified the expenditure of $2 billion there since 1964.

You answered, first of all, that we had a humanitarian interest in improving living standards, but I think the record will show that insofar as that is furthered by external capital, it will now come largely through multilateral banks and that American business has not been a source of new external capital for Brazil in the last 10 years.

So what other national interests of the United States, sir, are served by this $2-billion program?

Mr. ROUNTREE. I mentioned our humanitarian interest in the improvement in the standard of living of the people of Brazil in the context of the philosophies underlying the Alliance for Progress as one element. Another is that Brazil is a country with whom our relations are important not only to us but to the hemisphere and to the world. I believe it is important to our national interests to continue the type of association that we have had with Brazil in matters of common concern, including security interests.

Senator CHURCH. What are those security interests, Mr. Ambassador?

Mr. ROUNTREE. Well, Senator, we have had a long history of cooperation——

Senator CHURCH. I know we have had a long history——

Mr. ROUNTREE. In security matters.

U.S. SECURITY INTERESTS IN BRAZIL

Senator CHURCH. Do you perceive a threat to Brazil's security today which would, in turn, affect our security?

Mr. ROUNTREE. I think that any threat to the security of any of the countries in the hemisphere would be a matter of concern to us.

Senator CHURCH. You mean internal threats?

Mr. ROUNTREE. I think also—

Senator CHURCH. Do you mean internal threats; are you talking now about internal threats?

Mr. ROUNTREE. I am speaking about threats coming from within the hemisphere or outside the hemisphere.

Senator CHURCH. Is there any external threat to Brazil today that you think is serious?

Mr. ROUNTREE. I think the cooperation that we have with Brazil in the security field relates to very general security considerations involving no specific——

Senator CHURCH. The military tells us that the consideration is the internal security. That its present programs are not conducted there on the basis of hemispheric defenses but on the basis of internal security.

Mr. ROUNTREE. I would say that any military program would be designed to assist the country in preserving internal security and providing a reasonable level of defense against any external threat. Now, history has disclosed that we and the Brazilians do have common security interests. They have cooperated with us in two World Wars, in the OAS presence in the Dominican Republic, and elsewhere.

Senator CHURCH. But this program is not a payoff for past cooperation is it, Mr. Ambassador.

Mr. ROUNTREE. No, but I think——

Senator CHURCH. Where are the present security interests of the United States that are promoted by this program.

Mr. ROUNTREE. The mere fact we have a continuing association with a strong Brazil which is willing to play its role as a member of the international community. They have demonstrated this willingness, for example, in several cases of United Nations actions in other parts of the world.

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BUYING OF GOODWILL

Senator CHURCH. You think we would not have cordial relations with Brazil if we had not spent $2 billion in AID programs there since 1964? You mean, we buy their goodwill with these programs?

Mr. ROUNTREE. No, I think this is only one aspect of the close relations we have with them.

Senator CHURCH. Well, your testimony suggests that the program promoted cordial relations with a country and that means to me that $2 billion spent in Brazil for various AID programs gets us cordial relations. Suppose we had relied on our support of the international banks for long-term economic investments, that we had had no large bilateral program in Brazil since 1964, do you think that this would have meant hostile relations between the two governments?

Mr. ROUNTREE. I think the money we spent in Brazil has had material effect in the development of a strong and progressing Brazil, and I think this is wholly consistent with the purposes of our AID program, the Alliance for Progress and other actions that the United States Government has taken to strengthen the countries of the hemisphere. Brazil has been strengthened by its own efforts, assisted by our AID programs.

Senator CHURCH. Do you think that this investment has bought us cordial relations with the present government of Brazil?

Mr. ROUNTREE. I think our relations with the government and the people of Brazil are very close.

Senator CHURCH. And you think this is due to the AID program?

Mr. ROUNTREE. I would say the AID program has played a role in that, yes.

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TEXT OF INSTITUTIONAL ACT NO. 5

Mr. HOLT. I would like to go back to Institutional Act No. 5 for a moment. Was another of its provisions the abolition of Congress, the suspension of Congress?

Mr. BROWN. Yes.

Mr. HOLT. Could you supply, I suppose it more appropriately comes from Mr. Dean, a copy of the text of Institutional Act No. 5 for the committee?

Mr. DEAN. Yes, sir.

Mr. HOLT. Which I think it would be well, Mr. Chairman, to put in the record.

Senator CHURCH. Yes, indeed, it will be placed in an appropriate place in the record.

(The document referred to follows:)

Article 1. The Constitution of January 1967 and the State Constitutions, with the changes contained in this act, remain in force.

Article 2. The President of the Republic may decree recess of the National Congress, the state assemblies and the municipal chambers through complementary edicts whether or not a state of siege is in force. They will be called into session again only by the President of the Republic.

Paragraph 1. Until the Congress begins operating again, the executive power may legislate on all matters set forth in the constitutions or laws of the municipalities.

Paragraph 2. During the recess, Senators, Deputies and Councilmen will receive only their basic salaries.

Paragraph 3. In cases of the recess of municipal chambers, the financial and budgetary inspection of municipalities which do not have auditing agencies (Tribunais de Contas) will be exercised by the auditing agency of the respective state. Its action will extend to auditing functions and to the judgment of accounts of administrators and other persons responsible for public properties and valuables.

Article 3. The President of the Republic in the national interest may decree intervention in the states and municipalities without the limitations set forth in the constitution.

Sole Paragraph. The interventors in the states and municipalities will be appointed by the President of the Republic and will exercise all functions and duties which are the respective responsibility of the Governors or Mayors and will enjoy all privileges, salaries and benefits fixed by law.

Article 4. In the interest of preserving the revolution, the President of the Republic after consultation with the National Security Council and without the limitations established in the constitution will be able to suspend the political rights of any citizen for ten years, and to cassate federal, state or municipal elective mandates.

Sole Paragraph. Federal, state and municipal legislative members whose mandates are cassated will not be replaced and the parliamentary quorum will be adjusted in accord with the number of places effectively filled.

Article 5. The suspension of political rights based on this act will simultaneously: (1) terminate the right of special hearing for certain privileged officials (Foro Privilegeado); (2) suspend the right to vote and to be a candidate in labor union elections; (3) prohibit activity or manifestation of a political nature; (4) apply when necessary the following security measures: (a) freedom under surveillance; (b) prohibition against visiting certain places, (c) designation of place of residence.

Paragraph 1. The Act which determines the suspension of political rights may establish restrictions or prohibitions related to the exercise of any other public or private rights.

Paragraph 2. The security measures dealt with in item 4 of this article will be applied by the Minister of Justice and excluded from review by the judicial authority.

Article 6. The following constitutional or legal guarantees are suspended (a) life tenure, (b) fixed place of employment, (c) job tenure, plus the exercise of functions for fixed periods.

Paragraph 1. The President of the Republic may by decree dismiss, remove, retire, or place on call any holders of the guarantees referred to in this article as well as employees of autonomous entities, of public enterprises or of mixed public and private organizations, and he may dismiss or transfer to the reserve, or retire, members of the armed forces or the military police. He may also guarantee, when appropriate, the salaries and other advantages which are due them according to their time in service.

Paragraph 2. The provision of this article and its first paragraph applies also in states, municipalities, the federal district and the territories.

Article 7. The President of the Republic in any of the cases set forth in the Constitution may decree or extend a state of siege and fix the period it will be in force.

Sole Paragraph. In case the national congress is recessed, the requirement of paragraph 1, Article 153 of the Constitution is dispensed with.

Article 8. The President of the Republic, after investigation, may decree confiscation of property of any persons who have illegally enriched themselves while exercising public office including autonomous entities, public enterprises or mixed public and private organizations wthout waiving any penal sanctions which may also be applicable.

Sole Paragraph. If the properties are proven to be legitimately acquired, they will be returned.

Article 9. The President of the Republic may issue complementary edicts for the execution of this institutional act as well as adopt, if necessary for the defense of the revolution, the measures established in items (d) and (e) of paragraph 2 of Article 152 of the Constitution.

Article 10. The guarantee of habeas corpus is suspended in cases of political crimes against the national security, the social and economic order and the consumer economy.

Article 11. All activities carried out in accordance with this act, its complementary acts and its respective effects are excluded from judicial review.

Article 12. The present institutional act goes into effect on this date and all provisions to the contrary are hereby revoked. Brasilia, December 13, 1968 signed by the President of the Republic and all Ministers of State.

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Articles 152 and 153 of the Brazilian Constitution are as follows:

CHAPTER V—THE STATE OF SIEGE

Article 152. The president of the republic may decree a state of siege in case of:

I. Serious disturbance of order or threat of the outbreak of such disturbance;

II. War.

Paragraph 1. The decree of a state of siege shall specify the regions it is to cover, shall name the persons responsible for its execution, and shall indicate the standards that are to be observed.

Paragraph 2. A state of siege authorizes the following coercive measures:

a. Obligation to reside in a certain place;

b. Detention in buildings not intended for persons convicted of common crimes;

3. Search of and arrest in the home;

4. Suspension of freedom of assembly and of association;

e. Censure of correspondence, printing telecommunications, and public amusements;

f. Use of temporary occupation of property of an autonomous entity, public enterprise, mixed-capital company, or holder of a concession for public services, as well as suspension of the exercise of a post, function, or employment in such an entity.

Paragraph 3. In order to preserve the integrity and the independence of the country, the free functioning of the powers, and the operation of the institutions, when these are seriously threatened by elements of subversion or corruption, the president of the republic, having heard the National Security Council, may take other measures provided for by law.

Article 153. Except in the event of war, the duration of a state of siege shall not exceed sixty days, but it may be extended for an equal period.

Paragraph 1. In any case, the president of the republic shall submit his act to the National Congress, accompanied by a justification, within five days.

Paragraph 2. If the National Congress is not in session, it shall be convoked immediately by the president of the federal Senate.

Mr. HOLT. I just have a couple of more questions to be sure the record is clear on a couple of points.

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TRADE

What is the situation in Brazil with respect to U.S. and other private foreign investment? How much and in what fields?

Brazil is one of the leading recipients of foreign investment in Latin America. U.S. investment in Brazil ranks seventh worldwide. In recent years Brazil has had the highest rate of increase in annual expenditures for plant and equipment by foreign affiliates of U.S. corporation. By 1967, annual expenditures on these items in Brazil, through new investment and reinvestment, were larger than in any other country in Latin America, increasing to 35% of the regional total by 1969.

There is no up-to-date, reliable compilation of foreign investment in Brazil. Estimates vary widely, ranging from $3.2 billion to $4.6 billion by the end of 1969. (The Embassy is inclined toward the lower end of this range.) At that point, total U.S. investment was about $1.6 billion. Thus, depending on which estimate of total foreign investment is chosen, the U.S. share would vary between one-third and one-half.

The Central Bank is registering past foreign investment and so far has accounted for $1.7 billion. Five countries, the United States (48%), West Germany (10%), Canada (10%), the United Kingdom (6%) and Switzerland (6%), account for 80% of total registered foreign investment (including reinvestment) in Brazil up to December 31, 1969. Since only about half of total foreign investment has been registered, these percentages may not be an accurate indicator for the total.

The sectors which have received the greatest share of foreign investment are the automobile industry (vehicles and vehicle parts) with 15.5%; electrical equipment 9.8%; petroleum products 8.3%; basic chemical products 8.3%; food products 6.9%; rubber products 5.8%; and energy 5.5%.

U.S. investment in Brazil is heavily concentrated in manufacturing (70%) and distributed fairly evenly among a number of subsectors.

Most other foreign investors in Brazil have concentrated their holdings in one or a few subsectors of the economy. Thus Canada has 55.3% of its total investment in Brazil concentrated in the electrical energy sector, Germany has 69% in the vehicle and parts sectors, England has 39% in petroleum products, Belgium has 78.2% in chemical products, and Holland has 85% in electrical equipment. In contrast, the sector with the greatest concentration of U.S. investment, the automobile industry, accounts for only 12.6% of total U.S. investment. The explanation for the greater diversification of U.S. investment in Brazil is that total investment of other countries in Brazil is small relative to U.S. investment (which has nearly five times more investment than the next largest investor), and one large investment in a particular sector such as Light for Canada, or Volkswagen for Germany, constitutes a predominant share of total investment by that country in Brazil.

AID TO PORTUGAL

Mr. Chairman, I have intended to propose that we end our military assistance to Portugal. Millions of black men in Angola, Mozambique, and Portuguese Guinea are still shackled in the chains of 18th century colonialism by a country that refuses to face the realities of the modern world.

Portugal herself is underdeveloped. She is one of the most backward countries in Europe, having, in some regions, more than 46 percent illiterates. Yet, in 1969, a congressional study mission was advised that 42 percent of Portugal's military budget goes to maintaining the war against the freedom movements in her African territories.

Portuguese Guinea contains some 600,000 black Africans and no more than 3,000 whites, and is politically governed from Europe by Portugal. Angola is 14 times as large an area as that of Portugal itself and almost twice the size of Texas. The present population is estimated at 4.9 million blacks, 270,000 whites, and 75,000 mulattoes. Mozambique, sometimes called Portuguese East Africa, is governed similar to Angola by Portugal as an overseas province. The total area of the province is about twice the size of California. The present population is estimated at 7 million blacks, 125,000 whites and 75,000 mulattoes and East Indians.

These millions of black men have struggled legitimately for their freedom, gaining recognition and endorsement in various resolutions of the United Nations. Portugal's obstinance has only revolutionized the struggle and increased their determination.

Our aid to Portugal is seriously questionable on many grounds, but none more powerful than this. We should not be even minimal contributors to the infrastructure of a government that directs a substantial part of its resources to the colonization of a peoples. The members of this body should keep in mind what the congressional study team in 1969 stressed—that should an extremely unfortunate racial bloodbath engulf South Africa, Southern Rhodesia or the Portuguese colonies of Angola and Mozambique, such an eventuality would be the direct consequence of the economic exploitation, political dispossession, and other forms of degradation imposed by the white minority in those areas.

The time for ending military aid to Portugal and to its racist, imperialistic, oppressive policies is now.

Unfortunately, Mr. Chairman, the time is getting late, and I believe it to be folly to bring up an amendment which stands no chance of passage. I am disappointed that the House will not get to consider what I see as a very serious problem. I shall not make the amendment as such, but I urge my colleagues to read the reports of the nature of repression in southern Africa—by Portugal and by other racist regimes—and then give deep thought as to how U.S. assistance and encouragement, all in the name of forwarding "our own Security", supports these policies.

Mr. Chairman, I think this issue should be debated in the same vein and as deliberately as was the question of the dictatorship which exists in Greece. I would suggest that my colleagues entertain the same seriousness as whether we should continue aid to Brazil.

Mr. Chairman, my amendment provides for the President to report back to Congress on the situation as it exists in Brazil. I would suggest and urge you to support this amendment to strike every dollar of aid to Brazil until such time as that tragic situation as has been normalized and a full report has been given to the American people.

Mr. FASCELL. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, the arbitrary termination of economic assistance programs to Brazil on the basis of reports of police excess or torture in that country would be a provocative political act which would do nothing to ameliorate the cause for concern and would have a seriously negative impact on our relations with Brazil and the rest of Latin America.

The fact that police excesses have occurred in Brazil is known and has been debated in the Brazilian press and Congress. International reaction to this problem has also been aired publicly and is well known to the Government of Brazil. The U.S. Government has expressed its concern over these reports both publicly but specially privately at the Cabinet Minister level. The Government of Brazil has submitted a report on the subject to the Commission of Human Rights of the Organization of American States. It has requested additional information and it is expected that the information will be forthcoming.

On a Sao Paulo television program last December, Brazil's Minister of Education referred to the problem. He said;

To say there is no torture would be to avoid the truth . . . to say it was government policy, would be infamy.

Certainly there have been police excesses just as there have been police excesses right here in the United States. But let us put this in perspective. Let us step back for a moment and remember when the U.S. Ambassador to Brazil was kidnaped; when another Ambassador was killed; and diplomats of other countries were threatened and terrorized. There was tremendous pressure on the Government of Brazil and on other governments. They responded and undoubtedly there have been excesses but we must also remember that there has been criticism and concern within the Brazilian Government and that they are acting to end these abuses.

The government of President Medici is a popular one. It is riding a wave of rapid economic growth—9 percent per year annually over the past 3 years. It has demonstrated its concern for social as well as economic development. It has embarked upon popular programs to improve living conditions and develop Brazil's drought-stricken northeast area and its vast Amazon basin—including programs for land reform and agricultural colonization. It is carrying out a countrywide literacy program and advanced social security and profit-sharing programs for the workers. Brazil's education budget has doubled over the past 6 years.

Although military influence is strong and the military are final arbiters of key political questions in Brazil, civilian ministers occupying the large majority of cabinet posts in that country and civilian influence in the day-to-day decisionmaking process in both government and business is very important, especially in matters of finance, economic policy, education, agriculture, and health.

In considering an amendment to terminate all assistance to Brazil, we must bear in mind that the torture of political prisoners is a problem which is of utmost concern to the Brazilians themselves. It is of great concern to the government itself which is trying to end police excesses. The prosecutor in Sao Paulo is presently bringing charges against police excesses. He has been able to do so. The press has openly criticized excesses. None of us condones or justifies the abuses which have occurred but we must recognize the distinction between deliberate programs of torture and individual overreactions, as reprehensible as they are, to acts of robbery and terror.

I hope this amendment which would end assistance to Brazil will be overwhelmingly defeated.

Mr. MAILLIARD. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. Mr. Chairman, I yield to the distinguished minority member on the full committee.

Mr. MAILLIARD. Mr. Chairman, I just want to join the gentleman from Florida and say that progress clearly is being made in Brazil, and that this would be a most unfortunate time for us to lose our ability to continue to work with the Brazilian Government for the improvements that are being made. Therefore I hope that the amendment is rejected.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. HALL. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Missouri.

Mr. HALL. Mr. Chairman, I rise in opposition to this amendment and commend our U.S. effort through our Office of Public Safety in Brazil:

A major objective of the public safety program is to encourage leadership to enforce the law with a minimum of force and to administer and distribute resources so that the laws are humanely enforced.

A police organization without technical and professional competence and training will often resort to the use of forceful methods. No proof has been produced that undesirable incidents in Brazil are other than terrorist and subversive bodies and propaganda.

Through training and professional guidance, the option is opened to humane law enforcement.

The stated objective of public safety is directly in opposition to the use of unnecessary force or illegal procedures in the enforcement of the law.

An effective, humanely operated police institution is able to prevent the development of threats to internal order lest they over-reach police abilities to cope with them requiring the application of military force.

The Brazilian society is now being buffeted by illegal acts of subversive violence which terrorize the population and with which the police do not have the capability to cope in many instances.

Radical leftist elements create terror in society by terror headlines, kidnapings, murder of policemen, bombings, and bank robberies—the police react to these as best they can.

In the past the public safety program has brought about improved techniques, a technical competence, and more modern concepts of law enforcement, and any tendency to overreact has thereby become lessened.

There are 271,000 police in Brazil and the public safety program has focused only on the 3,800-man federal police in the past few years.

There are now two advisers in Brasilia and some training will continue to be provided to selected officers at the International Police Academy.

Accomplishments — objectives have been reached in many cases:

The 566 participants have been trained in the United States, mostly at the International Police Academy.

Viable institutional elements have been developed within the Federal Police, such as the National Police Academy, the Criminalistics Institute, the National Records and Identification Institute.

Police communication and transportation needs have been met in some instances.

General comments:

President Medici has consistently opposed the use of so-called death squads activities as well as alleged mistreatment of prisoners.

A Member of the other body held closed hearings to inquire into the U.S. police and activities with respect to Brazil and concluded "we could find no evidence of any direct relationship" between our assistance programs and to what he called repressive activities on the part of the Brazilian Government.

Our best chance of protecting U.S. interests in Brazil is to do what we can to influence the government toward police improvements, leading to an effective, humane police administration, such as we have done through our OPS, its academy, and devoted personnel—around the world including Japan post World War II.

Mr. HAYS. Mr. Chairman, I have something here that I think every Member of the House would be concerned with and I hope I can have your attention.

I especially want to ask the gentleman from California a question.

I have a quote here purporting to be from the press in Milwaukee that says:

Representative RONALD V. DELLUMS, Democrat of California, says he thinks that most Senators and Congressmen are mediocre and prima donnas who pass legislation that has nothing to do with the reality of misery in this country.

Did the gentleman make that statement?

Mr. DELLUMS. Yes, do you want me to explain it?

Mr. HAYS. No, I do not need you to explain it. I just wonder if you then want a bunch of mediocre prima donnas to pay more serious attention to your amendment?

Mr. DELLUMS. If you do not then my statement has even double merit. I would simply say to you that they go round strutting from their offices to the floor of the Congress and do not deal with the human misery in this country.

Mr. HAYS. You may strut around from your office to the floor and to God-knows-where—apparently to Milwaukee. But I do not measure, as my father used to say, everybody's corn in your own half-bushel.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. DELLUMS).

The amendment was rejected.

Mr. MAILLIARD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have taken this time to ask the gentleman from New Jersey for a little bit of clarification so that we may have some legislative history.

His Pakistan amendment first cuts off—

All military, economic, or other assistance to the Government of Pakistan, all sales of military equipment, and all sales of agricultural commodities (whether for cash, credit, or by other means), under this or any other Act, shall be suspended on the date of enactment of this subsection.

Then subsection (3) says:

Nothing in this section shall apply to the provision of food and other humanitarian assistance which is coordinated, distributed, and monitored under international auspices.

There appears to be some conflict, obviously, when the situation permits us to go into East Pakistan to try to alleviate the situation there and part of the obvious kind of assistance that we would be interested in would be to provide

fertilizer and that sort of thing which would help to restore their own agricultural economy.

I just want to ask the gentleman if I would be correct—that he would intend that section (3) permit that kind of assistance even though it appears to be cut off under section (1).

Mr. GALLAGHER. Mr. Chairman, I thank the gentleman for raising that very valid point—and especially if and when the situation does clear up in East Pakistan.

I am familiar with the reservation in the memorandum that the gentleman has. It is my feeling that the amendment should not be that restrictive as it affects the so-called green revolution in agriculture and the help that would be necessary to increase agricultural production in East Pakistan.

So I am familiar with that situation and I agree with the gentleman. That point should be clarified.

Mr. MAILLIARD. In other words, the legislative history on the floor would indicate that real humanitarian assistance is the objective, that no particular kind of aid would be eliminated as long as it was used for that purpose.

The point I am trying to make is if any particular type of assistance is clearly humanitarian in nature then it would not be barred by your amendment?

Mr. GALLAGHER. Yes; that is exactly right.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. MAILLIARD. I yield to the gentleman.

Mr. FRELINGHUYSEN. It seems to me for the sake of legislative history we should make it plain that economic assistance which has humanitarian results should be permitted. The gentleman referred to fertilizer which may be needed for agricultural crops. That would clearly have humanitarian value since the crops would be eaten by people who otherwise might be starving.

So this would seem to be a modification of an apparent prohibition on economic assistance. As a humanitarian business, it will be permitted so long as it is monitored by an international agency.

Mr. MAILLIARD. That is my interpretation of the intent of lines 10 to 13 on page 13, and the gentleman from New Jersey seems to confirm that.

Mr. GALLAGHER. Yes. The idea of the amendment was that it would not suspend economic aid from Pakistan, that those matters which fall within the humanitarian aspect of it should be expected if they meet the other criteria set up in the bill.

Mr. MAILLIARD. I thank the gentleman. I yield back the balance of my time.

Mr. SIKES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is a popular thing to be critical of Pakistan and quite obviously things have happened there which are deplorable. But when we deny help to the people of Pakistan, we are not punishing the leaders of that nation, we are punishing the innocent people of Pakistan. The people of Pakistan are sorely in need of help. We, more than any other country, are known for our acts of mercy and our kindness to other peoples. There is a crisis in Pakistan. Many of that nation's people are threatened with starvation and disease. It is no time to turn our backs.

Pakistan needs economic help. Pakistan also is attempting to maintain a bare minimum defense program. We do not condone the use of military power to solve internal problems, but we recognize that Pakistan must have defense forces sufficient to protect their own boundaries. The military support that has been programed for Pakistan is only for replacement and repair of worn out equipment and the amounts are too small to make the Pakistani forces a threat to any country.

By any rule of thumb, the Pakistan Government has not engaged in acts unfriendly to the United States. In fact, President Nixon's much heralded trip to Communist China was arranged through the good offices of Pakistan which was used as a staging area for Dr. Kissinger's trip to mainland China.

I recall a few years ago when our unreasonableness toward Pakistan in a situation very similar to that which now confronts us, cost us the use of Peshawar, one of our most important listening posts. At that time, we denied help to the people of Pakistan. That country's government turned to China for help which was considered essential. The result was that we lost an active ally as well as a badly needed listening post. Those losses have not yet been fully recouped. It was a hollow victory for those who then were protesting arms for Pakistan.

Our Government is attempting to use moderation in its relations with Pakistan and to encourage a peaceable solution for that nation's internal problems. We are seeking a restoration of representative government throughout Pakistan. It will be most unfortunate if the House which for so many years has had a sound understanding of world problems, should now attempt to dictate that our Nation turn its back on the problems of the people of Pakistan. If we drive this country away, they will again turn elsewhere for friends and we once again will have done great damage to our own interests and to the interests of world freedom.

Mr. BRAY. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. BRAY. I should like to call the attention of the House to the amendment relating to Pakistan, that is found in section 302. This amendment calls for the suspension of all aid to Pakistan, even to "Agricultural commodities—for cash." I was not aware of the amendment until I read the bill today and discovered that what the committee has done is to take a very definite side in the Pakistani matter as between Pakistan and India. It is very clear that India is involved in this Pakistani trouble, whether to the same degree, more or less, as Pakistan I do not know. But there is no mention made as to India; yet there is a definite attack on Pakistan. Unless this committee had information which I have been unable to get—and I have been studying the matter for some time—it certainly ill behooves our country to take a definite stand against Pakistan long a friend of the United States. I am well aware that the situation in East Pakistan is terrible, but only the main doubt that has increased this worsening situation, and desires an East Pakistan separate from West Pakistan, for reasons that we can only surmise. I do not want any part of this action against Pakistan and Pakistan alone.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. I believe that nowhere in any record or in any report, including the World Bank or otherwise, has it been indicated that India has any kind of hand in this. I recently returned from India, from West Bengal. The problem is very pronounced there. There are over 7 million refugees, driven out of Pakistan by the Pakistani army into India. India is not asking for those people. They are not asking for territory. They certainly have enough people and enough territory of their own. What India is doing is feeding those people, trying to cure them of the various diseases that they bring. I have seen hospital after hospital in which India is taking care of them. India has no role in it whatsoever except in an extremely humanitarian role that should be the world community role.

So I think it is rather unfair to say that India should be equated in the same terms as the regime in Pakistan.

Mr. BRAY. I have no objection insofar as assisting the refugees to whom the gentleman referred. I believe that that should be done, but I believe we are taking a one-sided view of the matter. I do not pretend to be an expert on either Pakistan or India. I have been in both countries, but not recently. I think this House will live to rue the day that we took such a definite stand on this matter, a stand that can, if we continue, may involve our country in a horrible involvement.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. BRAY. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I thank the gentleman for yielding. I do think the relations between India and Pakistan are a very significant element in the tragic situation, as the gentleman from New Jersey has pointed out. There are millions of Pakistani refugees in India, and that imposes severe burdens on that country. I think because of the past unhappy relationship between the two countries, because there is this tragic load on India, that the United States needs to move with caution with respect to the relationship between the two countries in the suspension of aid or the prohibition of aid to Pakistan.

As I indicated earlier, it does seem to me that economic assistance may be needed, and not only in India, but in Pakistan, if we are to have any kind of stability, if we are to help starving people, and if we are to encourage the return of the refugees to their homes.

AMENDMENT OFFERED BY MR. REID OF NEW YORK

Mr. REID of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REID of New York: Page 12, line 13, strike out the quotation marks and the period immediately following such quotation marks.

Page 13, after line 13, insert:

"(x) No assistance shall be furnished under this Act to any nation for programs which encompass the assassination or torture of persons, or which violate the standards set forth in the Geneva Conventions."

Mr. REID of New York. This amendment is simple, I believe. It is directed to insuring that there are no programs through which the United States provides funds to any nation which encompasses as a program, the assassination or torture, or programs which violate the standards set forth in the Geneva Conventions.

More explicitly, my amendment would require that no U.S. funds would be furnished to programs which are characterized by a pattern of assassination or torture or other violations of the Geneva Conventions, to which the United States is a signatory. It would cut off assistance only to those programs of a nation which were characterized by such abuses, but would not deny funds to worthy programs being carried out by that nation.

This amendment is prompted primarily by the outrageous abuses which have taken place under the Phoenix program in South Vietnam.

Mr. Chairman, we have had testimony before the House Subcommittee on Foreign Operations and Government Information last month, from Ambassador William Colby, former Director of CORDS, and from a number of other persons which relate to some activities of Phoenix, which, in my judgment are violative, at the time they took place, of the Geneva Conventions. The United States is clearly on record as being a signatory to the four Geneva Conventions, which clearly proscribe and preclude such activities.

We have had testimony from eyewitnesses that clearly indicates that there have been in the past, not in the immediate present, but in the past, immediate neutralization, termination with extreme prejudice, assassination, and torture ending in death. For those who saw page 2 of the Washington Post this morning, they will see some of the details of the latest testimony, and there is a similar story by Mary McGrory in the Washington Star tonight. Unfortunately it has been a record of testimony that I think is clear, and this is the reason why we think the bill before us should be explicit with regard to our use of funds in connection with anything that is violative of the Geneva Conventions.

I might mention parenthetically, that Ambassador Colby has pointed out that under the Phoenix program to date, while 28,000 persons have been captured of the Vietcong infrastructure, over 20,587 have been killed.

The thrust of this amendment is not against the rallying or the bringing over to the side of the Saigon Government those in the Vietcong infrastructure. Our concern is with practices that are clearly violative of the conventions.

Mr. Chairman, let me explain the Phoenix program in more detail.

The Phoenix program is a program of the GVN, heavily supported by the United States, whose stated purpose is to "eliminate" or "neutralize" the Vietcong infrastructure—VCI. Such "neutralization" or "elimination" is accomplished in any one of three ways: Rallying; that is, inducing the VCI to surrender or come over to the government side voluntarily—capture and sentencing, or killing.

In testimony before the House Subcommittee on Foreign Operations and Government Information last month, Ambassador William Colby, former director of CORDS, the agency in Vietnam which administers U.S. support to Phoenix, stated that since the beginning of 1968 until May 1971, a total of 20,587 persons have been killed under the Phoenix program. In the same period, 28,978 have been captured.

The VCI are officially defined as the "leadership apparatus" of the Vietcong insurgency. They are nearly all civilians, including many women. Members of VC village, district, and province committees, for example, are classified as VCI. In most cases they do not qualify for "prisoners of war" status when captured. Thus Phoenix is aimed not at the elimination of armed combatants, but at the elimination of unarmed, noncombatant civilians. By analogy, if the Union had had a Phoenix program during our Civil War, its targets would have been civilians like Jefferson Davis or the mayor of Macon, Ga.

The abuses and inhumaneness perpetrated by the Phoenix program make it imperative that we cease to support it at once and do everything in our power to have the GVN stop the program dead in its tracks. Under Phoenix, civilians identified as VCI have been assassinated without any semblence of judicial process. Ambassador Colby has acknowledged this, although he states that the United States is endeavoring to prevent its recurrence. Persons detained under the Phoenix program can be incarcerated for up to 2 years without trial under a South Vietnamese law known as the An Tri Law, again without any semblence of due process. Ambassador Colby admitted that under this law a Phoenix detainee could be jailed without a trial, without right to counsel, and without adequate protection of his rights "under our concept of due process." Torture of detainees during interrogation is another hallmark of the Phoenix program. Specific instances of torture have been described under oath by witnesses before the subcommittee. Theodore Jacqueney, a former AID official in Vietnam testified:

In every province in Vietnam there is a Province Interrogation Center—a "PIC"—with a reputation for using torture to interrogate people accused of Viet Cong affiliations. These PICs have a CIA counterpart relationship, and in some cases also have a relationship with the AID police advisor.

Mr. Jacqueney went on to describe an instance of torture, known as the "rock and roll," of which he had knowledge. Reports of such torture have come from others as well, and they simply cannot be ignored or downplayed.

At least as shocking as the assassinations, torture, and drumhead incarceration of civilians under the Phoenix program is the fact that in many cases the intelligence is so bad that innocent people are made victims. Yesterday two former military intelligence personnel in Vietnam, Michael Uhl and Barton Osborne, testified that virtually all information identifying an individual as a VCI is unverifiable and frequently completely unreliable. Both described motives of financial gain, and sometimes pure personal vindictiveness, as factors causing Vietnamese intelligence agents to give information about an individual. Ambassador Colby admitted this problem. In response to the question, "Are you certain that we know a member of the VCI from a loyal member of the South Vietnam citizenry?"

Mr. Colby stated:

No. . . . I am not.

Who knows how many innocent people have been assassinated or tortured in the name of the Phoenix program?

Not only Phoenix, but any program or activity conducted by a foreign nation which involves assassination, torture, or other mistreatment of civilians, or which violates the standards of the Geneva Conventions, should not receive the support of the United States. I have described Phoenix as an egregious example. Wherever other examples may exist, they too must be cut off from U.S. support. We cannot hold our heads high as a nation if we continue to condone and support programs such as this.

Mr. MORGAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I should like to address a question to the author of this amendment. I knew the subcommittee of the Committee on Government Operations, of which the gentleman is a member, has been holding hearings, but this amendment came as a surprise to the committee. I suggest the gentleman's subcommittee should hold further hearings and develop the case more precisely.

It worries me that we should add to section 620 of this bill another limitation which will be very difficult to administer.

The way I read the amendment, it says that no assistance shall be furnished under this Act to any nation for programs which encompass the assassination, torture of civilians, or which violate the standards set forth in the Geneva Conventions.

To me that language is somewhat vague. It worries me that we might be buying a pig in a poke here.

I have no strong feelings. If the subcommittee would develop something and put it in a bill form, along these lines, it will be considered. We have in our programs many former projects which could bring us into violation under this limitation.

What worries me is that perhaps a group of tourists in any country might do a couple of assassinations, and under this amendment we might upset our whole aid program.

I am not so completely opposed to this. I believe the subcommittee on which the gentleman from New York serves should hold further hearings and develop some legislation, and I can promise him it will receive some consideration.

Mr. REID of New York. The chairman very kindly asked me to comment.

First, Mr. Chairman, the thrust of this amendment is to say that U.S. funds should not go to any nation which is carrying out activities in violation of the Geneva Conventions, to which we are a signatory. If we are in fact doing that now we are in violation of international law which should be supreme in matters of this kind.

The only two specifics which go beyond the Geneva Conventions mentioned in the amendment are the assassination and torture, but they are covered by an additional phrase dealing with a program, a program of assassination or a program of torture.

I do not think any person or his spouse would argue for a program of assassination or a program of torture.

Quite frankly, Mr. Chairman, both of those are explicitly prescribed and covered in the Geneva Conventions. All I am trying to do is to put this House on record to show a sense of concern that we will uphold the Geneva Conventions to the extent our funds are utilized.

Mr. MORGAN. I wonder if the gentleman would explain to the House who would make the determination under his amendment?

Mr. REID of New York. I would think the Secretary of State would make this determination.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. REID).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. REID of New York. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 303. Section 624 of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to statutory officers, is amended by adding at the end thereof the following new subsection:

"(e) In addition to the officers otherwise provided for in this section, the President shall appoint, by and with the advice and consent of the Senate, one officer for the purpose of coordinating security assistance programs. Such officer shall receive compensation at the rate provided for level III of the Executive Schedule established by section 5314 of title 5, United States Code.".

AMENDMENT OFFERED BY MR. ROUSH

Mr. ROUSH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSH: Page 13, after line 24, insert the following:

SEC. 304. Section 634 of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to reports and information, is amended by adding at the end thereof the following new subsection:

"(i) The presentations to the Congress of assistance proposed to be furnished under part I of this Act, and under chapter 4 of part II of this Act, shall not be classified as 'Secret', or bear any other similar security classification. All information concerning assistance furnished under such part I, and under such chapter 4 of part II, before or after the date of enactment of this subsection, shall be freely available to the public. Nothing in this subsection shall be construed to require that military information be made public.".

And renumber the following sections accordingly.

Mr. ROUSH. Mr. Chairman, considering the lateness of the hour and considering the mood of the House, I am inclined to believe that the brevity of my remarks will perhaps be more persuasive than the justice of my cause. With that in mind, let me get right to the thrust of this amendment.

This amendment requires that the presentations to the Congress of assistance proposed to be furnished under part I of the Act and chapter 4(c), part II, shall not be classified.

Now, we should keep a couple of things in mind.

First of all, the amendment excludes military assistance. Second, what this amendment does is to put a stamp of approval on that which is already being done.

I first offered this amendment 11 years ago when the only two Members of this House who had long hair were our colleague from Illinois, Mr. ARENDS, and our late departed colleague from South Carolina, Mr. Rivers. At that time this House was in no mood to accept that. On that occasion the chairman of the committee assured the House that the committee was going diligently to pursue the matter of declassification. This year for the first time the economic assistance program presentations are not classified. What I am asking the House to do is to put its stamp of approval on what the Administration has already done, namely, I am asking the House to give the force of law to that which has already been commenced by the administration. I suppose I am asking the House to restore to the people the confidence that this House will honor their right to know and wants them to know how we are spending our money.

Mr. Chairman, I yield back the balance of my time.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there is no one on this committee who is not in substantial agreement with the purposes of the gentleman from Indiana. The real problem here, however, is that if the gentleman's amendment is adopted, this committee will not have access to any classified document or any secret information. What will happen then is that the Pentagon will send all declassified papers upon which the issue of what we are doing may well be declassified, but in essence we will not have sufficient information to make the kind of determination that this committee must make in order to bring this bill to the floor.

Further, the principal source of our information is reports of ambassadors and other U.S. officials. If these papers concerning the problems of foreign governments are made public, our ambassadors would immediately be declared persona non grata.

So the gentleman is right. More documents have been declassified. The economic part of this has been declassified. Chairman MORGAN keeps insisting on more and more declassification. However, this amendment goes too far in that it would prohibit this committee from exercising its judgment on matters that still remain secret or classified.

Mr. ROUSH. Will the gentleman yield?

Mr. GALLAGHER. Yes. I yield to the gentleman.

Mr. ROUSH. Does not the gentleman agree that all of the justifications which relate to the economic assistance program this year are not classified?

Mr. GALLAGHER. Yes. I just made that point.

But the executive presentations are classified where these officials appear before the committee and provide the details with respect to the various programs.

Mr. ROUSH. Mr. Chairman, if the gentleman will yield further——

Mr. GALLAGHER. Yes, I yield further to the gentleman from Indiana.

Mr. ROUSH. I would point out to the House that this amendment relates only to the presentations as they relate to the economic assistance program and the security assistance program and no other part of our foreign program. There is nothing in this amendment which would prohibit the State Department from coming in and giving a secret briefing to the members of the committee.

Mr. GALLAGHER. The ambassadors' testimony and the presentations themselves are in executive session.

What we would be doing for the public is obtaining less information to give them rather than providing more information which I am sure is not what the gentleman wants.

Mr. ROUSH. The gentleman misses the thrust of my amendment.

Mr. GALLAGHER. I am afraid that I do.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield to the chairman of the committee.

Mr. MORGAN. The gentleman from Indiana includes part IV of section 2 of the bill. This part includes military assistance and this amendment includes security and supporting assistance, some of the material presented to us is always classified.

Mr. ROUSH. Mr. Chairman, if the gentleman will yield further, I would say that I checked with the gentleman's committee and the Pentagon and they informed me that no part of this particular program is classified.

Mr. GALLAGHER. We are not talking about the presentations that have been declassified, but much of this is classified.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. ROUSH).

The question was taken; and on a division (demanded by Mr. ROUSH) there were—ayes 24, noes 94.

So the amendment was rejected.

Mr. BINGHAM. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I shall not take the full

5 minutes, but I should like to address at this moment a few remarks to those of my colleagues who might be tempted to vote against this bill because it contains too much aid of a military character and too little for constructive purposes.

I would simply say, do you really want to punish the people of India or West Africa who are hungry for technical education and the children around the world who would benefit from the UNICEF program, or the millions who suffer from malaria? Do you want to punish these people and make life more difficult for them because of the errors of the U.S. Government? Yet that is what you would be doing if you succeed in defeating this bill.

I have great respect and affection for the gentleman from California (Mr. DELLUMS), and I was in great sympathy with his amendment to sharply increase our aid to the third world.

I agree with many of his comments in his minority views on the bad parts of this bill, but I cannot agree with the conclusions the gentleman reaches that in its present form the bill should be defeated.

For the hungry child in Africa or Asia or Latin America this bill is truly a case of half a loaf of bread is better than no bread. Moreover, while we may disapprove of the relative proportion of the different kinds of aid authorized in this bill there are necessary items in all categories. For example, the military sales and support assistance sections provide funds which are vital to Israel, and to the preservation of a balance in the Middle East. These should not be jeopardized.

So I would say to my friend, the gentleman from California, and to others who may share his distaste for much that is in this bill, please do not vent your anger at the Vietnam war and similar errors of U.S. policy on the poor of the third world.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 304. (a) Section 637(a) of chapter 2 of part III of the Foreign Assistance Act of 1961, relating to authorization for administrative expenses of the agency administering part I, is amended by striking out "for the fiscal year 1970, $51,125,000, and for the fiscal year 1971, $51,125,000" and inserting in lieu thereof "for the fiscal year 1972, $57,600,000, and for the fiscal year 1973, $57,600,000".

(b) Such section 637 is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of law, not more than $2,755,000 of the funds made available for each of the fiscal years 1972 and 1973 for carrying out part I of this Act may be used to carry out the purposes of subsections (a) and (b) of this section.".

SEC. 305. Any portion of the amounts authorized herein to be appropriated for the fiscal year 1972 which are not appropriated for such fiscal year may be appropriated for the fiscal year 1973 in addition to the amounts otherwise authorized to be appropriated for the fiscal year 1973.

PART IV—AMENDMENTS TO OTHER LAWS

SEC. 401. The Foreign Military Sales Act is amended as follows:

(a) In section 23 of chapter 2, relating to credit sales, strike out "ten years" and insert in lieu thereof "twenty years".

(b) In section 31(a) of chapter 3, relating to authorization, strike out "$250,000,000 for each of the fiscal years 1970 and 1971" and insert in lieu thereof "$510,000,000 for each of the fiscal years 1972 and 1973".

(c) In section 31(b) of chapter 3, relating to aggregate ceiling on foreign military sales credits, strike out "$340,000,000 for each of the fiscal years 1970 and 1971" and insert in lieu thereof "$582,000,000 for each of the fiscal years 1972 and 1973".

(d) In section 33(a) of chapter 3, relating to regional ceilings on foreign military sales, strike out "$75,000,000" and insert in lieu thereof "$150,000,000".

(e) Subsection (c) of section 33 of chapter 3, relating to regional ceilings on foreign military sales, is amended to read as follows:

"(c) The limitations of this section may not be waived pursuant to any authority contained in this or any other Act unless the President finds that overriding requirements of the national security of the United States justify such a waiver and promptly reports such finding to the Congress in writing, together with his reasons for such finding. In any case in which the limitations of this section are waived under the preceding sentence, the report required under such sentence shall set forth, in detail, the expenditures proposed to be made in excess of the geographical limitation applicable under this section. Notwithstanding the foregoing provisions of this subsection, in no event shall the aggregate of the total amount of military assistance pursuant to the Foreign Assistance Act of 1961, of cash sales pursuant to sections 21 and 22, of credits, or participations in credits, financed pursuant to section 23 (excluding credits covered by guaranties issued pursuant to section 24(b)), of the face amount of contracts of guaranty issued pursuant to sections 24 (a) and (b), and of loans and sales in accordance with section 7307 of title 10, United States Code, exceed the geographical ceiling applicable under this section by more than an amount equal to 50 per centum of such ceiling.".

(f) In section 42(a) of chapter 4, relating to general provisions—

(1) strike out "and" immediately before "(2)"; and

(2) immediately before the period at the end thereof insert the following: ", and (3) the extent to which such sale might contribute to an arms race, or increase the possibility of outbreak or escalation of conflict, or prejudice the development of bilateral or multilateral arms control arrangements".

SEC. 402. Section 8(b) of the Act of January 12, 1971, entitled "An Act to amend the Foreign Military Sales Act, and for other purposes" (84 Stat. 2053), is amended by striking out "$100,000,000" and inserting in lieu thereof "$220,000,000".

SEC. 403. Paragraph (9) of section 5314 of title 5, United States Code, relating to level III of the Executive Schedule, is amended by striking before the period at the end thereof the following: "and an Under Secretary of State for Coordinating Security Assistance Programs".

SEC. 404. The first section of the Act of June 28, 1935, entitled "An Act to authorize participation by the United States in the Interparliamentary Union" (22 U.S.C. 276), is amended as follows:

(1) Strike out "$53,550" and insert in lieu thereof "$83,000".

(2) Strike out "$26,650" and insert in lieu thereof "$38,000".

(3) Strike out "$26,900" and insert in lieu thereof "$45,000".

SEC. 405. Section 2 of the joint resolution entitled "Joint Resolution to authorize participation by the United States in parliamentary conferences of the North Atlantic Treaty Organization", approved July 11, 1956 (22 U.S.C. 1928b), is amended as follows:

(1) Strike out "$30,000" and insert in lieu thereof "$50,000".

(2) Strike out "$15,000" each place it appears and insert in lieu thereof in each such place "$25,000".

SEC. 406. Part IV of the Foreign Assistance Act of 1969 is amended as follows:

(1) Strike out the title of such part and insert in lieu thereof the following:

"THE INTER-AMERICAN FOUNDATION ACT.".

(2) Section 401(a) of such part is amended to read as follows:

"SEC. 401. INTER-AMERICAN FOUNDATION.—(a) There is created as an agency of the United States of America a body corporate to be known as the Inter-American Foundation (hereafter in this section referred to as the 'Foundation')."

(3) Section 401 of such part is amended by striking out "Institute" wherever it appears and inserting in lieu thereof "Foundation".

(4) Section 401(e)(4) of such part is amended to read as follows:

"(4) shall determine and prescribe the manner in which its obligations shall be incurred and its expenses, including expenses for representation (not to exceed $10,000 in any fiscal year), allowed and paid;".

(5) Section 401(l) is amended to read as follows: "(1) (1) The chief executive officer of the Foundation shall be a President who shall be appointed by the Board of Directors on such terms as the Board may determine. The President shall receive compensation at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(2)(A) Experts and consultants, or organizations thereof, may be employed, as authorized by section 3109 of title 5 of the United States Code.

"(B) Services of an individual as an expert or consultant under this subsection shall not be considered as employment or holding office or position bringing such individual within the provisions of section 3323(a) and 8344 of title 5 of the United States Code, section 872 of the Foreign Service Act of 1946, as amended, or any other law limiting the reemployment of retired officers or employees or governing the simultaneous receipt of compensation and retired pay or annuities, subject to section 5532 of title 5 of the United States Code.".

Mr. MORGAN (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. HENDERSON

Mr. HENDERSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HENDERSON: On page 19, strike out lines 6 to 18, inclusive, and insert in lieu thereof the following:

"(2) Experts and consultants, or organizations thereof, may be employed, as authorized by section 3109 of title 5 of the United States Code.".

Mr. HENDERSON. Mr. Chairman, as I understand, this amendment will be accepted by the committee.

Mr. Chairman, the purpose of my amendment to section 406 of H.R. 9910 is to eliminate the exemption from the various dual compensation laws which is proposed in paragraph 5 of section 406 for experts and consultants employed by

the Inter-American Foundation. Section 406 of H.R. 9910 grants authority to the Inter-American Foundation to employ experts and consultants in accordance with the provisions of 5 U.S. Code 3109, and further provides that the employment of such experts and consultants shall not be subject to the prohibitions set forth in sections 3323(a), 5532, and 8344 of title 5, of the U.S. Code or section 872 of the Foreign Service Act of 1946. A brief description of each of the statutory provisions which specifically would be affected by the proposed section 406 of the bill is set forth below.

Section 3323(a) of title 5 prohibits the appointment in the civil service of any individual who has been separated on account of age under any statute or regulation providing for retirement on account of age.

Section 5532 of title 5 requires a specific reduction in the retired or retirement pay of a retired regular officer of a uniformed service who holds a position in the legislative, judicial or executive branch of the U.S. Government.

Section 8344 of title 5 provides that the amount of a civil service retirement annuity shall be deducted from the pay of an annuitant who becomes reemployed in the civil service.

Section 872 of the Foreign Service Act of 1946, as amended, 22 U.S. Code 1112, prescribes a limitation on the amount of an annuity which may be paid to a retired officer or employee of the Foreign Service who is reemployed in the Federal Government.

To my knowledge these various statutory prohibitions against the simultaneous receipt of compensation and retired pay or retirement annuities are applicable to all agencies of the Government. I can think of no valid reason why these provisions should not be applicable in the case of experts and consultants employed by the Inter-American Foundation. I should like to point out that the committee report on H.R. 9910 contains no clear or compelling statement as to why the experts and consultants of the Inter-American Foundation should be excepted from the dual compensation laws which are applicable to everyone else. For these reasons I urge that the dual compensation exemption which is contained in section 406 be struck from the bill as proposed in my amendment.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I would state to the gentleman that we are not just exactly sure what this may run into in the future, but we would just like to be assured that if problems do arise in the future that the gentleman's committee will give sympathetic consideration to any requests that we might make.

Mr. HENDERSON. I am delighted to give such assurances, and will assure the committee that in such an event hearings will be promptly held to handle any such problems that might arise in this area.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I am delighted to yield to the chairman, the gentleman from Pennsylvania (Mr. MORGAN).

Mr. MORGAN. Mr. Chairman, let me state that we have always had full cooperation as far as jurisdiction is concerned with the subcommittee headed by the gentleman from North Carolina (Mr. HENDERSON). This has gone on for a good many years, and we will accept the amendment in that same spirit. We are always glad to do so. I am sure that we have the assurances of the gentleman insofar as providing for any necessary personnel.

Mr. Chairman, we accept the amendment offered by the gentleman from North Carolina (Mr. HENDERSON).

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HENDERSON. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, I commend the gentleman from North Carolina for offering this amendment because such personnel ought to be made to conform with the laws covering other such people employed by the Federal Government. Again I commend the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. HENDERSON).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. COTTER

Mr. COTTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. COTTER: Page 16, immediately after line 22, insert the following:

(g) Section 42 of chapter 4, relating to general provisions, is amended as follows:

(1) In subsection (a), strike out "but consideration shall also be given" and insert in lieu thereof "but, subject to the provisions of subsection (b) of this section, consideration shall also be given".

(2) Redesignate subsections (b) and (c) as subsections (c) and (d), respectively, and, immediately after subsection (a), insert the following new subsection:

"(b) No credit sale shall be extended under section 23, and no guarantee shall be issued under section 24, in any case involving coproduction or licensed production outside the United States of any defense article of United States origin unless the Secretary of State shall, in advance of any such transaction, advise the appropriate committees of the Congress and furnish the Speaker of the House of Representatives and the President of the Senate with full information regarding the proposed transaction, including, but not limited to, a description of the particular defense article or articles which would be produced under a license or coproduced outside the United States, the estimated value of such production or coproduction, and the probable impact of the proposed transaction on employment and production within the United States.".

Mr. COTTER. Mr. Chairman, I rise in support of this amendment that requires the executive branch to provide Congress with complete information about proposed authorization of military coproduction plants financed under the Foreign Military Sales Act.

This amendment places the Congress in the decisionmaking process because the establishment of military production plants in foreign countries which compete with American industry has grave implications.

By requiring congressional authorization, this amendment does not lessen our goal of making our allies self-sufficient. For many years their military self-sufficiency has been assured by our supplying needed military equipment. However, by establishing coproduction plants, I believe we are sacrificing important diplomatic leverage in these nations. Congress should have a strong voice in these decisions.

I can foresee when such coproduction plants could be in our Nation's interest. Therefore, my amendment requires State and Defense to provide complete information to the Congress specifying how the coproduction plant affects U.S. jobs. I believe the Congress and the relevant committees and subcommittees are capable of making rational decisions in each case and with the information required under this amendment they will be given the opportunity to do so.

There is another point that requires congressional attention. Overseas production facilities cost U.S. jobs. With the recent dire projections of an unfavorable balance of trade and our drastic unemployment, I believe Congress should have a strong voice in any decision which, in effect, ships U.S. jobs overseas.

My own interest in the program came as a result of the use of $42 million in U.S. Government credits to finance the building of an M–16 rifle plant in South Korea. At the same time, Colt's Firearms, which produces the M–16 in my district, fired 1,000 workers. My concern about this incident, and the disturbing reports of similar projects in other nations, raises very serious doubts that the Departments of State and Defense kept U.S. employment in mind when making this decision. Therefore, I believe Congress should be involved in making decisions.

My amendment specifically requires that the Department of Defense and the Department of State provide full information to the Congress describing not only the defense articles in question, but the estimated value of such production or coproduction and, most importantly, the impact of the proposed transaction on employment and production in the United States. With this information the Congress will be able to decide the merits and demerits of each decision to establish overseas production plants.

SOUTH KOREAN M–16'S

The incident that aroused my interest in this problem was information that the U.S. Government was about to provide $42 million in foreign military sales credits to establish an M–16 production plant in South Korea. Normally, such a decision would have gone unnoticed but high unemployment—it is 10.17 percent statewide in Connecticut—and fewer orders for M–16 rifles from DOD resulted in drastic layoffs at Colt's Firearms Division in my district.

Thus, this past spring when I learned of the decision I was concerned that this tragic unemployment picture was not adequately taken into account. Employment at Colt's Hartford plant has fallen from 2,400 during peak production of M–16's to less than 1,500 now.

To make a long story short, I first urged the Defense Department not to

approve the transaction because of the effect upon employment in my district, suggesting that the FMS credits be used, instead, to enable the Republic of Korea to purchase rifles manufactured in the United States. The effort failed, however. I then requested copies of the relevant documents to determine whether Colt's would make more money by licensing foreign production than by manufacturing guns in Hartford for sale overseas. I made this inquiry because of disturbing reports that Colt's was actively seeking additional foreign licensing arrangements. I have yet to receive this information from either Colt's or the Department of Defense.

While my efforts to secure this information continue, I believe that the Congress should act by requiring all information concerning such overseas production plants be specifically provided to the Congress.

This will give the Congress the opportunity to weigh the foreign and domestic considerations inherent in such decisions.

Without this amendment, the Congress will continue to be hobbled by its lack of information and the South Korean M–16 situation will occur over and over again.

However, with the adoption of this amendment, the Congress and the membership will be in a better position to decide and act.

By requiring the State Department and the Department of Defense to focus specifically on the unemployment issue, we can be assured that our U.S. jobs will not be shipped overseas without the most searching analysis.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. COTTER. I yield to the gentleman.

Mr. MONAGAN. Essentially this provides for information concerning the proposed strategic licensing of production or coproduction outside the United States.

Mr. COTTER. Essentially that is it.

Mr. MONAGAN. That is the purpose of the amendment. I congratulate the gentleman on offering it and hope that the amendment will be adopted.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. COTTER. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I congratulate the gentleman on offering this amendment. I understand from his remarks that what we have been doing is using American AID money to export American jobs, and the gentleman wants to have the necessary information so that we can know the consequences of our AID program.

Mr. COTTER. That is exactly so.

Mr. LONG of Maryland. Mr. Chairman, I support the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. COTTER).

The amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as we go to a vote on this latest foreign handout program, let me point out to the Members of the House that this bill provides another $6,800,000,000 of borrowed money.

Let me further point out that in the provisions of other bills there will be appropriated for foreign aid still another $9 billion; that there is $24.5 billion now in the pipeline available for spending, and there has already been expended more than $212 billion on foreign aid. I hope that the Members, when they go home on vacation, will give their constituents these facts. And now, on behalf of those who vote for this bill, I want to wish the foreigners a very pleasant and happy ride on the gravy train.

Mr. ANDREWS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to join my friend from Iowa in making one final, desperate plea to you Members to give some relief to the tired, overburdened, overtaxed taxpayers of America. As he said, many of you will go back to your States. you will find that they are bankrupt. You will find hungry people in the cities. You will find some of them who do not have enough money to give people adequate police protection. You will find that you do not have enough money to get the garbage collected. Yes, this country is bankrupt. We just wound up a year with a deficit of $33 billion. The national debt is $407 billion. This program has cost $212 billion in the last 25 years.

What can you expect other than the fiscal insolvency of this country when you are giving money away under this bill at the rate of $6 billion-plus for next year? It is the poor taxpayers' money. This country owes more money than all the countries of the world combined; so I join with my friend from Iowa in one desperate, last plea. Please remember the taxpayers before you cast your vote.

Next year we will probably have recognized Red China, and Red China will be eligible for some of the funds under this bill. I hate to go back and tell my people who do not have police protection, who do not have garbage collectors, "Well, we will think about you sometime in the way distant future, but we have just given away $6.2 billion for foreign aid."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. PRICE of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 9910), to amend the Foreign Assistance Act of 1961, and for other purposes, pursuant to House Resolution 570, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. WHALLEY

Mr. WHALLEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WHALLEY. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WHALLEY moves to recommit the bill H.R. 9910 to the Committee on Foreign Affairs.

Mr. MORGAN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 200, nays 192, not voting 39, as follows:

[Roll No. 235]

YEAS—200

Abourezk	Flood	Madden
Abzug	Foley	Mahon
Adams	Ford, Gerald R.	Mailliard
Addabbo	Ford, William D.	Mathias, Calif.
Alexander	Forsythe	Matsunaga
Anderson, Ill.	Fraser	Mayne
Anderson, Tenn.	Frelinghuysen	Mazzoli
Annunzio	Frenzel	Meeds
Arends	Fulton, Pa.	Melcher
Ashley	Fulton, Tenn.	Metcalfe
Aspin	Gallagher	Mikva
Aspinall	Garmatz	Miller, Calif.
Badillo	Gaydos	Minish
Barrett	Giaimo	Mink
Bell	Gibbons	Monagan
Bergland	Gonzalez	Moorhead
Biaggi	Grasso	Morgan
Biester	Gray	Morse
Bingham	Green, Pa.	Murphy, Ill.
Blatnik	Griffiths	Nedzi
Boggs	Gude	Nelsen
Boland	Halpern	Nix
Bolling	Hamilton	O'Hara
Brademas	Hanley	O'Neill
Brasco	Hanna	Patten
Brooks	Hansen, Idaho	Pelly
Broomfield	Harrington	Pepper
Brotzman	Harvey	Perkins
Buchanan	Hathaway	Pickle
Burke, Mass.	Hays	Pike
Burton	Heckler, Mass.	Pirnie
Byrne, Pa.	Helstoski	Podell
Byrnes, Wis.	Hicks, Mass.	Preyer, N.C.
Carney	Hogan	Price, Ill.
Cederberg	Holifield	Pucinski
Collins, Ill.	Horton	Quie
Conable	Howard	Railsback
Conte	Jacobs	Rees
Corman	Johnson, Calif.	Reid, Ill.
Cotter	Johnson, Pa.	Reid, N.Y.
Coughlin	Jones, Ala.	Reuss
Culver	Karth	Rhodes
Daniels, N.J.	Kazen	Riegle
Danielson	Kee	Robison, N.Y.
Davis, Wis.	Keith	Rodino
Dellenback	Kluczynski	Rooney, N.Y.
Dent	Koch	Rooney, Pa.
Diggs	Kyros	Rosenthal
Dingell	Lent	Rostenkowski
Drinan	Lloyd	Roybal
du Pont	McClory	Ryan
Dwyer	McCloskey	St Germain
Eckhardt	McCormack	Sarbanes
Edmondson	McDade	Scheuer
Eilberg	McEwen	Schwengel
Erlenborn	McFall	Selberling
Fascell	McKay	Sisk
Findley	McKevitt	Smith, Iowa
Fish	McKinney	Smith, N.Y.
		Springer

Stafford	Teague, Calif.	Wiggins
Stanton, James V.	Thompson, N.J.	Wolff
Steele	Tiernan	Wydler
Steiger, Wis.	Udall	Yates
Stokes	Ullman	Yatron
Stratton	Vanik	Young, Tex.
Sullivan	Vigorito	Zablocki
Symington	Whalen	
	Widnall	

NAYS—192

Abbitt	Flowers	Pettis
Abernethy	Fountain	Poage
Anderson, Calif.	Frey	Poff
Andrews, Ala.	Fuqua	Powell
Andrews, N. Dak.	Galifianakis	Price, Tex.
Archer	Gettys	Pryor, Ark.
Ashbrook	Goldwater	Quillen
Baker	Goodling	Randall
Baring	Green, Oreg.	Rangel
Begich	Gross	Rarick
Belcher	Grover	Roberts
Bennett	Gubser	Robinson, Va.
Betts	Hagan	Roe
Bevill	Haley	Rogers
Blackburn	Hall	Roncalio
Blanton	Harsha	Roush
Bow	Hastings	Rousselot
Bray	Hechler, W. Va.	Roy
Brinkley	Henderson	Runnels
Brown, Mich.	Hicks, Wash.	Ruppe
Brown, Ohio	Hillis	Ruth
Broyhill, N.C.	Hosmer	Sandman
Broyhill, Va.	Hull	Satterfield
Burke, Fla.	Hungate	Scherle
Burleson, Tex.	Hunt	Schmitz
Burlison, Mo.	Hutchinson	Schneebeli
Byron	Ichord	Scott
Cabell	Jarman	Sebelius
Caffery	Jonas	Shipley
Camp	Jones, N.C.	Shoup
Carter	Kastenmeier	Shriver
Casey, Tex.	Kemp	Skubitz
Chamberlain	King	Slack
Chappell	Kuykendall	Smith, Calif.
Chisholm	Kyl	Snyder
Clancy	Landgrebe	Spence
Clausen, Don H.	Landrum	Stanton, J. William
Clawson, Del	Latta	Steed
Cleveland	Lennon	Steiger, Ariz.
Collier	Link	Stephens
Collins, Tex.	Long, Md.	Stubblefield
Colmer	Lujan	Stuckey
Conyers	McClure	Talcott
Crane	McCollister	Taylor
Daniel, Va.	McDonald, Mich.	Terry
Davis, Ga.	McMillan	Thomson, Wis.
Davis, S.C.	Macdonald, Mass.	Thone
de la Garza	Mann	Vander Jagt
Delaney	Martin	Veysey
Dellums	Mathis, Ga.	Waggonner
Denholm	Miller, Ohio	Wampler
Dennis	Mills, Ark.	Ware
Derwinski	Mills, Md.	Watts
Devine	Minshall	Whalley
Dickinson	Mizell	White
Dorn	Montgomery	Whitehurst
Dow	Mosher	Williams
Downing	Moss	Wilson, Bob
Dulski	Myers	Winn
Duncan	Natcher	Wyatt
Edwards, Ala.	Nichols	Wylie
Edwards, Calif.	Obey	Wyman
Fisher	O'Konski	Young, Fla.
	Passman	Zion
		Zwach

NOT VOTING—39

Carey, N.Y.	Hansen, Wash.	Saylor
Celler	Hawkins	Sikes
Clark	Hébert	Staggers
Clay	Jones, Tenn.	Teague, Tex.
Donohue	Keating	Thompson, Ga.
Dowdy	Leggett	Van Deerlin
Edwards, La.	Long, La.	Waldie
Esch	McCulloch	Whitten
Eshleman	Michel	Wilson, Charles H.
Evans, Colo.	Mitchell	Wright
Evins, Tenn.	Mollohan	
Flynt	Murphy, N.Y.	
Griffin	Patman	
Hammer-schmidt	Peyser	
	Purcell	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Teague of Texas for, with Mr. Evins of Tennessee against.

Mr. Murphy of New York for, with Mr. Sikes against.

Mr. Carey of New York for, with Mr. Dowdy against.

Mr. Celler for, with Mr. Flynt against.

Mr. Donohue for, with Mr. Whitten against.

Mr. Patman for, with Mr. Jones of Tennessee against.

Mrs. Hansen of Washington for, with Mr. Griffin against.

Mr. Leggett for, with Mr. Staggers against.

Mr. Clark for, with Mr. Mollohan against.

Mr. Clay for, with Mr. Michel against.

Mr. Wright for, with Mr. Eshleman against.

Mr. Purcell for, with Mr. Saylor against.

Until further notice:

Mr. Evans of Colorado with Mr. Peyser.

Mr. Hawkins with Mr. Charles H. Wilson.

Mr. Long of Louisiana with Mr. Keating.

Mr. Van Deerlin with Mr. Thompson of Georgia.

Mr. Waldie with Mr. Esch.

Mr. Edwards of Louisiana with Mr. Hammerschmidt.

Mr. Dowdy with Mr. Mitchell.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days to revise and extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

COMMUNICATION FROM THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

The SPEAKER laid before the House the following communication from the Secretary of Health, Education, and Welfare; which was read and referred to the Committee on Education and Labor and ordered to be printed:

SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., Aug. 3, 1971.

Hon. CARL ALBERT,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I was notified yesterday at the adoption of H. Res. 539. Inasmuch as the resolution may reflect a fundamental misunderstanding of the program administered by this Department, I felt that I should give you an immediate response.

The resolution asks two things of me. First, it asks for a list of school districts which, between August 1, 1971 and June 30, 1972, "will be receiving Federal funds and will be engaging in the busing of schoolchildren to achieve racial balance." Since there is no program administered by this Department either designed or used to support, promote or require the busing of school children to achieve racial balance, we have no reason to obtain information regarding such busing. Local educational agencies that may be transporting students to alleviate racial isolation in the schools or to achieve racial balance among their schools would be doing so, not pursuant to any Federal requirement nor as a result of any federally supported program, but solely as a result of State or local policy. We could, of course, furnish you a list of all school districts that will be receiving Federal funds between August 1, 1971 and June 30, 1972. However, such a list would include virtually all school districts in the United States and I assume would serve little purpose. I know of no way to identify from among those districts those that may be engaging in the busing of school children to achieve racial balance other than by direct inquiry to all of these many thousand districts. I assume that you are not requesting that I conduct such a massive survey for this purpose.

Second, H. Res. 539 calls for "any documents respecting the rules and regulations of the Department of Health, Education, and Welfare with respect to the use of any Federal funds administered by the Department for the busing of schoolchildren to achieve racial balance." As I have said, this Department administers no such funds. Accordingly, we have no such documents as described in the resolution.

The Administration, as the President said in his March 24, 1970 statement on school desegregation, is opposed to the busing of children to achieve racial balance. Even where local educational agencies have used the transportation of students, not to achieve racial balance but as one means of implementing a constitutionally required desegregation plan, our policy has been to avoid the use of Federal funds for the transportation aspects of the plan. The Office of Education has recently emphasized the importance of this policy in connection with the continuation of our interim Emergency School Assistance Program. A copy of the relevant memorandum is enclosed.

In order to make our policy perfectly clear in this respect, I am transmitting herewith an Administration amendment to the proposed Emergency School Aid Act, now pending before the House Committee on Education and Labor. This amendment would prohibit the use of any funds under this Act for the transportation of students to or from school, whatever the reasons might be for such transportation.

The Office of Management and Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

With kindest regards,

Sincerely,

ELLIOT L. RICHARDSON,
Secretary.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., July 30, 1971.

To: Offices of the Governors; Chief State School Officers; Regional Commissioners; Title IV Regional Senior Program Officers; Chairman of State Advisory Committees; Assistant Commissioner, Office of Regional Office Coordination; Superintendents of Schools.

Subject: Policy on Funding Transportation Costs for Emergency School Assistance Program.

As a result of a recent policy clarification by the Department of Health, Education, and Welfare, I have been asked to emphasize to you that transportation costs will be given very low funding priority under the Emergency School Assistance Program. Districts applying should request funds for direct educational purposes since these areas will be given the highest priority. Local education agencies are expected to fund their transportation needs through State and local resources.

Thank you for your cooperation.

Sincerely,

HERMAN R. GOLDBERG,
Associate Commissioner, Equal Educational Opportunity.

Proposed Amendment to H.R. 2266
(Committee Print of July 31, 1971)

On page 25 insert between lines 22 and 23 the following:

"(e) No funds appropriated pursuant to this Act may be used to acquire or pay for the use of equipment for the purpose of transporting children to or from any school, or otherwise to pay any part of the cost of any such transportation."

PERSONAL ANNOUNCEMENT

Mr. MIKVA. Mr. Speaker, during the consideration of the conference report yesterday on the bill appropriating funds for the Department of Transportation, I voted "present" on rollcall No. 217. In light of a minor personal investment I maintain in the airline industry, I wish to avoid any appearance of conflict of interest.

J. F. KENNEDY CULTURAL CENTER

(Mr. RONCALIO asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. RONCALIO. Mr. Speaker, the following articles reflect the excitement stirring in Washington in anticipation of the opening of the John F. Kennedy Center for the Performing Arts next month.

The first article, by the famous music critic Paul Hume, of the Washington Post, notes the installation of the Aeolian-Skinner organ in the Center's concert hall.

The second article from the Saturday Review is written by the equally famous critic, Irving Kolodin, reflects what the John F. Kennedy Center will mean for Washington, D.C. Mr. Kolodin ventures to predict:

Like that other Washington Monument poking its spire high into the clogged air above it, the Kennedy Center for the Performing Arts is there to stay and to be cherished.

These articles should be must reading for the followers of the CONGRESSIONAL RECORD. They follow:

KENNEDY CENTER RECITALS

(By Paul Hume)

The addition of the Aeolian-Skinner Organ in the Concert Hall of the Kennedy Center to the notable organs of the Washington area makes this city one of the finest in the country in terms of variety of style and manufacture.

Yesterday's announcement of a series of organ recitals at the Kennedy Center brings six of the world's most distinguished organists to public attention in a way that is largely new in the organ world.

Recitals by E. Power Biggs, Virgil Fox, Gerre Hancock, Karl Richter, Pierre Cochereau, and Paul Callaway will give the fullest demonstration of the resources of the new instrument. The organ is yet another gift to the people of the Washington area from Mrs. Jouett Shouse, who gave it in memory of her parents.

The names of Biggs, Fox, and Callaway are well known in Washington. Cochereau is organist of Notre Dame Cathedral in Paris; Richter is the noted Bach organist, conductor, and harpsichordist from Munich; and Gerre Hancock, as the newly appointed organist-choirmaster of St. Thomas' in New York City, represents the finest traditions of today's younger generation.

COUNTDOWN FOR KENNEDY

(By Irving Kolodin)

Even when Ethel Lynn Beers gave it literary currency for the first time in a poem published by *Harper's* in the November 30, 1861, issue, "All's Quiet on the Potomac" was a phrase tinged by irony. There can hardly have been a time since then when the words were used other than humorously. Traditionally, the dividing line between North and South, home of the Yeas and Nays, Republicans and Democrats, liberals and conservatives (lately fragmented into a newer category of "radical conservatives"), Washington has as long been celebrated for contrary points of view as it has been known as a citadel of provincialism in the performing arts, lacking a concert hall or opera theater befitting the capital of the world's richest nation. Now that it is on the verge of having both, dissension reigns supreme and joy is far from unconfined.

What price benefaction? Generally speaking, it has been obloquy compounded by contumely. When the John F. Kennedy Center for the Performing Arts celebrates its long-awaited opening with the greatest governmental gala of the generation on September 8, it will become one more monument to the fate that awaits doers in a world of nondoers. (The creators of Lincoln Center will need no reminder of this.) The first Metropolitan Opera House in New York was deplored at its opening in 1883 as a costly monstrosity, only to be mourned at its passing in 1966 as an irreplaceable shrine of the art. One architect of the Vienna Opera committed suicide in 1868 because of the public outcry against his design, and another died only two months later of assorted griefs. When the building was reconstructed after being bombed out in 1945, Vienna would not have it otherwise than exactly as designed by its two martyrs.

What else other than contention could be expected in a field dominated by paradox and contradiction, by a La Scala without steps and a Covent Garden lacking either convent or garden? New York's Carnegie Hall was generally considered too far "uptown" and inordinately large when it was opened in the Nineties, the center of music then being on Fourteenth Street. Eighty years later, when New York's center of music had marched uptown beyond 57th Street, the quantity of seats in Carnegie Hall is one of its major assets in a city of New York's size.

The clear fact then is that the contemporary view of any sizable construction is apt to be a dim one in terms of its long-range future. In the opinion of some, the Kennedy Center is too far from someplace, and too near to some other place, for ideal town planning. It abuts too many roadways on one front and hangs too far over another on the other to please a second faction, whose immediate complaint, in different circumstances, might well be that it is inaccessible. Still others, jealous of its proximity to such magnificent monuments as the Lincoln and Jefferson memorials, complain that it is bigger than both combined. They do not mention that each of the older constructions is a classic, templed mausoleum to the memory of a man, whereas the Kennedy Center is a glorification of the performing arts, and the advantages of their audience, in which the living bodies of music and theater, opera and dance, will be celebrated and renewed, perhaps even reborn and regenerated.

Least of all is it considered that the center, in its conception, had nothing to do either with a Kennedy or a Democratic dynasty, that it was born and took its first halting steps to fulfillment under the patronage of Dwight D. Eisenhower. This makes it almost as long in the building as its celebrated counterpart in Sydney, Australia. It is much, much more vernerable in heredity, for many presidents have talked of Washington's need for such a facility, and a Congress of the Eighties gave consent to the establishment of a national conservatory and, presumably, a home to house it. Antonin Dvorak made his famous journey of 1892–95 to the "New World" to write his celebrated symphony of that title, and to head the conservatory (based in New York), but no public money was ever forthcoming for a Washington home, nor was private impulse marshaled in sufficient measure to overcome legislative inertia.

The first truly productive public action dates to September 2, 1958, when an act establishing a National Cultural Center was signed by President Eisenhower. Nothing much that was public happened in the two remaining years of his second term. A Potomac-side site was provided from government land available to Congress, and L. Corrin Strong, onetime Ambassador to Norway and heir to a family share in the Eastman Kodak enterprises in Rochester, N.Y. was appointed chairman. Its nominal head was Arthur S. Flemming, whose Department of Health, Education, and Welfare scouts conducted soundings on the use of such a center among many journalists of the arts, including myself. Money raising was slow, but enough was acquired to commission the rendering of a design by Edward Durell Stone. Characterized by some as Stone's "Sydney plan," it featured a circular rotunda with radiating corridors to several halls and a price of hundreds of millions.

The true line of connection to the ultimate outcome may be dated to November 1961, when, in his first year as President, John F. Kennedy directed Roger L. Stevens, present chairman of the center, to get the project off the ground. In a remarkable act of cooperation, Stevens recalls, his outgoing predecessor, Strong, greeted him by saying, "I don't want to leave you a bankrupt organization" and was, in Steven's words, "nice enough to give us five hundred thousand dollars for overhead and administration." Strong died before the project with which he was originally identified inched up to its present position on the launch pad, but his status as the center's second largest individual donor (surpassed only by the Ford Foundation) is perpetuated by the presence of his son, Henry Strong, on the board of trustees.

With the blessing and active interest of Kennedy (and the invaluable assistance of a committee headed by Ernest R. Breech), Stevens amassed contributions of nearly $15 million from foundations, corporations, and individual donors. In this case, however, no governmental money had been designated for administrative expenses, studies, or other on going costs, resulting in a steady attrition of resources. The fact is that there might have been prolonged attrition, less Congressional participation, and indefinite procrastination had there not been the grim happening of November 22, 1963, in Dallas.

Spurred, perhaps, by memory of the apathy that dulled the campaign for a memorial to the late Dag Hammarskjöld when a "decent" interval was allowed to intervene before fund-raising began. Stevens put the issue to a Joint Committee of the House and the Senate on Public Works only a few days later. The outcome was the designation of the center as the official memorial to JFK, and the voting of $15 million as a matching grant for public subscription.

On January 23, 1964, President Lyndon B. Johnson certified the National Cultural Center as the sole, official memorial in Washington to John F. Kennedy. Congressional action since then, with the endorsement of President Nixon, and the raising of matching funds under the tireless initiative of Stevens, have brought the total underwriting for construction (plus several millions more for "incidentals") to $65 million.

What has been purchased for that sizable amount? In the very first place, a structure that Kennedy defined in detail, however unintentionally, as his own memorial. When pros and cons on one form or another of the Cultural Center—including Stone's first grandiose plan—were rampant, Stevens quotes Kennedy as having said: "I want three halls that are artistically perfect for both the performers and the audience. In the nation's capital, this is as it should be; not halls designed for size or for largeness alone. I would like to see them alongside each other, so they would save us a lot of money in the operations of the buildings." From the operational point of view, says Stevens—a practical theater man among other attributes—it was desirable to have them under the same roof. Given the directive, Stone's mind went in the direction of a form defined by the classic rectangle.

As to the final site, this too was a decision in which Kennedy was a personal participant. "If I talked to him once, I talked to him five times," says Stevens, about other options, including the argument of William Walton, head of Washington's Fine Arts Commission (and a close Kennedy friend), that the proper site would be Pennsylvania Avenue. In the moment of finality, it was Kennedy's decision: "Let's stay where we are."

"Where we are," as of the early Sixties, was a somewhat different environment than "where we are" as the countdown for the September 8 launch begins. There were, then, no Watergate Apartments or Hotel, no "spaghetti of roads" or other encroachments that might have been prevented by a more vigilant Congress. Rather than a belt of green and silence befitting the central focus on performances of a new large-scale work of Leonard Bernstein, the world premier of Alberto Ginastera's *Beatrix Cenci*, and the installation of the American Ballet Theatre as the center's resident dance group with Alvin Ailey's treatment of Duke Ellington's *The River*, the town crowds in. On the spacious riverfront, looking across to the Virginia side, all is indeed quiet on this edge of the Potomac, though overhead planes drone in a never-ending ascension from the take-off runways of nearby National Airport.

For Washingtonians and all Americans who become Washingtonians for a day or a week, Kennedy's vision of three halls has become a superbly colorful reality. No complaints have been heard about the elegant concert hall, with its neo-Symphony Hall, neo-neo-Leipzig Gewandhaus conformations, save from those who profess to mourn the National symphony's removal from the larger (3,811-seat), awkward, acoustically frigid Constitution Hall to the warmer, smaller (2,759-seat) surroundings. The stage of the Opera Theater matches the specifications of the nation's largest (the Lincoln Center Met), meaning that the Met's production or those of La Scala, Vienna, etc., could be accommodated upon it. But, without monumental subsidy, such attractions, or the touring Bolshoi or Royal Ballets, are ruled out, because the "small" total of 2,300 seats forbids adequate income, save at prohibitive prices. Professionals of all stripes, myself included, have denounced the shortsightedness embodied in this tight design.

The counter-contention is that Washington does not have the year 'round audience to support an opera house seating 3,500, that the Hamburg Opera has created its kind of world standard in a less-than-2,000-seat house, and that the New York City Opera and the Washington Opera Society can do likewise. The Eisenhower Theater to be opened in October with Claire Bloom as Nora in Ibsen's *A Doll's House*, is beautifully equipped as well as suitably sized (1,142 seats) to serve its multi purposes. A plan for the participation of the American Film Institute on some equitable basis as the center's cinematic adjunct is discussed by Arthur Knight on page 40.

Stone's conception considers the Kennedy Center as something more than merely a place for the devotees of the performing arts to gather after dark. It recognizes, as did Kennedy himself, the part that the audience plays in the successful marriage of active and passive producers and consumers, by providing wide areas for access and circulation. The three halls are separated by two galleries running from the land side to the river side. One, between the concert hall and the opera theater, blends a world of bunting and color into the overall concept of a Hall of Nations. The other, separating the opera site from the Eisenhower Theater, bears the flags and plaques of the fifty states. Binding the three halls together is the grand foyer on the river side, which runs the building's total length of 600 feet from end to end. The varied restaurant facilities will be open during the day as well as before and after performances to provide Washingtonians with new, attractive gathering places for eating, drinking, and indispensable conversation (whose topics will, no doubt, include the surroundings).

If there remains, among them, some disposition to look this gift horse not only in the mouth but in the throat, this is perhaps the norm for the Capital Course. Like that other Washington Monument poking its spire high into the clogged air above it, the Kennedy Center for the Performing Arts is there to stay and, this observer ventures to predict, to be cherished.

FEDERAL RESERVE SYSTEM NEEDS REVISION BUT NOT AS AN EXCUSE FOR THE ADMINISTRATION'S ECONOMIC POLICIES

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ANNUNZIO. Mr. Speaker, for the past week, numerous articles have appeared in publications across the country reporting on a White House plan to increase the size of the Federal Reserve Board, apparently to give the White House more control over, not only the policies, but the statements of the Federal Bank.

Since I have been a Member of Congress, I have supported and introduced legislation to make the Federal Reserve System more responsive to both the legislative and executive branches. I support the distinguished chairman of the House Banking and Currency Committee, the Honorable WRIGHT PATMAN, in his efforts to reform the Federal Reserve System.

As an immediate step, I have introduced legislation, H.R. 3231, that would make the term of the Chairman of the Federal Reserve Board coterminous with that of the President of the United States. The purpose of the legislation is to make certain that the President has a free hand in choosing his own Federal Reserve Chairman.

I would like to think that the stories concerning President Nixon's wish to expand the Federal Reserve Board actually reflected the true administration thinking. However, it would appear that the stories are being put out by the White House purely to embarrass Federal Reserve Board Chairman Arthur Burns and to stop him from making statements that do not eulogize the economic policies of the Nixon administration.

If the administration is sincere about reforming the Fed, then let them send legislation to Congress proposing a new setup, but I strongly doubt that such legislation will be forthcoming. Perhaps an even simpler course would be for the Nixon administration to adopt an economic policy that was not put together by Alice-in-Wonderland economists and get this country back on a sound economic keel. If it did that, it would not have to use Chairman Burns as a whipping boy and the financial pages of newspapers as the whipping post.

Mr. Speaker, the July 29 issue of the Wall Street Journal carries an excellent article describing the attack on the Fed by the administration and is an exceptional chronicle of what is taking place in the intermonetary circles of the administration and, for that reason, I include it as part of my remarks.

WAR OF NERVES QUICKENS: WHITE HOUSE HINTS ITS PLANS ON RESERVE BOARD'S INDEPENDENCE

(By Richard F. Janssen and Albert R. Hunt)

WASHINGTON.—The White House is escalating its war of nerves with the Federal Reserve Board by hinting an attack on the board's independence.

President Nixon's aims in what could become a confrontation of historic proportions, close observers suggest, are probably these:

To persuade Chairman Arthur F. Burns to stop saying the Nixon administration isn't doing enough to limit wage and price increases.

To dissuade the seven-man board as a whole from its evident intention of sharply slowing the growth of the money supply.

To embarrass Mr. Burns, either to diminish his impact on public opinion or to force him to resign and make room for a more docile central bank head.

To set the stage for making the Reserve a scapegoat in case inflation and unemployment are political handicaps in 1972.

That the President might also want to push legislation for bringing the Reserve squarely under White House control—as a White House aide summoned a reporter Tuesday night to suggest—is less apparent. A serious effort in this direction, analysts caution, could touch off a more intense international monetary crisis, as well as bitterly straining White House relations with Congress and the U.S. financial community.

The more overt phase of the White House feud with the Reserve came when a Presidential aide called in a reporter to tell him that Mr. Nixon "has under serious consideration legislative recommendations, in which many of his principal advisers concur, that specifically would bring the Federal into the executive branch." The President is "furious," this aide said, that Mr. Burns repeatedly and publicly calls for a stronger "incomes policy," particularly a wage-price review board to seek voluntary restraint.

The "final straw," this official went on, was Mr. Burns' testimony Friday before the Joint Economic Committee, in which he stressed that there hadn't been any "substantial progress" against inflation. The President is tired of hearing from bankers and businessmen, the aide said and that "the great Arthur" is contradicting Mr. Nixon's assertions that the economy is recovering satisfactorily with considerable progress against inflation.

Asked about such stories, Ronald L. Zeigler, Presidential Press Secretary, steered a careful course between supporting and po-

tential threat to the Reserve. The President "isn't giving consideration at this time" to ending the Reserve's independence directly or, as one account has it, indirectly by doubling its size so he could name seven additional members, Mr. Ziegler said. But he declined to rule out the possibility that some members of the White House staff might be talking about reorganizing the board. Asked if Mr. Nixon retained his old confidence in Mr. Burns, Mr. Ziegler said he had no "personal" knowledge of any change.

HYPOCRISY ASCRIBED TO BURNS

Perhaps more tellingly, Mr. Ziegler passed up opportunities to disavow the more personal aspects of the criticism. The main reason for any economic shortcomings at present, the other aide had complained, is "the advice he (Mr. Burns) gave the President two years ago." This aide charged that the chairman was being "hypocritical" about inflation because he had been "trying to get his own salary raised to $62,500 from $42,500."

Mr. Ziegler said there had been "some discussion" of raises from various agency heads, which budget officials separately said Mr. Nixon had turned down. Later, a Reserve spokesman said that Mr. Burns "hasn't requested any salary increase," but otherwise had no comment on the statements of the various White House aides.

One immediate effect is fresh straining of relationships within the administration. "We diassociate ourselves from any involvement" with efforts to curb the Reserve, a spokesman for Chairman Paul W. McCracken of the President's Council of Economic Advisers said, and a Treasury official expressed deep doubt that Secretary John B. Connally would take part in such a "clumsy" maneuver.

Budget Director George P. Shultz might well support White House control of the Reserve however, other sources said, citing his strong reliance on rapid money-supply growth as the main expansionary policy and his great disdain for "incomes policy," or wage-price machinery. Such White House staff strategists as Charles W. Colson and Peter M. Flanigan are also logical supporters of efforts to put pressure on the Reserve, other insiders suggested.

POTENTIAL DAMAGE TO ECONOMY

Continuation of uncertainty about the Federal Reserve's status potentially could damage the economy itself, some outside analysts worry. Even talk about bringing the Reserve under White House control "could really shatter confidence overseas" in the soundness of the dollar, cautions Maurice Mann, a former Reserve and Budget Office official and now executive vice president of Western Pennsylvania National Bank, Pittsburgh. "Of all days!" lamented Eliot Janeway, a private New York economist, who cited signs that Europeans this week were starting to "liquidate" U.S. securities anyway.

Privately, such fears are voiced by some Nixon administration men, too. It is "shocking," one economist says, for the White House to surface its hostility to the Reserve on the day the government is disclosing such disquieting developments as a big budget deficit, a big foreign trade deficit and a downturn in "leading" indicators of future output.

The major danger in making the monetary policy managers responsible to the White House, defenders of the Reserve's independence say, is that over the long run, the President will be more apt to press for overly expansionary policies, resulting in temporarily favorable employment gains but in permanently worsened inflation. Monetary policy should be "insulated from political pressures," said an official of the American Bankers Association, who expects the ABA to remain "very firm and steadfast" in defense of the Reserve's status.

The basic case for White House control of the Reserve, administration men argue, is that it isn't fair for the voters to judge any President on the economy's performance when one of the two key economic policy levers is kept out of his reach. This sentiment has been quietly voiced by Nixon aides all along, partly because they tend to place primary emphasis on monetary policy, in contrast with Democratic predecessors who ranked fiscal, or tax-and-spending policy, as the most important tool.

But this is a matter of such significance, one insider frets, that it should be dealt with by "extended national debate" on the issue and not by "guerrilla warfare" and "cheap shots" at the incumbent Chairman. As a practical matter, many economists have argued, any President should want to preserve at least the image of an independent central bank so it can apply necessary but unpleasant antiinflationary remedies such as tight credit and high interest rates without the President's being blamed.

The Reserve's archcritic, Chairman Wright Patman (D., Texas) of the House Banking Committee, said he would favor giving the administration a hearing "if it is serious about efforts to reform the Federal Reserve." Mr. Patman noted his own position that the Reserve should be "accountable to the Congress, the executive branch and, more importantly, to the people," but stressed that he held these views long before the appointment of Mr. Burns in early 1970. He added that Mr. Burns was "doing a good job within an impossible agency structure."

Over the years, Mr. Patman has complained that the 14-year term of board members unduly insulates them from the popular will and that the heads of the 12 district Federal Reserve banks, who aren't Presidential appointees, inject too much of a private banker influence on monetary policy. Reserve officials themselves have expressed some sympathy for the idea of shortening terms and shrinking the number of board seats to five, but haven't pressed the point.

Another Democrat came more emphatically to the Republican Mr. Burns' aid. Because the Reserve chairman "has refused to endorse the administration's policy of economic do-nothingism, apparently he is to be denied a raise and the Federal Reserve Board is to be packed with a Nixon cheering section," said Rep. Henry Reuss (D., Wis.), a member of the Joint Economic Committee.

In the view of the administration's anti-Reserve activists, it is especially urgent to "bring Arthur in line," as one puts it, at this time. Already facing a budget deficit in the new fiscal year that threatens to exceed the $23.2 billion of the year ended June 30, they say, the White House can't afford the political embarrassment of pouring extra fiscal stimulus into the sluggish economy. Thus, they must count on the Reserve's continuing a rapid growth in the money supply (private demand deposits and currency), they explain. They are also anxious to end Mr. Burns' pessimistic remarks, which they fear may delay a vital resurgence of business and consumer confidence.

BIG BUS BILL

(Mr. SCHWENGEL asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. SCHWENGEL. Mr. Speaker, while the House has completed action on the big bus bill, H.R. 4354, I think it is still appropriate to keep my colleagues advised as to all developments with respect to the bill. The New York Times of July 26, the Wall Street Journal for July 31, and the Washington Evening Star for July 31 all carried editorials strongly opposing the big bus bill, and urging its defeat in the Senate.

The New York Times editorial stated among other things:

A wider truck can also mean a shorter life for ordinary motorists. Trucks create a visual hazard because they block a view of the road ahead. Their mass moving past smaller vehicles at high speed also creates a "blast effect" which can disrupt the motorist's control of his own car. These economic and safety arguments explain why limits on the width and weight of trucks and buses are written into Federal highway legislation.

The Wall Street Journal stated:

Perhaps, members of the Senate, unlike their House colleagues, will remember whom they're really supposed to represent.

The Washington Evening Star stated:

And is this just a prelude to another attempt to increase truck sizes and weights? That's denied, but some of the House pleaders for larger buses are among those who have in the past advocated bigger trucks. A truck-enlargement bill was squelched in the last Congress, and we hope the Senate will give similar treatment to this bus proposition.

The New York Times editorial appears in its entirety at page 27764 of the RECORD for July 28, the Wall Street Journal editorial appears in its entirety at page 28552 of the RECORD for July 31, and the Evening Star editorial appears at page 28635 of the RECORD for July 31.

These editorials are a good indication of the growing support for my position in opposition to the big bus bill. Had the bill not been rushed to the floor by the House Public Works Committee and the public given adequate warning, I am convinced we could have marshaled the few additional votes which would have been necessary to defeat it. My colleagues in the other body would be well advised to give careful consideration to the points made in the editorials.

Incidentally, if you did not see Herblock's cartoon in the Sunday Post on this subject, its worth the effort to get a copy.

TRIBUTE TO THE HONORABLE JOHN DOW

The SPEAKER pro tempore (Mr. HUNGATE). Under a previous order of the House, the gentleman from California (Mr. EDWARDS) is recognized for 60 minutes.

Mr. EDWARDS of California. Mr. Speaker, this is a very pleasant moment in the historic House of Representatives.

It is pleasant because a group of Congressmen, colleagues of JOHN DOW, feel that they wanted to gather together and honor this fine man, this talented and inspiring legislator.

JOHN, to many of us in the House of Representatives, symbolizes those words—the "honorable gentleman from New York," because in his career here as well as elsewhere he has combined honor, including great courage, with gentleness and sympathy for the human condition. In this House, his has been a voice of wisdom and prudence, a quiet force relying on facts, instead of emotions, reason instead of foolish rhetoric.

An examination of his record in this Congress and in the 89th Congress shows not only his concern for the larger national issues, but also the care and strength that he has used to serve his district and each individual constituent in that district. I would cite the example of Stewart Air Force Base, which the administration at some time threatened to close. Instead of mounting the soap box with an emotional appeal, Congressman Dow resorted to quiet reason, calling for full planning for the future uses of the airport and aiding in the successful grant for that planning. In doing so JOHN opposed some of the most powerful politicians in New York, including the Governor.

JOHN expressed his viewpoint in these words:

Effective regional planning will assure localities that development at Stewart will be attractive. We have an excellent opportunity to establish the necessary framework for future growth while airport planning is still in the conception stage.

In this issue as well as others, JOHN has been careful to balance his concerns for the greater good with his conviction that the rights of the individual must be protected. He and his staff have carved out an admirable record in protecting constituent rights, whether they involve social security, the draft, or any other of the problems arising out of this huge and sometimes unfeeling bureaucracy.

JOHN too has long had a deep and abiding interest in protecting the environment, an interest typified by his efforts in the recycling field. I would like to note his comments on the subject, comments in which a number of his colleagues joined, including myself:

There is one positive step we in Congress can take to set the example in the use of recycled paper. The Congressional Record is published each day that a House of Congress is in session and uses approximately 5,000 tons of newsprint each year. This is the equivalent of a medium-sized daily newspaper in one of our country's cities.

Many arguments have been put forth raising the environmental advantages to use of recycled material. By encouraging greater use of products made from recycled material, we can help ease the increasing solid waste burden. It has been the experience of newspapers in the 27th Congressional District of New York which I represent that recycled newsprint is less expensive. In fact 100 percent recycled newsprint costs about $7.50 a ton less than the virgin newsprint.

For this reason I am introducing legislation today with more than 55 co-sponsors to require substantial use of recycled paper in the production of the Congressional Record. As publishers of a major journal we in Congress should take this leadership role.

In addition, I would like to include JOHN'S record of environmental legislation:

DOW'S ENVIRONMENTAL RECORD

2/18/71: Co-sponsors bill, H.R. 4557, to control surface and underground coal mining operations which adversely affect the environment.

2/22/71: Legislation introduced H.R. 4719, to prevent further pollution of national and international waters by dumping of military wastes.

Participated in hearings of the Agriculture Committee to determine how much control should be placed upon pesticides.

Co-sponsors bill, H.R. 5435, to create a Gateway National Recreation Area in the States of New York and New Jersey which would include such areas as Jamaica Bay and Breezy Point.

3/18/71: Votes against SST because of the potential abuse of the environment and the better uses for Federal funds.

3/22/71: Legislation, H.R. 6487, co-sponsored to amend "Federal Water Pollution Control Act" to provide more funds for the clean-up of lakes and other internal waters is introduced in Congress.

3/25/71: Warns Dr. Ronan of the MTA about the need for planning to preserve the unique qualities of the Hudson Valley in a letter concerning the proposed expansion of Stewart Field.

3/30/71: Co-sponsors bill, H.R. 6988, to create more stringent standards for control of noise pollution.

4/23/71: Issues first Congressional constituent newsletter on recycled paper.

4/23/71: Testifies before New York State Public Service Commission. Explains that long run cost of placing power transmission lines underground would probably mean only a one or two percent increase to the consumer above the cost of unsightly overhead lines.

5/3/71: Recycling bills introduced in Congress:

H.R. 8005—requires the GSA to prescribe regulations requiring as much recycled material as possible in the paper purchased by the Federal Government.

H.R. 8007—directs the Administrator of the GSA and the Secretary of Defense to insure procurement and use wherever of recycled material. The Secretary and the Administrator are also directed to compile an annual report to the Congress concerning present and possible future use of recycled material by the Government.

Finally, I would like to say a few personal words about JOHN. He is a man who treats both those myths of success and defeat equally as myths, a man who rises to each occasion with cheer, courage, and the conviction that better can be done. He is also a man who can do what our President suggested at the start of his term. JOHN Dow can help bring us together. He honors this House by his service in it.

Mr. DRINAN. Mr. Speaker, I rise today in tribute to my distinguished colleague and good friend from New York (Mr. Dow). It has been my great honor to serve with this fine gentleman not only in the body of the 92d Congress, but also in the Democratic Study Group and the Members of Congress for Peace Through Law. He has brought to each of these endeavors a rare blend of great intellect, compassion, and commitment. JOHN Dow has spoken out loudly on every major issue facing us today. But he is more than a man of words; he is a man of action.

Nowhere has his moral commitment to better government been more clear than in his longstanding opposition to our tragic entanglement in Indochina. In 1965, JOHN Dow was one of seven Representatives who were the first to question the expansion of this country's involvement in the Vietnam war. Since that he has been a stanch and vocal critic of the war, and has consistently fought for legislation to rapidly terminate it. Most recently, he was a sponsor of the congressional hearings on the Pentagon papers. As moderator of these hearings, he probed deeply into means by which the significant findings of the papers could be utilized to bring about a more just and humane foreign policy.

In the area of protecting our environment, too, his has been an outspoken voice. In 1967, he became the first Member of the House to introduce legislation providing for prefinancing of much-needed water and sewer projects. He has initiated legislation for Government use of recycled paper and other products. In this and countless other ways, he has played a significant role in the effort to eliminate solid waste and provide for a clean and healthy environment.

Mr. Speaker, there are scores of other areas in which Mr. Dow has performed admirably. The hearings he recently held in his district on the problems of the elderly reflect the deep concern and understanding he has shown for senior citizens. His innovative bill to transfer the cost of education from local property owners to State governments demonstrates both his imaginative approach to vexing problems and his unyielding commitment to quality education. And his leadership in the recent fight against the sugar quota for South Africa illustrates his abhorrence of racial segregation and discrimination.

Mr. Speaker, I hope that this all too brief summary can in some way convey the pride I have felt in working with a man of such courage and integrity as JOHN Dow. Certainly, New York's 27th Congressional District can be proud to know it is represented by a man who has served both his district and his country with honor and dignity.

Mr. DINGELL. Mr. Speaker, it is appropriate that we should take time every now and then to single out our colleagues who have served their districts and their Nation well in the House of Representatives. Today, it is a privilege to salute JOHN Dow, my colleague from New York.

JOHN'S presence here in the Congress is a real tribute to the constituents he serves so well in the 27th District of New York. His record in the House illustrates his great sensitivity to the problems we continually face in this country. No group of people has gone unnoticed by JOHN Dow. He has worked to better the lives of the poor, the elderly, the children, the homeowners, the sick, and underprivileged.

As a member of the House Agriculture Committee—the only member from the State of New York and all seven Northeastern States for that matter—he has been deeply involved in the environmental issues of pesticides. Only recently, after much research, he brought to the attention of the public the fact that the Department of Agriculture had lagged behind in developing effective vaccines to arrest exotic diseases in cattle, livestock and human beings. As he pointed out, this was one of the reasons for the recent epidemic affecting horses in the southwestern part of this country.

His dedication to the betterment of all people is not easily matched and it is a pleasure to join with my colleagues in spotlighting this fine man.

Mr. MIKVA. Mr. Speaker, there seems to be no question that his colleagues hold JOHN Dow in the highest esteem. Almost everything good that can be said about a man has been said about him. But somehow our voices do not contribute that much to a description of JOHN Dow. I think his voting record and his activity in the House of Representatives make the most eloquent statement.

He has made environmental protection his personal concern. He was one of the first to question this country's involvement in Southeast Asia—one of the first to seek withdrawal from that ugly war. His position on civil rights and civil liberties has been equally forthright and unwavering. And he has held his views at times when they were neither popular nor politic. He says what he thinks—whether he says it in his district, in Congress, or in places he has gone to find out something firsthand, places like Selma in 1965 or Saigon in 1967.

Mr. Speaker, Mr. Dow is in his fifth year of service in the Congress. The years have not been consecutive, and that is something of a distinction. More than a few Members of the House—present and past—have shared that distinction. Daniel Webster for one. He served two terms, then left the Congress, returning a few years later. His initial service was outstanding. His subsequent service was brilliant. JOHN Dow is in that great tradition.

Even one President had the distinction of interrupted service, namely; Grover Cleveland.

Grover Cleveland and JOHN Dow do not have that much in common, except that Cleveland once said:

I have tried so hard to do right.

And I think that describes JOHN Dow quite well. And his colleagues and his constituents are firmly of the opinion that he has succeeded in his effort to do right.

Mr. BADILLO. Mr. Speaker, I am proud to join in this tribute to my good friend and colleague from New York, JOHN Dow. It is a tribute richly deserved for JOHN Dow is not only an outstanding and conscientious representative of his congressional district, but a respected leader in a broad range of national and international issues.

JOHN Dow came to Congress in 1965, and actively participated in the enactment of that great wave of social legislation for which the 89th Congress will long be remembered. His was, even then, a strong and clear voice calling for the reordering of our national priorities, for an end to militarism in our foreign policy, and for decisive steps to preserve our environment.

JOHN'S record of leadership and legislative accomplishment continued in the 90th Congress and he received considerable attention for his strong and early efforts to point out the tragedy of our involvement in Vietnam. Although he did not return to Congress in 1969, he remained a community leader in the Rockland County area and merited reelection to the House of Representatives last fall.

Even in the early days of this 92d Congress, JOHN Dow has been a leader and an innovator. I have been pleased to join his efforts to spur Government use of recycled paper, to defeat the sugar quota for South Africa and to ease the burden on property owners for the cost of education.

I am particularly grateful to my friend and colleague for his invaluable assistance in enabling me to secure appointment to the Committee on Education and Labor.

JOHN Dow's constituents are blessed with one of the most dedicated, responsible, and courageous men to serve in the Congress. It is a privilege to serve with him.

Mr. BURTON. Mr. Speaker, I should like to join with those who today honor our distinguished colleague, the gentleman from New York, JOHN Dow.

I have known, worked with and admired JOHN Dow since he first entered the House as a Member of the 89th Congress and I am truly proud of that association and friendship.

JOHN Dow is a gentleman in the fullest and the highest sense of that term. He is a tenacious fighter against any form of injustice or oppression. He is a man of keen intellect who has coupled this talent with hard work and legislative skill. This combination has earned for him the respect of his colleagues and the support of the constituents he so tirelessly serves.

JOHN Dow's legislative interests take him through the full range of the activities of the House. He is as at home in the area of foreign policy as he is when leading the fight to preserve and and protect the environment in which we all must live. He has fought for better education for our children and higher living standards for all those in need while at the same time realizing the national nature of these problems and the necessity to remove some of the burdens of taxation from the small home and property owner.

The hallmark of JOHN Dow's service in the Congress has been service. JOHN Dow stands as a willing and ready intermediary for those who need assistance in their dealings with their government.

There are many things which might be said of JOHN Dow. He is a man of vision and a man with the courage to pursue that vision. He is a man of integrity and wit and wisdom. In these halls which have seen history made, in which many of the great of this Nation have served, JOHN Dow adds luster to the title: U.S. Congressman.

Mr. KASTENMEIER. Mr. Speaker, I join with my colleagues today in recognition of the outstanding record and talents of my friend, JOHN Dow.

In paying tribute to JOHN, I find it difficult to even touch on the entire range of his activities and achievements since he has been so active in so many vital areas of concern. His record against U.S. involvement in Southeast Asia needs no documentation—it is a well-known fact. His continuing efforts in behalf of the elderly are also obvious to those of us who serve with him in the Congress.

His round-the-clock dedication to the needs of his constituents must be noted. Because of his efforts in behalf of his constitutents, people everywhere have benefited. I remember back in 1967 when a bill he authored was enacted to allow for prefinancing of water and sewer projects. Every community—aware of the red-tape problems connected with securing funds for these kinds of projects—must now feel the benefits of JOHN Dow's successful efforts to expedite the building of these badly needed projects.

If you need to locate JOHN Dow weekends, you will never be able to find him in Washington, D.C. He is always back in his district seeking out his constituents and endeavoring to solve any problems they may have. Only last weekend he personally toured the tornado-damaged areas in the 27th district and was instrumental in having them declare disaster areas in order to quickly bring about emergency relief for his constituents affected by the serious storms.

A humble man is JOHN who seeks nothing more than to quitely fulfill his duty as a Congressman and serve to the best of his ability the people who sent him to the Congress. As a close associate and friend of his for many years, I can attest to the fact that he is serving them well.

Mr. HELSTOSKI. Mr. Speaker, last week 16 of my colleagues and I conducted a 3-day conference regarding the significance of the Pentagon papers. The meetings were attended by historians, former Government officials, authors of the Pentagon documents, and important Vietnamese citizens. My esteemed colleague from New York, Representative JOHN Dow, deserves recognition for his contribution as chairman relative to the success of the conference.

This is but one example of JOHN Dow's consistently devoted service to his constituents and our Nation as a whole. In 1965, the gentleman from New York was one of the few who in the House of Representatives warned us of the dangers of American involvement in the Vietnamese war. His early vote against the war was cast because, as a patriotic American, he feared that should the United States become involved in worldwide police actions—often in areas where the question of Communist advance is obscured by a fight for nationalism or independence—then our credibility as a nation dedicated to peace and freedom would be destroyed. Unfortunately, advice such as this went unheeded. This wisdom reflected years ago would not have allowed Vietnam to undermine our credibility abroad nor our credibility at home.

JOHN Dow's energetic leadership has been evidenced in many other issues which came before this body. To cite but a few instances, he urged that we deny our support to the apartheid policy of South Africa by voting down the sugar quota, and his concern for our environment is apparent in his proposals encouraging Federal use of recycled paper.

Mr. Speaker, I wish to publicly acknowledge my respect for JOHN Dow's judgment and reasoned counsel. His many contributions to this body have been recognized.

Mr. EILBERG. Mr. Speaker, it is a great pleasure, at this time, to declare my admiration for an outstanding Member of the House, the Honorable JOHN G. Dow of New York's 27th Congressional District, whom we honor on this occasion.

As an opponent of the war in Vietnam, JOHN Dow took his stand far in advance of the popular trend in that direction, and by so doing played a major part in altering the course of our distracted ship of state. By so doing, he also incurred much popular indignation at the time, and, therefore, was defeated, only to be returned to office when the people of his district experienced a change of heart, accepting and endorsing his position on the war.

As a liberal spirit, Congressman Dow has been active on all the major national issues of the past few years, writing and presenting on the floor of this Chamber some 100 bills, touching on such varied matters as crime, civil rights, social security, meat inspection, and protection of the national environment.

His legislative efforts in behalf of his own district represent a new and progressive trend, bringing much-needed Federal grants to the district, for a variety of county and urban projects. In addition, he has worked vigorously in advising his constituents on the best means of utilizing the various Federal programs available to them.

In his voting, Congressman Dow has been consistently progressive, as sponsor and supporter of legislation for medicare; omnibus housing; the Older Americans Act; water pollution control; manpower training; Federal assistance for elementary, secondary, and higher education; the omnibus farm bill, and heart, stroke, and cancer research.

His chief concerns have been the war in Vietnam, and how to get us out of it; our natural resources, and how to preserve them; and the rights and needs of senior citizens. In all these areas, he has shown himslif to be a legislator of the finest kind, innovative, energetic, and extremely capable.

He holds the respect of his associates to a remarkable extent. His patient, understanding nature, his inquisitive mind, and his sense of fairplay, have made him many friends, on both sides of the aisle. I am proud to acknowledge my claim to his friendship.

An eagerness for contention, when dispute is required; a desire to compromise, whenever that is possible—these attributes are essential to the proper performance of the representative function, and are the outstanding characteristics of Congressman Dow.

He has fought the good fight, from first to last, and has won the respect of everyone familiar with the fact of his accomplishment. I take great pleasure in declaring my respect for the talented, courageous, and distinguished Member from New York's 27th Congressional District, the Honorable JOHN G. Dow.

Mr. REUSS. Mr. Speaker, the best news I received toward the end of the 91st Congress was that JOHN Dow would be rejoining his colleagues in the 92d Congress. Few Members in the short period of two Congresses have so commanded the affection and respect of their colleagues as did JOHN Dow in the 89th and 90th Congresses. We sorely missed him in the 91st Congress—we especially missed the wisdom and compassion he had brought to our deliberations on the war and the plight of the poor and elderly at home. And so I am happy to join my colleagues today in paying tribute to JOHN Dow, and in letting the record show that we are glad he is here. His constituents, this body, and the country have regained a loyal public servant and a courageous spokesman for peace abroad, and social justice and a better environment at home.

Mrs. MINK. Mr. Speaker, it is a pleasure to have this opportunity to express my respect and admiration for JOHN Dow, my good friend and colleague from New York, who came to Congress the same year I did.

Since his earliest days in Congress, JOHN Dow has been among the vanguard seeking to confront the many pressing problems and inequities of our times. He has been unafraid to take positions and has been willing to speak out with courage and conviction. One of the first Members of this body to argue against the war in Vietnam, his opposition to that conflict has been vigorous and effective.

Underlying all of JOHN Dow's efforts is a finely articulated and strongly felt concern for the quality of life in America. His efforts on behalf of the elderly, the economically disadvantaged, and the politically oppressed deserve recognition alongside his efforts to improve and protect the environment. In this session alone he has fought against any U.S. subsidization of South Africa's oppressive apartheid policies, pushed legislation to mitigate the intolerable burdens and restrictions this society often places on its elderly citizens, and introduced an innovative bill which will greatly improve existing education financing practices.

Foremost among his accomplishments in the area of environmental protection has been his pioneering usage of recycled paper products. This practice has been followed by many others in this body and will hopefully gain acceptance not only throughout the Government but the American community at large.

Mr. Speaker, JOHN Dow has amassed an impressive record which testifies to his integrity and strength of character. We have all benefited from his efforts in the past, and I am certain that we will continue to have many occasions to follow his leadership.

Mr. KOCH. Mr. Speaker, it is with great pleasure that I join today with my colleagues to honor my good friend and fellow New Yorker, JOHN Dow. JOHN, a man of great compassion, has spent his years in the Congress endeavoring to improve the lot of people from every walk of life. But what I would like to single out today is the contribution JOHN has made here in the Congress to improve the golden years for the elderly.

Only recently in his district in Newburgh, N.Y., he conducted hearings on the problems of senior citizens and heard firsthand accounts of problems on aging, both from the elderly themselves and from officials directly responsible for programs affecting old people. As a result of these hearings, JOHN is working on a comprehensive package of legislation—to be introduced sometime in the near future—to improve conditions for the elderly.

He has already—in this session of the Congress—introduced legislation to create a federally sponsored nutritional program for the elderly. He has worked for social security increases and is the cosponsor of a resolution to create a Select House Committee on Aging. I know JOHN Dow well and I can assure you he will spare no effort in working to enact and effectively implement any of these bills he is committed to. His persistence is well-known and the elderly can be assured he is an unrelenting advocate of their cause.

In these years when the spotlight and emphasis is so much on youth and young people, senior citizens everywhere—not only in the 27th District of New York—are well served by JOHN Dow. I commend him for his outstanding record in the House of Representatives and I look forward to working with him for many years to come.

Mrs. ABZUG. Mr. Speaker, I am pleased to have the opportunity to join in honoring JOHN Dow, our colleague from the 27th District of New York. Now serving his third term here in the House, he has stood since his arrival here as a paragon of principle in the fight against American involvement in Southeast Asia.

In the early years of the struggle against the Vietnamese war, when JOHN Dow stood here nearly alone, he was a beacon of light and peace to the American people. I felt privileged then to know him and to work with him; during the short time that I have been here, that sense of privilege has been increased many fold.

JOHN is not just a gentleman—he is a gentle man in the truest, most literal sense. He is also a man of dignity and a man of commitment, and a leader of his district, his State and his Nation. I join with my colleagues in resoundingly saluting him.

Mr. BRADEMAS. Mr. Speaker, I am pleased to join in this special tribute today to our distinguished colleague, the gentleman from New York (Mr. Dow) one of the most courageous and dedicated Members of Congress.

Mr. Speaker, I recognized these characteristics of JOHN Dow both because I served with him during both the 89th and 90th Congresses and because a person of his courage and capacity is so valuable to the House that his presence was sorely missed during the 91st Congress.

JOHN Dow has returned, however, and the House of Representatives is the better for it.

During this session, Congressman Dow has picked up where he left off in 1968—providing leadership in the fight to combat racism and to commit America's resources toward meeting our many human needs at home instead of on wars and wasteful military spending.

Moreover, JOHN Dow has been a leader in a significant environmental effort in this first session of the 92d Congress—promoting the use of recycled paper. He has as well been a champion of programs to aid the elderly and of legislation to ease the burden of property taxes on the local taxpayer.

Mr. Speaker, the people of the 27th District of New York are fortunate in having a man like JOHN Dow as their Representative in Congress. Indeed, the entire Nation is benefitted when persons of his integrity serve in public office.

So, Mr. Speaker, we are glad to have JOHN Dow back in the House of Representatives. I look forward to many more years of working with him in Congress.

Mr. RYAN. Mr. Speaker, I am delighted to join my colleagues in this well deserved tribute to our distinguished colleague from New York, JOHN Dow, whose outstanding record of service in Congress has earned him not only the admiration and respect of his colleagues but the well justified confidence of his constituents.

JOHN Dow has never retreated from a position of principle—however unpopular his position was at the time. I recall how he searched his conscience and voted against the first supplemental appropriation for the war in Vietnam; at that time he well understood the political risk entailed. But he understood that our policy was tragically mistaken, and he had the courage to say so.

There were only seven of us who voted against the war on May 5, 1965. By June of this year—1971—175 Members of Congress voted in support of the Mansfield amendment which called for withdrawal from Vietnam within 9 months. During those 6 years the American people came to the conclusion that the war must end. During those 6 years, JOHN Dow consistently pointed out that a military victory was not achievable and the escalation of the war was self defeating. During those 6 years JOHN himself experienced both defeat at the polls in 1968—no doubt because of the principled stands he had taken on controversial issues involving war and peace and civil liberties—and victory at the polls in 1970.

The reelection of JOHN Dow to the 92d Congress was a vindication of his record in the 89th and 90th Congress and an event welcomed by his colleagues in the Congress who recognize the dedication and character of the man.

The American majority had swung about, adopting the same positions as that of JOHN Dow. One thing was clear, throughout—his policy was fearless, his purpose meritorious, without concern for political considerations. That he won reelection was of course a great pleasure to all of us. That he maintained his integrity in the process was a true mark of his worth.

There is hardly one social issue in which JOHN Dow is not concerned.

JOHN Dow has been involved in the battle for the preservation of our national environment. In the current Congress, no less than 12 different environmental measures have received his ardent backing. He has taken the lead in the Congress pushing the use of recycled paper.

In the struggle over civil rights he has voted consistently for extension of employment and social opportunities and equal justice under law. He traveled to Selmc, Ala., to lend his support to Dr. Martin Luther King's voting rights campaign.

So far as his own district is concerned, Congressman Dow is equally vigorous, equally effective. His outstanding legislative contributions to the 27th District of New York include considerable small business loans, sewer funding, urban renewal, post office and hospital construction, flood control studies, and benefits.

In all his endeavors JOHN Dow has proven himself a Congressman of the highest caliber. I am proud to salute him on this occasion as a respected friend and colleague.

GENERAL LEAVE TO EXTEND

Mr. EDWARDS of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

VIETNAM DISENGAGEMENT RESOLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois, (Mr. ANDERSON) is recognized for 30 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, today I am reintroducing my Vietnam disengagement resolution along with a bipartisan group of 14 cosponsors. In essence, our resolution calls for negotiating a date certain for the final withdrawal of American forces from Vietnam, contingent only upon the release and repatriation of all American prisoners of war being held in Indochina. The resolution also calls for continuing assistance to the nations of Indochina in amounts approved by the Congress, and providing asylum or other means of protection for those South Vietnamese, Cambodians, and Laotians whose lives might be endangered by our departure.

I think it is significant to note that our resolution is quite similar in thrust to the modified Mansfield amendment to the draft bill. I think it is of crucial importance that the Congress makes such a policy declaration at this critical stage in the Paris talks—one which calls for a negotiated withdrawal and release of prisoners while at the same time preserving for our negotiators a maximum amount of flexibility. That is what the Mansfield amendment does, and that is essentially what our resolution does.

At this point in the RECORD I include a full list of cosponsors along with the text of our resolution:

LIST OF COSPONSORS

Mr. Anderson of Illinois, for himself, Mr. Andrews of North Dakota, Mr. Don H. Clausen of California, Mr. Danielson, Mr. Downing, Mr. Forsythe, Mr. Frenzel, Mr. Fuqua, Mr. Grover, Mr. Gubser, Mr. Hastings, Mr. Mailliard, Mr. Mosher, Mr. J. William Stanton of Ohio; Mr. Thone, Mr. Smith of New York; and Mr. Whitehurst.

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Whereas the President of the United States is pursuing a policy designed to bring an honorable end to the war in Vietnam through the withdrawal of American Armed Forces from that country, through a reduction in the level of hostilities, and through negotiations; and

Whereas the President has withdrawn over half of the American Armed Forces from Vietnam since taking office, and has further announced that two-thirds of all such forces will have been withdrawn by December 1, 1971; and

Whereas the President has announced that, "Our goal is a total American withdrawal from Vietnam": Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby declares that it is the national policy to continue the safe and orderly withdrawal of American Armed Forces from South Vietnam on an irreversible basis, with the objective of the total withdrawal of all such forces at the earliest practicable date.

SEC. 2. It is the national policy to accelerate and complete such withdrawal by a date certain: *Provided*, That there is a negotiated agreement to: (a) release and repatriate all American prisoners of war being held in Indochina by a date sixty days prior to such date certain, under the supervision of the International Red Cross or other such organization; and (b) guarantee the safe and orderly withdrawal of all remaining American Armed Forces from South Vietnam by such date certain.

SEC. 3. It is the national policy to: (a) provide assistance to the nations of Indochina, in amounts approved by the Congress, consistent with the objectives of the Guam Doctrine of July 1969; and (b) arrange asylum or other means of protection for South Vietnamese, Cambodians, and Laotians who might be physically endangered by the withdrawal of American Armed Forces.

WELFARE "WORK INCENTIVES" DECEPTIVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. ARCHER) is recognized for 15 minutes.

Mr. ARCHER. Mr. Speaker, two recent news items relating to welfare and "welfare reform" are, I believe of more than passing interest, though they have received scant attention.

The U.S. Chamber of Commerce recently commissioned two outstanding economists, Alfred and Dorothy Tella of Georgetown University, to study the likely effects of the work incentive provisions contained in H.R. 1.

Personally, I do not find the conclusions reached by the Tellas in their study surprising. However, given the oratory as to how H.R. 1 sets us on a different course by making welfare something to work your way off from rather than on to, and the sacrosanct and euphoric atmosphere this has created around the bill, the conclusions merit greater attention than they have thus far received.

The essential point of their conclusions is that the proposed Nixon-Mills welfare reform plan will actually discourage welfare recipients from working and, in the process, could add as much as $3 billion a year to the estimated cost of the program.

The Tellas reached this conclusion after impressive research. Among other things, they compared census figures on persons who have nonwage income against persons who do not. The data indicated that those with other income, which the economists equated with proposed welfare payments, tend to quit work after reaching a certain level of income.

Under provisions of H.R. 1 a family of four receives a guaranteed annual income of $2,400. They may also keep the first $720 of any earnings. Thereafter, their welfare benefits are reduced as the family income increases. When income reaches $4,320, benefits cease. The practical effect is that a recipient who goes to work loses 67 cents of every dollar he earns above the first $720 of income. Based on their study, the Tellas believe that the "working poor" who would be covered by welfare for the first time under the welfare reform bill would actually tend to work less than they do now rather than being encouraged to work more as the proponents of the bill have insisted they would.

It would be pointless for a father to continue "moonlighting" or putting in overtime hours or for his wife to continue a part-time job then for 33 cents out of each dollar earned. The family would be little better off and, in fact, might in some cases actually be worse off.

If you are tempted to view the Tellas study as speculation, keep in mind that the House Ways and Means Committee rejected pleas to institute its reform proposals on a temporary demonstration basis to test whether the bill's work incentives would actually have the results predicted for them. Keep in mind that these work incentives are untested, the claims of their proponents purely speculative and past experience indicates similar work incentives have not worked as they were intended to.

What the Tellas study suggests is that the work incentives of the bill very well may not work.

What another recent news item indicates is that individual States, even working under the unreasonable regulations and pressures of HEW, are able to reduce their welfare caseloads by tailoring their programs to real needs and paring out waste. This is attested by the news that the April rise in relief rolls was the lowest in 2 years, largely because of the tightening of welfare rules in several States.

Another thing that the States can do—better than the Federal Government seems able to—is to put welfare recipients to work. Governor Ogilvie recently proposed in a special message to the Illinois Legislature a new program of institutional and public jobs development, accompanied by regular efforts to place recipients in available jobs, and strict enforcement of the work requirement.

But the States are handicapped in the effort. Note the report of the Oregon House of Representatives task force on welfare relative to work programs for welfare:

Oregon at one time administered a successful work and training program which provided jobs for welfare recipients. The jobs involved the building and maintenance of county parks. However, Congressional action forced abandonment of this program.

The task force made several recommendations aimed at increasing the number of jobs available to welfare recipients and assuming that the jobs were taken.

Still, much more could be done if the States were free to design and administer their own programs.

Whether H.R. 1 will really put people off welfare and into productive roles in the economy is questionable. That it will more than double the welfare rolls and nearly double the cost of welfare is hardly questionable.

But there is an alternative. The Curtis bill, S. 2037, would restore to the States the responsibility for designing and administering welfare programs, and contains built-in incentives to encourage the development of successful job training programs and work requirements, while furnishing Federal financial assistance to help States cope with the economic burdens the current welfare program imposes on them. Why not the Curtis bill? Under its provisions can be accomplished what the experts deny will be accomplished under H.R. 1, despite its pretentions.

I urge the Senate Finance Committee to look carefully into the Tellas' study and not, as columnist James J. Kilpatrick so aptly put it, "follow the House bill blindly into clouds of uncertainty and sheer conjecture."

Mr. Speaker, I include immediately following my remarks Mr. Kilpatrick's column, "The Welfare Smog Descends on Capitol Hill" from the August 1 issue of the Washington Sunday Star and two news items, "Welfare Reform Said to Discourage Work" and "Cost Rise in Welfare Smallest in 2 Years" from the July 27 and August 1 issues, respectively of the Washington Post:

[From the Washington Sunday Star, Aug. 1, 1971]

THE WELFARE SMOG DESCENDS ON CAPITOL HILL

(By James J. Kilpatrick)

We had our first smog alert of the summer season here in Washington a few days ago. It had a nice symbolism: Just as the haze descended, the Senate Finance Committee began hearings on the several pending plans of welfare reform.

Let this be stated as a fact certain: Nobody, literally nobody, has any clear or reliable understanding of how these plans would work or what they would cost. One feature is generally known: Under Title IV of H.R. 1, passed by the House on June 22, a typical poor family of four would be guaranteed a minimum annual income, out of the federal treasury, of $2,400.

That single provision rises from a legislative mist like the Washington Monument out of last week's smog. The $2,400 figure provides a certain reassurance to lost sailors. Down below, out of sight, are pages upon pages of complex and incomprehensible sections and sub-sections, winding through parentheses to bottomless seas of prospective rules and regulations. This is a nightmare of the draftsman's art.

The House Ways and Means Committee has issued a 386-page report to explain what its bill is all about. A substantial part of that Report is devoted to work incentives. But this past week came a scholarly study, commissioned by the U.S. Chamber of Commerce, strongly suggesting that the work incentives such as they are, simply will not work.

Most of the plans pending in the Senate committee are based upon a sliding scale of welfare benefits. If the typical poor family of four—William, Mary, and their two children—have no outside income whatever, they would get the $2,400. The first $720 that William and Mary earned would be exempt. Up to $3,120, they would be safe from a tax bite. But as their earned income increased, benefit payments would be accordingly reduced. At a cutoff point of $4,320, benefits would stop altogether. The practical effect is to hit poor Bill with a tax rate of 67 percent.

The two economists retained by the U.S. Chamber, Alfred and Dorothy Tella, have impeccable academic and professional credentials. Their surmises on what William and Mary probably would do, under the assumed circumstances, are backed by impressive research. But it is a working rule that all economists speak Chinese, save only John Kenneth Galbraith, and this is a fair sample of what a congressman must wade through if he wants to know how the experts analyze the bill. From the Tellas' study:

"Without knowing the form of utility functions it is difficult to determine the extent to which families with pre-plan incomes above the cut-off could maximize utility by reducing earnings sufficiently to qualify for a supplement. However, since it is important to make some estimate of the extent of effects above the cut-off, we made the following assumption: that the head of a family with a pre-plan income above the statutory cutoff of a negative income tax plan would find it advantageous to reduce his hours of work sufficiently to enable the family to qualify for a supplement if there is a level of earnings below the cutoff at which the supplement divided by the loss in earnings is equal to a tax rate that, given our estimated substitution effect of various tax rates, would induce him to reduce his earnings to that level."

All clear? The Tellas' assumptions, translated into English, lead them to conclude that in a typical case, Bill probably would stop moonlighting, or put in fewer overtime hours, and Mary might well stop working altogether. Otherwise, instead of being better off, they'd be worse off.

It is this kind of analysis, over-simplified but comprehensible, that members of the Congress desperately need. Former Senator John Williams of Delaware had a knack of cutting through the fog to get at specific examples, but Williams is no longer around and the fog gets thicker. No one doubts that the existing welfare mess is awful, but surely it would be foolish to follow the House bill blindly into clouds of uncertainty and sheer conjecture. That's where the Senate committee is heading; and God help Bill.

[From the Washington Post, July 27, 1971]

WELFARE REFORM SAID TO DISCOURAGE WORK

The U.S. Chamber of Commerce said yesterday a study it sponsored indicates President Nixon's proposed welfare reform plan would discourage relief recipients from working and could add as much as $3 billion a year to welfare costs.

Prof. Alfred J. Tella and his wife, Dorothy, Georgetown University economists who made the study, said many of the "working poor" to be covered for the first time would work less than they do now, despite provisions designed to require and encourage relief recipients to work.

The Nixon proposal has passed the House and is pending in the Senate. It would provide a $2,400 guaranteed annual income and allow family heads to earn $720 more, reducing federal benefits for earnings above that. Recipients could earn up to a $4,320 cutoff point with gradually reduced federal benefits.

The Tellas said the plan would discourage welfare recipients from working because they

would lose 67 cents of every dollar earned above the $720 at which benefit reductions would start.

They said they reached this conclusion by comparing census figures on persons who have non-wage income against persons who do not. Those with other income, which the economists equated with the proposed federal welfare payments, tend to quit work after reaching a certain level of income, they said.

The welfare reform plan would run current welfare costs from approximately $9 billion a year now to an estimated $15 billion the first year. The administration contends work requirements and incentives would gradually wean many welfare recipients off relief rolls.

[From the Washington Post, Aug. 1, 1971]

COST RISE IN WELFARE SMALLEST IN 2 YEARS

Welfare tightening in at least six states has contributed to the smallest monthly increase in two years for the nation's major relief program, the Department of Health, Education, and Welfare said yesterday.

Recipients of family welfare benefits in April—the latest month for which statistics are available—increased only 61,000, or 0.6 per cent, from March, HEW said. This was the smallest rise since July, 1969, for the program benefiting 10.2 million persons.

"The April figures reflect in some instances the efforts of states to cut back on the eligibility of applicants for welfare assistance due to the states' financial difficulties," said John D. Twiname, administrator of HEW's social and rehabilitation service.

"We are concerned about this situation because the needs of welfare recipients have not lessened," he added. "They, too, are under financial pressures."

Four states and Puerto Rico were listed as paring at least 2,000 recipients from family rolls between March and April. They are California 14,000; Oregon, 5,600; Washington 3,000; and New York 2,000, with Puerto Rico 14,000.

Oklahoma, New Mexico, Rhode Island, South Dakota and West Virginia reported decreases of less than 2,000 recipients each.

With the exception of Oklahoma, Washington and West Virginia, all these states with decreases were listed in a July HEW memorandum as among 22 implementing or considering welfare cutbacks.

In another indication of belt-tightening by states, HEW said the average family welfare payment declined from $186.50 in March to $185.40 in April.

The total number of persons receiving all kinds of public assistance in April was 14.4 million, 17,000 more than in March.

HEW said also that the cost of the Medicaid health-assistance program was $5.1 billion for the first 10 months of Fiscal 1971.

TRADE WITH MAINLAND CHINA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. WHALLEY) is recognized for 30 minutes.

Mr. WHALLEY. Mr. Speaker, as a result of the recent steps of this Government to relax our relations with mainland China, increasing interest has been aroused in the possibilities of trade with that country.

Since our trade with mainland China was cut off in 1949 we have little up-to-date information on which to base estimates of trade possibilities. We can, however, look into the trade that existed between our two countries during the more normal years before World War II. While the composition of that trade is no sure index of what might be expected should normal trade relations be developed in the future, some idea of the possibilities might be gained from a review of our trade immediately before the Great Depression of the early 1930's and in 1939.

Mr. Speaker, an analysis of this trade has been made by Mr. O. R. Strackbein, president of the Nationwide Committee on Import-Export Policy. He has put together the trade statistics, both import and export, during the period mentioned. The study is of interest for what it tells of the kind of products that were the items of trade in both directions. I recommend perusal of this analysis by all who are interested in the trade potentials of mainland China should normal commercial relations be reestablished.

I offer for the RECORD at this point Mr. Strackbein's analysis of our earlier trade with China:

U.S. PRE-WAR TRADE WITH CHINA

(By O. R. Strackbein)

Recent events have ignited public interest in trade with China. Evaluation of the prospects is necessarily difficult because of the gap of more than twenty years and the great changes in the composition of our world trade during that period.

Possibly a clue of some value may be found during the inter-war period of the decades of 1920–40. Trade was as nearly normal during a part of that period as any that can be found after World War I. After 1940 our world trade was distorted for a decade by World War II and its aftermath. After 1948 trade with China all but disappeared.

We have never enjoyed a truly flourishing trade with China. Generally our imports have exceeded our exports. In 1926 our exports to China came to $110 million while our imports were $143 million. In 1929, the respective figures were $124 million and $166 million. From 1930 our trade fell off sharply, exports receding to $89 million and imports to $101 million. Trade remained at a low point and in 1939 was at $55 million for exports and $60 million for imports.

The following table shows the trend:

TOTAL U.S. TRADE WITH CHINA

[Dollars in millions]

	1926	1929	1930	1936	1937	1939
Exports to	$110	$124	$89	$46	$49	$55
Imports from	$143	$166	$101	$74	$103	$60
Share of total U.S. exports (percent)	2.5	2.4	2.3	1.9	1.4	1.8
Share of total U.S. imports (percent)	3.2	3.7	3.3	3.0	3.4	2.6

From 1928–30 our principal exports to China were finished manufactures, ranging from 39% to 47% of the total. Raw material exports were next, reaching from 30% to 40%. Foodstuffs and semimuanfactures were minor in comparison. Foodstuffs were distinctly short of 10% and semi-manufactures ranged from 12% to 15%.

In 1939 finished manufactures were only 33% of our exports and raw materials stood at 38%. Semi-manufactures had risen to 18%, and food to 10%.

During the 1928–30 period crude materials were consistently well over half our imports, ranging from 54% to 62%. Finished manufactures were only 9% to 13%, while semi-manufactures ran from 19% to 23%. Foodstuffs were in the 10% range or a little less.

In 1939 crude materials were much lower than a decade earlier, or only 35% of the total imports. The heavy gainer was the semi-manufactures, which rose to 38% while finished manufactures dropped to 19%. Foodstuffs reached only 7% of our imports.

The next table gives the details:

TRADE WITH CHINA, BY ECONOMIC CLASSES

[In millions of dollars]

	Crude materials	Percent	Crude food	Percent	Manufactured food	Percent	Semimanufactures	Percent	Finished manufactures	Percent	Total
Exports:											
1928	$47.8	35	$6	0.5	$7.7	5	$17.0	12	$64.0	47	$137.3
1929	37.2	30	2.2	1.8	9.2	7	19.1	15	56.1	45	123.9
1930	36.1	40	1.4	1.6	5.2	6	11.5	13	34.9	39	89.4
Imports:											
1928	86.1	62	3.1	2.3	11.0	8	26.8	19	12.7	9	139.9
1929	102.3	61	2.2	1.3	11.8	7	34.7	21	15.0	9	166.2
1930	55.0	54	1.2	1.1	7.8	7	23.5	23	13.7	13	101.4
Exports: 1939	21.1	38	2.4	4	3.5	6	9.9	18	18.3	33	55.4
Imports: 1939	21.2	35	2.0	3	2.5	4	23.2	38	11.1	19	60.3

IMPORT ANALYSIS

The details of our earlier trade with China do not, of course, reveal to us what may be expected at the present time if we resume normal trade relations. Yet, China has not so greatly changed industrially in the meantime to render the data wholly obsolete. Our trade covered a wide variety of products in both directions, and it may be of some value, beyond mere curiosity to examine this trade.

During the 1929–30 period our principal import from China was raw silk. That item is now superseded by technological developments in textiles, and we need not expect a revival of the silk trade. How far China has progressed in the production of man-made fibers and textiles is not known. It is doubtful, however, that she has kept pace with Hong Kong. Today our imports of man-made textiles represent one of the more acute import problems. Whether China could aggravate this problem in the near future is doubtful. All depends on her progress in modern textile technology.

Other characteristic imports in 1929–30 were furs, both semi-dressed and dressed. These ranked second to raw silk in 1929, at a value of $23 million, compared with $59 million in raw silk. Tung oil ($13 million in 1929 and $11 million in 1930) and wool, including carpet wool ($12 million in 1929) were others among the principal imports. Hides and skins ($7 million), eggs ($7 million), bristles ($6 million in 1929). Fruits and nuts ($2.4 million), hats of straw, chip, etc. ($3 million), tea ($1.5 million) and tungsten and alloys ($1 million) filled out most of the other items that we imported

from China at a value of $1 million or more in 1929. Feathers, wool manufactures, silk manufactures, cotton laces and embroideries and metals also qualified in the $1–$2 million range in 1929.

In 1939 unmanufactured silk was still number one in our imports from China but its value had shrunk to $12.5 million from $59 million in 1929 and $28 million in 1930. Total imports had indeed also greatly shrunk by 1939. They had dropped about 50% from the 1929 level, or from $123 million to $60 million in 1939. The next largest item consisted of vegetable oils and fats at $11 million, of which $10 million was tung oil. Among inedible animal products bristle imports at $6 million and feathers at $1 million, followed by dressed and undressed furs at a little over $5 million, predominated; followed by flax, hemp and ramie manufactures, at $3.7 million. Nonferrous metals imports, including tungsten, came next, at a level of $3.3 million. Cotton manufactures were the only other item that passed the $1 million mark at $1.5 million.

COMMENT

None of the items of present-day heavy importations, such as petroleum, iron and steel products, machinery, including automotive products and electrical goods, chemicals, nonferrous metals, meat, etc. was an important import from China in the pre-World War II years. Finished manufactures which now predominate in our total imports were minor parts of our Chinese imports—only 19% in 1939 and only 9% and 13% in 1929 and 1930 respectively.

EXPORTS TO CHINA

During the years under review, i.e., 1929–30 and 1939, our exports to China lagged behind our imports.

In both 1929 and 1930 our three leading exports to China consisted of raw cotton, tobacco, and petroleum and products. In 1929 each of these three items enjoyed export levels of $22 million to China. In 1930 there was a decline in all three, with cotton suffering the least shrinkage. These three items represented over 50% of our total exports to China in both 1929 and 1930.

Other items above the $5 million dollar mark in 1929 but below $10 million, were grains and preparations ($8 million), sawmill products ($5.3 million), iron and steel manufacturers and automobiles and other vehicles (both at $5 million). Other items achieving a level of over $1 million (but less than $3.5 million) were coal tar products, industrial machinery, paper and manufactures, printed matter, electrical machinery, and fruits and nuts. While declines were registered in these items in 1930, the ranking among the products remained much the same.

Total exports in 1929 and 1930 to China were $123 million and $89 million respectively.

By 1939 our exports to that country had shrunk to $55 million, with raw cotton again leading, at $14 million. The second item was tobacco, and manufactures, of which the exports had shrunk even more sharply, or down to $6.3 million.

The other leading item of the earlier period, namely, petroleum, dropped to a yet lower level, or $2.7 million.

Grain and preparations remained at a relatively much higher level compared with 1929, or at $5.4 million. Iron and steel manufactures also resisted the decline more successfully from 1929, at a level of $4.3 million in 1939. Another item that stood its grounds was automobiles and accessories, holding at $4.9 million in 1939, compared with $5.0 in 1929 and $3.4 million in 1930. Industrial machinery dropped over 50% to $1.3 million. Coal tar products also dropped, falling over 50% to $1.0 million. Aircraft showed a level of $1 million, which was higher than the 1929 exports but somewhat less than in 1930.

EXPORT ANALYSIS

Roughly a third to 40% of our exports to China during the years reviewed were in the form of *crude materials. Finished manufactures* were a little over 40% during the 1928–30 period but only 33% in 1939. Semi-manufactures ranged from 12% to 18% during the same period.

As observed above, our exports were dominated by a few products, over half of them being accounted for by three products, namely, raw cotton, tobacco manufactures, and petroleum and products in 1929. In 1930 these three items represented 60% of the exports. In 1939 their proportion had declined to 42%. In that year grain and preparations, steel mill manufactures and automobile parts and accessories represented slightly less than 25% of the total.

China was a distinctly minor market for our products in the late 'twenties, representing just above 2.5% of our total world market. In 1939 it fell to an even lower level, or 1.7%. Altogether our trade with China in 1929 was smaller than our trade with Cuba, and distinctly less than our trade with Belgium.

In 1939 our exports to China were less than those to Belgium, or Sweden or sparsely populated Australia.

Of the leading exports to China in 1929 our petroleum exports were 4% of our total petroleum exports; with respect to raw cotton the share was 2.8% of our total exports of this product, while in the case of tobacco and manufactures it was 13%. With respect to grains and preparations the portion of the total was 3%.

In 1939 our exports of tobacco and manufactures to China (mostly unmanufactured) was 7% of our total exports. In the case of raw cotton the share was 6% of the total exports; while we sent only 0.7% of our total petroleum exports to China in 1939. This latter decline was precipitate compared with the 4% level in 1929. With respect to steel mill products and manufactures exports to China were 1.8% in 1939; while our exports to that country were slightly less than 2% of our world total shipments of automobile, parts and accessories.

COMMENT

Because of the domination of our exports to China by a handful of products, that country was a significant market for only a few of our wide assortment of exports. There were no startling developments during the 1929–39 decade in our exports to China, other than the sharp decline in the total. The composition of our exports remained much the same.

If trade with China is resumed even on an unrestricted basis, no sensational developments need be expected. China's production for export does not fall within the mainstream of our imports. Unless capital formation in China takes a course somewhat similar to that of post-war Japan, a highly unlikely contingency, no surge in our trade need be anticipated.

The following tables provide greater details of our 1929–30 and 1939 trade with China. The first set of tables give our imports; the second, our exports:

IMPORTS FROM CHINA

[Value in thousands]

Products	1929	1930
Meats	$1,835	$1,197
Fish	102	38
Eggs, whole, yolks, etc	7,234	4,429
Hides and skins	7,382	5,438
Leather	16	
Furs, undressed	15,593	6,967
Furs, dressed on the skin	7,733	
Plates, mats, strips, etc., of dog, goat and kid		882
Other manufactures of fur (except hats)	531	412
Bristles	5,925	3,123
Feathers, crude, not advanced	1,136	695
Oil cake and oil-cake meal, other	180	83
Vegetable and preparations	$501	$331
Fresh vegetables, n.e.s		80
Fruits and nuts	2,487	1,141
Peanut oil		793
Tea	1,521	789
Spices	154	115
Total oil seeds		1,651
Tung oil	13,732	11,970
Vegetable tallow	797	
Cotton unmanufactured (short staple)	2,634	3,154
Cotton laces, embroideries, etc	1,148	851
Cotton manufacturers		907
Manufacturers of flax, hemp, and ramie	2,502	2,355
Wool, including mohair, etc. (unmanufactured)	12,587	6,059
Wool manufacturers	2,988	1,793
Human hair, raw, uncleaned	515	1,015
Horse hair, tails or manes	691	528
Animal hair, n.e.s., including switches and long hair	72	
Raw silk	59,718	28,942
Silk waste	2,662	
Silk manufactures	1,512	847
Materials for hats of straw, chip, grass, palm leaf, etc	629	229
Hats, bonnets, and hoods of straw	2,992	4,280
Wood manufactures	257	225
Paper and manufactures	31	45
Glass and glassware		12
Pottery	95	81
Precious stones and pearls and imitations	487	248
Talcum, steatite and French chalk	68	63
Other nonmetalic minerals	180	50
Iron and steel manufactures	13	10
Tungsten and alloys (tungsten content)	1,099	749
Brass manufactures	168	165
Tin, bars, blocks, pigs, etc	350	36
Manufactures of metals, n.e.s		49
Manufactures of decorative metals		67
Manufactures of gold and silver	69	
Chemicals	271	116
Firecrackers	423	344
Works of art 100 years old	438	752
Pipes and smokers' articles, n.e.s		32

Imports from China

[Value in thousands of dollars]

Products:	*1939*
Meats	$741
Fish	189
Hides and skins	1,130
Leather manufactures	71
Furs, undressed	4,378
Furs, dressed, and manufactures	1,000
Grains and preparations	132
Vegetables and preparations	763
Fruits and preparations	185
Nuts	445
Vegetable oils and fats, edible	185
Cocoa, coffee, and tea	531
Spices	739
Beverages	60
Drugs, herbs leaves, roots, etc	199
Oil seeds	299
Vegetable oils and fats, expressed or extracted	11,129
Vegetable oils essential or distilled	270
Dyeing and tanning materials	176
Cotton manufactures	1,842
Flax, hemp, and ramie manufactures	3,732
Wool, unmanufactured	523
Wool, manufactures	895
Silk, unmanufactured	12,520
Silk, manufactures	502
Wood and manufactures	312
Paper and manufactures	22
Glass and glass products	21
Clay and clay products	153
Ferroalloys	716
Nonferrous metals, except precious	3,339
Precious metals, jewelry, and plated ware, except gold and silver in ore, bullion, and coin	87
Medicinal and pharmaceutical preparations	234
Specific products:	
Sheep, lamb, and goat sausage casings	400
Sausage	246
Eggs, yolks, etc	349
Cattle hides	60
Goat and kidskins	893
Furs, undressed	4,340
Furs, dressed	987

Imports from China—Con.

[Value in thousands of dollars]

Specific products—Continued	
Bristles	$6,116
Feathers for beds	1,048
Rice	98
Fodders and feeds, n.e.s	314
Vegetable and preparations	731
Fruits and preparations	168
Nuts and preparations	442
Vegetable oils and fats, edible	183
Tea	7,141
Spices	893
Sugars contained in articles, composed in chief value of manufactured sugar	426
Drugs, herbs, leaves, roots, etc	29
Drugs of vegetable origin, not edible	82
Oil seeds	292
Tung oil	10,645
Oil, expressed or extracted	483
Oils, essential or distilled	268
Raw cotton (except linters)	53
Cotton semimanufactures	78
Wearing apparel, cotton	55
Cotton articles	1,382
Handkerchiefs other than cotton	2,007
Laces, embroideries, etc	1,589
Carpet wool	283
Wearing apparel of wool	156
Carpets and carpeting	700
Human hair	739
Animal hair, unmanufactured	453
Silk, unmanufactured	11,710
Silk wearing apparel, etc	365
Hat materials	755
Hats	844
Floor coverings	97
Furniture and parts	84
Manufactures of wood or bark	66
China and porcelain	132
Tungsten ore and concentrates	716
Copper utensils	42
Tin, bars, blocks, etc	3,015
Jewelry	40
Chemicals, menthol	151
Medicinal preparations	52
Artistic antiquities	506

EXPORTS TO CHINA

[Value in thousands]

Products	1929	1930
Meat products	$52	$88
Dairy products	827	623
Fish	302	121
Leather	783	305
Leather manufactures	384	312
Furs and manufactures	656	423
Grains and preparations	8,340	4,862
Vegetables and preparations	224	165
Fruits and nuts	1,133	585
Cottonseed oil, refined		53
Chewing gum		81
Confectionery	93	
Grape sugar (corn sugar)	82	
Distilled liquors	148	
Rubber and manufactures	784	651
Naval stores, gums, and resins	204	252
Tobacco and manufactures	22,323	16,616
Cornstarch and corn flour	142	123
Raw cotton except linters	22,761	21,428
Cotton semimanufactures	72	51
Cottom manufactures	338	179
Wool manufactures	60	50
Silk manufactures	111	81
Wood, unmanufactured	622	329
Sawmill products	5,343	2,431
Wood manufactures	217	156
Rags and other paper stock	84	
Paper and manufactures	2,671	1,649
Petroleum and products	22,211	15,054
Paraffin wax, refined	823	
Petroleum asphalt	229	
Glass and glass products	123	94
Clay and clay products	97	139
Iron and steel semimanufactures	5,008	2,732
Steel mill products	778	583
Iron and steel advanced manufactures	1,490	1,312
Refined copper		715
Copper wire	115	100
Brass wire		43
Lead in pigs, bars, etc	937	78
Other		62
Electrical machinery and apparatus	2,745	2,463
Industrial machinery	3,019	1,669
Office appliances	$298	$203
Printing machinery	403	
Typesetting machines		45
Printing and bookbinding machines		312
Other printing machines		50
Agricultural machinery and implements	186	89
Automobiles and other vehicles	5,027	3,400
Coal tar products	3,296	2,508
Medicinal preparations for internal use	426	194
Industrial chemical specialties	208	192
Industrial chemicals	391	376
Pigments, paints and varnishes	360	289
Fertilizers and fertilizer materials	71	
Explosives, fuses, etc	85	489
Soap	163	257
Photographic and projection goods	755	627
Scientific and professional instruments, apparatus, and supplies	241	170
Musical instruments	245	211
Fountain pens	119	110
Ink	290	257
Books and pamphlets	253	167
Other printed matter	1,894	1,495

Exports to China

[Value in thousands of dollars]

Products:	*1939*
Value of domestic merchandise	55,459
Animals and animal products, edible	74
Animals and animal products, inedible	421
Vegetable food products and beverages	5,916
Vegetable products, inedible, except fibers and wood	7,600
Textile fibers and manufactures	15,781
Wood and paper	1,997
Nonmetallic minerals	3,109
Metals and manufactures, except machinery and vehicles	7,030
Machinery and vehicles	9,254
Chemicals and related products	3,316
Miscellaneous	956
Specific products:	
Meat products	6
Dairy products	42
Fish products	19
Hides and skins, raw, except furs	12
Leather	160
Leather manufactures	27
Furs and manufactures	209
Grains and preparations	5,475
Vegetables and preparations	49
Fruits and preparations	205
Rubber and manufactures	854
Naval stores, gums and resins	202
Vegetable oil, inedible	14
Tobacco and manufactures	6,383
Raw cotton, except linters	14,202
Cotton manufactures	1,414
Wood manufactures	12
Silk manufactures	42
Rayon and other synthetic textiles	21
Wood unmanufactured	350
Sawmill products	885
Wood maufactures	14
Paper base stocks	41
Paper and manufactures	701
Coal and coke	218
Petroleum and products	2,704
Glass and glass products	36
Clay and clay products	48
Iron and steel semimanufactures	4,364
Steel mill manufactures	412
Iron and steel advanced manufactures	442
Aluminum and manufactures	443
Copper and manufactures	417
Brass, bronze and manufactures	692
Electrical machinery and apparatus	954
Industrial machinery	1,384
Office appliances	69
Printing and bookbinding	25
Agricultural machinery and implements	89
Automobiles, parts, and accessories	4,981
Aircraft and parts	1,071
Coal-tar products	1,036
Specific products:—Con.	
Medicinal and pharmaceutical preps.	669
Chemical specialties	308
Industrial chemicals	547
Pigments, paints, and varnishes	191
Fertilizers and fertilizer materials	18
Explosives, fuses, etc	437
Soap	59
Toilet preparations	48
Photographic and projection goods	220
Scientific and professional instruments, apparatus and supplies	144
Musical instruments	8
Firearms and ammunition	142
Books, maps, pictures, and other printed matter	75

EQUINE ENCEPHALOMYELITIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

Mr. DERWINSKI. Mr. Speaker, in my opinion, the Department of Agriculture should extend the vaccination programs against the horse sickness, Venezuelan equine encephalomyelitis, throughout the country despite the apparent lull in the discovery of newly infected horses.

The precautions taken to date seem to have been successful in limiting the spread of the horse sickness, but the history of attacking this disease has been one of "too little, too late." I believe that the Agriculture Department should move ahead of, rather than just pursue, the outbreaks.

The vaccination being used has been demonstrated to be fundamentally effective and should now be licensed for general use so that horses throughout the country can be vaccinated, since once a horse contracts the disease the vaccination is useless. In our preoccupation with the space and motor age, we overlook the tremendous investment in horses throughout the country and any spread of the disease would, in fact, become a national tragedy.

I commend the Agriculture and Defense Departments for their effective efforts in limiting the spread of VEE. However, I must point to the pattern of the disease spread and the fact that a number of horses contract the disease before effective detection in an area has been developed as underlining the practicality of my suggestion.

NATIONAL POPULATION STABILIZATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. HORTON) is recognized for 5 minutes.

Mr. HORTON. Mr. Speaker, I am pleased to join with my distinguished colleague from Arizona (Mr. UDALL) in introducing a resolution to commit us to a long-range policy of national population stabilization. In the last Congress I joined in supporting two measures relating to our Nation's population problem. The first of these measures created the Commission on Population Growth and the American Future, chaired by Mr. John D. Rockefeller III. In March of this year the commission presented its in-

terim report, and I would like briefly to review some of its findings.

First, the commission found that the questions raised by population growth are fundamental and basic to our national future, that we have never explicitly set out to resolve those questions, and that to do this we need to establish a national population policy.

Second, the commission found that the United States does have, in the short run, the resources to cope with further population growth. What the United States does not have are the resources to simultaneously provide for a third and fourth hundred million Americans without sacrificing our ability to satisfy our other social priorities. It phrased the question this way:

> Do we wish to continue to invest even more of our resources and those of much of the rest of the world in meeting demands for more services, more classrooms, more hospitals, and more housing as population continues to grow? Or should we concentrate our energies and resources on improving the quality of existing services and extending them to large numbers of our people for whom the "quality of life" still means just getting a square meal?

Third, the commission found that the crucial difference for the United States was the difference between an average family size of two children and one of three children. It placed a dollar cost on that third child in the year 2000 as $40 billion annually for education alone, and $14 billion for health care. The three child norm would require, to maintain the same living standard, a 20 percent increase in our GNP, with its associated impact on the environment.

Fourth, the Commission found that it was virtually certain that the United States would achieve a population of near 300 million, whatever we did: that the question we must address is the fourth hundred million, and that we must address it today.

Fifth, although it agreed that "distribution is in many ways problematic" the Commission concluded that the development of a national policy on population distribution could not resolve the question, do we want that fourth hundred million or do we not?

Mr. Speaker, I believe we have enough of the wisdom of our pioneer forefathers, with their cry for "elbow room" to recognize that we not want to race ahead to find the breaking point for our society, to determine at what fatal number our society begins to break down from stress and crowding. Is there anyone among us who doubts that among a nation of 300 million Americans there will be enough fellows for human companionship and warmth? Enough workers for a healthy, a free, and a productive economy? Enough statesmen to provide us with leadership? Enough artists to satisfy our need for beauty? Enough humorists for laughter?

Mr. Speaker, there may be some who share this concern about overpopulation, but who fear that a national policy such as we propose would be one more example of government extending the scope of its powers. They see a national population policy as an innovation. I would like to reassure them. The policy envisaged by this resolution can, I am confident, be implemented without injecting government into a single new area of American life, without trespassing on a single individual right. For the fact is we have always had a population policy in the United States. It has always been the policy of the Federal Government to encourage population growth, as was appropriate during the first century of our national existence.

So we have had a population policy, an explicit one. We have also had a number of less conscious policies which strongly encouraged population growth. We have traditionally used our schools to praise the idea of growth and of manifest destiny, forgetting at the same time to point out that growth should serve human needs and that manifest destiny, even for the United States, has its finite limits.

We have discriminated against single persons and the childless in a whole range of social programs and policies, beginning with the Internal Revenue Code. In all these areas, those very policies which would help reduce population growth would simultaneously increase the freedom, dignity, and responsibility of our citizens. None of them represents a new area of Government endeavor: What we need to do above all to implement a national policy of population stabilization is to reverse public policy in those areas where it unjustly or unwisely pressures individuals to have children they do not really want. And we must provide the people with information upon which they can make responsible choices about their family size.

We must also consider, Mr. Speaker, that our population growth does not take place in a vacuum; the dangers which we foresee to America in unchecked growth are realities in much of the world.

We have, for the past 5 years, stood ready to assist other nations in developing family planning programs. But much of the impact of this aid has been lost because of our own unwillingness to adopt a population policy for our own Nation. The juggernaut of our own population growth may move more slowly, but it is just as certain that, unchecked for long enough, population growth will destroy our aspirations and hopes as it has ravaged the hopes of developing countries. So long as the United States lacks a coherent national policy of population stabilization, our warnings to the rest of the world will be discounted. Our society, with all its faults, still serves as a model and goal for much of the world. They wish to emulate our standard of living; and in this desire, all too many of them are emulating our inaction on population.

Mr. Speaker, I do not claim that it will be easy to resolve the moral and other questions involved in formulating population policy. Nor can population growth be quickly halted. It is for these very reasons that I urge on this body the prompt consideration of this resolution, and the establishment of a national goal of eventual population stabilization.

UNITED STATES VERSUS EL PASO: ANTITRUST GONE MAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. McCLURE) is recognized for 5 minutes.

Mr. McCLURE. Mr. Speaker, for 14 years now, natural gas consumers in the West have dwelt under a cloud. It began with the merger of El Paso Natural Gas Co. and Pacific Northwest Pipeline Corp. in 1957. It has now become one of the longest, one of the most senseless antitrust suits in history.

Throughout this time, the Federal Power Commission—charged by Congress with the authority to decide such things—has upheld the merger as being in the public interest. The Justice Department and the Supreme Court have dealt instead with the question of whether it lessened competition in California. The fact that the merger has meant lower prices, better service, or more economical use of our gas resources in the Northwest is apparently an inconsequential consideration to them. That was the way Captain Queeg ran the *Caine*, as I recall.

Today, I am joining Congressman ADAMS and other Members from the Northwest in sponsoring legislation to preserve the merger. I am told that many of the early proponents of the antitrust action now feel it is a waste of time. However, down in the lower regions of the Justice Department, there are a handful of lawyers who have made a career out of the El Paso case, and to my knowledge, they are about the only ones who wish to pursue what Senator MAGNUSON has called this "fruitless and pointless litigation."

I served as chairman of the House Republican task force on energy and resources. In that capacity, I have learned of a declining reserves-to-production ratio as far as natural gas is concerned. Some feel it is reaching the critical point.

It seems to me that one of the factors in the economical use of these resources lies in the efficiency of the supplier. It follows that we must ask just who will serve the natural gas consumers in the Pacific Northwest if the divestiture takes place and will they possess the efficiency we must now demand in the face of dwindling reserves.

Hopefully, early hearings can be scheduled on this measure. Congressman ADAMS has explained its necessity quite well, so I want to conclude by calling the attention of the House to an article on this matter in the Wall Street Journal of July 26. Quite appropriately, it is entitled, "Antitrust Gone Mad." I include it at this point in the RECORD:

UNITED STATES VERSUS EL PASO: ANTITRUST GONE MAD

(By Roger W. Benedict)

Even in the murky field of antitrust law, it's a bit unusual for a major case to drag on for 14 years, with no end in sight. It's even more unusual if the defendant has never appealed and the man who takes credit for initiating the suit now wants Congress to wipe it out.

An almost complete turnabout in industry conditions during these seemingly interminable proceedings has become, in fact, the focus

of a growing controversy over *U.S. vs El Paso Natural Gas Co.* And that dispute has a significance that extends beyond its immediate economic importance to the wider issue of the relationship of antitrust law to the public interest.

In the view of a large majority of Western governors and regulatory commissions, most of the area's gas utilities and many gas customers, this antitrust action, far from promising benefits to consumers, has become instead a major threat to their best interests by endangering future gas supplies for the Western U.S.

JUSTICE DEPARTMENT ALARMED

Sen. Warren G. Magnuson (D. Wash.), chairman of the Senate Commerce Committee, after holding hearings, has drafted proposed legislation that would preserve El Paso's 1957 acquisition of Pacific Northwest Pipeline Co., ending what he terms "14 years of fruitless and now pointless litigation." Naturally enough, this has aroused alarm in the Justice Department, which fears that such legislative intervention could trigger increasing appeals to Congress to undo antitrust ruling won in the courts, as the lawmakers have recently done in cases involving bank and newspaper mergers.

But an examination of this complex case indicates that it is indeed a proper matter for congressional scrutiny.

From the beginning the case has hinged on whether relatively narrow and largely theoretical interpretations of antitrust law should take precedence over a much broader evaluation of what serves the public. This has in turn involved a classic dispute over the division of powers among the major branches of the federal government.

Proponents of legislative intervention in the case contend that the test of time has verified a conclusion by the Federal Power Commission that merger of the two pipelines would benefit consumers in the Pacific Northwest, California and the Southwest. By contrast, they assert, legal theories advanced by the Supreme Court that the merger would reduce competition in California make little sense in today's growing national gas shortage.

Edmund G. "Pat" Brown, who was attorney general of California at the time, says he convinced the Justice Department to file the antitrust suit. He told Sen. Magnuson's hearings that a court-ordered divestiture of Pacific Northwest by El Paso now "is likely to prove extremely damaging" to California consumers, by threatening their access to future supplies of gas and by raising its cost.

Concern is even greater in the Pacific Northwest. Gov. Cecil D. Andrus of Idaho testified at the hearings that energy reserves in the Northwest are "dangerously low," and he asserted that El Paso, with divestiture hanging over its head, can't pursue new supplies with "great vigor." Until the litigation is ended, he said, "there will be no successor company in position to undertake the responsibility."

El Paso contends that with full approval of the FPC, it rescued Pacific Northwest from the verge of bankruptcy, pumped $166 million into it, tripled its sales over a period when industry volumes doubled and never raised prices to customers over the first 13 years of operating Pacific. El Paso says the merger also ended its own over-dependence on byproduct gas from Texas oil wells, helping keep gas rates in Los Angeles and San Francisco among the lowest in the nation.

Now El Paso is faced with the likelihood of divesting its holdings not only in Pacific Northwest, but in one of its own major California pipelines as well, plus a possible $50 million tax liability, an attempt to sequester some past earnings and a ban on competing in its biggest market, California, for seven years.

Howard Boyd, chairman and chief executive officer, says the divestiture "may turn one healthy company into two sick ones," to the detriment of consumers served by both.

Pacific Northwest was set up in 1954 to build the first interstate gas pipeline to that area of the country. But it ran up $23 million of operating losses in its first three years, had to sell some assets to meet preferred dividend payments and faced loss of valuable undeveloped leases in New Mexico's giant San Juan Basin gas field unless it could find the capital to meet contract drilling requirements.

Pacific proposed merger to El Paso, which had the financial resources to shore up the new company, and which was attracted by the opportunity to diversify its sources of gas supply. The FPC, which regulates gas pipelines, approved the consolidation. But the California Public Utilities Commission appealed, charging that the merger would decrease pipeline competition in the state by removing one company. The Circuit Court of Appeals in Washington, D.C., upheld the merger.

COMPLICATED MANEUVERS

But that was the last time that any court has considered the broad impact of the merger on the public interest. California appealed the ruling to the Supreme Court, thus setting off a complicated series of maneuvers that revolved on complex legal questions. The result to date is four controversial Supreme Court decisions, with more in sight.

The first Supreme Court ruling, in 1962, was that El Paso must stand trial in a lower court on antitrust charges. Although the Clayton Act contains language exempting from antitrust challenge any transactions approved by the FPC, the court held that the act didn't give the FPC authority to rule on a stock acquisition that preceded actual consolidation of assets. El Paso argued in vain that the stock acquisition was merely a part of the merger process.

Justices John Harlan and Potter Stewart said, in the first of several blistering dissents, that the ruling created "a wholly artificial imbalance between antitrust law enforcement and administrative regulation" and wasn't supported "by reason or authority."

After a district court acquitted El Paso of an antitrust violation, the Justice Department again appealed to the Supreme Court. The high court overturned the lower court, contending that if Pacific Northwest had remained independent it would have become a pipeline competitor in California. The Supreme Court directed the lower court to order divestiture, prompting Justice Harlan to assert that he knew of no previous case in which the high court had ordered a remedy not considered first by a lower one.

The divestiture plan drawn up by the district court was the "best in the history of the Clayton Act," according to a high Justice Department official. But the Supreme Court in 1967 rejected the plan and proceeded to outline its own directives for another lower court to carry out. This caused the dissenting justices to thunder, "The court roams at large, unconfined by anything so mundane as a factual record developed in adversary proceedings."

The second plan of divestiture was turned down by the Supreme Court in 1969, after it denied the lone appellant, the Utah Public Service Commission, permission to withdraw, which would have ended the case. The same dissenting justices declared this "dismaying to all who are accustomed to regard this institution as a court of law." They charged that the decision "to shatter centuries of judicial tradition" came from "completely erroneous factual premises born of superficial acquaintance with this 14,000-page record."

The district court in Salt Lake City is currently struggling with a third divestiture plan. But even the Justice Department is recommending that it ignore two of the Supreme Court's directives: that the sale be "all cash" (which would impose that $50 million tax on El Paso) and that it prohibit transfer of $170 million of El Paso's debt to Pacific (which likely would cost Pacific millions of dollars in added interest costs to raise new debt at today's rates). The new plan is expected to go back to the high court at least once more.

The Supreme Court's rulings have all related to pipeline competition in California. In 1946 El Paso built the first pipeline to bring out-of-state gas to that vast market, in competition with more than 100 suppliers hooked to California wells. Pacific Northwest never supplied the market, but had made an abortive pre-merger attempt to do so, failing to find sufficient buyers at its proposed prices which were higher than El Paso's.

Since the case began, two more major interstate pipelines have been built to California.

What's more, the market has changed from one of strong competition to one of growing shortage; today anyone with gas to sell would have no trouble finding buyers. What the state needs now, says Mr. Brown, are "new gas supplies, not new gas suppliers."

The most likely direction for all the Western states to turn for new supplies, says Mr. Boyd, is northward, to Canada and Alaska. El Paso has pioneered U.S. use of Canadian gas, currently accounting for nearly one-third of total U.S. imports. This gas has helped El Paso keep prices low in the Pacific Northwest, while freeing San Juan gas for the much shorter haul to California, he asserted. But he says that the litigation is tying El Paso's hands and that no new company exists to compete against Midwest and Eastern pipelines that may sew up most of the available supplies before the court case ends.

CONCERN OVER COMPETITORS

There's also concern over how effective a new company would be. Of seven competitors for the Pacific Northwest properties, the only one with pipeline experience, Colorado Interstate Corp., was once before rejected by the court. Anaconda Co., the giant copper mining company, Husky Oil Ltd.; and Banister Continental Corp., a computer and pipeline construction firm, would be entering a new field.

Three exist only on paper: Western Sunset Transmission Co., Paradox Production Corp. and Copaco Inc. (Noting a Securities and Exchange Commission report that Paradox had $23 in fixed assets and owed its directors $557,000, Sen. Magnuson commented, "I hope this isn't typical of the applicants.")

At the request of Sen. Magnuson's committee, Stephen Breyer, professor of antitrust law at Harvard Law School and formerly a Justice Department attorney in the antitrust suit against El Paso, re-studied the case. While Professor Breyer opposes the principle of congressional action in court cases he concluded that the Justice Department "guessed wrong" when it limited the El Paso suit.

INTRODUCTION OF LEGISLATION TO PROTECT THE NATURAL GAS SYSTEM OF THE PACIFIC NORTHWEST AND TO PRESERVE THE EL PASO-PACIFIC NORTHWEST MERGER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. ADAMS) is recognized for 30 minutes.

Mr. ADAMS. Mr. Speaker, on behalf of myself and a bipartisan group of Representatives from the Pacific Northwest, I

introduce a bill to protect the interests of natural gas consumers in the Northwest and in the western part of the United States by insuring that they will continue to enjoy the benefits of the 1959 merger of the pipeline and supply systems owned by El Paso Natural Gas Co. and Pacific Northwest Pipeline Corp. This bill would finally remove the doubts and uncertainties which gas consumers in the Northwest have been living with for the past 14 years as to who will be their sole supply of natural gas.

In 1957, the Department of Justice brought suit attacking the merger which it believed would have anticompetitive effects in California. The Federal Power Commission later found that there would be significant benefits to the Northwest, the Southwest, and even to California as a result of the merger. During the intervening years, virtually all of these benefits have been realized, even though during this same time the courts have been struggling with three different divestiture arrangements which would result in a break-up of this unified system in order to create a new competitor for the California market.

Today, in 1971, the Pacific Northwest has an even greater need than in 1957 for a strong, capable supplier of natural gas. We are, however, faced with a situation whereby the end result of the litigation would be to impose on the consumers in the Northwest a new, inexperienced supplier in the place of El Paso and to impose upon these consumers significant additional costs in return for a reduced prospect that they will be able to receive additional needed supplies of gas in the future. What is particularly disturbing to me is that these hardships will be imposed on Northwest consumers even though in 1971 divestiture will result in no benefits to California consumers, the consumers for whose benefit this suit was instituted in the first place. In fact, consumers in that State will likewise be forced to pay needless extra costs for which they will receive no benefits.

The governors and the State utility commissions of Washington, Oregon, Idaho, and Wyoming have expressed their strong support for this legislation. Senator WARREN MAGNUSON has today introduced a similar bill on behalf of himself and other Members of the Senate.

Natural gas has become vitally important in our total energy picture because it is a "clean" fuel—a fuel which produces virtually no pollution. As a result, demand for natural gas for home and industry in the Nation has doubled over the last 13 years, and in the western part of the country the use has tripled. In the last 3 years, however, discoveries of new sources of gas have fallen far short of the amount consumed. Presently known reserves will soon be inadequate to supply the growing needs of gas consumers in the West. While the need for new sources of gas supplies is a fundamental problem of importance to all areas of the country, it is approaching crisis proportions in the Pacific Northwest and in California.

This situation raises the questions of: How can we continue to obtain dependable sources of natural gas at low prices? How can we best foster the exploration and development of new sources of supply? How can we make the most efficient utilization of existing gas reserves and facilities?

While all areas of the country must struggle with these questions in the future, gas consumers in the West, and particularly in the Pacific Northwest, are today facing the dire prospects that they may soon be deprived of a safe and dependable supply of natural gas. Because of the many public interest issues raised by the divestiture, the Senate Commerce Committee held hearings in Seattle, Wash., on April 19 and 20, to examine all aspects of the problem. Over 20 individuals and groups appeared and many others filed statements expressing their views. The governor and the Public Utilities Commission of the State of Washington urged that this legislation be enacted. In addition, the leading gas distributors which serve the hundreds of thousands of Washington consumers requested congressional action to preserve in the public interest the gas supply and indicated they supported the El Paso-Pacific Northwest merger. Moreover, the State superintendent of public instruction, the Washington Public Utilities Districts Association, the Association of Washington Business, the Washington State Hospital Association, the Apartment Operators' Association of Seattle, and the industrial users all appeared at the hearings to urge prompt congressional action to preserve this merger. After examining the record of that hearing, I have concluded that the bill I am introducing today is the best solution to a judicial dilemma which threatens to impose serious consequences on the gas consumers in the western part of the United States.

The history of this litigation has been complex and unique. It has been alternatively described as a case that would warrant a description by Charles Dickens or a scenario that might have been written by Lewis Carroll. An understanding of this history is, nevertheless, a prerequisite to the understanding of the problems which allowing the litigation to continue will entail. I would therefore like to summarize the highlights of this extraordinary case.

In 1957 El Paso was a well-established company and was the sole supplier of natural gas to California in competition with over 100 intrastate producers, including many of the large oil companies. El Paso, however, was heavily dependent on gas produced in conjunction with oil and this caused a potential weakness in its gas reserve. The Federal Power Commission recognized that this was an unhealthy situation in view of the increasing demands of the markets served by El Paso and instructed the company to develop unencumbered sources of gas.

In 1957 Pacific Northwest was the sole supplier of natural gas to the Pacific Northwest area. Although it had been in existence for only 3 years, it had incurred net operating losses of over $23 million and was unable properly to develop both its gas reserves and its gas markets. In the opinion of the Federal Power Commission, Pacific Northwest "did not have the financial capacity to render the type of service to its markets that should be expected of an interstate pipeline company."

Pacific's pipeline system extended from a point close to El Paso's line north to Alberta, Canada, a location containing some of the largest gas fields in the North American Continent.

Both parties believed that a merger would be a perfect fit. Pacific Northwest and the consumers in our area needed a strong, financially responsible supplier who could adequately develop the tremendous potential of the market; El Paso and its customers in the Southwest and in California needed access to new supplies of gas in Canada which the Pacific system provided. In 1957 El Paso acquired virtually all of this stock of Pacific Northwest and applied to the Federal Power Commission for a Certificate of Public Convenience and Necessity to merge the two systems. In section 7 of the Natural Gas Act, Congress had given the FPC authority to approve mergers of natural gas companies.

Shortly after El Paso acquired the stock of Pacific Northwest, the Justice Department filed suit against the merger under section 7 of the Clayton Act on the ground that the acquisition would tend to substantially lessen competition in California. Although Pacific had never actually sold any gas in the California market, it had attempted to negotiate for sales to large customers there, but had been unsuccessful because at the prices it sought to charge, it was unable to attract sufficient business to make a new pipeline venture feasible. Nevertheless, the Justice Department felt that Pacific was a "potential" competitor in California. The question arose whether FPC could proceed with its determination of whether the merger of the two systems was in the interest of all consumers in the areas served by the two companies or whether it had to postpone its consideration of these broad questions while the court settled the narrower question of whether the prior stock acquisition tended to lessen competition in the California market. In a proviso to section 7 of the Clayton Act, Congress had provided that mergers sanctioned by the FPC would not be subject to attack under the antitrust laws. Thus it appeared at that stage that the FPC had the power to approve the merger and that, if it did so, the Department of Justice would have no authority to attack it.

The district court in which the Clayton Act case had been brought delayed its consideration until the conclusion of the FPC proceedings. In December 1959, the full Commission unanimously affirmed the decision of the hearing examiner and issued a certificate authorizing the merger. Significantly, the decisions of the hearing examiner and the full Commission were the only instances in the entire 14-year history of this litigation where all of the public interest issues involved in the merger received any consideration. The FPC determined that any anticompetitive effects in California resulting from the elimination of Pacific as a potential competitor were minimal and were far outweighed by the substantial benefits to be derived by gas consumers in the Western part of the United States from the merger. This decision was then

appealed to the Circuit Court of Appeals for the District of Columbia and was affirmed.

An appeal was then taken to the Supreme Court on the ground that the Clayton Act case should have been tried before the FPC reached its decision. The Solicitor General of the United States argued on behalf of the FPC. By a divided court, the Supreme Court in April 1962 ruled that the antitrust case should have taken priority. The Court sent the case back down to the district court for trial on the issue of whether the merger would have anticompetitive effects in California.

After a lengthy trial in Salt Lake City, the Utah District Court in the fall of 1963 found that the merger did not tend to lessen competition in the California markets. The Justice Department then appealed that decision and in April 1964, the Supreme Court held that the mere existence of Pacific Northwest as a potential competitor in California, made the acquisitions illegal under section 7 of the Clayton Act. The Court not only remanded the case to the district court again, but directed that divestiture of the old Pacific Northwest system by El Paso take place "without delay." Mr. Justice Harlan pointed out that the effect of the decision was to place the Department of Justice in the driver's seat, even though Congress had lodged primary regulatory authority with the FPC. He also dissented from the majority opinion on the grounds that this was the first case in which the Supreme Court had ever itself directed divestiture or any other particular kind of relief, rather than leaving that up to the district court which could consider all relevant factors.

Over a year later, El Paso and the Justice Department finally agreed upon a plan of divestiture that was approved by the district court. Three parties claiming that they should have been allowed to intervene in the district court proceedings, then appealed the decision to the Supreme Court. For the third time in 5 years, the case was heard by the Supreme Court which decided, in a 5 to 2 decision, that intervention should have been permitted. The Court also issued a set of guidelines for the divestiture and ordered that a new judge be assigned to the case to make "meticulous findings" to support a second and new divestiture plan.

I should point out that the three parties which appealed this decision, included two companies and the State of California. Both of these companies and the State of California, as well as the California Public Utilities Commission, are now among the many parties strongly supporting the legislation which I am proposing today.

Divestiture proceedings were resumed before a new judge, and 39 parties were admitted to the proceedings in line with the Supreme Court's rulings. After 5 months of hearings and after considering alternative proposals of nine companies interested in acquiring the properties to be divested, the judge decided that Colorado Interstate Gas Corp., was best qualified to serve the consumer's interest and to provide competition in California. In a 78-page decision, he applied the guidelines set forth by the Supreme Court in 1967 and supported them with meticulous findings. Of the many parties which participated in this proceeding, only one, Utah, took steps to appeal the decision to the Supreme Court. Utah later reconsidered its position and asked to withdraw its appeal. Thus, all parties to the case were satisfied that the lower court's decree was the best solution to the problem.

At this point three individuals, none of whom represented any of the parties involved in the case, sent papers to the Supreme Court asking for another hearing. This was 5 years after the Supreme Court had ordered divestiture "without delay." Based upon these communications, the Supreme Court asked for briefs and oral arguments on whether "Utah should be allowed to withdraw its appeal and whether a hearing should be granted to the three individuals. All of the parties confined their arguments to the issues as outlined by the Court.

On June 16, 1969, a 4-to-2 majority of the Supreme Court held not only that the appeal should be granted, but without hearing any argument on substantive issues, again overturned the divestiture decree handed down by the new trial court judge. The Court went on to lay down three new standards to guide the development of a third divestiture arrangement; standards which, if fully adhered to, would impose severe penalties on consumers and might cripple El Paso's ability to provide adequate service to its remaining customers.

At the present time, the district court judge is attempting to comply with the latest mandate of the Supreme Court and has recently handed down its decision dealing with what reserves should be divested. The Court decreed that in order to make it easier for the new company to enter California in the future, El Paso could take no steps to bring any additional gas into the State for 3 years after divestiture takes place or until certain conditions were met. This would effectively remove El Paso as a competitor in California for at least 5 years—a result that does not please California distributors. In view of past history of this case, it is not unreasonable to predict that there could be another 5 years of litigation before this problem is finally solved.

It is important to realize that this legal chain of events has proceeded on the basis of the facts as they existed 14 years ago in 1957 as to natural gas supplies and the effect of the merger on consumers in California at that time. Many fundamental changes have occurred in these market conditions which radically alter the suppositions on which the Clayton Act lawsuit was originally brought and decided by the Supreme Court.

Following the 1959 merger, El Paso was able to expand the market for natural gas in the Northwest, while at the same time reducing the ultimate rates paid by the consumer. As a financially strong company, it was able to undertake projects such as the development of new sources of gas by nuclear stimulation and the creation of underground storage capacity so that gas could be collected in a central location during the summer months for use during the peak demand months. By having a fully integrated system it was able to allocate gas supplies among the various areas it served to insure that gas would be available at any place when it was needed. Because its system extended to the Canadian border, it had a great incentive to expand the importation of gas from Canada.

It is now impossible for El Paso or any other company to attempt any long-range planning because of the uncertainties imposed by the judicial proceedings. For over a decade, we have been living with the issue of who will own El Paso's Northwest system or when that responsibility will shift. Several times El Paso has made provision for divestiture of this system in accordance with court orders, but when the divestiture decrees were overruled, the necessity arose to make another short term provision for our gas needs. The result has necessarily been a patchwork of short term solutions. In the face of a serious and rapidly worsening gas supply deficiency, we have no one to look to for a solution. In the history of the gas industry, it has never been more important to have stability and certainty than at the present time. Instead, we are faced with confusion and uncertainty.

This is not simply a gas supply problem of the Pacific Northwest. Let us examine what has happened in California, the market for whose benefit the Supreme Court ordered the divestiture in 1964.

Since 1964, two other interstate gas suppliers have successfully entered the California market. But the demand for gas has so outrun available supplies in California that the problem is no longer the need for "competition" among rival suppliers to enter the market. Any company with a supply of gas would find the demand so insatiable that any amount of gas would be quickly taken. Thus, California's concern is for new gas supplies, not new gas suppliers.

What, then, are our choices in 1971?

On the one hand, we can let this litigation—a case predicated on the gas supply picture of the 1950's—continue to run its course. How much longer this will take, no one can predict; another few years at the very least. And when all the cases have been decided, and all the possible appeals have been taken, what will be the position of the gas consumer in our area of the country?

For one thing, he would pay more for the same gas he is presently receiving. The divestiture of that part of the present El Paso system serving the Pacific Northwest would necessarily result in a costly duplication of facilities, buildings, executive and administrative staffs. Since such expenses are part of the company's rate base, this cost will be passed on to the consumer. In the natural gas business, two do not live as cheaply as one. The new company would have to borrow many millions of dollars to take over this system, and the interest rates it would have to pay would be significantly higher than the rates which El Paso, as a strong and sound institution, has paid. Since these expenses are part of the rate base,

this cost too would be passed on to the consumer.

To make matters worse, the Supreme Court appears to have prohibited El Paso from passing on to the new company the debt incurred in association with the Pacific Northwest system. This debt was incurred many years ago, when the interest rates El Paso had to pay were as low as 3 percent. If the new company has to borrow in today's financial markets to raise approximately $200 million, the interest it will have to pay could be as high as 9 or 10 percent. And, of course, the gas consumer will foot this bill as well.

I also believe that the divestiture will make it less likely that consumers in the West and particularly in the Northwest will continue to enjoy sufficient and stable supplies of natural gas in the future. Divestiture will result in a 1 for 1 substitution of companies supplying gas to the Northwest. The changeover will come during the most critical years when the supplier of our area should be exerting maximum efforts to find new sources of gas, particularly in Canada. Five years from now we are likely to find ourselves with a new company but with less gas, because during the interim no one was capable of aggressively representing our interests in the fierce search for new supplies which is presently taking place.

It would be a difficult chore to explain to our consumers that they will have to suffer the consequences of court decisions which never took their interests into account and that they will be forced to bear the costs and dangers of this substitution of gas suppliers even though no judicial finding was ever made that El Paso's acquisition of the Pacific Northwest Pipeline Corp., was not in the interests of consumers in the Northwest.

In my review of this complex problem, nothing has impressed me more than the views of those gas distributors, States and municipalities, the industrial and individual consumers that will be directly affected by the divestiture. None of them have said that the creation of a new company by breaking up the El Paso-Pacific Northwest system will be of any benefit to them. If these people for whose benefit the courts have been laboring so hard in this case feel that divestiture would adversely affect them, perhaps it is time to recognize the fact that divestiture is no longer in the public interest, that divestiture will not lead to lower prices, or better service or more gas.

It is fortunate that under our system of government we are able to review a situation such as the El Paso litigation and take action before the consequences become irreparable. In a system of checks and balances it is altogether appropriate for the Congress to determine that the results of litigation intended originally to benefit the public interest can no longer result in any public benefits 14 years after the original suit was brought. If the courts are unable, as unfortunately they are in this case, to take into account the changes in market and supply conditions of the last 14 years, then the Congress must act to prevent a result, unintended though it may be, which will be detrimental to the interests of gas consumers in the West.

The bill also provides the following safeguards to insure that the preservation of the merger does not have an anticompetitive effect: prohibits the company from opposing the entry of a prospective gas supplier into the area for a 10-year period; requires it to assist other suppliers by allowing them to use excess capacity in its transmission facilities and to construct transmission facilities to transport gas for others, upon a Federal Power Commission determination that these would be in the public interest; requires it to commit at least $200 million over the next 5 years in the search for new gas supplies and to report to the President and the Congress on any rate changes approved by the FPC and the reasons therefor; authorizes the Attorney General to enforce the above requirements; and preserves the right of a third party to bring suit under antitrust laws.

After so many years of litigation, certainly it is reasonable to ask—what could possibly be worth the damage this case has already done and will do to the interests of gas consumers? The answer is that a very few parties are still trying to set up a new competitor for the California market. Even though California now has three separate out-of-State companies in competition for its markets, whereas the Northwest and many other areas are efficiently served by only one, even though it is universally acknowledged that there are no gas reserves left that could conceivably support a fourth pipeline to California, and even though the supposed beneficiary of this, the State of California, recognizes the folly of this effort and supports this bill, there are 60 lawyers laboring away to create a new competitor for California. To establish a new competitor for California is now impossible; even if it were not impossible now, it would be unnecessary.

As one whose principal interest is the protection of the consumer, I can no longer remain idle in this important matter.

INTRODUCTION OF ADDITIONAL LEGISLATION TO ALLEVIATE THE ENERGY CRISIS

Mr. Speaker, I also introduce today two bills which, together with the legislation to preserve the El Paso-Pacific Northwest Merger, will begin the process of alleviating the dual crises of supply and environmental contamination.

The first bill will levy a fee of 0.15 mills per killowatt-hour of electrical energy generated throughout the country to be massed in a Federal Power Research and Development Fund administered by a new board and charged with the urgent mandate to seek out and develop low-polluting techniques for the fulfillment of our electric energy needs.

The second bill authorizes and directs the Federal Power Commission to determine the facts behind the threatened drying up of natural gas supplies. This bill is necessary because the producers of natural gas have refused to supply the Federal Power Commission with the basic facts, which only they possess, concerning the actual dimensions of their present proved reserves. The American public cannot be forced to swallow billions of dollars of rate increases without an adequate showing that these increases are totally justified.

These bills, which are being introduced today on the Senate side by Senator MAGNUSON, will aid us in seeking effective cures for the energy crisis.

LEGISLATION TO IMPOSE HIGH-LEVEL TEMPORARY BOARD TO ADMINISTER COMPREHENSIVE SYSTEM OF VOLUNTARY WAGE AND PRICE LIMITATIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California, (Mr. MCFALL), is recognized for 30 minutes.

Mr. MCFALL. Mr. Speaker, in late January, my distinguished colleague, JOHN MONAGAN, and I introduced H.R. 2502 which would create a high-level temporary board to administer a comprehensive system of voluntary wage and price limitations cutting across the Nation's major economic strata.

The need for such an incomes policy was clearly evident in January and is even more pressing now, to the extent that Mr. MONAGAN and I have been joined by more than 50 cosponsors in reintroducing the measure.

The time has come—in fact, some think it may have passed—when this Nation can no longer afford to play the ellusive economic game advocated by the administration. We must get down to business and take positive action to pull the country out of the existing economic quagmire of rising inflation and other ills.

The legislation which we are cosponsoring and reintroducing today would provide key and positive action in the mission to return this Nation to a sustained level of economic solvency, strength, and progress.

The measure would establish an Emergency Guidance Board of five members appointed by the President and subject to Senate confirmation.

One member with extensive Federal administrative experience is to be appointed by the President to chair the Board, and the other four members are to represent a fair balance between business, labor, and consumer interests.

The measure is temporary, and I emphasize that the life of the Board is limited to 18 months, except that its life may be extended by a concurrent resolution of the Congress.

After being appointed, the Board's first task—following extensive study, review, and consultations with business, labor, and consumer leaders—would be to publish a set of basic guidelines for price and wage changes. After the guidelines are published, those corporations and labor organizations subject to the mandatory provisions of the act will be required to file economic justifications with

the Board indicating how proposed price or wage increases comply with or depart from the published price and wage guidelines.

This act will apply to corporations having capital assets in excess of $500 million or supplying more than 30 percent of any market of substantial volume, and to any labor organization bargaining with such a corporation.

In addition, the Board will have discretionary power to require an economic justification from any corporation having capital assets in excess of $100 million or more than 10 percent of any market of substantial volume; and to labor unions, which, in the Board's determination are seeking increases that the Board finds to have a substantial inflationary impact upon the economy.

Under the terms of the legislation, the Board may publish economic justifications filed with it; negotiate with business and labor where the guidelines appear likely to be breached; hold hearings; administer oaths to witnesses appearing before it; subpena witnesses and records; and announce findings and recommendations with respect to inflationary departures from the guidelines.

When a corporation or union refuses to cooperate with the Board by failing to supply documents; neglecting to appear; or refusing to file an economic justification; the Board may apply to a District Court of the United States for an order requiring the production of documents, personal appearance, or the filing of an economic justification.

I should like to emphasize here, that the Board would not have any power whatsoever to impose mandatory controls. The guidelines—in effect—would be goals, and the Board would have the means to bring to national attention the growing need for economic discipline, and to the public, an increased awareness of those who fail to act within the national interest within a reasonable framework of wage and price guidelines.

Hopefully, business and labor will cooperate with the Emergency Guidance Board, recognizing its merit as a viable buttress against inflation, and will adhere to any published guidelines.

In effect, this bill creates a sophisticated mechanism for economic jawboning, which would effect major business and labor organizations. The bill provides a catalyst for voluntary economic restraint, rather than a Bastille of forced economic constraint.

Such a system has been advocated for consideration by Mr. Arthur Burns, the President's appointee as chairman of the Federal Reserve System. The eminent economist Gardner C. Means, also has seen the merits of such an Emergency Guidance Board. Other economists, such as John Galbraith, have called for even more stringent measures.

In summary, there is a need for this legislation; the time has come for its implementation; and those most concerned and effected by the evils of inflation desperately need a national-level effort to curb its serious rate of growth.

Mr. Speaker, I include the text of this proposal at this point in the RECORD, together with supportive material:

H.R. 10323

A bill to establish a temporary Emergency Guidance Board to facilitate economic recovery with minimum inflation by establishing price and wage guidelines and encouraging voluntary adherence thereto

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Guidance Board Act of 1971".

FINDINGS, PURPOSE, AND INTENT

SEC. 2. (a) The Congress finds that—

(1) the diminishing real purchasing power, high interest rates and insufficient job opportunities which result from the current combined inflation and recession are posing severe threats to the national welfare;

(2) in the absence of special measures to resist inflation arising from the exercise of market power, monetary and fiscal measures to bring about a quick return of the national economy to its full potential would engender further rapid inflation; and

(3) in a period of quick recovery, inflation arising from the exercise of market power can be substantially limited by the establishment of noninflationary price and wage guidelines and measures to induce voluntary adherence thereto.

(b) It is the purpose of this Act in order to promote a sound domestic economy and serve the general welfare, to set up the mechanism and provide the authority necessary to limit inflation during an immediate period of rapid economic recovery achieved through expansionist monetary and fiscal measures by the use of price and wage guidelines to attain greater stability in the cost of living for workers and other consumers and in business costs in the process of recovery to a condition of maximum employment.

(c) It is the intent of the Congress that the authority conferred by this Act shall be exercised with full consideration and emphasis on the maintenance and furtherance of the American system of competitive enterprise, including collective bargaining, without the exercise of direct control over any price or wage rate but with reliance on the general self-interest of business and labor in returning the economy to its full potential as quickly as possible and with the minimum inflation and the reinforcement of this general self-interest by an informed public opinion.

ESTABLISHMENT OF BOARD

SEC. 3. (a) There is hereby established an independent agency to be known as the Emergency Guidance Board (hereafter in this Act referred to as the "Board") which shall be composed of five members to be appointed by the President by and with the advice and consent of the Senate. The President shall appoint one member with extensive Federal Government experience to serve as Chairman. The remaining members shall be appointed so as to maintain a fair balance in the remaining members among leaders drawn from business, labor, and consumers.

(b) Members of the Board shall serve for the life of the Board. The Chairman and the other members of the Board shall receive compensation at the rates prescribed for levels II and IV, respectively, of the Executive Schedule under subchapter II of chapter 53 of title 5, United States Code. Any vacancy in the Board may be filled in the manner in which the original appointment was made.

(c) Three members of the Board shall constitute a quorum.

(d) (1) The Board may appoint and fix the compensation of such personnel as it deems advisable.

(2) The staff of the Board shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(e) The Board shall cease to exist eighteen months after the appointment of the first member except that if a concurrent resolution of the Congress so provides, such eighteen-month period may be extended to thirty months.

PUBLICATION OF GUIDELINES

SEC. 4. (a) The Board shall publish as soon after taking office as is feasible a set of basic guidelines for price and wage changes, including a set of specific exceptions from, or modifications of, the guidelines for any case in which adherence to the basic guidelines would create undue hardship.

(b) The Board shall consult with leaders of business, labor, and consumers in establishing such guidelines and specific exceptions and modifications.

(c) The Board shall include in the basic price guidelines provisions which take account of changes in unit costs, productivity, and profit margins, and of previous price changes. The Board shall include in the basic wage guidelines provisions which take account of increases in national productivity and living costs, and of previous changes in wage rates.

(d) If the Board publishes basic wage guidelines which, in the interest of rapid recovery with the minimum inflation, call on employees to forgo any part of the legitimate wage increases required by increases in living cost and national productivity, the basic price guidelines shall include a corresponding call on corporations to forgo a comparable increase in prices due to an increase in costs.

(e) The Board may from time to time publish such amendments to the guidelines as it may deem necessary.

REPORTS JUSTIFYING PRICE OR WAGE INCREASES

SEC. 5. (a) (1) Any corporation to which this subsection applies shall file with the Board in accordance with paragraph (4) an economic justification for any substantial price increase for any significant product. Such economic justification shall show that the price increase is consistent with the applicable guidelines or the way in which it departs from those guidelines.

(2) This subsection applies to—

(A) any corporation which has capital assets in excess of $500,000,000, or which supplies more than 30 per centum of any market of substantial volume, and

(B) any corporation—

(i) which has capital assets in excess of $100,000,000 or supplies more than 10 per centum of any market of substantial volume, and

(ii) coverage of which under this subsection the Board determines, in its sole discretion, is necessary to carry out this Act.

(3) The Board shall prescribe regulations defining for purposes of this subsection the terms "significant product", "substantial price increase", "capital asset", and "market of substantial volume".

(4) (A) The economic justification for a price increase which takes effect after the initial publication of guidelines under section 5 shall be filed with the Board thirty days before the date such increase takes effect, and no such price increase may take effect until the expiration of such thirty-day period.

(B) A justification shall be filed under this subsection with respect to any price increase which takes effect before such initial publication only if the Board requests such justification. Such justification shall be filed within thirty days of such request.

(C) No justification need be filed with respect to a price increase which takes effect more than one hundred and eighty days before the date of enactment of this Act.

(b) Each labor organization which bargains with any corporation to which subsection (a) applies (or with any multiemployer association which includes such corporation) and which obtains a wage increase for employees of such corporation which exceeds the amount indicated in the applicable wage guidelines shall within thirty days after it obtains such wage increase file with the Board an economic justification, which shall specify the amount by which such increase exceeds such guidelines. In addition, the Board may, in its sole discretion, request any labor organization whose activities the Board determines may have a substantial inflationary impact on the economy to file an economic justification with the Board with respect to any wage increase obtained by such organization for employees it represents. Within thirty days of such request, such organization shall file with the Board an economic justification which shall specify the amount, if any, by which such increase exceeds the applicable wage guidelines.

(c) The Board shall require any corporation to which subsection (a) applies to file an economic justification for any wage increases granted to corporation executives which are in excess of the basic wage guidelines established by the Board.

STIMULATING VOLUNTARY ADHERENCE

SEC. 6. In order to stimulate adherence to the guidelines, the Board is empowered to publish any economic justification filed with it, negotiate with corporations or unions where the guidelines appear likely to be breached, hold hearings, administer oaths to witnesses appearing before it, subpena witnesses and records, and announce findings and recommendations with respect to inflationary departures from the guidelines. In case of contumacy by, or refusal to obey a subpena served upon, any person referred to in this section, the district court of the United States for any district in which such person is found or resides or transacts business shall have jurisdiction to issue an order upon application by the Board requiring such person to appear and give testimony or to appear and produce documents, or both; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

OBTAINING OFFICIAL DATA

SEC. 7. The Board may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Board, such department or agency shall furnish such information to the Board.

ENFORCEMENT

SEC. 8. Whenever any person fails to file an economic justification required to be filed under section 5, the Board may make application to the district court of the United States for any judicial district in which such person is found, resides or does business for an order to require such person to file such justification, and such court shall have jurisdiction to issue such order.

DEFINITIONS

SEC. 9. For purposes of this Act—

(1) The term "corporation" includes a parent and all subsidiaries for purposes of determining its assets or share of any market.

(2) The term "wages" includes wages, salaries, fringe benefits, and other compensation.

[From Business Week, Dec. 1970]

AN INCOME POLICY TO GUIDE A PROGRAM OF EXPANSION

The Nixon Administration's economic policy is in the midst of a major overhaul. For better or worse, the President and his advisers have decided that they must give the economy more stimulation even though inflation is not yet under control.

In principle, this is a welcome move. The Administration's original game plan, which called for holding down business by tough monetary and fiscal policies until inflation began to abate, was a sound strategy. It has proved a costly one for the nation, however, not just in terms of unemployment but also in terms of lost production, sales and profits. All policy must change as conditions change, and the time has come for the Administration to shift the emphasis.

In practice, the switch to stimulate policies involves some serious risks. If business and labor take it as an invitation to start another roaring round of price-wage escalation, the country will not get the "vigorous but orderly expansion" that President Nixon described in his speech last week to the National Assn. of Manufacturers. It will get another feverish boom, a catastrophic inflation, and then, inevitably, a bust that would make the 1969–70 recession look like a garden party.

The Administration must keep this threat in mind as it moves onto the expansionary course it now is charting. In addition to more fiscal and monetary stimulation, the new policy must include precautions to keep rising demand from translating automatically into rising prices.

This means, for one thing, that the Administration should not try to rush the economy back to full employment levels in a single bound. The present situation reflects the results of a year of slow growth (1969) and a year of no real growth at all (1970). To go from our present unemployment rate of 5.8% to about 4% in 1972, which apparently is what the Council of Economic Advisers would like to do, would mean hitting an 8% growth rate in 1971. That is too much for an economy to take when an inflation virus already is in its system.

Even with a more modest growth target, the Administration cannot take it for granted that inflation will accommodatingly die a natural death. As fiscal and monetary policies relax, the President must be prepared to strengthen and expand his present rudimentary apparatus for exerting direct pressure on wage and price decisions. At this point, he no longer can avoid setting up some form of incomes policy.

Chairman Arthur F. Burns, of the Federal Reserve Board, a wise old veteran of the economic policy-making wars, sketched the outlines of an incomes policy in a speech he made this week. And while politicians flinched, he put his finger on the central point: the cost push of rising wages.

"The inflation that we are still experiencing," said Burns, "is no longer due to excess demand. It rests on the upward push of costs—mainly, sharply rising wage rates."

Burns suggests the establishment of a wage-price review board with authority to make recommendations in important wage and price cases. This makes sense, and so do some of his other recommendations, including amendment of the Employment Act of 1946 to recognize price stability as a goal of national policy.

In the final analysis, though, specific measures will be less important than the Administration's determination and its willingness to act. This is the missing ingredient that the President must supply as his policy swings from repression to expansion.

[From Fortune magazine, May 1970]

A CASE FOR GUIDEPOSTS

Warily and reluctantly, Fortune has come to the conclusion that the federal government should set up voluntary wage-price guideposts, something like those of the early 1960's. We don't *like* the idea of guideposts, even noncompulsory ones, and we would make only modest claims for their efficacy. Moreover, the advocacy of government intervention in the workings of the market is philosophically at odds with the principles of economic freedom to which we subscribe. But in the present situation, with psychology getting in the way of economics, with inflation proving more persistent than economists had expected, it could be temporarily useful to establish governmental standards designed to guide wage settlements and price decisions in the direction of price stability.

This is easier said than done, to be sure. There is not even a generally accepted label for such a policy, much less a blueprint. But under one label or another, a good many people are advocating reconsideration of guideposts. Walter Heller, who as chairman of the Council of Economic Advisers helped set up the original guideposts in 1962, speaks of the present need for "ground rules." Arthur Okun, chairman of the council during the last year of the Johnson Administration, calls for a "speed limit." J. Dewey Daane, a governor of the Federal Reserve Board, urges adoption of some form of "incomes policy." Other advocates have taken up the somewhat yogerty term "moral suasion." In Congress, most of the Democratic members of the Joint Economic Committee have put their names to a report urging that the Council of Economic Advisers publish "specific quantitative standards . . . such that voluntary compliance by business and labor will contribute to the restoration of greater price stability."

TOO LITTLE CHIPPING

The Administration, however, has so far sturdily adhered to the position Richard Nixon took at his first press conference as President. "I do not go along," he said, "with the suggestion that inflation can be effectively controlled by exhorting labor and management and industry to follow certain guidelines." Labor leaders and business managers, he added, "much as they might personally want to do what is in the best interest of the nation, have to be guided by the interests of the organization that they represent."

Strong support for the Administration's stand has come from a number of outside economists, including the University of Chicago's formidable Milton Friedman. Trying to re-establish guideposts, Friedman says, would be like "replaying a cracked record." That sort of policy, he argues, represents an effort to shift to labor leaders and businessmen the blame for inflation brought on by government. "Inflation is made by Washington and in Washington and nowhere else."

There is much to be said, certainly, for letting wages and prices—within a framework of appropriate fiscal and monetary policies—work themselves out in the market. That invisible hand, arithmetic though it sometimes seems, is not dead. But once again we are confronted with unsatisfactory results: unemployment up, housing depressed, profits squeezed, yet consumer prices still rising unpleasantly fast.

The underlying difficulty, as the article beginning on page 152 details, is that in the U.S. economy the trade-off between inflation and unemployment is worsened by numerous wages, oil-import quotas, and the building trades' monopolistic control of the labor supply, to mention only a few. As a result, full employment is attended by unacceptably rapid inflation, and efforts to stabilize prices by reducing demand tend to produce unacceptably high unemployment. In the quarter-century since the passage of the Employment Act, both Democratic and Republican administrations have notably failed to make sustained efforts to improve the trade-off by chipping away at the rigidities. We urge the Nixon Administration to chip away energet-

ically. But this task, unfortunately, promises rather little in the way of swift results.

To a great extent the arguments currently advanced against guideposts appear to be directed against what happened after the original guideposts collapsed in 1966. During 1966–68, in a time of surging excess demand, the Johnson Administration pursued recklessly inflationary policies and tried to "jawbone" business into moderating the inevitably inflationary consequences. It was like bailing a badly leaking boat with a demitasse spoon.

But economic conditions and policies are now very different. Fiscal and monetary restraint have pretty much choked off demand inflation. The present inflation is mainly a lingering cost-push hangover, kept going by inflationary psychology rather than by underlying economic realities. Unions with contracts coming up for negotiation are demanding not only catch-up increases this year but stay-ahead increases in subsequent years. Wage increases that allow for future inflation tend, of course, to perpetuate inflation.

Under these circumstances, as Walter Heller maintains, some updated version of guideposts might help to "hasten the translation of less demand-pull pressure into less cost-push pressure." The existence of guideposts—public standards with the moral authority of the national government behind them—would provide support for those who are being pushed into inflationary courses despite their better judgment, and perhaps have some deterrent effect on those who are doing the pushing.

The working out of new guideposts would certainly involve the Council of Economic Advisers, but it would be well if the council left actual case-by-case applications to some new office created for that purpose. This need not be a very big outfit, and its only sanctions should be exposure to public scrutiny.

AUTOMATIC SHRINKAGE

Some of those who advocate a return to guideposts, by one name or another, urge that this time the government establish the rules only after consultation with representatives of labor and business. This seems a sound idea. In the meantime, after discussions with a number of economists who have thought about these matters, we offer some tentative suggestions.

Formulation of reasonable guideposts is much harder now than it was in 1962. The lags and grievances created by past inflation, and the expectations of continued inflation, make it impossible just to reinstate the 1962-66 guidepost principle that wage increases should not exceed productivity gains. But any formulation has to start with productivity, for it is from increasing output per worker that labor's gains in real income flow. The long-term trend rate of annual productivity gains in the U.S. is about 3 percent, and this is the figure to use.

A wage guidepost for inflationary times should be so constructed that it (1) makes some allowances for inflation, (2) contributes to curbing inflation, (3) automatically shrinks as inflation recedes, and (4) comes down to the basic productivity rate when price stability is restored. One formula for meeting these criteria is to take the 3 percent rate of productivity gain and add one-half of the preceding year's inflation in consumer prices.

ALLOWING FOR UPCREEP

That word "inflation" in this context, needs a bit of defining. During the first half of the 1960's with wages advancing moderately and the wholesale price index virtually stable, the consumer price index nevertheless crept upward by somewhat more than 1 percent a year, partly because service wages tend to advance faster than industrial wages. It must be assumed that, until much else in the economy changes, an annual rise of 1 percent in consumer prices is as close as we can come to price stability. To allow for the upcreep, we define inflation, for guidepost purposes, as one percentage point less than the year's percentage increase in the consumer price index. Last year the rise came to about 6 percent, and inflation, so defined, was 5 percent. Adding half of this to the 3 percent productivity base yields a current wage guidepost of 5.5 percent—meaning that this year's labor contracts should provide for increases in compensation (wages plus fringes) no greater than 5.5 percent a year.

Under such a formula, obviously, the guidepost level would move downward as inflation subsided. If the consumer price index rose only 1 percent in a year, the wage guidepost the following year would come to 3 percent, matching that long-term rate of increase in productivity.

Organized labor would be exceedingly reluctant, of course, to accept any such formula right now, and there would have to be some bait. For one thing, contracts would probably have to provide for reopening, or for some automatic increase, if the inflation rate failed to drop below specified levels in subsequent years. Also, the agreed-upon rate of increase in compensation, say 5.5 percent, would hold over the life of the contract even if the rate of inflation went down. So in return for moderating his demand for a highly inflationary wage increase in a three-year contract, the worker would get a chance of significant gains in *real* wages next year and the year after if inflation recedes.

The corresponding price guideline should (1) permit some adjustment of prices to reflect increases and costs, (2) contribute to disinflation, and (3) help make the wage guidepost acceptable to labor by giving up a quid pro quo. Under almost any formulation of a price guidepost apppropriate to 1970, an employer whose employees accepted a "guidepost" contract would absorb out of profits some fraction of the resulting increase in unit labor costs. Price increases, that is, would not fully reflect cost increases.

With profits already pinched, business would doubtless find this aspect of the guideposts highly objectionable. But acceptance of an additional cut into profits can be looked upon as a temporary price business has to pay for labor's cooperation in moving back toward price stability. And the last several years, with their burdensome borrowing costs, steeply rising labor costs, and stagnant profits, have once again abundantly demonstrated how valuable price stability is to business.

HOPE FOR REDUNDANCE

Fortune, as we have noted, advocates wage and price guideposts with some reservations and misgivings. For one thing, guideposts cannot be expected to have large effects upon wages and prices in the whole economy. In practice, guideposts mainly apply to large unions and large industrial corporations. This reach leaves out a lot of the U.S. economy, including some of the sectors that contribute most troublesomely to inflation—notably medical care and construction. What's more, it must be emphasized again that guideposts are not intended to substitute for appropriate fiscal and monetary policies or for structural reform of the economy. An economist who can be considered an advocate of a guidepost policy observed some time ago: "In a highly flexible, perfectly competitive economy, there would be no place for guideposts . . ." We agree, and we look forward to enough progress in that direction to render guideposts redundant.

Still, with so much inflationary bias in the economy, it would be well to give them another try. Guideposts may be a "cracked record," but the inflation-or-unemployment quandry is a cracked record too, and it makes a very unpleasant noise.

THE BASIS FOR LASTING PROSPERITY

(Address by Arthur F. Burns, Chairman, Board of Governors of the Federal Reserve System, in the Pepperdine College Great Issues Series, at the Beverly Hilton Hotel, Los Angeles, Calif.)

Nearly three years ago, in a talk here in Los Angeles, I pointed out that once an economy becomes engulfed by inflation, economic policy makers no longer have any good choices. To regain a lasting prosperity, a nation must have the good sense and fortitude to come to grips with inflation. There is, however, no painless way of getting rid of the injustices, inefficiency, and international complications that normally accompany an inflation.

Events of the past several years have lent poignancy to these simple truths. Recent experience has demonstrated once again that the transition from an overheated economy to an economy of stable markets is a difficult process. Elimination of excess demand was an essential first step to the restoration of stability, but this step has brought with it a period of sluggish economic activity, slow income growth, and rising unemployment. And while we have made some progress in moderating the rate of inflation, our people are still seeing the real value of their wages and savings eroded by rising prices.

The struggle to bring inflationary forces under control, and to return our labor and capital resources to reasonably full employment, is still going on. I am convinced, however, that corrective adjustments in the private sector over the past twelve to eighteen months are creating, in conjunction with governmental stabilization policies, the foundation on which a prolonged and stable prosperity can be constructed.

A cardinal fact about the current economic situation, and one that promises well for our nation's future, is that the imprudent policies and practices pursued by the business and financial community during the latter half of the 1960's are being replaced by more sober and realistic economic judgments. In my remarks to you today, I want first to review some of the key developments that lead me to this conclusion. Then I shall turn to the tasks that must still be faced in order to enhance the prospects for an early resumption of growth in production and employment in an environment of reasonably stable prices.

The current inflation got under way in 1964. Perhaps the best single barometer of the extent to which it served to distort economic decisions and undermine the stability of the economy is found in the behavior of financial markets during the late 1960's. In 1968, well over 3 billion shares of stock exchanged hands on the New York Stock Exchange—about two and one-half times the volume of five years earlier. The prices of many stocks shot upward with little reference to actual or potential earnings. During the two years 1967 and 1968, the average price of a share of stock listed on the New York Exchange rose 40 per cent, while earnings of the listed companies rose only 12 per cent. On the American Exchange the average share price rose during the same two years more than 140 per cent on an earnings base that increased just 7 per cent.

A major source of the speculative ardor came from some parts of the mutual fund industry. Long-term investment in stocks of companies with proven earnings records became an outmoded concept for the new breed of "go-go" funds. The "smart money" was to go into issues of technologically oriented firms—no matter how they were meeting the test of profitability, or into the corporate conglomerates—no matter how eccentric their character.

This mood of speculative exuberance strongly reinforced the upsurge of corporate mergers which occurred during the middle

years of the 1960's. No doubt many of these mergers could be justified on grounds of efficiency. But the financial history of mergers—including some of the great conglomerates—suggests that many businessmen became so preoccupied with acquiring new companies and promoting the conglomerate image that they lost sight of the primary business objective of seeking larger profits through improved technology, marketing, and management. When talented corporate executives devote their finest hours to arranging speculative maneuvers, the productivity of their businesses inevitably suffers and so too does the nation's productivity.

These speculative excesses had to end, and it is fortunate that they ended before bringing disaster to our nation. Equity values are now being appraised more realistically than a year or two ago. Investors are now more attentive to high quality stocks. Indeed, many of them have discovered or rediscovered that even bonds and time deposits are a fit use of their funds. Not a few of those responsible for the frantic search for "performance stocks" have shifted to other activities or joined the ranks of the unemployed; so also have numbers of security analysts and stock brokers. With speculation giving way to longer-term investment, the stock market is now channeling risk capital to business firms more efficiently.

A searching reappraisal of the economic philosophy of mergers is also underway. Merger activity has slowed materially since mid-1969. To some degree this is a response to the growing concern in governmental circles over the danger that may inhere in large concentrations of economic power. But it stems mainly from the fact that businessmen are recognizing that time and energy can usually be spent more productively in searching for ways to increase the economic efficiency of their firm than in a scramble for corporate acquisitions.

Businessmen are also reconsidering the wisdom of financial practices that distorted their balance sheets during the late 1960's. In the manufacturing sector, the ratio of debt to equity—which had been approximately stable during the previous decade—began rising in 1964 and was half again as large by 1970. Liquid asset holdings of corporate businesses were trimmed to the bone. On the average, the ratio of prime liquid assets to current liabilities fell by nearly half during those six years. In permitting such a drastic decline in liquidity, many of our corporations openly courted trouble.

Perhaps the most ominous source of instability produced by these financial practices was the huge expansion of the commercial paper market. The volume of commercial paper issued by nonfinancial businesses increased eightfold between the end of 1964 and mid-1970, as an increasing number of firms—some of them with questionable credit standings—began to tap this market. The hazards inherent in the spreading reliance on commercial paper were taken much too lightly. After all, the relations between the buyer and seller of commercial paper are by their very nature distant and impersonal—unlike the close working relationship that normally develops between a bank and its business customers. The buyer—typically an industrial enterprise—rarely has the facilities or the experience to carry out a full investigation of the risks attaching to commercial paper. Moreover, the buyer regards his investment as temporary—to be withdrawn when cash is needed or when questions arise about the quality of the paper. The issuer, therefore, faces considerable uncertainty as to the amount of his maturing obligations that may be renewed on any given day. The risks facing the individual issuer and buyer inevitably pose a problem also for the nation's financial system, since the difficulties experienced by any large issuer of commercial paper may quickly spread to others.

These familiar truths were lost sight of in the inflationary aura of the late 1960's. It took the development of last summer, when the threat of financial crisis hung for a time over the commercial paper market, to remind the business community that time-honored principles of sound finance are still relevant.

As a result of that experience and the testing of financial markets generally during the past two years, corporate financial policies are now more constructive than in the recent past. This year, new stock issues have continued at a high level—even in the face of unreceptive markets—as corporations have sought to stem the rise in debt-equity ratios. Of late, borrowing by corporations has been concentrated in long-term debt issues, and their rate of accumulation of liquid assets has risen. Liquidity positions of industrial and commercial firms are thus improving, though it will take some time yet to rectify fully the mistakes of the past.

These efforts to restore sound business finances are not without costs to the nation. For example, long-term interest rates, while below their peaks at the end of last year or last spring, are still at unusually high levels because of this year's extraordinary volume of new capital issues. But there can be no doubt that substantial adjustments in the financial practices of our nation's businesses were essential if the basis for a lasting and stable prosperity was to be re-established.

By and large, our major financial institutions conducted themselves with prudence during the years when lax practices were spreading in financial markets. There were, however, some individual institutions that overextended loan commitments relative to their resources, others that reduced liquidity positions to unduly low levels, still others that permitted a gradual deterioration in the quality of loan portfolios and even a few that used funds of depositors to speculate in long-term municipal securities. Fortunately, such institutions were distinctly in the minority. When the chips were down, our major financial institutions proved to be strong and resilient. And they are stronger today. As monetary policy has eased, the liquidity of commercial banks has been increasing. Even so, loan applications are being screened with greater care. The emphasis on investment quality has also increased at other financial institutions, as is evidenced by the recent wide spread between the yields of high and lower grade bonds.

These corrective adjustments in private financial practices have materially improved the prospects for maintaining order and stability in financial markets. But no less important to the establishment of a solid base for a stable and lasting prosperity have been the developments this year in the management of the industrial and commercial aspects of business enterprise.

During the latter half of the 1960's, business profit margins came under severe pressure. The ratio of profits after taxes to income originating in corporations had experienced a prolonged rise during the period of price stability in the early 1960's. But this vital ratio declined rather steadily from the last quarter of 1965 and this year reached its lowest point of the enire postwar period.

Until the autumn of 1969 or thereabouts, the decline in profit margins was widely ignored. This is one of the great perils of inflation. Underlying economic developments tend to be masked by rising prices and the state of euphoria that comes to pervade the business community. Though profit margins were falling and the cost of external funds was rising to astonishing levels, the upward surge of investment in business fixed capital continued. True, much of this investment was undertaken in the interest of economizing on labor costs. Simultaneously, however, serious efforts to bring operating costs under control became more and more rare, labor hoarding developed on a large scale, huge wage increases were granted with little resistance, and some business investments were taken in the expectation that inflationary developments would one way or another validate almost any business judgment. While the toll in economic efficiency taken by these loose managerial practices cannot be measured with precision, some notion of its significance can be gained by observing changes in the growth rate of productivity.

From 1947 through 1966, the average rate of advance in output per manhour in the private sector of the economy was about 3 per cent per year. In 1967, the rate of advance slowed to under 2 per cent, and gains in productivity ceased altogether from about the middle of 1968 through the first quarter of this year. The loss of output and the erosion of savings that resulted from this slowdown in productivity growth are frightfully high.

The elimination of excess demand, which the government's anti-inflationary policies brought about, is now forcing business firms to mend their ways. Decisions with regard to production and investment are no longer being made on the assumption that price advances will rectify all but the most imprudent business judgments. In the present environment of intense competition in product markets, business firms are weighing carefully the expected rate of return on capital outlays and the costs of financing. The rate of investment in plan and equipment has therefore flattened out, and advance indicators suggest that business fixed investment will remain moderate in 1971.

Business attitudes toward cost controls have of late also changed dramatically. A cost-cutting process that is more widespread and more intense than at any time in the postwar period is now underway in the business world. Advertising expenditures are being curtailed, unprofitable lines of production discontinued, less efficient offices closed, and research and development expenditures critically reappraised. Layers of superfluous executive and supervisory personnel that were built up over a long period of lax managerial practices are being eliminated. Reductions in employment have occurred among all classes of workers—blue collar, white collar, and professional workers alike. Indeed, employment of so-called non-production workers in manufacturing has shown a decline since March that is unparalleled in the postwar period.

Because of these vigorous efforts to cut costs, the growth of productivity has resumed, after two years of stagnation. In the second quarter of this year, output per manhour in the private nonfarm economy rose at a 4 per cent annual rate, and the rate advanced to 5 per cent in the third quarter. These productivity gains have served as a sharp brake on the rise in unit labor costs, despite continued rapid increases in wage rates.

In my judgment, these widespread changes in business and financial practices are evidenced that genuine progress is being made in the long and arduous task of bringing inflationary forces under control. We may now look forward with some confidence to a future when decision in the business and financial community will be made more rationally, when managerial talents will be concentrated more intensively on efficiency in processes of production, and when participants in financial markets will avoid the speculative excesses of the recent past.

Let me invite your attention next to the role that government policies have played this year in fostering these and related adjustments in private policies and practices.

The fundamental objective of monetary and fiscal policies this year has been to maintain a climate in which inflationary pressures would continue to moderate, while providing sufficient stimulus to guard against cumulative weakness in economic activity. Infla-

tionary expectations of businessmen and consumers had to be dampened; the American people had to be convinced that the government had no intention of letting inflation run rampant. But it was equally important to follow policies that would help to cushion declines in industrial production stemming from cutbacks in defense and reduced output of business equipment, and to set the economy on a course that would release the latent forces of expansion in our homebuilding industry and in state and local government construction. I believe we have found this middle course for both fiscal and monetary policy.

A substantial reduction in the degree of fiscal restraint has been accomplished this year with the phasing out of the income tax surcharge and the increase in social security benefits. These sources of stimulus provided support for consumer disposable incomes and spending at a time when manufacturing employment was declining and the length of the workweek was being cut back.

I do not like, but I also am not deeply troubled, by the deficit in the Federal budget during the current fiscal year. If the deficit had originated in a new explosion of governmental spending, I would fear its inflationary consequences. This, however, is not the present case. The deficit in fiscal 1971—though it will prove appreciably larger than originally anticipated—reflects in very large part in the shortfall of revenues that has accompanied the recent sluggishness of economic activity. The Federal budget is thus cushioning the slowdown in the economy without releasing a new inflationary wave. The President's determination to keep spending under control is heartening, particularly his plea last July for a rigid legislative ceiling on expenditures that would apply to both the Executive and the Congress. However, pressures for much larger spending in fiscal 1972 are mounting and pose a threat to present fiscal policy.

Monetary policy this year has also demonstrated, I believe, that it could find a middle course between the policy of extreme restraint followed in 1969 and the policies of aggressive ease pursued in some earlier years. Interest rates have come down, and liquidity positions of banks, other financial institutions, and nonfinancial businesses have been rebuilt—though not by amounts that threaten a reemergence of excess aggregate demands. A more tranquil atmosphere now prevails in financial markets. Market participants have come to realize that temporary stresses and strain in financial markets could be alleviated without resort to excessive rates of monetary expansion. Growth of the money supply thus far this year—averaging about a 5½ per cent annual rate—has been rather high by historical standards. This is not, however, an excessive rate for a period in which precautionary demands for liquidity have at times been quite strong.

The precautionary demands for liquidity that were in evidence earlier in 1970 reflected to a large degree the business and financial uncertainties on which I have already commented. It was the clear duty of the nation's central bank to accommodate such demands. Of particular importance were the actions of the Federal Reserve in connection with the commercial paper market last June. This market, following the announcement on Sunday, June 21, of the Penn Central's petition for relief under the Bankruptcy Act, posed a serious threat to financial stability. The firm in question had large amounts of maturing commercial paper that could not be renewed, and it could not obtain credit elsewhere. The danger existed that a wave of fear would pass through the financial community, engulf other issuers of commercial paper, and cast doubt on a wide range of other securities.

By Monday, June 22—the first business day following announcement of the bankruptcy petition—the Federal Reserve had already taken the virtually unprecedented step of advising the larger banks across the country that the discount window would be available to help the banks meet unusual borrowing requirements of firms that could not roll over their maturing commercial paper. In addition, the Board of Governors reviewed its regulations governing ceiling rates of interests on certificates of deposit, and on June 23 announced a suspension of ceilings in the maturity range in which most large certificates of deposits are sold. This action gave banks the freedom to bid for funds in the market and make loans available to necessitous borrowers.

As a result of these prompt actions, a sigh of relief passed through the financial and business communities. The actions, in themselves, did not provide automatic solutions to the many problems that arose in the ensuing days and weeks. But the financial community was reassured that the Federal Reserve understood the seriousness of the situation, and that it would stand ready to use its intellectual and financial resources, as well as its instruments of monetary policy, to assist the financial markets through any period of stress. Confidence was thus bolstered, with the country's large banks playing their part by mobilizing available funds to meet the needs of sound borrowers caught temporarily in a liquidity squeeze.

The role that confidence plays as a cornerstone of the foundation for prosperity cannot, I think, be overstressed. Much has been done over recent months by private businesses and by the government to strengthen this foundation. If we ask what tasks still lie ahead, the answer I believe must be: full restoration of confidence among consumers and businessmen that inflationary pressures will continue to moderate, while the awaited recovery in production and employment becomes a reality.

The implications of this answer for the general course of monetary and fiscal policies over the near term seem to me clear. The thrust of monetary and fiscal policies must be sufficiently stimulative to assure a satisfactory recovery in production and employment. But we must be careful to avoid excessive monetary expansion or unduly stimulative fiscal policies. Past experience indicates that efforts to regain our full output potential overnight would almost surely be self-defeating. The improvements in productivity that we have struggled so hard to achieve would be lost if we found ourselves engulfed once again in the inflationary excesses that inevitably occur in an overheated economy.

As I look back on the latter years of the 1960's, and consider the havoc wrought by the inflation of that period, I am convinced that we as a people need to assign greater prominence to the goal of price stability in the hierarchy of stabilization objectives. I have recommended on earlier occasions that the Employment Act of 1946 be amended to include explicit reference to the objective of general price stability. Such a change in that law will not, of course, assure better economic policies. But it would call the nation's attention dramatically to the vital role of reasonable price stability in the maintenance of our national economic health.

At the present time, governmental efforts to achieve price stability continue to be thwarted by the continuance of wage increases substantially in excess of productivity gains. Unfortunately, the corrective adjustments in wage settlements that are needed to bring inflationary forces under control have yet to occur. The inflation that we are still experiencing is no longer due to excess demand. It rests rather on the upward push of costs—mainly, sharply rising wage rates.

Wage increases have not moderated. The average rate of increase of labor compensation per hour has been about 7 percent this year—roughly the same as last year. Moreover, wage costs under new collective bargaining contracts have actually been accelerating despite the rise in unemployment. In the third quarter of this year, major collective bargaining agreements called for annual increase in wage rates averaging 10 percent over the life of the contract. Negotiated settlements in the construction industry during the same three months provided for wage increases averaging 16 percent over the life of the contract, and 22 percent in the first year of the contract. Nor is the end of this explosive round of wage increases yet in sight. Next year, contracts expire in such major industries as steel, aluminum, copper, and cans. If contracts in those industries are patterned on recent agreements in the construction industry—or, for that matter, in the trucking and automobile industries—heavy upward pressures on prices will continue.

I fully understand the frustration of workers who have seen inflation erode the real value of past wage increases. But it is clearly in the interest of labor to recognize that economic recovery as well as the battle against inflation will be impeded by wage settlements that greatly exceed probable productivity gains.

In a society such as ours, which rightly values full employment, monetary and fiscal tools are inadequate for dealing with sources of price inflation such as are plaguing us now—that is, pressures on costs arising from excessive wage increases. As the experience of our neighbors to the north indicates, inflationary wage settlements may continue for extended periods even in the face of rising unemployment. In Canada, unemployment has been moving up since early 1966. New wage settlements in major industries, however, averaged in the 7 to 8 percent range until the spring of 1969, then rose still further. This year, with unemployment moving above 6½ percent, negotiated settlements have been in the 8 to 9 percent range.

Many of our citizens, including some respected labor leaders, are troubled by the failure of collective bargaining settlements in the United States to respond to the anti-inflationary measures adopted to date. They have come to the conclusion, as I have, that it would be desirable to supplement our monetary and fiscal policies with an incomes policy, in the hope of thus shortening the period between suppression of excess demand and the restoration of reasonable relations of wages, productivity, and prices.

To make significant progress in slowing the rise in wages and prices, we should consider the scope of an incomes policy quite broadly. The essence of incomes policies is that they are market-oriented; in other words, their aim is to change the structure and functioning of commodity and labor markets in ways that reduce upward pressures on costs and prices.

The additional anti-inflationary measures announced by the President last Friday will make a constructive contribution to that end. The actions to increase the supply of oil will dampen the mounting cost of fuels, and the recommendations made by the President to improve the structure of collective bargaining in the construction industry strike at the heart of a serious source of our current inflationary problem.

I would hope that every citizen will support the President's stern warning to business and labor to exercise restraint in pricing and wage demands. A full measure of success in the effort to restore our nation's economic health is, I believe, within our grasp, once we as a people demonstrate a greater concern for the public interest in our private decisions.

If further steps should prove necessary

to reduce upward pressures on costs and prices, numerous other measures might be taken to improve the functioning of our markets. For example, liberalization of import quotas on oil and other commodities would serve this purpose. So also would a more vigorous enforcement of the anti-trust laws, or an expansion of Federal training programs to increase the supply of skilled workers where wages are rising with exceptional rapidity, or the creation on a nationwide scale of local productivity councils to seek ways of increasing efficiency, or a more aggressive pace in establishing computerized job banks, or the liberalization of depreciation allowances to stimulate plant modernization, or suspension of the Davis-Bacon Act to help restore order in the construction trades, or modification of the minimum wage laws in the interest of improving job opportunities for teenagers, or the establishment of national building codes to break down barriers to the adoption of modern production techniques in the construction industry, or compulsory arbitration of labor disputes in industries that vitally involve the public interest, and so on. We might bring under an incomes policy, also, the establishment of a high-level Price and Wage Review Board which, while lacking enforcement power, would have broad authority to investigate, advise, and recommend on price and wage changes.

Such additional measures as may be required can, of course, be determined best by the President and the Congress. What I see clearly is the need for our nation to recognize that we are dealing, practically speaking, with a new problem—namely, persistent inflation in the face of substantial unemployment—and that the classical remedies may not work well enough or fast enough in this case. Monetary and fiscal policies can readily cope with inflation alone or with recession alone; but, within the limits of our national patience, they cannot by themselves now be counted on to restore full employment, without at the same time releasing a new wave of inflation. We therefore need to explore with an open mind what steps beyond monetary and fiscal policies may need to be taken by government to strengthen confidence of consumers and businessmen in the nation's future.

In the past two years we have come a long way, I believe, towards the creation of a foundation for a lasting and stable prosperity. Confidence has been restored in financial markets. Businesses have turned away from the imprudent practices of the past. Productivity gains have resumed. Our balance of trade has improved. The stage has been set for a recovery in production and employment—a recovery in which our needs for housing and public construction can be more fully met.

To make this foundation firm, however, we must find ways to bring an end to the pressures of costs on prices. There are no easy choices open to us to accomplish this objective. But that, as I indicated at the outset, is the tough legacy of inflation.

[From the New York Times, Jan. 27, 1971]

A WAGE-PRICE REVIEW BOARD IS RECOMMENDED BY WOODCOCK

(By Philip Shabecoff)

WASHINGTON, Jan. 26.—Leonard Woodcock, the president of the United Automobile Workers, suggested today the creation of a wage-price review board to cope with the inflation.

Mr. Woodcock said that companies and unions with "dominant" positions in their industry should be required to appear before such a board to justify inflationary increases in wages.

However, this board would not have legal power to enforce wage and price rollbacks but would bring the "weight of public opinion to bear," Mr. Woodcock said.

At a breakfast meeting with reporters, the union leader said he was opposed to regulated wages and prices, "whether by jawboning or by guidelines."

He said that wage regulations would be easy to impose but that it would be hard to administer price controls.

He said he was "unimpressed by the little tableau of Bethlehem Steel and United States Steel" and implied that the recent large steel increase announced by Bethlehem Steel that was cut in half to match United States Steel's lower increase was not spontaneous.

Mr. Woodcock also asserted that "there is no question that the wage increases in the construction industry are excessive."

He said that outside electricians called in to work on construction projects in U.A.W. plants sometimes made $2 to $3 an hour more than electricians who were members of the U.A.W. "and sometimes our workers are more skilled than the others."

In testimony before the Joint Economic Committee of Congress later in the day, he said that earnings of unionized blue collar workers had grown less than any other segments of the working force during the Nixon Administration.

The Nixon Administration, he said, is "aiming at the wrong targets" when it refers to contract settlements by big unions as the cause of inflation.

As part of a thick report on problems caused by what he described as the Administration's erratic economic policy," Mr. Woodcock detailed the U.A.W. plan for a price-wage review board.

A consumer council would be empowered to initiate hearings before the board aimed at reducing excessive price increases in industries that administer prices, such as the automobile industry. Unions would be required to participate in the hearings if wage increases were a factor, but the focus of the plan would be on price increases.

[From U.S. News & World Report, Feb. 8, 1971]

HOW TO CONTROL INFLATION: A THREE-STAGE FORMULA

(By R. Heath Larry)

Surely during the last several months, there have been more words written and said about inflation, its causes and cures, than at any time within contemporary history. And you will by no means have heard the last word. I am sure of that.

There is a sense of desperation in the air, which can give rise to ill-considered and dangerous actions.

The question before us is whether a democracy predicated upon a free-market economy can really cope with the problem. I still believe it can—but certainly the months immediately ahead will be a critical test of both our will and our capacity to help it do so.

In its efforts to develop future policy choices, one hopes that the Administration will pay careful attention to what negated the impact of its past policy choices. And the crux of its analysis, it seems to me, must inevitably center upon the question as to why collectively bargained rates have continued to go out through the roof.

After all, wage trends within the non-unionized sector had, in fact, already begun to respond to reduced job opportunities and lower profits. But not so in the unionized sector. Why was this so?

Perhaps it could be argued that the planned slowdown in the economy was administered too cautiously, allowing for too much expectation that the treatment was only temporary, or that the increasing prevalence of three-year agreements augmented the time lag for reaction, or that declining corporate liquidity affected the willingness—perhaps even the capacity of employers to suffer long cash-draining strikes in an effort to break the pattern of excessive wage increases, or that strikers themselves were increasingly liquid, so to speak, because of their access to various benefits while striking.

But, however one looks at it, the factor which emerged as really controlling was today's union bargaining structure—a structure whose orientation is candidly and strongly counter-market—and whose capacity clearly emerged as strong enough to ignore labor-market influences—and to ignore declines in productivity and industrial profitability as well—if it so chooses.

When one looks at the record and notes that in every year but two out of the last 20, unit-labor costs in the U.S. have increased, and that recently the rate of increase in labor costs per man-hour in manufacturing has been more than double the long-term average rate of gain in output per man-hour, it is clear that something is dead wrong in the power balance reflected in contemporary collective bargaining as a whole.

It can be said categorically that a continuation of the wage trends of the recent past is a luxury this nation simply cannot afford. For if these trends spread broadly across the manufacturing segment, one of our nation's economic problems—which is already serious—can become a nightmare. Let me spell out what I mean:

Manufactured goods now constitute close to 60 per cent of all world trade—up from only about 40 per cent of the total 20 years ago.

But the U.S. share of the world's export of manufacturers has dropped during that period from above 28 per cent to just under 20 per cent. Over the same time span, our imports of manufactures have increased about 8½ times, while our exports of them have increased only 3½ times.

And while labor cost may not be the only factor contributing to this picture, it is far and away the most important one. We cannot afford to ignore the fact that in the period 1965 through 1969, Japan, Germany, France, the Netherlands, Sweden, Italy, Canada—and even the United Kingdom—all surpassed us in terms of annual rate of improvement in output per man-hour. Recently, wage increases have accelerated abroad. Nevertheless, we are not only still plagued by a wide, continuing, and in too many cases an expanding difference between our wage rates and those of competing nations, but our rate of rise in unit-labor costs in the period just mentioned exceeded all but Canada's.

No wonder our balance of trade in recent years has been anything but healthy. Those who see dangers in increasing protectionism in the U.S. had better see, as even more important, the danger in the decreasing competitiveness of the industrial economy of the U.S.

The fact is that unless American industries can soon hope for an improvement in their comparative unit-labor-cost picture, we as a nation will have no choice but to modify our trade policy in a direction more supportive of domestic industry and of the domestic economy than has been the case for many years.

While on the subject of foreign competition, let me touch briefly upon the frequently heard suggestion that keeping our trade doors open may be an important key to restraining our current inflation.

It is most important to realize that today only about one fourth of our work force is in manufacturing. About two thirds of it is in what are broadly termed the service industries. Thus, the great majority of the American work force is in employment where no direct connection with foreign competition is yet felt with sufficient sensitivity for it to be influential.

The record will show that the really big

wage increases in the last several years did not begin to break out first in manufacturing. Rather it was in construction, followed by the transportation and service industries and in public employment—where wide-open gates to foreign products made with cheaper labor have not yet appeared to represent any effective leverage for holding down either wages or prices.

The problem we now face is that, internal union politics being what they are, the pressure to try to keep up with the wage parade thus started could begin to outweigh import pressures, even where the impact of the latter has been quite obvious.

Thus, the principal effect of increasing pressures from lower-wage foreign competition may very well be only to make it increasingly difficult for the employers who face it to acquire the capital necessary for improving their competitive efficiency. That's no way to slow inflation. To do so, we will need all the improved productivity we can get.

The President recognized this by appointing a National Commission on Productivity, of which I have the honor to be a member. Moreover, the President had earlier created a Task Force on Business Taxation, which recently recommended a 40 per cent cut in guideline lives of machinery and equipment in order to encourage productivity-boosting capital spending. While the President recently moved very modestly along these lines, I would hope that the full recommendation of the task force can soon become a reality.

IMPROVED PRODUCTIVITY WON'T SOLVE PROBLEM

But improved productivity alone won't solve our problem. Even if our nation's productivity trend line could miraculously be improved by 50 per cent, the relief afforded today's wage-push inflation problem would be minute—because unless the recent rate of first-year increases in labor contracts were significantly curbed, that rate would still be from double to quadruple even the improved rate of productivity increase.

Where, then, does the solution lie?

John Kenneth Galbraith is always interesting, no matter what other reactions one may have about him. In a letter published in "The Washington Post" the day before the President's address of December 4, Mr. Galbraith argued the futility of further reliance upon monetary and fiscal management in the following words:

"The Administration must not suppose that quarterway measures—jawboning, voluntary guidelines, inflation alerts, levitation, incantation or massive public prayer—will work. It must break the structure of inflationary expectations with a freeze and then work out a permanent and enforced system of wage and price controls wherever strong unions set wages and strong corporations set prices."

He did say "permanent" and he did say "enforced." And his reason was his belief that managing an economy by monetary and fiscal policy is not possible in the face of either union or corporate power which precludes reasonable responsiveness of the market to such management.

I reject his assumption about corporate pricing power, as you might expect me to do. But, frankly, if it existed to the extent he suggests, profit rates would surely not have declined to the extent they have. Affected to be sure, by the constraints of cost pressure, prices are nevertheless still basically responsive to market forces—even if not always as mercurially as in an auction market. The problem lies in the fact that union wages have shown no responsiveness whatever.

One may not always agree with Mr. Galbraith, but I believe his views serve well to point up our dilemma.

UNION BARGAINING VERSUS CONTROLS

Our choice may in truth lie somewhere between revising the union bargaining structure to help it become more responsive to market forces, on the one hand—or, on the other, embracing permanent and enforceable controls. Past union views about the first approach need scarcely be recalled. But is the latter what unions really want?

Either a restructuring of bargaining or an embracing of permanent controls is, of course, likely to require new, difficult and controversial legislation, and thus neither seems likely to occur quickly. Meanwhile, "Rome is burning." For if the wage trends of the last year continue to flow unabated through the entire economy, it is not at all unlikely that the recent squeeze on unemployment and profits will have been only a miniversion of things to come. It is of extreme importance, therefore, that extraordinary efforts be made promptly to bring about a better voluntary response from the existing structure.

We clearly need something different from what we now have. The recent so-called "market oriented" incomes policy, as evidenced by recent governmental comments, proposals and actions concerning the oil and construction industries—and perhaps the steel industry has now been included—serves the purpose of drawing attention to the problem of inflation. However, it seems bound to become not only inadequate and discriminatory, but unfair as well. The Government will soon run out of market protections which it can withdraw or threaten to withdraw. Moreover, I feel sure it must recognize the unfairness of pointing fingers at so-called "sinners" in the absence of even a broad definition of what constitutes "sin"—and only at selected sinners, at that.

Meanwhile, is there any other way which can help bring inflation under control—without greater risk to our market economy? I would like to venture the thought that a three-pronged approach such as the following might be helpful:

The first element would be for Government to devote itself far more assiduously than it has to date to the task of trying to inspire what might be called a kind of universal sense of national mission in support of the urgency of subduing inflation.

This will not be easy. The average U.S. citizen has never experienced the consequences of runaway inflation such as Germany and some other countries have had. He is not greatly impressed with allegations, however true they might be, that inflation creates inequities and distortions within the economy which impair its future progress. In short, today's average citizen may still feel it less in his self-interest for him to support anti-inflationary actions than to support actions which may help him to keep pace with or try to get ahead of inflation.

If there is any hope of changing this view and of getting him more on the team than he is now—although all of us must play supporting roles—the lead role will have to be played by Government, and with a drama and an emphasis exceeding anything it has shown thus far. To be sure, Government deserves credit for now having made a start toward achieving the necessary understanding; but to some, its efforts still seem ambivalent. For example, what compelling sense of urgency for supporting the fight is engendered in John Doe, union member, when he reads in the President's address a statement that "the worst inflation is over"—coupled with a pledge to move on toward full employment?

Government doesn't have to go so far as to continue the politically unpopular posture of threatening to induce further unemployment as an inflation-suppressing device. But might not the average employe's sense of urgency become much sharper if, for example, Government made it abundantly clear to him that escalating wage costs are sapping the strength of his country in world markets and that Government efforts to counter unemployment, however sincere and purposeful, are bound to be ineffective until that trend is reversed?

Somehow, I feel that American workers still would like to be on a winning team—and that this kind of candor might help inspire a sense of mission to want to play the kind of game required to win.

WHY GOVERNMENT SHOULD SET STANDARDS

Second, beyond attempting to inspire a sense of mission, Government may have to develop—or cause to be developed—some kind of reasoned definition as to what kind of conduct by wages and other incomes is needed in the national interest at this time and why.

Changing the trend of a wage pattern will never be easy. In political instrumentalities like unions, where the tendency for leadership to respond to demands of their power base is almost irresistible, some crutches may prove helpful—perhaps even unavoidable.

By advocating the need for definition I am not suggesting either a simplistic guideline number or a hit-the-visible miss-the-rest enforcement approach, such as we had, for example, in the early and mid-'60s. We are much too far into the current wage spiral to expect that publicizing the number representing the average annual gain in output per man-hour will, all by itself, be a purposeful exercise.

The kind of definition I am groping for might be thought of perhaps as a kind of enlargement upon, or detailing of, the sense of mission. It should not reflect something whose nonenforcement would mean loss of face to the Government. Rather, it should be conceived in such terms that nonadherence could mean a real sense of felt guilt in recognition of how such nonadherence could lead to a loss of more than just face—to us all.

Thus the definition might have many facets—and might need unusual origins. It should not be sought at the expense of compromising what we need with what might be "salable." One of the major purposes of seeking the definition would be to help make "salable" what may not be now. Thus the definition should take account of such things as: (a) the need for the nation to grow more competitive in world markets; (b) the degree to which slow growth in real gross national product—and monetary commitments to social benefits, the ecology and defense—may now restrict the potential for average improvements in current living standards in dollar terms, and (c) the fact that if profits of investors do not keep pace with the cost of living at least as much as do wages, the private capital which supports the jobs of employe claimants will not be there.

Perhaps the definition should emerge from Government sponsorship—but not by Government edict. It might result from a forum encouraged by Government—one perhaps like the Commission on Productivity—in any event, one specifically assigned the task of achieving such definition out of a frank exchange among union, industry, academic and government authorities.

MEETING "OUR BREAD-AND-BUTTER NEEDS"

The point is that we badly need a means by which to seek a broader consensus on what wage responses will best meet the national need, and thus, in turn, our bread-and-butter needs.

If the response still emerging piecemeal from the picket lines is as intolerable as some of us believe it to be, other means simply must be sought to condition it. The need for an alternate road to consensus is confirmed,

I feel, by actions of several high-placed labor leaders who have been heard recently to advocate experimenting with the concept of voluntary arbitration.

While we are dealing with what is essentially an economic problem, its solution may be essentially political. The background must be laid publicly so that forward-looking leadership can be exercised. We cannot continue to have union memberships rejecting their leaders' settlements, government employees flouting the law, or a real union telling Congress what it will or will not accept. Unless what men are asked to do can be shown as both fair and necessary, there may well result a kind of industrial anarchy, whether compliance is sought on a voluntary or compulsory basis.

Now, third and finally, the needed voluntary response is not likely to emerge without some very strong motivation. It could be provided if Government will add one further dimension, and this is, if it will use its own strong voice to point out every forthrightly the dilemma we face—and pull no punches whatever. Government needs to say clearly and forcefully that if, within existing power structures, voluntarism and free markets cannot be made adequately to serve the national interest, either the power structures will have to be modified or we will be forced to give up the concept of the free-market economy for the stultifying structure of a controlled economy.

AT STAKE: FREE LABOR, FREE MARKETS

To be required to accept controls in any but an all-out period of total war suggests not only the end of free labor and free bargaining, but perhaps also of free capital markets and of democracy as we have known it, as well.

As Winston Churchill once said, "The feel of the hangman's noose around the neck is a powerful stimulant to thought."

If both the urgency—and the options—are made plain to all our citizens and we are thus stimulated to embrace sensible alternatives, I have a strong hope that our free economy can move forward—unhampered by either an imposed squeeze or an imposed freeze.

[From the National Journal, Dec. 26, 1970]

ECONOMIC REPORT/NIXON FEELING PRESSURES TO ADOPT INCOMES POLICY

(By John M. Pearce)

Because of his reluctance to put firm pressure on industry and unions, President Nixon is being "jawboned" steadily toward more dramatic action to slow the rise of prices and wages.

Mr. Nixon's plans to weaken the power of construction unions and roll back recent oil price increases—announced Dec. 4 and, in the case of oil prices, implemented Dec. 22, by import quota increases of 100,000 barrels a day—softened the criticism inside the Administration. But they had little effect on ouside calls for more and stiffer actions.

While most of the pressure on Mr. Nixon comes from Democratic politicians and economists who were associated with past Democratic Administrations, one of the most specific proposals so far has come from Arthur F. Burns. The 66-year-old chairman of the Federal Reserve Board, who was until a year ago the most prominent member of the Nixon economic team, suggested, among other initiatives, a wage-price review board.

And a detailed plan for a punitive income tax on corporations that agree to wage settlements above government-set guidelines has been submitted by Yale University professor Henry C. Wallich, who also is senior adviser to outgoing Treasury Secretary David M. Kennedy, and Sidney Weintraub, chairman of the economics department at the University of Waterloo, Ont., Canada. Weintraub is on leave from the University of Pennsylvania.

The other proposals range virtually along the entire gamut of possibilities, from guidelines for wage and price increases (such as the "guideposts" begun in 1962 during John F. Kennedy's Administration) to full, though temporary, wage-price freezes.

All call for some type of "income policy," a term usually applied to any government effort to change the way the national income pie is divided.

With the exception of John Kenneth Galbraith's judgment that the "new economics" has collapsed under the weight of big companies and big labor and that it must be succeeded by some system of permanent wage and price controls, pressure for formal controls has been conspicuously sparse.

Despite the rejection so far of formal federal guidelines, the issue remains very much under consideration.

"We know we are fallible," said Hendrik S. Houthakker, 45, a member of the Council of Economic Advisers. "If it turns out we are dead wrong and prices go up more strongly than ever, the Administration might well change its tune. We go by results."

GOVERNMENT ADVISERS

Mr. Nixon's new pressure against the higher oil prices and his decision to try to strengthen builders in contract bargaining were the boldest efforts of his Administration to influence prices and wages.

The efforts, outlined in a Dec. 4 speech to the National Association of Manufacturers in New York, reflected conflicting pressures from his principal economic advisers—the Council of Economic Advisers, especially chairman Paul W. McCracken and member Herbert Stein, both 54; and George P. Shultz, 50, director of the six-month-old Office of Management and Budget.

CEA: McCracken has said several times, most recently at a news conference Dec. 1, that he has "never been particularly allergic to jawboning, if by that one means the process by which one tries to make clear developments in the economy that have relevance to public policy."

Stein's position is less clear. He said in a *National Journal* interview that he has an open mind about incomes policies; but he indicated he thought of them only as a device for speeding up economic corrections, which must be brought about mainly by fiscal (budget) policy, as set by the President and Congress, and monetary policy, as set by the Federal Reserve System.

Shultz: Shultz could not be reached directly, but several fellow government economists offered their interpretations of his position. Most of them said he is becoming or has become the President's premier adviser on economic matters.

As a former dean of the University of Chicago graduate school of business, Shultz is closely associated with the "Chicago school" of minimum government interference with the economy and heavy reliance on monetary policy.

Several groups—One senior Administration official, who asked that he not be identified, confirmed that there are several schools of thought on incomes policies within Mr. Nixon's official family.

"I don't know if you would call them groups," he said. "Sometimes the group is one.

"I think Stein and Shultz would rather do nothing, but they see the political pressures. There are others, like Arthur Burns, that would want to set up a wage-price board."

Another government economist, who also asked anonymity, said the President gives considerable weight to the views of Shultz, McCracken and Burns. But, he said, "I would guess that Shultz is number one at this point. I have to add 'at this point,' because that varies."

Burns' remoteness—He said Burns has adopted "a more remote relationship" with Mr. Nixon since leaving his Cabinet-level job as counselor to the President.

But, this economist said, if Burns "makes a judgment on what's happening to the economy—I'm not saying a recommendation on economic policy—I think the President would give that considerable weight, because he's found Arthur's judgment on those matters quite good in the past."

Shultz' proximity—A member of the staff in Shultz' own agency, OMB, called his chief "obviously a heavyweight adviser to the President."

He and others consider it very important that Shultz' office in the West Wing of the White House is close to the President's.

"It takes Shultz maybe 13 seconds to get to the oval room (Mr. Nixon's principal office) if he doesn't use the elevator. None of the other economic advisers could get there in less than five minutes," the staff man said.

When Shultz was Secretary of Labor (1969–70), he spoke out often on economic matters, rejecting time after time the suggestion that the Administration install some sort of incomes policy.

He has not commented publicly since July, when OMB was formed, but a remark he made last February before the Joint Economic Committee of Congress is typical. He rejected guidelines, saying they "did not work in this country, and they have been tried in nearly all the democratic countries of the world and haven't worked anywhere.'

Troika activity—He was not then a member of the "troika"—the economic policy group consisting of the chairman of the CEA, the secretary of the treasury and the director of the Budget Bureau (now OMB)—but since he became head of OMB, he has been active in troika affairs.

One Treasury Department official said Shultz lately "has assumed a very important role and is fully exercising his role in the troika."

He said that because Treasury Secretary Kennedy "was not such a strong and forceful personality" in troika deliberations, much of the responsibility fell to McCracken, Stein and, more recently, Shultz.

Shultz, he said, "carries a great deal of weight because that's how he got picked. The President trusts him. Kennedy: Kennedy's role in economic planning and policy making has been unclear for some time, and the question became moot when Mr. Nixon announced recently that he will be succeeded next year by John B. Connally, a Democrat, and former Texas Governor (1963–69) and Secretary of the Navy (1961).

But Kennedy's influence—and that of Treasury—was illustrated by the way the CEA's second "inflation alert" was cleared by high Administration officials on Nov. 27, a Friday. It was released the following Tuesday Dec. 1.

Houthakker, the CEA member charged with early development of the alert, said in an interview that it was sent for clearance to three officials: Shultz, Labor Secretary James D. Hodgson, 56, and Commerce Secretary Maurice H. Stans, 62.

It was not sent to Kennedy, Houthakker said, because "Treasury doesn't really have a major responsibility in this area."

BURNS. Although Fed Chairman Burns made it clear last May he thought some type of income policy short of wage and price controls—might hasten reductions in price inflation, he got very specific in a Los Angeles speech Dec. 7.

"We are dealing, practically speaking, with a new problem—namely, persistent inflation in the face of substantial unemployment—and the classical remedies may not work well enough or fast enough in this case," Burns said. Among the possible steps he suggested was establishment of a high-level price and wage review board with the power to investi-

gate, advise and recommend on wage and price changes.

Because of his background as a Presidential adviser and his reputation as an economist, Burns is a frequent visitor in the President's office. The substance of his discussions with Mr. Nixon is a carefully guarded secret, however.

In public, Burns has said that he agrees with the way Mr. Nixon is trying to wrest the economy from its double problems of inflation and unemployment.

However, one Fed official said, "He certainly wasn't speaking for Richard Nixon" when he said in Los Angeles, "We need to explore with an open mind what steps beyond monetary and fiscal policies may need to be taken by government to strengthen confidence of consumers and businessmen in the nation's future."

The guideline would be imposed only on wage increases. Weintraub and Wallich said that the certain knowledge that too-large wage increases would bring higher income taxes would stiffen management's back at the bargaining table.

Prices would remain under control, Wallich said, because business would find its production costs rising less rapidly. In addition, he said, "an increase in the income tax is very hard to shift, certainly in the short run."

Weintraub said he had considered several possibilities for beefing up the government's efforts to control inflation, and "this seems to be the most innocuous, in the sense of least interference and least bureaucracy." He said the plan "is surely not anti-union compared to any other recommendation, and above all it is not antilabor."

Treasury Under Secretary Charles E. Walker, 47, confirmed that Weintraub, who was on Walker's Ph. D. examination committee at the University of Pennsylvania in 1955, had approached him about the plan and that it was being studied.

"We're going to examine it, but that gives no prejudice one way or the other as to what we might come out with," he said.

ROOSA. One of the strongest and most detailed suggestions for a new incomes policy came from Robert V. Roosa, former under secretary of the treasury for monetary affairs (1961–64).

In testimony before the House Banking and Currency Committee on June 17 and again in a *National Journal* interview, Roosa called for a three-step plan to curb the upward spirals of prices and unemployment:

a temporary freeze on all wages, prices, rents and dividends;

an incomes policy worked out among government officials and key interest groups with which all would agree they could live;

a 1970 version of the Temporary National Economic Committee of the late 1930's, with authority to reexamine the nation's entire price and wage structure.

Roosa said he doubts voluntary freezes would work, because "very large wage increases" since his June 17 proposal had locked-in disparities.

"Wherever you try to put a brake on this, there are going to be at least half of the affected people who claim that they haven't caught up yet," he said. "So it may well be that if this is going to be halted it will require a compulsory freeze for an indefinite period—no more than six months—hopefully less."

After that, he said, the options would include "at the one extreme, the Wallich and Weintraub idea of a tax on the profits of firms who exceed some indicated guidepost figure, to, at the other, compulsory arbitration, which, at least for some industries, Burns mentioned in his speech.

WEIDENBAUM. Internal pressures for some version of incomes policy first broke into the open last summer, when Murray L. Weidenbaum, 43, assistant secretary of the treasury told a congressional subcommittee, "I think the time has come to give some serious consideration to some form of incomes policy."

Maurice Mann, an assistant director of the Office of Management and Budget, later added his voice to Weidenbaum's.

Mann has since left government to become executive vice president of a Philadelphia bank; Weidenbaum has turned his attention to securing congressional passage of his pet project, a plan to share federal revenues with cities and states.

CONGRESS

Mr. Nixon has been under pressure from Congress for a year, but the pressure has intensified since the CEA put out its second "inflation alert" Dec. 1 and the President made his economic address to the manufacturers' association Dec. 4.

Legislation: Congressional Democrats armed Mr. Nixon with two laws allowing him to clamp controls on credit and "stabilize," or freeze, wages, prices, salaries and rents. He has said repeatedly he does not want the authority and will not use it. The two laws are:

The Credit Control Act (83 Stat. 376), passed a year ago, giving the President permanent authority to trigger credit controls which would then be administered by the Federal Reserve Board. HUD Secretary George Romney last May 11 advocated using credit controls to aid housing.

The Economic Stabilization Act (84 Stat. 799), part of the Defense Production Act passed last August, giving the President authority to stabilize wages, prices, salaries and rents. He could freeze them across the board or selectively at any level back to where they were May 25.

The wage-price freeze authority is to expire next Feb. 28, but the House Banking and Currency Committee has approved a bill (H.R. 19828) extending it to the end of March, to enable the new Congress to make up its own mind about the need for this kind of authority.

Democrats: The Democratic leadership in both the House and Senate urged Mr. Nixon on Dec. 3, the day before his speech to the manufacturers' association, to freeze wages and prices for 30 to 60 days so that guidelines for voluntary restraint could be drawn up.

Senate Majority Leader Mike Mansfield, House Speaker John W. McCormack and House Majority Leader Carl Albert held a joint news conference to call for the temporary freeze to permit the government to work out guidelines with industry, unions and other groups.

Sen. William Proxmire, D.-Wis., this month suggested that Mr. Nixon call upon labor and business leaders to determine what would be fair wage and price increases, and then impose guidelines to produce them. He said guidelines would be a workable alternative to rigid controls, which he said would be difficult to administer during a war which lacks wide public support.

Economists' paper: The three economists who chaired the CEA during the Kennedy and Johnson Administration reported in September, after a study for the Senate Democratic Policy Committee, that a "cooperative wage-price policy," enlisting the support of both business and labor, is the "missing link of economic policy."

The report, prepared by Walter Heller (1961–64), Arthur M. Okun (1968–69) and Gardner Ackley (1964–68), suggested that the Administration begin a "prudent but decisive shift toward the support of growth, designed to halt promptly the widening of the production gap and the rise of unemployment."

Mr. Nixon's own advisers have publicly endorsed a goal of more expansion in an effort to restore "full employment"—by definition, a situation in which the unemployment rate is 4 per cent or less—by July 1972.

ECONOMIST PRESSURE

Advice from economists outside government is almost universally in favor of stronger action; disagreement is on tactics rather than strategy. O'Leary: A plan similar to Burns Los Angeles proposal has been advanced by James L. O'Leary, executive vice president and economist for the U.S. Trust Co. of New York.

"I think Mr. Nixon should go to what I would regard as being the absolute minimum he ought to do, and that is to appoint what Arthur Burns called a wage-price review board, or what I was calling a wage price stabilization board," O'Leary told National Journal.

"I don't know exactly what Burns has in mind, but what I have in mind is a board that would have representation from labor, management and the general public," he said.

O'Leary advocated a board with its own staff and the authority to involve itself in negotiations in major industries and important disputes involving municipal services, such as public transportation.

Weintraub-Wallich: One plan Treasury is considering was developed independently by Weintraub and Wallich. They proposed that the government decide what wage level is inflationary, set a guideline, then penalize companies whose total wages increase more than that during a year.

The penalty would be added to an offending company's income tax.

Wallich said in an interview the guidepost could not be the long-term gain in productivity—the 3.2-per cent limit on wages and prices set during the Kennedy Administration—nor productivity plus the increase in the cost of living, for "then you validate the going rate of inflation."

Instead, Wallich recommended productivity plus half the current rate of inflation.

GALBRAITH. The most pessimistic view and the most extreme suggestion comes from Galbraith, former ambassador to India (1961–63) and a Harvard University economics professor now teaching at Cambridge University in England.

Speaking to the Fabian Society in November, Galbraith declared the "new economics" dead.

What killed it, he said, is the immense power of trade unions and large corporations, which makes it possible for them to override any adjustments in the economy government may try to make.

He said the only way to deal with the situation is to establish a new system of permanent price and wage controls covering at least the strongest unions and companies.

INTEREST GROUPS

Interest groups are as close to unanimity as the economists in their calls for stronger Presidential action, although there is a wide range of motives.

Business Council: One of the most telling dissents from Mr. Nixon's economic game plan came three weeks before the November election from the Business Council, a group of 190 top corporate executives who meet every six months at Hot Springs, Va., to analyze government economic policy.

During an Oct. 17 panel discussion on the economy attended by several prominent government officials, including McCracken, the council agreed that present Administration policies could not stop inflation.

The panel discussion was closed to reporters—all Business Council sessions are closed—but it was summarized later by Fred J. Borch, 60, chairman of General Electric Co. and then chairman of the council. He has been succeeded by William M. Batten, chairman of J. C. Penney Co.

Reflecting five weeks later on the Business Council's decision to make its dissent public a day before its leaders met with the President, Borch said:

"I don't think we had much choice on that. It was the consensus of industrial corporations."

During an interview in his New York office Nov. 24, Borch said the council's position was "a little sensationalized by the press." The position, he said, had two major points:

There was "complete agreement that the Administration's monetary and fiscal policies are sound."

"As a secondary element," the government did not seem to understand that the inevitable labor cost increases of the next three years (most of which are frozen into contracts) are significant in terms of price stability.

At the news conference Oct. 17, Borch said the council panel thought the Administration "should explore other things rather than rely purely on monetary and fiscal restraints," the classical devices it has relied upon to stop the inflation.

However, Borch said, the council wanted no part of formal guidelines or wage and price controls. "The negatives were much clearer than the positives on this," he added.

Martin: A call for sterner action came from an unexpected direction Nov. 5, when William McChesney Martin Jr., Burns' predecessor as chairman of the Fed, urged the Administration to adopt an income policy.

Guidelines would put the government's sanction behind labor and management officials who try to resist inflationary increases, Martin said at a news conference after a speech to the Metropolitan Washington Board of Trade. He said, "I've had both labor and business people say to me, 'Why doesn't someone say what a reasonable level is?'"

Martin would not place the entire burden on the government, however. "I think it is necessary for businesses, bankers and individuals to show more restraint than they've been doing. We can't rely on fiscal and monetary policy alone."

CED: The Committee for Economic Development, a study group consisting mainly of prominent businessmen and former businessmen, recommended Nov. 23 that the government set up a three-man board on prices and incomes to develop "broad norms of appropriate noninflationary wage and price behavior that would give some guidance to business and labor groups."

The CED said the board should make public reports when increases deviate "substantially from such broad norms."

It urged that new wage-price policies not be rejected simply because their value cannot be proven in advance. The CED recommendation said:

"We do not believe that failing to develop and employ such policies would be warranted simply because their effectiveness cannot be predicted with certainty. If they should not prove to be very effective, any adverse effects are also likely to be small.

"But if they do help in reconciling high unemployment with reasonable price stability, the payoff from adopting them could be significant. On balance of considerations, therefore, we believe that the United States should include voluntary wage-price policies among its tools for reconciling price stability and high unemployment."

Labor: The reaction of organized labor to talk of formal controls has been lukewarm.

AFL–CIO President George Meany, 76, told a news conference Nov. 9:

"We don't advocate controls. However, if (Mr. Nixon) feels that the situation calls for it, we'll go along, provided it's equality of sacrifice on the part of all—not just wage and price controls—but wage and price controls and controls on all sorts of income, so that everybody would make a contribution to the solution of this problem."

The AFL–CIO's chief economist, research director Nathaniel Goldfinger, has judged the Nixon game plan a total failure.

"We think it's disastrous. It created recession and rising unemployment," he said in an interview.

International pressures: The economic staff of the Organization for Economic Cooperation and Development issued a report in Paris last month urging a concerted international attack on inflation and advocating a mixture of policies to combat it.

Among them was an incomes policy, so far resisted by the Nixon Administration in any stern form, and active manpower and antitrust policies, both of which were suggested by Burns in his Los Angeles speech.

OUTLOOK

Mr. Nixon and his advisers say they are dedicated to following expansionary economic policies to restore the economy's growth and bring unemployment down to the "full employment" level of about 4 percent.

On the day Mr. Nixon told the manufacturers' association the Administration wanted to bring unemployment down, the unemployment rate was 5.8 percent, the highest in seven years. Other indicators showed industrial production declined in November for the fourth consecutive month, although its decline of .7 percent was less precipitous than its October decline of 2.1 percent. Recovery: Mr. Nixon outlined to the manufacturers three trends that he said should counteract the gloomy economic statistics:

Budget policy already has become expansionary. The fiscal 1972 budget, which must be submitted to Congress in January, will be balanced on a "full employment" basis; that is, it will be in balance if the government spends no more than it would take in if the economy were operating at capacity.

Fed Chairman Burns has assured the President that the Fed will "provide fully for the increasing monetary needs of the economy." Burns did not confirm the pledge in his speech in Los Angeles. The Fed so far is committed publicly only to a growth rate in the money supply (currency in circulation plus checking accounts in banks) of 5 percent a year.

Interest rates are coming down as a result of "easier credit policies and curbing of inflationary psychology."

Stein: CEA member Stein told the Investment Bankers Association in a speech Dec. 3 that both fiscal policy and the money supply will have to expand more than they did during 1970 if the economy is to rise to its potential output in two years.

"To get the economy up to its potential in two years would require an increase of real output of about 12.5 percent, or a little over 6 percent a year," he had said Oct. 28.

"Even with reasonable success in reducing the inflation rate, one might perhaps count on average price increases of 3 percent a year during this period—more at first and less at the end. This would mean average increases in the money value of Gross National Product of 9 percent a year."

Stein's estimate of 3-percent average price increases over the next two years is something that still must be achieved, since the Consumer Price Index rose at an annual rate of 4.2 percent during July, August and September. In comparison, however, the rate for the final six months of 1969 was 5.9 percent.

Next steps: Economists Roosa and O'Leary told *National Journal* that Mr. Nixon will have to move to a still stronger incomes policy if he is to realize his goals of full employment and diminishing inflation before the 1972 election campaign.

"I would think that within a rather limited period of time, we will see them move into something like this wage-price review board," O'Leary said. "I think that's the next big thing."

Roosa said he did not see how the President could avoid stronger economic policies.

"Barring a miracle," Roosa said, "the President is going to have unemployment above 6 percent pretty soon, headed toward seven. In the face of that, and with a wish to try to check inflation, and at the same time being required to do an awful lot to stimulate the economy to stop that unemployment from rising, he's going to have to compromise by at least introducing some more direct form of compulsory fact-finding."

A government economist, who asked not to be identified by name, said he thought the odds were in favor of Mr. Nixon's moving further.

The NAM speech, he said, proved that the President is willing to take what action he thinks is necessary—although he said nobody in government now believes direct controls or wage-price freezes are necessary.

TESTIMONY OF JOHN KENNETH GALBRAITH, PAUL M. WARBURG PROFESSOR OF ECONOMICS AT HARVARD UNIVERSITY, ON THE OCCASION OF THE MID-YEAR REVIEW BY THE JOINT ECONOMIC COMMITTEE, JULY 20, 1971

I shall not detain the Committee with a detailed review of the economic situation as now revealed by the figures for the first half of the year. No aspect of this situation gives satisfaction. Unemployment continues high, and very high for blacks, women and the young. There is no good evidence that inflation has abated. If output expands satisfactorily, inflation will increase. The well publicized production goals established earlier in the year have now been formally abandoned. Dr. McCracken has, indeed, called their continued pursuit irresponsible. The payments balance is still lodging a troublesome excess of dollars in Europe.

We have now fallen behind West Germany as an exporter of industrial products. The policies pursued by the Administration to contain inflation, high interest rates and tight money in particular, until their easing a few months ago, operated with particular effect on farmers and other small borrowers. As ever, the large corporations with internal sources of funds and favored access to the banks were much less affected. On few matters is economics so misguided and so cruel as in the supposition that an active monetary policy is neutral as between big business and small.

It is important, nevertheless, to keep perspective. This is poor performance; it is not a disaster. Some of the unemployment, and much of the new affluent unemployment, is to be attributed to the effective efforts of the Administration to lessen military indulgence, especially in the aerospace industries. This all must welcome and, indeed, ask for more. But the pain here would have been eased had the economy been stronger. And one cannot be happy about the most recent step. That, broadly speaking, has been to concede that the results of past policies have been unsatisfactory and then strongly to affirm the decision not to change them.

Still, in seeking to explain why so many things have gone so wrong, not everything can be attributed to this particular Administration. It has brought a certain unexpected talent to making the worst out of a bad situation. But its major difficulties are the consequence of the current crisis in economics and economic policy. This crisis would also have afflicted Democratic policy-makers of the traditional sort had they been in power in these past years. Let me ask you to consider this crisis for a few moments. It is a development of no slight importance.

The first cause of the crisis in economic policy is an error that is implicit in nearly all economic thought. This is to suppose that underlying change in economic institutions is sufficiently slow so that, for purposes of practical action, it can be ignored. So it is assumed that policies that have worked in the past will work in the present and future. Nothing will have changed to render them

ineffective. In fact, institutional change is persistent and rapid. In the nineteenth century, in an economy in which capital was scarce, trade unions weak, wages flexible and firms small, and the propensity to consume high, there were, when recessions or depressions were experienced, great powers of recuperation in the economic system. By the 1930's, more abundant capital, more powerful corporations, greater rigidity in labor and product markets, greater affluence, perhaps other changes had sufficiently changed the underlying structure of the economy so that its recuperative powers were lost. Economists still agreed on non-intervention as the best cure for depression. A whole generation went down on that ship with Mr. Hoover.

The Keynesian intervention which became policy during the thirties was an accommodation to the new institutional setting. It held that fiscal policy, in some combination with monetary policy, could reconcile reasonably full employment with tolerably stable prices. That policy worked in its time. But in the last thirty years, there has been further institutional change. The market power of the great corporations has increased. There has been continuing accession of trade union power. And what is clearest of all, there has been a diminishing conflict between management and labor, an increasing tendency to resolve difficulties not by the traditional conflict but, after some ceremonial insult, for the corporation to concede the more urgent demands of the unions and pass the cost along, in higher prices, to the public. This the modern corporaton has the market power to do. This it can do at a level of demand that sustains effectively full employment and one that falls considerably short of that level. The occasional strike, conducted as it now is with considerable decorum, does not alter this pattern of accommodation. In failing to recognize that this new institutional change has rendered them irrelevant, a new generation of economists has been booking passage for the same journey as those that went with Mr. Hoover.[1] It would be amusing were it not sad that Mr. Nixon has proclaimed himself a Keynesian at the moment in history when Keynes has become obsolete.

The current crisis in economics has been disguised by the dispute between the advocates of fiscal policy and the so-called monetarists. This dispute is enchanting in its inconsequence although it cannot be doubted that each side is right in its belief that the other side is wrong. The exponents of fiscal policy are right in believing that monetary policy involves a grave uncertainty in the linkage between action and result. This has long been recognized. Indeed, the operations of the Federal Reserve Board itself are founded on the belief that seven men acting in ignorance of the effect of a given easing or tightening of the money supply on the economy will achieve a wiser solution than one man acting with a similar absence of knowledge. The recession we are now experiencing reflects, in its severity, the unforeseen result of a tight money policy. If this effect had been foreseen, no one can be so partisan as to suggest that the Administration and the Federal Reserve would have been so callous as deliberately to invite it.

But those who question the efficacy of fiscal policy are equally right. There is not the slightest reason to suppose that any combination of tax and expenditure policy exists which under present conditions, would curb cost-push inflation with such effect as to reconcile reasonably full employment with reasonably stable prices. While the monetarists and the fiscalists, so-called, have been arguing with each other, the institutional changes that have made cost-push inflation the dominant fact of our time have rendered both irrelevant. I must, in this connection, pay tribute to Arthur Burns, of whom in the past I have occasionally been critical. He is the rare case of a central banker who concedes and indeed urges this point. The more common tendency of the members of his union is to exaggerate the omnipotence as well as the mystery of the instrument which they command. I hope that my endorsement of Dr. Burns will not damage his standing with the Administration.

The crisis in economics has also been disguised by a series of rationalizations, some of them of no slight artistry in their assault on simple truth and logic. The most prominent example is the emergence of the permanent inertial force theory of inflation. This convenient doctrine I believe to be original with economists in the present Administration. It holds that once inflation establishes itself in the economy, it will, by its great inertial power, continue despite the most vigorous counter-inflationary policies that may be brought to bear. And it may, indeed, get worse without any blame for ineffectiveness attaching to these policies. In accordance with this doctrine, the Administration economists contend that the present inflation is to be blamed more or less exclusively on the deficit financing of the previous Administration. This year's Economic Report begins with the sentence: "1970 was the year when we paid for the excesses of 1966, 1967 and 1968." And although inflation has greatly worsened under the present Administration, it has really gotten better because these policies have been overcoming the inertial force which inflation had established. It follows from this doctrine that what happens to prices in the next Administration will all be decided in these years by Mr. Nixon. It is hard to know what to say about such nonsense; perhaps it is sufficient to observe that it has no sanction in any known economic model. It is, in fact, a transparent device for evading responsibility for policies that do not work. It is the wage-price spiral that primarily has defeated the Administration efforts to prevent inflation. If anything had an inertial effect on inflation, it was Mr. Nixon's proclamation of a hands-off attitude on wages and prices when he took office in 1969, with the sanction this gave to unions and corporations to practice jungle law in these matters.

Serving also as an excuse for not facing up to the wage-price problem is the argument that any overt action in this area will interfere with the natural operation of the market—and that it will invite a black market. This argument, also, is unworthy of any reputable economist. The problem of cost-push inflation arises only because the unions have the power to bargain for, i.e., set, wages that are in excess of productional gains, and corporations, the power to set prices that pass the resulting cost increase (usually with something more) on to the public. The problem arises, in other words, because there is already private wage- and price-fixing. The market isn't allocating resources; it is the unions and the corporations that are doing so. Thus the appeal to the market is a disguise for inaction. The specter of the black market is also a fraud. Controls are not a substitute for a fiscal and monetary policy that maintains a general balance between aggregate demand and supply; no sensible economist so regards them. They are an essential supplement to such a policy, one that keeps it from being destroyed by cost-push inflation. If demand and supply are in balance—if there is no excess of demand in search of goods—there will be no black market.

Another consequence of the present crisis in economic policy is the effort to convert failure into success by resort to psychological measures—by the use of faith, hope, prediction and appeal for positive thought as instruments of policy. These devices, it may be observed, were also extensively used, in a sense pioneered, by Mr. Hoover. For the last two and a half years, price stability has been persistently pictured, as was recovery forty years ago, as just around the next corner. For the last year and a half, the same prospect has been held forth on employment. Statistics that seemed to suggest progress have been brightly featured; any retrograde tendencies have been passed over in dull and heavy silence. One is tempted to suppose that part of this policy derives from the President's unquestionably very wholesome interest in spectator sports. The football fan has always attached a somewhat exaggerated importance to the impact of the cheering section on the outcome of the game. In any case, we are by way of learning once more that psychological factors are not very important in business behavior. It is firm orders derived from effective demand that count. Even so drastic a step as the recent changing of cheerleaders—of pulling Dr. McCracken out of the game plan and sending John Connally in—will not, one may safely predict, make much difference.

If I might be allowed one mildly partisan comment, I do not think it is even sound politics. One can understand why, given the present state of the economy, and with an election in prospect, the President would wish to have it identified in all public utterances with a Democrat. But I would remind the President and my Republican friends that the Secretary's credentials as a member of our Party cannot be considered all that permanent.

Let me now turn to what is required.

There is only one way to have an effective economic policy. That is to leave the monetarists and fiscalists to continue their academic quarrel and recognize that adequate employment and reasonably stable prices can only be reconciled by coming to grips with the wage-price spiral. That requires controls. Perhaps I will be thought in this statement to have been a bit hard on my friends who serve a Republican Administration. Let me assure them that I have even less to say for those who, in association with Democrats, agree that cost-push inflation is the cause of our difficulties, that the wage-price spiral must be brought under control and who, having willed these ends, then resolutely refuse to will the means. The economist or statesman who identifies the nature of the wage-price problem and then takes comfort in the belief that mandatory controls can be avoided, that the problem will yield to incantation, rhetoric or a uniquely virtuous personality, should be regarded only with amusement.

The first step in getting an effective economic policy must be a general freeze. This is necessary to break the structure of inflationary expectations on which all collective bargaining now proceeds. But it is not necessary to control all wages and prices; the main burden of that task, as I have said, still rests with the control of aggregate demand. It is only necessary to control where wages act on the prices of firms that have power in their markets and prices act on the bargaining of unions. The permanent control, which should be worked out in the wake of the temporary freeze, need only extend to a few thousand corporations and a few hundred collective bargaining contracts.

Once the wage-price spiral is tied down, the next step is to expand employment. This should be done by measures that involve the shortest possible linkage as between governmental expenditures and jobs. The first claim should be funds for pressing urban and welfare requirements. And I would place special stress on public service employment—on providing funds well beyond the recent step to enable the cities which are in urgent

[1] The 1971 Economic Report, pp. 61–62, describes this institutional change in commendably precise form but, alas, only as a prelude to affirming the previous faith.

need of manpower to be employers of last resort. Particular attention must also be accorded to the new problem of the affluent unemployed. Here the emphasis should be on direct employment in education, urban rehabilitation and other civilian functions. I would hope that the Congress would be very resistant to trickling down expenditures and socialism for the rich, such as that manifested in the loan guarantee to Lockheed. Interest rates, since they no longer anticipate inflation, would be greatly reduced. This does not mean, let me repeat, that aggregate demand may be allowed to outrun supply.

Given the pressure of social need, there should be no talk of any kind of tax reduction. This, like loans to indigent corporations and accelerated depreciation allowances, is also social action for the rich. It is a very inefficient way of expanding the economy. I would also be strongly opposed to any revival of the investment credit. This is a poor economic device which works best when investment is strong and it isn't needed and works worst when investment is depressed and it is needed.

The hard decision, needless to say, is that involving controls. It is a lot less hard in the United States than, for example, Britain, for we have a practical-minded labor movement which, given equitable application of the controls, accepts the need. No British, and very few continental, trade union leaders are as sensible on this matter as George Meany. The barrier is not the unions or businessmen, but the intellectual vested interest—the terrible wrench this action involves for those whose mental capital is tied up in the belief that fiscal and monetary policy are sufficient, that the market is still virginal, and that the real debate is between the effect of money supply and the budget. We must all have sympathy for men whose ideas are being so intransigently discarded by history. But we do not minimize their suffering by prolonging the agony. And we must consider the cost to the country as well.

[From the Washington Post, December 1970]

A FULL EMPLOYMENT PROGRAM

(By Gardiner C. Means)

The first phase of President Nixon's game plan to control inflation has already proved a failure. In spite of the fact that the planned reduction in production and employment has been exceeded, inflation has not been brought under control. Prices in the more concentrated markets such as autos and steel continue to rise although this rise has been masked by the fall in competitive market prices such as those for farm products, foods and lumber. Nor is the plan likely to bring such administrative inflation under control.

This presents the country with the need for an emergency program to get us back to full employment under conditions which recognize the reasons for the failure of the President's game plan and take into consideration what would be required to restrain the kind of inflation we have been experiencing.

I. WHY THE NIXON GAME PLAN WILL CONTINUE TO FAIL

The President's game plan is designed in terms of classical textbook theory under which simultaneous recession and inflation are theoretically impossible. It treats the inflation of recent years as solely a product of excess demand and a resulting "pervasive inflation-mindedness". Yet by the end of 1969, excessive demand had been largely eliminated through the budget surplus bequeathed to the present Administration and by the Federal Reserve's restrictive monetary policies. The main problem as conceived in the game plan was to kill the "pervasive inflation-mindedness".

The plan was to contract aggregate demand to a point well below that needed to support full employment, hold it well below the full employment level for two years, and then expand it to bring production up to its potential by early 1973, a goal now apparently revised to mid-1972.

This game plan takes no account of the actual behavior of administered prices and wage rates in the industries in which big business and big labor play a major role. Past experience has shown that even where there is excessive unemployment, the prices in the more concentrated industries are likely to rise. This is being confirmed currently by the continued rise of administered prices while market prices go down.

In the last three months four important market-dominated categories, (farm products, food, lumber, products and non-ferrous metals) have gone down an average of 2.5 per cent, or at the rate of 10 per cent a year, while four important administration-dominated categories (steel, machinery, automobiles and non-metallic minerals) have gone up an average of 2.4 per cent or at the rate of 9.6 per cent a year. Furthermore, the administered-price increases cannot generally be attributed to wage increases. The Department of Commerce index of labor cost per unit of output for the corporate sector shows no significant increase in the last two quarters while according to the *Survey of Current Business* the improvement in profits in the third quarter was to a considerable extent due to expansion of profit margins. It is this administrative inflation which is at the root of the modern inflation problem and is not taken into account in the President's game plan.

Even if the plan could be successful, it would be a highly expensive way to control inflation. It calls for something like five million man years of idle manpower and some $65 billion of potential production thrown away. The hardships on individuals and the costs of social disruption could easily make the planned cost $100 billion.

However, there is no reason to expect that the prolonged period of stagnation contemplated in the plan would eliminate administrative inflation. In spite of exceeding the planned contraction, there is no sign of a decline in the rate of price increase in the more concentrated markets. And when demand is expanded to achieve full employment in the future, this would not only cause a legitimate rise in market-dominated prices, but wouldd reinforce the process of administrative inflation long before full employment was reached. Such inflation grows out of the use of market power and cannot be controlled through monetary and fiscal measures. This lesson is being learned in all of the major industrial countries.

The President's game plan is thus not only criminally wasteful of human and material resources but bound to fail.

II. WHAT NEEDS TO BE DONE

Because monetary and fiscal measures alone cannot bring about both full employment and price stability, the country is faced with two problems; the immediate necessity of getting back to full employment as quickly as possible with minimum inflation, and the longer run task of maintaining full employment without inflation.

The first is essentially an emergency problem which can be tackled by measures which might not be feasible or effective in the long run.

It has taken the present Administration's planned contraction less than 12 months to bring the economy from 3.4 per cent unemployment to its present level of stagnation. An emergency expansion program should aim to get back to 3.4 per cent unemployment within a year.

The means for expanding aggregate demand are well understood. The big problem requiring a new approach is how to sit on the lid of administered prices while the expansion goes on.

Controlling administrative inflation should not be confused with holding down prices in a demand inflation. The head of steam generated by excess demand is hard to control, and, if contained, is likely to produce inflation when the controls are removed.

Administrative inflation, on the other hand, results from the very considerable area of discretion involved in the setting of prices and the arriving at wage rates by big business and big labor. The problem of control is to limit the *arbitrary* use of market power within this area of discretion.

There is good reason why big business and big labor should be willing to accept guidance in this field in order to avoid inflation. Each business and each union has a strong interest in seeing that *everybody else* uses market power responsibly. But acting alone their specific interest in higher prices and wages for themselves leads to inflationary increases and only government can give the coordination necessary to achieve their common interest.

Two peace-time experiences with economic guidance by government indicate the possibility of its success.

In the early days of the great depression, President Hoover called in the leaders of big business and persuaded them, in the interests of prosperity for all, to agree not to cut wage rates. This was before the days of big unions, yet big business kept its promise. It was not until the business contraction had been going on for over two years that big business began to slash wages. If President Hoover had supported this wage guidance with the appropriate monetary and fiscal measures to expand demand, it might have been one of the most spectacular countercyclical programs on record.

The second case involves the Kennedy Guideposts. President Kennedy called on both labor and management to abide by wage and price guideposts in a period in which he was attempting to expand aggregate demand in order to achieve full production and employment. Big labor adhered to the Guideposts for approximately three years, so that labor cost per unit of real industrial output actually went down. Management also adhered to the guideposts to a considerable extent though not as closely as labor.

In the end, labor ceased to follow the guideposts because of a basic flaw in their design. The wage guidepost took account only of increases in productivity and failed to make allowance for increases in cost of living which resulted from a legitimate rise in market-dominated prices. Because of this flaw, labor lost nearly half of the productivity gains to which it was entitled before it departed from the guidepost. If the Kennedy plan had included a suitable cost of living provision and if management had cooperated more closely, the reflation plan could have been an outstanding success instead of only a partial one.

The emergency program suggested below would build on the common interest in achieving full employment and minimizing inflation. It would provide price and wage guidance as to what increases were legitimate. It would focus on the actions of big business and big labor. It would use the power of published analysis and public opinion to encourage adherence to the program.

Furthermore the program would be based on a clear recognition that the present situation is indeed an emergency. It is certainly an emergency for the more than four million persons currently looking for work and not able to find it. It is also an emergency for the many business firms approaching or

teetering on the edge of bankruptcy. It is hardly a normal situation for that half of industry that is operating at less than 75 per cent of capacity. Treatment as an emergency will facilitate the adoption of temporary measures.

III. AN EMERGENCY EXPANSION PROGRAM

The main instruments proposed for launching the program would consist of: 1) a Joint Resolution of the Congress, directed to all parties at interest, declaring the economic emergency and pointing in general terms to the actions appropriate to each; and 2) a single piece of new emergency legislation setting up a temporary Emergency Guidance Board to provide price and wage guidance to big business and big labor.

A joint resolution on the economic emergency

The Joint Resolution by the Congress could appropriately state the character of the emergency, set forth the shape of the program which was being adopted, outline the time schedule for reflation, set a time limit for the program, call on all interested parties for cooperation and indicate in general what would constitute cooperation for each.

In particular, it might request the President to call together the leaders of big business as did President Hoover in an earlier emergency, and likewise the leaders of big labor, and ask each group to agree to cooperate with the temporary price and wage guidance board for the duration of the emergency.

On fiscal policy, the recommendation of the Committee for Economic Development might be adopted. It calls for a budget that should be a little more than balanced at full employment but would run an intentional deficit at less than full employment. Or during the emergency, an even greater but temporary deficit might be aimed at in order to reduce the extent of the monetary expansion that would be required. On monetary policy the Joint Resolution could appropriately direct the Federal Reserve Board: 1) to cooperate with the Administration and the temporary guidance board in designing and carrying out an immediate reflation program and 2) to expand and control the country's stock of money to just support aggregate demand at the level necessary for reaching the goal of the emergency program in the light of the budget policies adopted.

The new legislation would set up a new and temporary agency which might be called the Emergency Guidance Board. The Board could be set up within the administrative arm of the Government or independent of the President and directly responsible to the Congress as is the Federal Reserve Board. In either case, it would be a temporary board created for the emergency period. In this way it could be more easily dismantled at the end of the emergency.

The Board should be composed of a small group of distinguished individuals respected by business, labor and consumers but not representing these several interests, with a chairman well versed in the operations of government.

The Board would presumably have no powers to force particular price or wage actions. Rather, its effectiveness would depend on the agreement of big business and big labor to cooperate, on the fairness of its guidelines, on the publication of the reports to it by big business and big labor justifying proposed or actual price or wage increases, and, in special cases, a Board recommending against such increases or for a rollback. It should, however, have power to subpoena records for use in extreme cases.

The responsibility of the Board might properly be limited to pricing in the more concentrated industries. The legislation setting forth its powers and responsibilities might specify, for example, that the Board must be concerned with substantial price increases by any business having assets of, say, one-half billion dollars or more and with any business supplying, say, thirty per cent of any substantial market. It may be concerned with price increases by business enterprises having, say, $100 million assets or, supplying, say, 10 per cent of any substantial market, provided that either the business voluntarily accepts such guidance or an examiner of the Board makes a finding that such guidance is essential to the success of the program.

The Board should be empowered to require that any business or union subject to its emergency guidance should file an economic justification for any substantial price or wage increase involving a substantial volume of output.

In order not to be overwhelmed with an excessive number of cases, the Board would need to develop procedures for selecting the more significant cases which require Board judgment and recommendation, those to be handled through public hearings and attendant publicly and those for which staff consultation and negotiation would appear sufficient.

Large institutions, corporate or union, are not immune to public opinion. Their leaders know that their very size makes them vulnerable. The findings of a distinguished board are likely to have considerable persuasive effect. It is reasonable to expect that, for the limited duration of the emergency, they would respond with the degree of cooperation necessary to make this an effective device for restraining administrative inflation during the period of reflation.

IV. LONG RUN POLICY

The emergency measures should not be expected to resolve the long term problem of administrative inflation which will still persist after the emergency has been overcome.

In the absence of some new program, the country will constantly be faced with the dilemma of inflation and unemployment. Actually an economy which is running well should have neither inflation nor serious unemployment. Those who suggest that a 2 or 3 per cent annual rise in prices is acceptable are simply not looking for a well-running economy. Likewise those who accept 3.4 per cent unemployment as anything except an interim goal are accepting a badly running economy. They are saying that, rather than interfere with the abuse of market power they are satisfied that there should continuously be more than two and a half million workers looking for work and unable to find it; that the country should aim to throw away some 20 billion dollars of potential production a year; and that the burden of avoiding inflation should be placed on those least able to bear it. The emergency guidance program and its success or failure should give us clues as to the permanent institutional changes which might be needed to provide a well-running free enterprise system in the presence of substantial market power in the more concentrated industries.

[From the Washington Star, July 31, 1971]

WHY NOT EXPERIMENT WITH ECONOMIC REMEDIES?

(By William F. Buckley, Jr.)

While it is not clear what President Nixon will accomplish by his convulsive Far Eastern policies, a distinction needs to be made between these and his domestic policies, towards which his critics, temporarily confounded, are turning their fire.

Those who desire employment and can't find it would be grateful if the Nixon administration found the means to help them. Those who suffer from inflation would be grateful to Nixon for a dollar whose buying power ceased to dissipate. So that it remains the question: Does Nixon know what to do about the soggy economic situation?

Concerning his problems, a few observations:

1. It becomes clear what is the administration's attitude towards those industries in the United States whose impoverishment means a startling rise in unemployment: Help them.

In other times, to help the industries directly would have been neither the New Deal answer nor the answer of the classical economists. The New Deal's answer was direct intervention in behalf of the unemployed. The classicists' answer was: hands off the situation.

Maurice Stans, secretary of commerce, in discussing the textile situation a year or so ago was altogether blunt about it. If Japanese imports continued at the current rate, 100,000 Americans per year would be cast into unemployment.

Now, he said, since it is government policy to provide welfare for those who need it, it is manifestly more efficient to protect them in their jobs, and allow foreign competition to displace them only gradually, rather than to permit them to be unemployed suddenly, greatly aggravating the problem of finding new jobs.

Thus, in coming out for a flexible tariff policy, he spoke the mind of the administration clearly: Use existing organisms of employment, in order to soften the blow. The operative imperative? Social welfare.

It is exactly the same thing with Lockheed.

2. The great switch of the past generation is from private to public initiative. Nixon's assumption that only 4 percent is a tolerable unemployment rate means that the stimulus to provide employment for the difference between 4 percent and the currently unemployed 5.6 percent has got to come from somewhere.

Under the new dispensations, the initiative is the government's. In yesteryear, it would have been the private sector's. But the old mobility is gone. For one thing, the average American has been willing to trade off more and more of his salary in return for welfare measures, public and private.

The cost to American employers of fringe benefits is a staggering 30 percent of the payroll. The cost to the various governments, local, state, and federal, of all services rendered is in the vicinity of 35 percent. One gradually deduces from the relative apportionment of responsibility that neecssarily the initiative devolves upon the government. There isn't enough slack in the private sector.

Assume, for one minute, that Congress were instantly to: a) reduce corporate taxes by 25 percent; b) abolish unemployment benefits altogether. In such a situation, the old, the disabled, dependent children, would still receive care. But the private sector would rush to expand, even as the unemployed rushed to seek work, never mind the union scale. How far away such free market solutions appear. The psychology of welfarism dominates.

3. Nixon's critics are determined to hold out wage and price controls (an "incomes policy," as they nowadays call it) as the deus ex machina. The classicists insist it wouldn't work, that indeed it would cause great harm. I wonder, mightn't it be worth trying?

The free market analysis is not wrong, but is there a better opportunity to discredit the price control theory than the current one?

Inasmuch as unemployment stays the same, the national deficit approaches spectacular reaches, inflation goes robustly forward: Why not experiment? It would be no more shocking, at the domestic level, than the recognition of Red China at the foreign level.

If we are so far into welfarism that we cannot seek out classical solutions, why not

admit it? And force a confrontation with the results of the truly managed, totally managed economy? Even if, after we were through, we were to discover that about the only freedom we have left, is to steal secret papers?

(From the Washington Star, July 30, 1971)

ECONOMIC GAME PLAN GOES AWRY

President Nixon's economic policy is very clearly in danger of running off the tracks. He has been unable to control inflation, government spending and the size of the deficit. Inside his administration controversies flare and there may be a blowup.

With the cost of living rising in pursuit of inflationary wage settlements, the budget has gotten out of control again.

Treasury Secretary John Connally blandly confessed that the federal deficit for the fiscal year just ended would approach $25 billion. The final figure was $23.2 billion, the administration announced yesterday.

For the new fiscal year heaven knows what it will run to, probably another $18 or $20 billion or more, and in any case far more than the President estimated when he submitted his budget figures to Congress in January.

No one needs a fixation on budget balancing to realize that something is wrong when the government's chief financial officers can't come within $8 or $10 billion of estimating how much the government will spend.

Nor is a Ph.D. in economics much help in explaining why the Nixon policies aren't working as they are supposed to. Unemployment and idle industrial capacity have failed to halt the rises in both prices and wages, as it was supposed they would and as would seem natural. This could go on a long time, according to Federal Reserve Board Chairman Arthur Burns, who is astonished as anyone else over the mulishness of the country.

There are strong men involved now in economic policy. One of them is Burns. Another is Connally. They do not agree. Burns says we aren't making progress against inflation. Connally says we are. Burns wants wage and price restraints. Connally is the spokesman for doing nothing that is not already being done.

This is reminiscent of conditions in the Johnson administration which Nixon so severely criticized in the presidential campaign. Nixon charged then that the former chairman of the Federal Reserve Board, William McChesney Martin, had "been left holding the bag" by President Johnson.

By refusing to put the nation's fiscal affairs in order, Johnson forced Martin to assume the whole responsibility for curbing inflation, Nixon charged. That resulted in a "stop-and-go" policy of monetary restraint and ease "in which every attempt to slow down the expansion of the money supply has been defeated by the urgent necessity to finance the Treasury's huge deficits," Nixon charged.

The Treasury is still having huge deficits and holding back inflation still seems to be the main concern of the chairman of the Federal Reserve Board. Nixon, at the present pace, may rival Johnson in building up the huge deficits which he says brought on the inflation spiral he inherited.

But Burns has warned that if he has his way the Federal Reserve Board will not charge up the money supply to give Nixon the "very good year" he desires in 1972 if that means continuing the present rate of expansion.

If anything, it is expected that Burns will try to tighten up credit if the Nixon administration doesn't move toward wage and price restraints.

With inflation proceeding "at a both unacceptable and dangerous rate," Burns is becoming increasingly insistent on establishment of a board which would pass on major wage and price decisions before they are put into effect in private industry.

How much good this would do is, of course, debatable. The moral effect of government disapproval of wage and price decisions has worn pretty thin. But it would be a beginning of what is called an "incomes policy" on the British pattern and might ultimately lead to greater government intervention in such decisions.

How long Nixon can hold out against such intervention will quite evidently depend on the course of economic events which are not easily predictable in the light of experience.

Nothing like a $25 billion deficit was in the Nixon "game plan" when he took office. He was talking then about cutting back expenses and pursuing "sound" fiscal policies—not necessarily a balanced budget all the time but nothing like the Johnson runaway budgets.

That's all down the spout now. No confident White House pronouncements have changed the figures on consumer price rises, and everybody knows it in his own pocketbook.

[From the Washington Star, July 31, 1971]

ECONOMIC "GAME PLAN" FLOUNDERS

(By Milton Viorst)

President Nixon may be thinking of going to Peking to get re-elected, but it is clear now that he'll be looking over his shoulder at the economic statistics while he's away.

The most recent figures confirm what we have long known—that not only is the President in trouble over the economy but, what's worse, he is in a painful and unprecedented dilemma over economic policy.

After 2½ years of the Nixon "game plan," inflation is worse than ever. And though there has been some economic recovery in recent months, unemployment has not declined and general business activity remains disappointing.

To the bureaucrats in Washington, the statistics represent a challenging but abstract problem. Some of the wits in the economics profession have even coined the name "stagflation" for the situation.

But what the statistics indicate in ink, flesh-and-blood testimony from around the country confirms.

Housewives, with more dollars to spend, know they can buy measurably less with them. Working men, even though their incomes may be ostensibly rising, are becoming increasingly apprehensive about their jobs.

Unquestionably, every layoff has a rippling effect—so that loss of confidence in the administration's capacity to manage the economy far exceeds the raw unemployment percentages. Though this loss of confidence eludes the statisticians, it is something one can feel in the atmosphere.

As much as any politician, President Nixon understands this phenomenon. He is convinced—quite rightly, I think—that it cost him the election in November 1960, when the last of the Eisenhower recession hit bottom.

Arthur Burns, even then a top Republican adviser, warned Nixon in the spring of 1960 that he would be defeated if the Eisenhower administration did not undertake a major stimulation of the economy at once.

Nixon tried to persuade Eisenhower of the wisdom of such a policy, but the men surrounding the President then were of a pre-Keynesian, traditionally conservative Republican stamp. They would have none of it.

From his bitter experience in 1960, Nixon drew the conclusion that voters are thoroughly intolerant of recession—and he has often said that, given the choice, he'd much prefer inflation to recession on election day.

His problem is that right now he doesn't seem to have the choice. He is getting the worst of both inflation and recession, and his own economic convictions seem to leave him without an exit from either Scylla or Charybdis.

The President has taken a strong dose of recession, on the theory that it would be over by election day and would halt inflation. But the economy has defied the theory.

He is willing enough to swallow some inflation—but now it is threatening again to run away and, to compound the dilemma, it actually seems to be weakening the recovery.

In truth, the economics profession must take some of the blame for impaling Nixon. Drawing from Keynes, the best economists thought they know what to do. Whether Democratic or Republican, their differences were only of degree, and the President took his "game plan" from them.

Lord Keynes, however, never foresaw "stagflation" and his disciples are without a doctrine for dealing with it.

Fortunately, Nixon has Arthur Burns back again, this time as chairman of the Federal Reserve Board. Though he is a most conservative man, Burns has the intellectual flexibility to modify a life-time of his own ideology.

Burns has despaired of making the economy respond, especially the inflation, to a variety of economists' tricks—manipulating the money supply, the federal budget or interest rates. He wants to go directly to the heart of the problem, to get federal restraints on wages and prices.

Restraints, he believes, will not only curb inflation but prove to business and labor that the administration has peeled off the flab and is getting tough. He considers this a prerequisite to restoring economic health.

But Nixon remains committed to his outdated Keynesianism. Wouldn't it be ironic if, despite Arthur Burns, he lost another big one because of the misguided dedication of a Republican President (himself, this time) to a new Republican economic orthodoxy?

THE SHARPSTOWN FOLLIES—XXVI

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 10 minutes.

Mr. GONZALEZ. Mr. Speaker, a free government depends on the consent and confidence of the people.

In the Sharpstown case, we have a scandal that has affected public confidence, not only in banks and insurance companies, not only in savings institutions and real estate developers, but in every other kind of enterprise that might have been subject to the use and abuse of Frank Sharp and his pals.

But this was not a case that merely involved questionable and crooked business practices; if it were that, it might be comprehensible, for greed explains much. But this case affects the confidence that people have in their government, and in the administration of the laws, for the Government, Federal and State, and the very courts of this land have been tained by the Sharpstown scandal.

At the State level, we have seen how Sharp used his banks to finance vast amounts of loans to holders of political offices, on conditions that were most favorable to them. We are told how Sharp made stocks in his companies available to such men as the Governor, the speaker of the house, the chairman of the appropriations committee, the house floor leader and perhaps others as well, all in order to influence the legislature to pass a bill that he wanted, a bill to establish a State deposit insurance corpora-

tion. This bill would have, if enacted, created a mechanism to allow Sharp to keep Federal examiners out of his banks, where they had been making critical comments for many months.

We have heard that Sharp bribed other State officials, and though I do not have evidence to prove all these charges, the very fact that they can be made should be shocking and shameful to us all. The rumors about various State officials in Texas abound and multiply, and they all say the same thing: The State government is full of men who are on the take.

The whole State of Texas has been besmirched by this scandal, and people have lost much of their faith and confidence in the State and those who are responsible for the conduct of the people's business.

Some of the charges that have been made might not be true; some of the rumors might not be true; but the damage has been done. There has been enough evidence of easy morality to shake the most complacent souls, and so it is undeniable and irrevocable that people in Texas are angered and saddened by the scandal that has descended upon the State.

But this scandal does not end even there.

We find that the very Assistant Attorney General of the United States had a key role in building up this paper empire that Frank Sharp gloried in. We find that this man, Will Wilson, worked in key positions for Sharp for over 2 years, and that he could not have avoided knowing the great schemes that Sharp carried on day after day and month after month. Wilson must have known that many of these deals were illegal, and that many others were at best questionable, yet he did nothing to stop them, nothing at all. And this man is in charge of enforcing the criminal laws of the United States. It is impossible to have confidence in him, knowing what we do of his past.

Moreover, we have seen how in the Sharpstown case justice has been deliberately perverted. Whereas other bankers who have violated their trust have been prosecuted by the Justice Department with a vengeance, Frank Sharp was never even brought before a grand jury. Instead, he was allowed to plead guilty to two of the least serious charges that could have been brought, and then given complete immunity from every other charge. It is plain that the Justice Department and its local U.S. attorney, whether driven by desire to protect Wilson, or from some other benighted motive, deliberately failed to bring Frank Sharp to justice. Their performance on this case is in the most profound contrast to their performance in three other Texas bank cases, and even in contrast to a chicken thief's case. Here we see the spectacle of one of the biggest frauds in the history of the country getting a 3-year suspended sentence and full immunity from any other charge, while at the very same time, a man who transported stolen chickens in interstate commerce got 3 years in jail. Which of these men did the most damage to society? Granted they were both criminals, but how can anyone account for the disparity of the sentences in these cases?

How indeed can we square with conscience a judicial system that can assess a man many years in prison for having possession of a marihuana cigarette, and at the same time free a man who has corrupted an entire State?

These are serious matters. They ought to weigh heavily on our minds.

The conduct of Frank Sharp and his associates created a squalid, sordid scandal. It will be years before the mess they have left is ever understood, let alone cleaned up. It will be a long time before the damage they have done can be rectified.

The time for reconstructing the social damage is now.

We have to begin somewhere. Cleaning up the criminal charges must be done through the courts, with the aid of the prosecutors. The civil cases will drag on for years. The State government must adopt reforms, as thoroughly as possible and as soon as possible. The people must find a way to restore their faith and confidence. In all of this, there is only a limited role that Congress can play, and that has to do with the federal system of justice. I am accordingly setting out plans for appropriate congressional action, so that our responsibilities in this sorry spectacle can be properly discharged.

RESPONSES OF RELIGIOUS LEADERS TO WAR RESISTERS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, as the war in Vietnam winds down—not fast enough, but inexorably heading toward a final too long delayed pullout—we must begin to deal with the painful problem of what options should be made available to the young people who have left the United States in order to avoid the draft.

Whether total absolution is afforded as is suggested by eminent churchmen, or whether we provide that some national service be rendered by those young men in exchange for letting them return to the United States will be the subject of great debate. But surely, jail is not the answer, for it will do nothing for those imprisoned nor for the welfare of the country.

I have, heretofore, placed in the RECORD the statements of church and synagogue leaders, the foremost of those being the late Richard Cardinal Cushing, who gave his observations in his Easter sermon.

I would like at this point to provide our colleagues with the observations of Rabbi Emanuel Rackman, who is the rabbi of the Fifth Avenue Synagogue in New York City, and Rabbi Judah Nadich, who is the rabbi of the Park Avenue Synagogue in New York City.

OUR WAR RESISTORS: A PROPOSAL

(By Emanuel Rackman)

After the war in Vietnam what position should the United States take vis-a-vis the thousands of its citizens who are "fugitives from justice" in foreign countries because of their refusal to serve in a war they deemed unjust? Similarly, what reprieve or pardon ought be made available to those who have already been subjected to trial and punishment for their resistance to the draft or military commands?

It is conceivable, but improbable, that the total withdrawal of United States troops from Vietnam will be accompanied by an official admission that the entire enterprise was a moral and military blunder. If this should happen—and I take no position in favor or against—then those who resisted must be deemed heroes—prophets who tried to save their country from the commission of sin. They would have to be restored to home and hearth and compensated for their sacrifice in the cause of their country's honor. However, it is unlikely, at least for a generation or two, and perhaps forever, that the prevailing sentiment in the United States will acknowledge that our involvement in Southeast Asia was unjust. Therefore, the legal challenge will most likely be: How does our country deal with persons who violated laws which presumably express the will of the majority?

On the one hand it will be argued that states—or legal orders—cannot permit those who are subject to the law to flout constituted authority with impunity. However, the United States does permit conscientious objectors to avoid some forms of military duty. Unfortunately, this exception has been given too restricted an interpretation.

Quakers, Jehovah's Witnesses, and members of other religious denominations that are committed to unconditional pacifism as an integral part of their official creed, were the first to be exempted from combat duty. Then experience and justice dictated that some conscientious objectors should be exempted from any military service, even noncombat duty, because they did not want to make any contribution whatever to the waging of war. At the same time the group that could claim the exemption was widened so that one might claim it on religious grounds even if one was not a member of a specifically exempted denomination. Still further liberalization is in order.

We must recognize the legitimacy of objection to a particular war even if it is based exclusively on moral grounds and irrespective whether the objectant believes in God or is committed to a divine will.

WHAT ABOUT THE NATION'S SAFETY?

Would such a liberal rule endanger the nation's security? Not necessarily. If too many seek to take advantage of the exemption then it is apparent that those in power who declared war had not correctly appraised the general will or consensus of the people. There were men who evaded the draft in the United States during World War II. There are men and women evading the draft in Israel now. However, truly just wars evoke the kind of national sentiment that keeps the number of draft dodgers small and these too subject themselves to much social and economic ostracism by their non-participation. Certainly the paucity of their numbers would not seriously affect any war effort. Indeed, their presence in the military might only subvert the military establishment and adversely affect troop morale. The overwhelming majority who favor the particular war will win the victory more readily without them.

But what about a war that the majority feels is imperative for the national interest while a very substantial minority opposes it? Would not a liberal policy of selective conscientious objection cripple the war effort of the majority? Most decidedly. But in such a case the conscripted objectants would be fighters without morale and it would be national suicide to rely upon them. Under such circumstances it would be much better to conscript them for nonwar duties. Therefore,

both expediency and justice would dictate liberalization of the law for any kind of war—with no adverse effects on the nation and only the benign effect of greater acknowledgment of individual autonomy. In the case of a popular war the objectants could be given total exemption: in the case of an unpopular war—at least the chance for alternate service.

However, what should be our attitude toward those who did not wait for the law to be liberalized or changed, and chose instead to flee because they deemed a particular war unjust and could not find within the existing law any recourse other than flight? True, they could have accepted jail sentences and paid the price of passive resistance. But at least when the law is liberalized or revised—and none could gain-say that their flight or submission to criminal proceedings helped to quicken the conscience of the nation and to effect the change—should they not be given an amnesty or pardon? In effect, they will have helped to advance the cause of justice. We know that many an injustice is not corrected until extra-legal measures are taken to dramatize and publicize the injustice. Then those who have successfully served the cause of justice—as acknowledged by the majority when the law is amended—should not be penalized.

THE PROBLEM OF LAWS NEEDING CHANGE

In the history of Jewish law there were instances when Rabbinic legislation was resisted by the people and because of the resistance the legislation was repealed. We have no record of anyone every being punished for failure to obey the law while it was still in effect.

A number of students at Harvard last year committed unlawful acts to right a particular wrong against Blacks. My son did not participate in the unlawful acts. The outcome was that the unlawful acts yielded results while no other measures were effective. The school righted the wrong. But the dean then sought to penalize those who committed the unlawful acts. On the one hand the school confessed its guilt by correcting the evil complained about. Yet it wanted to punish those who saved the school from continuing the injustice. Here my son could not contain himself. He led a protest against the dean's lawful but unjust punishment of those who saved him from further iniquity.

Similarly, in New York many prisoners committed unlawful acts to make the Mayor aware of continuing injustices. The Mayor not only conceded that the evils existed. He promised to remedy them. No other measures were, or could have been, effective. With colleagues I protested the prosecution of the prisoners and sought the dismissal of the indictments against them.

By the same token, when the nation conceded—by its very liberlization of a law—that liberalization was promotive of the cause of justice it must give consideration to those partly or wholly responsible for the change of heart.

But what if the law is not changed? What if the majority insists that when it deems a particular war just, then all citizens must participate in the national interest, regardless of their personal moral convictions? Is there no basis on which those who unsuccessfully engaged in passive resistance can be forgiven and redeemed? And would such forgiveness jeopardize respect for law and obedience to it? It is respectfully submitted that the state ought even then exercise clemency and this will inspire a deep loyalty to the commonwealth and that for which it stands.

MERCY MAKES LAW AND ORDER POSSIBLE

Clemency would be in order when courts or administrators are satisfied that the passive resistance—and the submission to the indignity of a jail sentence of the privations of flight—was nobly motivated. And the clemency need not be automatic and gratuitous. The State could easily provide substitute forms of service which would mean that the objectant does not altogether evade his duties and responsibilities as a citizen. And certainly the United States has many such forms of service which would have great appeal to those exiles who would want to return home. Most of them would delight in peaceful service to all mankind. Moreover, such a move would also induce a great respect for law insofar as citizens would know that strict law is tempered by mercy and the legal system is sensitive to the moral convictions of individuals.

I do not know of any specific Halachic analogy. However, there is one principle in Halacha that permits the flouting of even a divinely revealed norm which by definition is absolutely just. (Et la-asot la-Shem heferu Totatecha.) When one senses what Walter Wurzburger beautifully calls a "covenantal imperative" one may commit what would otherwise be a sin—an act of disobedience to the law. What is more, our Sages affirmed that even the most heinous of sins can make for the aggrandizement of Torah and the establishment of new Mitzvot (Pesikta Rabbati 10). Thus the sin of the golden calf gave us the blessing of Shekalim, one of the most cherished of commandments in our millenial history. And if that sin—motivated by stupidity and fear rather than conscience—is credited with benign result, why is it not conceivable that the passive resistance of many American citizens because of conscience influenced American law for good? Their suffering may not have liberalized the law. Yet their resistance did save many lives. And our clemency and reconciliation, which may aid and abet disobedience to law, will nonetheless inspire many to give expression to their consciences and sensitize those less concerned with one moral dilemma or another.

THE RACKMAN PROPOSAL: AN AGREEMENT

(By Judah Nadich)

I feel strongly that clemency should be directed toward those who fled the United States for Canada rather than to engage in a war that ran contrary to their personal moral convictions. I do not know how it will be possible to determine which of those men who fled to Canada did so because of moral conviction and which for other reasons. However, it is my guess that the overwhelming majority went into exile because of moral conviction. The exile itself has been a form of self-imposed punishment willingly accepted by those concerned.

I would even agree with Rackman that upon the return to the United States of such persons they could be directed to undertake certain kinds of service for the welfare of the community. Clemency directed to men of conscience will result in benefit to the United States for the return of such people will strengthen the moral fiber of the totality of American citizenry. Moreover, it will contribute to the reconciliation and the unity so desperately needed by our country and which will be goals of the highest priority when peace ultimately comes.

I think it would be particularly appropriate to place side by side with these comments those of Richard Cardinal Cushing:

FROM THE EASTER SERMON OF HIS EMINENCE, RICHARD CARDINAL CUSHING

Would it be too much to suggest this Easter that we empty out our jails of all the protesters—the guilty and the innocent—without judging them; call back from over the border and around the world the young men who are called "deserters," drop the cases that are still awaiting judgment on our college youth? Could we not do all of this in the name of life, and with life hope, both of which we celebrate at Easter? Wherever our young people, even for reasons we do not know, stand in need of mercy let us reach out to them. The fruit of Easter is reconciliation and so much of our world remains unreconciled; the hope of Easter is our salvation and so many are waiting to be saved.

I call upon all those who hear these words to seek and find new life for their weary souls, and to offer new life to others in the spirit of this great feast.

RUSSELL BAKER: OUR JONATHAN SWIFT

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, the assaults which occur daily upon our right of privacy are no laughing matter. However, occasionally there appears on the national scene a humorist who can deal with a serious subject so artfully that he exposes all of its dangers.

New York Times columnist Russell Baker is such a man, and his article "U.S. Inspected" is one more illustration of his great talent.

U.S. INSPECTED

(By Russell Baker)

Ever since publication of the Pentagon papers, Government people have been complaining about the press invading the Government's privacy. "Unthinkable," said an F.B.I. man. "Unthinkable to have a situation where people cannot even write memos in the privacy of Government offices without some newspaper getting hold of the material."

And so saying, he bent his head to the delicate task, at which the interviewer had interrupted him, of installing a telephone wiretap.

"Privacy," said the Internal Revenue Service agent, pausing in his work to glance up from his desk, "is absolutely essential to the working of good government."

The citizen with whom he had been talking cleared his throat. The agent looked at him with annoyance. "Quit stalling," he said. "We want to know exactly how much money you earned last year and how you earned it. And remember, we have ways of making you talk."

The agent scanned some papers which the man had given him. "What's this?" he demanded. "You can't have this $15 deduction for entertaining unless you tell us who you entertained, when you entertained them, and what you talked about during the entertainment."

Over at the local draft board, the Government's representatives were so busy inquiring into a young man's religious creed, in order to decide whether he deserved to be shipped to Asia for cannon fodder, that they could not pause for an interview, although they did send out word that the public obviously had no right to know the private conversations of Government officials who were responsible for keeping popular athletes from being drafted.

"Of course, privacy is essential to our work," explained an official of the Census Bureau. "The reason should be obvious." He turned back to the 1980 census form, which he was preparing. "Listen," he said, changing the subject, "don't you think it would be interesting to make everybody in America all tell me next time how many bottles of whisky they have in the house at the time I interview them?"

At the office where the Army was dismantling its program of civilian surveillance, the officer refused to be interviewed. "Our files show that we had a file on you before we began dismantling our program," he said by way of explanation, "and we don't talk to anybody we've had a file on."

"But don't feel bad about it," his deputy quickly added. "Our files show we had a file on everybody."

"It would be insupportable to have the public privy to confidential Government communications which, if published, might show that the Government has not been completely honorable at all times," explained a postal worker who was busy slitting open letters to inspect for marijuana, resealing them and stamping them "Damaged in Handling."

Down the street, at the Department of Motor Vehicles, a clerk was asking an applicant for a driver's license, if he was diabetic, subject to fainting spells, senile, imbecilic or alcoholic. "The Government has a right to privacy, just like Bethlehem Steel," said the clerk.

At the State Department, not surprisingly, there was almost total opposition to anybody's knowing anything. "Just imagine," said a State Department man who did not want anyone to know his name, "what a difficult time Professor Kissinger would have running a foreign policy if people kept calling up and prying."

At State, he said, nobody violates the professor's privacy by trying to find out what foreign policy he has made lately. Professor Kissinger, a civilized man, reciprocates by never calling up the State Department and inquiring if anyone is in.

At the Justice Department, Attorney General Mitchell declined to be interviewed, although his attempt to preserve governmental privacy in the case of the Pentagon papers suggests where he stands on the matter. An assistant explained that Mr. Mitchell was totally absorbed composing a plea to Congress for authority to jail everybody who does not have an airtight alibi for his whereabouts over the past 25 years.

It was impossible to get a highly authoritative spokesman at the Pentagon. "Who are you?" asked a man at the door who looked as if he hated nothing so much as the thought of having the Government's privacy violated. "Who do you want to see? What do you want? Why don't you have an appointment? Are you now or have you ever been a member? Why or why not, as the case may be? Have you been vaccinated in the past three years? How long have you been married? Do you know where your children are at this time? Fill out this form, not failing to include 25 of your leading computer identification numbers. Strip to the knees, open your mouth, and say, 'Ah.'"

NEW YORK-NEW JERSEY WATERFRONT COMMISSION

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, organized crime has infiltrated the major ports-of-entry in this country. For an example of the problem we can look at what is taking place at the John F. Kennedy International Airport in New York. Federal authorities last week discovered that one of the guns which they found in a car leased by Joseph Colombo, Jr., was part of a shipment stolen at Kennedy Airport.

The U.S. Attorney General reported last year that millions of dollars in cargo are being stolen every year from this airport. To deal with this problem the State legislatures of New York and New Jersey passed legislation expanding the powers of the Waterfront Commission giving it jurisdiction over the airports in the New York metropolitan area. In order to implement that legislation Congress must give its consent so as to amend the existing Waterfront Commission Compact between the States of New Jersey and New York. That bill is currently pending before the Judiciary Committee.

The New York-New Jersey Waterfront Commission has improved its effectiveness in the past year in reducing crime on the waterfront in great part because of the attention given to its activities by the Governors of New York and New Jersey. The commission is now prepared to give the metropolitan area's airports the protection they so desperately need. It is imperative that this Congress approve the compact amendments so it can do so. Each day of delay means more organized crime infiltration and more cargo pilferage. This is an intolerable situation.

The article which appeared in the New York Daily News of July 27 authored by Frank Faso bearing on this situation is appended:

NET COLOMBO CADDY WITH CACHE OF GUNS

(By Frank Faso)

Three loaded guns were found yesterday in a 1970 white Cadillac leased by Joseph Colombo Jr., and two more loaded weapons—one of them identified as part of a shipment stolen at Kennedy Airport—were recovered in the car of a reputed Colombo family bodyguard, federal authorities disclosed.

Discovery of the weapons cache followed reports that close associates of Joseph Colombo Sr., shot down at an Italian-American unity rally in Columbus Circle on June 28, have been toting guns since early June.

As a result, agents of the alcohol, tobacco and firearms unit of the Treasury Department, working with acting director Joseph F. Lynch of the Brooklyn Organized Crime Task Force, obtained warrants to search cars of several asserted Colombo bodyguards.

Yesterday noon, the feds reported, they spotted young Colombo's leased Caddy parked on 59th St. near Roosevelt Hospital where his father is still in a coma. Backed up to it they said, was a 1970 Buick owned by Paul Bevaque, 30, one of the asserted bodyguards.

As they watched, the agents related, a package was transferred from the Buick to the Caddy and the Buick drove off.

Authorities found the package that had been transferred from the Buick and inside, they said, were two .38-caliber Smith & Wessons and a 9-MM, Llama, all loaded.

Later in Brooklyn, at Bath Ave. and Bay 16th St., they overtook Bevaque's car, they said. He allegedly had a loaded .32-caliber gun in his pocket, and in the trunk was another Llama, also loaded.

This second Llama was identified as part of a shipment stolen in 1969 from KLM, the Dutch airline, at Kennedy Airport.

THE PLIGHT OF SOVIET JEWS WORSENS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, this morning I was advised by the American Jewish Conference on Soviet Jewry that the Soviet Government has evidently not permitted the delivery of thousands of affidavits sent to Soviet Jews by their relatives now living in Israel. Those affidavits are necessary under Soviet regulations in order to secure a Soviet exodus permit.

The recent report that the Soviet Union had drastically reduced Jewish emigration to Israel, cutting the number of departures from an average of 50 a day to 20 a day appears to be verified by this latest information.

The refusal of the Soviet Union to deliver the mail should at least be raised by the United States at the Universal Postal Union. More important than a violation of that convention is the continued violation by the Soviet Union of its obligations under the International Convention on the Elimination of All Forms of Racial Discrimination to which the Soviet Union is subject and which guarantees the right of its citizens to freely migrate.

I have asked the State Department to use its best efforts in this matter to secure assistance for these Jewish families now in the Soviet Union who surely must be terribly frightened at the latest action of the Soviet Government. Due to the fact that the Soviet Union maintains no diplomatic relations with the State of Israel it becomes a special moral obligation on the part of the United States to exercise whatever diplomatic persuasion it can muster in support of these people.

In addition to diplomatic efforts, I have asked the Postmaster General to undertake whatever efforts he can with respect to enforcement of postal conventions governing the delivery of mail among all countries.

Mr. Speaker, we see unfolding before us the continuing tragedy in which many Jews living in the Soviet Union find themselves. The Soviet Union refuses to permit Jews to engage in their national cultural life within the Soviet Union although it grants every other recognized nationality group these rights. In short, the Soviet Union will not let these people lead a culturally Jewish life and will not let them leave. The leaders of every civilized nation have an obligation to speak out in behalf of these people who from time immemorial have suffered at the hands of Russian governments whether they were czarist or Soviet.

FLORIDA CHAUTAUQUA AND ITS LEADERS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, historic west Florida contains many points of unusual interest. It is one of the few areas in the South which boasts a building constructed for Chautauqua sessions. At DeFuniak Springs, the building still stands which was erected for a winter Chautauqua to supplement the summer institution in New York State. DeFuniak Springs, which is in Walton County, also supported a college and was noted as a cultural center. There have been no Chautauqua sessions for many years and the building is in poor state of repair. Local interests are seeking to rehabilitate it because of its historical significance.

A paper on the Florida Chautauqua was presented recently to the Historical Society of Okaloosa and Walton Counties, Inc. This organization has taken a

leading part in historical research and exploration, and has contributed much to the preservation of important historic facts. The paper was presented by Mrs. T. J. (Anna) Reardon, who is an enthusiastic worker in the Historical Society. I am pleased to submit it for reprinting in the CONGRESSIONAL RECORD:

FLORIDA CHAUTAUQUA AND ITS LEADERS

(By Mrs. T. J. Reardon)

The Scottish settlers in the Euchee Valley area dreamed almost from the time of their arrival in 1819, 1820 of building a tabernacle, presumably for religious and educational gatherings. However, the population was widely scattered throughout the area from Pt. Washington to the Darlington and Florala areas and from the Choctawhatchee River to the Shoal River and Laurel Hill areas. Also, the economy was based on agriculture, with little money for "extras." The Civil War and the Reconstruction era added to the financial problems.

By 1880 the Pensacola and Atlantic Division of the Louisville and Nashville R.R. had secured land holdings between Pensacola and the Chattahoochee River (and possibly further east). They surveyed a railroad and vigorously pursued its construction. It was decided that one station would be located at the "Open Pond" and would be named for Mr. DeFuniak, an officer of the L & N Railroad. (When the post office was established later, it was named Funiak, then DeFuniak and finally DeFuniak Springs.) By 1882 the railroad had been completed from Pensacola as far as DeFuniak and a settlement was growing into a village. The railroad advertised extensively in the northern states, offering excursions, land for sale, etc. The second migration to the DeFuniak area accelerated, bringing families from New England, New York, Pennsylvania, the midwestern states. These were well educated, well-to-do families who enjoyed the climate and who were interested in cultural opportunities.

A group (Prof. W. C. Eddy, Levi Plank Sr., C. C. Banfill and Col. T. T. Wright), early developers of the town, learned that a party from Chautauqua, N.Y., was in Jacksonville seeking a location for a winter Chautauqua to supplement the summer institution in northern N.Y. state. Mr. Banfill met with them, persuaded them to consider DeFuniak, and Dr. A. H. Gillett (correct name believed to be Henry A. Gillette) and Rev. C. C. McLean came and decided to locate here. A sign was erected near the railroad announcing the "First Annual Session of Florida Chautauqua" to begin Feb. 10, 1885 and last until March 9, 1885. An auditorium and a hotel were rushed to completion and the "McKinnon History" gives an interesting account of the morning and evening sessions on the opening day.

Sessions continued annually thereafter, running four, five and some times six weeks, Programs were varied, including classes in art, cooking, music, hygiene, home economics, drama, a kindergarten and many other features, as well as varied entertainment and lectures. There was a resident orchestra for the entire season; they gave outdoor concerts and thirty minute concerts before the evening performances. Resident instructors and artists included Dr. Carolyn Giesel, Miss Nell Bunell (coloratura soprano) and Dr. Byron W. King (Shakespearean authority and drama instructor) and many others. Sunday vesper services were a feature, usually held in Alpine Park.

The railroad operated Saturday excursion trains from River Junction and Pensacola, bringing hundreds of visitors to town. Some local residents opened their homes and served lunch. There were several hotels and boarding houses to accommodate tourists who stayed for the entire Chautauqua season and sometimes the entire winter. (The railroad featured excursions from Chicago, New York, etc.) Round trip from Chicago was $15.00.

In the 1890's Mr. Charles Murray, Sr. and his family moved here from Pennsylvania, operated a merry-go-round during the winter months and traveled with it throughout the north during the summer. Mr. Harry Murray ran a popular restaurant and soda fountain. The merry-go-round and Murray's Restaurant became integral parts of the Chautauqua.

Approximately 1890 the auditorium was enlarged; also the Chautauqua Hotel. The Ladies' Library Association was formed in 1887 and opened Dec. 20, 1887 in order to provide reference material for the Chautauqua classes, as well as a recreational resource. An art studio was erected about the same time; it housed art classes and a kindergarten.

By 1893 the Chautauqua was in some financial difficulty, so sent a delegation to Chautauqua, N.Y. seeking help, advice and talent. They got Mr. Wallace Bruce of Poughkeepsie, N.Y., who was lecturing there and persuaded him to take over as the superintendent of the Florida Chautauqua. (He had been consul in Edinburgh, Scotland for a number of years previously.) He and his wife and two sons, Kenneth and Malcolm moved to DeFuniak Springs. He built "Dream Cottage" about 1893, and it served as the family's winter home.

The Chautauqua prospered greatly during the next few years; however, Mr. Bruce relinquished his leadership to his son, Mr. Kenneth Bruce, due to failing health. Mr. Kenneth Bruce was even more successful in his leadership and administration. He married Laura Carney of Atmore, Ala. in the early 1900's and in 1907 they built a lovely mansion on the "Circle" where his collection of antique arms and armor was displayed. The gilded dome was added to the auditorium in 1907.

Mr. Malcolm Bruce, electrician and engineer, married Miss Olive Rogers about 1910 and was given "Dream Cottage" as a wedding gift. Mr. and Mrs. Wallace Bruce moved to the Chautauqua Hotel for a while, then remodeled the art studio and resided there the rest of their lives. Mr. Wallace Bruce died in 1914. His funeral was held in the Chautauqua Auditorium and is described in detail in the DeFuniak "Breeze". All the minister and choirs in town participated; also all Masonic lodges and Odd Fellows lodges in the county. Hugh Thornber, Worshipful Master of the Masonic Lodge in DeFuniak Springs delivered the funeral oration. Many mourners marched behind the hearse to Magnolia Cemetery east of town. The untimely death of Kenneth Bruce occurred in 1916.

Mr. Malcolm Bruce took over the management of the Chautauqua and the programs reflect his interest in electricity and movies. He purchased the largest, most expensive electric organ then in Florida. (I believe it was a Wurlitzer.) Miss Lillian Gillis served as organist until she moved to Vero Beach about 1924 or 1925.

During World War I the railroad excursions were discontended, but Chautauqua sessions were continued. Dr. and Mrs. Abernethy and family (Clara Bruce Abernethy was Wallace Bruce's daughter) moved here from N.Y. about 1923 and took over management of the Chautauqua. However, without the support of the railroad and with the building deteriorated and interest diminished, Chautauqua closed about 1926 or 1927. The Steinway concert grand piano was ruined by water seepage, also the organ.

The building was restored and renovated by WPA labor and the efforts of Mayor M. O. Warren, Sr. in the early 1930's. The Woman's Club sponsored a ten day free Chautauqua in 1931 and again in 1932. The building was used for various civic purposes (Masonic Lodge, Eastern Star, American Legion and Auxiliary, WPA sewing center, USO during World War II, teen center, political and religious gatherings.) A basket ball court had been installed and the large stage had been removed.

No substantial repairs or renovations have been accomplished in recent years; the building has been vandalized and is now boarded shut. A small group has raised a few thousand dollars toward repair and restoration, but the town must soon face up to the problem of restoration or demolition.

ISTHMIAN CANAL POLICY: MEMORIAL TO THE CONGRESS

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, as a Member of the Congress from Florida, one of our great coastal States bordering on both the Atlantic Ocean and the Gulf of Mexico, I have long recognized the vital importance of the Panama Canal to world commerce and to the security of the Western Hemisphere. For more than a decade, I have followed debates in the Congress concerning interoceanic canal problems, especially the brilliant addresses of my able, scholarly, and distinguished colleague from Pennsylvania (Mr. FLOOD) and his penetrating analyses of the various elements in that highly complicated subject. A volume of his addresses on "Isthmian Canal Policy Questions"—House Document No. 474, 89th Congress—contains a wealth of authentic information that should be available in all educational institutions and consulted by persons studying canal problems.

As my State of Florida is an important gateway from the United States to the Isthmus of Panama and is located near the Soviet bastion in Cuba, we are alert to situations in both and realize that Florida would suffer injury of the first magnitude if the Soviet Union should achieve its longtime goals of dominance over the Panama Canal. The presence in Cuba of thousands of Soviet technicians have among their main purposes: to take over the canal and to serve as a base for the infiltration of other Latin American countries. Moreover, since our relative military and naval strengths have decreased, the U.S.S.R. today regards the United States as a second-rate nation and is acting accordingly.

The plight in which we find ourselves regarding the Panama Canal results from weak policies of our foreign policy by the Department of State in recent years. That important agency of Government has seriously degenerated since the strong statement by Secretary Charles Evans Hughes in 1923 when he told the Panamanian Government that the United States would never surrender any of the rights, power, and authority obtained under the 1903 treaty. He reminded the Panamanians the canal could not have been built, maintained, operated, and defended without U.S. help. What was true then is even truer today. Panama can never realistically expect to be a free and independent nation if the United States leaves the isthmus, for

Soviet power based on Cuba would quickly fill the vacuum and thenceforth Panama would be controlled by the cruel dominance of the U.S.S.R. It occurred in Czechoslovakia and in all other countries that have become Soviet satellites.

A recent development in the United States was the formation of the Committee for Continued U.S. Control of the Panama Canal, 3704 University Drive, Fairfax, Va. 22030. It has a small but distinguished and knowledgeable membership who are skilled in engineering, navigation, physics, geology, economics, zoology, government, Latin American history, Pan American policy, and law. They come from all parts of the Nation.

In its 1971 memorial to the Congress, this committee in realistic manner and simple terms summarizes the major points of the interoceanic canal problem and outlines a program for action by our Government to deal with them. This consists of two main parts: First, the clarification and reaffirmation by the House of Representatives of our time-tested policy of exclusive control in perpetuity of the Panama Canal with its indispensable protective frame of the Canal Zone; and second, the major modernization of the existing Panama Canal according to the well-known and commonsense Terminal Lake-Third Locks plan that has been demonstrated by more than half a century of operation at Gatun and found satisfactory.

One of the points in the memorial that should be of special interest, particularly to our coastal States, is the potential biological catastrophe that the construction of a salt water channel between the Atlantic and Pacific Oceans would in all probability cause. As pointed out by the gentleman from Pennsylvania (Mr. FLOOD) in an address in the CONGRESSIONAL RECORD of January 22, 1971, in "Panama Sea Level Project: Danger of Poisonous Pacific Sea Snakes Infesting the Atlantic," the ecological hazards include the infestation of the Atlantic Ocean with such sea snakes, which are related to the cobra and more deadly than our rattler and which could extend from the coast of Virginia to southern Brazil.

In an address to the Senate in the CONGRESSIONAL RECORD of March 24, 1971, Senator STROM THURMOND summarized the illuminating program of a symposium on March 4, 1971, at the National Museum of Natural History of the Smithsonian Institution as overwhelmingly opposed to any sea level undertaking and as urging retention of the fresh water barrier between the oceans as now obtains in the Panama Canal. In addition to the danger of the Pacific sea snake infesting the Atlantic, this symposium warned of the migration of the crown of thorns starfish, the destruction of the shrimp industry, and the invasion of the Atlantic by Pacific sharks. The assembled papers of that symposium will be published in a single volume and should be of great value to those seeking reliable information on the ecological dangers involved in any sea level undertaking across the American isthmus.

The voluminous and costly report of the study of the sea level proposal under Public Law 88–609, submitted to the President on December 1, 1970, dismisses the ecological hazard as an "acceptable" risk. Under existing circumstances, this viewpoint is unacceptable.

The submission of this report was followed by the resumption in Washington, on June 29, 1971, of negotiations for new canal treaties under a schedule that calls for their signature in August and submission to the Senate for ratification in September. These facts make the indicated memorial most timely, indeed, for the sea level proposal is linked with the abject surrender by the United States of its sovereignty, jurisdiction, and ownership of the Canal Zone territory to Panama, which could only result in the takeover of the canal by Soviet power.

For the discredited 1967 treaties, our negotiating team headed by Robert B. Anderson, apparently in their zeal to obliterate the 1903 treaty, disregarded article IV, section 3, clause 2 of the U.S. Constitution, which vests the power to dispose of territory and other property of the United States specifically in the Congress. This means that the House must join in any such disposal and I have good reason to believe that the House will not consent to a giveaway of the Canal Zone and Panama Canal. Any treaty ceding territory and property of the United States when ratified by the Senate would not be constitutionally valid unless such cessions are authorized by the Congress.

The wisdom of the framers of our Federal Constitution is brilliantly evidenced by the citation just given. Without its great protective service our vast Southwest could be returned to Mexico, Alaska to Russia, and Florida to Spain by treaty that requires only Senate ratification.

It should be kept in mind that the taxpayers of our country have borne all the costs involved in the acquisition of the Canal Zone, the construction of the canal, and the vast installations in the Canal Zone that are indispensable for the enterprise. Including defense, the net total investment of the taxpayers at Panama exceeds $5 billion. This was ignored by the last administration for the discredited 1967 proposed treaties and is now being ignored for the proposed new treaties by the present administration, with Ambassador Anderson, who was chairman of the sea level study under Public Law 88–609, as the chief U.S. negotiator.

Mr. Speaker, the indicated memorial, epitomizing in clear and succinct manner the essential problems of the vital canal issue and urging a program of action for meeting them, is most opportune, objective, constructive, and fully protective of the best interests of the United States, Panama, and users of the Panama Canal. Moreover, I know of no better way to end present uncertainty and turmoil on the Isthmus than to adopt the pending sovereignty resolutions and to enact pending legislation for the major modernization of the canal as provided in the Flood-Thurmond bills.

Accordingly, I quote as parts of my remarks the indicated memorial and urge its study by all concerned with the formulation of Isthmian canal policy and the security of the Western Hemisphere:

COMMITTEE FOR CONTINUED U.S. CONTROL OF THE PANAMA CANAL

PANAMA CANAL: SOVEREIGNTY AND MODERNIZATION

Honorable Members of the Congress of the United States: The undersigned, who have studied various aspects of interoceanic canal history and problems, wish to express their views:

(1) The report of the interoceanic canal inquiry, authorized under Public Law 88–609, headed by Robert B. Anderson, recommending construction of a new canal of so-called sea level design in the Republic of Panama, was submitted to the President on December 1, 1970. The proposed canal, initially estimated to cost $2,880,000,000 exclusive of the cost of right of way and inevitable indemnity to Panama, would be 10 miles West of the existing Canal. This recommendation, which hinges upon the surrender to Panama by the United States of all sovereign control over the U.S.-owned Canal Zone, has rendered the entire canal situation so acute and confused as to require rigorous clarification.

(2) A new angle developed in the course of the sea level inquiry is that of the Panamic biota (fauna and flora), on which subject, a symposium of recognized scientists was held on March 4, 1971 at the Smithsonian Institute. That gathering was overwhelmingly opposed to any sea level project because of the biological dangers to marine life incident to the removal of the fresh water barrier between the Oceans, now provided by Gatun Lake, including in such dangers the infestation of the Caribbean Sea and Atlantic Ocean with the poisonous yellow-bellied Pacific sea snake (Pelamis platurus).

(3) The construction by the United States of the Panal Canal (1904–1914) was the greatest industrial enterprise in history. Undertaken as a long-range commitment by the United States, in fulfillment of solemn treaty obligations (Hay-Pauncefote Treaty of 1901) as a "mandate for civilization" in an area notorious as the pest hole of the world and as a land of endemic revolution, endless intrigue and governmental instability (Flood, "Panama: Land of Endemic Revolution . . ." CONGRESSIONAL RECORD, volume 115, part 17, page 22845, the task was accomplished in spite of physical and health conditions that seemed insuperable. Its subsequent management and operation on terms of "entire equality" with tolls that are "just and equitable" have won the praise of the world, particularly countries that use the Canal.

(4) Full sovereign rights, power and authority of the United States over the Canal Zone territory and Canal were acquired by treaty grant in perpetuity from Panama (Hay-Bunau-Varilla Treaty of 1903). In addition to the price paid by the United States to Panama for the necessary sovereignty and jurisdiction, all privately owned land and property in the Zone were purchased by the United States from individual owners; and Colombia, the sovereign of the Isthmus before Panama's independence, has recognized the title to the Panama Canal and Railroad as vested "entirely and absolutely" in the United States (Thomson-Urrutia Treaty of 1914–22). The cost of acquiring the Canal Zone, as of March 31, 1964, totalled $144,568,571, making it the most expensive territorial extension in the history of the United States. Because of the vast protection obligations of the United States, the perpetuity provisions in the 1903 treaty assure that Panama will remain a free and independent country in perpetuity, for these provisions bind the United States as well as Panama.

(5) The gross total investment of our country in the Panama Canal enterprise, including its defense, from 1904 through June 30, 1968, was $6,368,009,000; recoveries during the same period were $1,359,931,421, making a total net investment by the taxpayers of the

United States of more than $5,000,000,000; which, if converted into 1971 dollars, would be far greater. Except for the grant by Panama of full sovereign powers over the Zone territory, our Government would never have assumed the grave responsibilities involved in the construction of the Canal and its later operation, maintenance, sanitation, protection and defense.

(6) In 1939, prior to the start of World War II, the Congress authorized, at a cost not to exceed $277,000,000, the construction of a third set of locks known as the Third Locks Project, then hailed as "the largest single current engineering work in the world." This Project was suspended in May 1942 because of more urgent war needs, and the total expenditures thereon were $76,357,405, mostly on lock site excavations at Gatun and Miraflores, which are still usable. Fortunately, no excavation was started at Pedro Miguel. The program for the enlargement of Gaillard Cut, started in 1959, with correlated channel improvements, was completed in 1970 at a cost of $95,000,000. These two works together represent an expenditure of more than $171,000,000 toward the major modernization of the existing Panama Canal.

(7) As the result of canal operations in the crucial period of World War II, there was developed in the Panama Canal organization the first comprehensive proposal for the major operational improvement and increase of capacity of the Canal as derived from actual marine experience, known as the Terminal Lake—Third Locks Plan. This conception included provisions for the following:

(1) Elimination of the bottleneck Pedro Miguel Locks.

(2) Consolidation of all Pacific Locks South of Miraflores.

(3) Raising the Gatun Lake water level to its optimum height (about 92').

(4) Construction of one set of larger locks.

(5) Creation at the Pacific end of the Canal of a summit-level terminal lake anchorage for use as a traffic reservoir to correspond with the layout at the Atlantic end, which would improve marine operations by eliminating lockage surges in Gaillard Cut, mitigate the effect of fog on Canal capacity, reduce transit time, diminishing the number of accidents, and simplify the management of the Canal.

(8) Competent, experienced engineers have officially reported that all "engineering considerations which are associated with the plan are favorable to it." Moreover, such a solution:

(1) Enables the maximum utilization of all work so far accomplished on the Panama Canal, including that on the suspended Third Locks Project.

(2) Avoids the danger of disastrous slides.

(3) Provides the best operational canal practicable of achievement with the certainty of success.

(4) Preserves and increases the existing economy of Panama.

(5) Avoids inevitable Panamanian demands for damages that would be involved in the proposed sea level project.

(6) Averts the danger of a potential biological catastrophe with international repercussions that recognized scientists fear might be caused by constructing a salt water channel between the Oceans.

(7) Can be constructed at "comparatively low cost" without the necessity for negotiating a new canal treaty with Panama.

(9) All of these facts are elemental considerations from both U.S. national and international viewpoint and cannot be ignored, especially the diplomatic and treaty aspects. In connection with the latter, it should be noted that the original Third Locks Project, being only a modification of the existing Canal, and wholly within the Canal Zone, did not require a new treaty with Panama. Nor, as previously stated, would the Terminal Lake—Third Locks Plan require a new treaty. These are paramount factors in the overall equation.

(10) In contrast, the persistently advocated and strenuously propagandized Sea-Level Project at Panama, initially estimated in 1970 to cost $2,880,000,000, exclusive of the costs of the right of way and indemnity to Panama, has long been a "hardy perennial," according to former Governor of the Panama Canal, Jay J. Morrow. It seems that no matter how often the impossibility of realizing any such proposal within practicable limits of cost and time is demonstrated, there will always be someone to argue for it; and this, despite the economic, engineering, operational, environmental and navigational superiority of the Terminal Lake solution. Moreover, any sea-level project, whether in the U.S. Canal Zone territory or elsewhere, will require a new treaty or treaties with the countries involved in order to fix the specific conditions for its construction; and this would involve a huge indemnity and a greatly increased annuity that would have to be added to the cost of construction and reflected in tolls, *or* be wholly borne by the taxpayers of the United States.

(11) Starting with the 1936–39 Treaty with Panama, there has been a sustained erosion of United States rights, powers and authority on the Isthmus, culminating in the completion, in 1967, of negotiations for three proposed new canal treaties that would:

(1) Surrender United States sovereignty over the Canal Zone to Panama;

(2) Make that weak, technologically primitive and unstable country a senior partner in the management and defense of the Canal;

(3) Ultimately give to Panama not only the existing Canal, but also any new one constructed in Panama to replace it, all without any compensation whatever and all in derogation of Article IV, Section 3, Clause 2 of the U.S. Constitution. This Clause vests the power to dispose of territory and other property of the United States in the entire Congress (House *and* Senate) and not in the treaty-making power of our Government (President and Senate)—a Constitutional provision observed in the 1955 Treaty with Panama.

(12) It is clear from the conduct of our Panama Canal policy over many years that policy-making elements within the Department of State, in direct violation of the indicated Constitutional provision, have been, and are yet, engaged in efforts which will have the effect of diluting or even repudiating entirely the sovereign rights, power and authority of the United States with respect to the Canal and of dissipating the vast investment of the United States in the Panama Canal project. Such actions would eventually and inevitably permit the domination of this strategic waterway by a potentially hostile power that now indirectly controls the Suez Canal. That canal, under such domination, ceased to operate in 1967 with vast consequences of evil to world trade.

(13) Extensive debates in the Congress over the past decade have clarified and narrowed the key canal issues to the following:

(1) Retention by the United States of its undiluted and indispensable sovereign rights, power and authority over the Canal Zone territory and Canal as provided by existing treaties;

(2) The *major* modernization of the existing Panama Canal as provided for in the Terminal Lake Proposal.

Unfortunately, these efforts have been complicated by the agitation of Panamanian extremists, aided and abetted by irresponsible elements in the United States, aiming at ceding to Panama complete sovereignty over the Canal Zone and, eventually, the ownership of the existing Canal and any future canal in the Zone or in Panama that might be built by the United States to replace it.

(14) In the 1st Session of the 92nd Congress identical bills were introduced in both House and Senate to provide for the *major* increase of capacity and operational improvement of the *existing* Panama Canal by modifying the authorized Third Locks Project to embody the principles of the previously mentioned Terminal Lake solution, which competent authorities consider would supply the best operational canal practicable of achievement, and at least cost without treaty involvement.

(15) Starting on January 26, 1971 many Members of Congress have sponsored resolutions expressing the sense of the House of Representatives that the United States should maintain and protect its sovereign rights and jurisdiction over the Panama Canal enterprise, including the Canal Zone, and not surrender any of its powers to any other nation or to any international organization in derogation of present treaty provisions.

(16) The Panama Canal is a priceless asset of the United States, essential for interoceanic commerce and Hemispheric security. The recent efforts to wrest its control from the United States trace back to the 1917 Communist Revolution and conform to long range Soviet policy of gaining domination over key water routes as in Cuba, which flanks the Atlantic approach to the Panama Canal, and as was accomplished in the case of the Suez Canal, which the Soviet Union now wishes opened in connection with its naval buildup in the Eastern Mediterranean and Indian Ocean. Thus, the real issue at Panama, dramatized by the Communist take over of strategically located Cuba and Chile, is not United States control versus Panamanian but United States control versus Soviet control. This is the issue that should be debated in the Congress, especially in the Senate. Panama is a small, weak country occupying a strategic geographical position that is the objective of predatory power, requiring the presence of the United States on the Isthmus in the interest of Hemispheric security and international order.

(17) In view of all the foregoing, the undersigned urge prompt action as follows:

(1) Adoption by the House of Representatives of pending Panama Canal sovereignty resolutions and,

(2) Enactment by the Congress of pending measures for the major modernization of the existing Panama Canal.

To these ends, we respectfully urge that hearings be promptly held on the indicated measures and that Congressional policy thereon be determined for early prosecution of the vital work of modernizing the Panama Canal, now approaching saturation capacity.

ORDERLY REDISTRICTING

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, I am today introducing legislation to provide a specific and orderly timetable for the process of congressional redistricting. This type of legislation on the Federal level is long overdue, and I am hopeful that the Congress will enact a proposal of this type in time to affect the 1972 elections.

My bill would establish procedure for the Federal courts to redistrict if a State failed to develop a redistricting plan by November 1 of the year before the regular election. The problem would go to the Federal district court after this date upon suit by any eligible voter from the State in question. A three-judge district Federal court panel would then have exclusive jurisdiction to issue its own redistricting plan. Appeals would go directly to the U.S. Supreme Court.

The advantage of this legislation lies in the definite timetable it establishes for congressional redistricting. At present, redistricting is left completely to the in-

dividual States unless individual citizens file litigation at some indefinite point in time. Unfortunately, as we have seen since completion of the 1970 census, many State legislatures across the country appear unable or unwilling to redistrict equitably in sufficient time to assure the orderly operation of primary and general elections, and to allow sufficient familiarity between candidates and electorate. To date, only a handful of States that must redistrict have completed the process.

In my own State of Connecticut, the redistricting process is presently in a state of limbo. The redistricting plan enacted by the legislature has been vetoed, and though the legislature will convene in special session shortly, it most likely will not renew the redistricting process until it convenes its regular session on February 9 next year.

I have stated previously that it would be desirable for candidates and electorate to know their districts now rather than shortly before the election, especially if the district lines were to be changed materially. The prospects for this happening, in Connecticut and in States across the Nation, appear dim.

For this reason, I feel that Federal legislation establishing a redistricting timetable is essential. At present, the U.S. Congress is the only legislative body in the Nation that does not have a voice in its own redistricting. My legislation, while not involving the Congress in the redistricting process itself, would assure that the process was accomplished within a reasonable period of time. The States would have an opportunity to redistrict, but the entire problem would go to the Federal courts approximately 1 year before election day if State efforts failed.

The courts have both legal authority and adequate capacity to enact redistricting plans, and I am confident that reapportionment would be quickly forthcoming after referral to the Federal system. An additional advantage of this bill is that appeals from the district court plan would go directly to the U.S. Supreme Court, where they would have precedence on the docket. The bill would thereby avoid an extended legal process with possible referral back to the legislatures.

I am hopeful that some legislation of this kind will be enacted by the Congress soon. The redistricting process is too important to leave to an indefinite timetable.

The bill I am introducing today provides a mechanism to insure such a time frame. I ask the House to give this legislation its immediate consideration and approval.

EMERGENCY GUIDANCE BOARD FOR ECONOMIC EMERGENCY

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MONAGAN. Mr. Speaker, I am today reintroducing with over 50 cosponsors my legislation to create a program of voluntary wage-price controls by means of a temporary Emergency Guidance Board. The board would publish a set of basic guidelines for wage and price changes, and then publicizes those increases in excess of the guidelines.

I originally introduced the Emergency Guidance Board Act with Congressman MCFALL on January 29. Since then, the need for this legislation has become more urgent than ever. Both recession and inflation continue to plague the Nation. In my own State of Connecticut, unemployment rests at a level of 10.1 percent. The town-by-town breakdown finds Waterbury at 12.3 percent, Bristol at 24.5 percent, and Danbury at 10.6 percent.

In the Nation at large, the present economic recession is marked by a 5.8-percent unemployment rate. The Commerce Department recently announced that six out of eight economic indicators which the Department uses to gage future economic activities, fell in the month of June. The composite of all eight indicators fell by 0.5 percent, the first decline since October.

Despite this intolerable unemployment and economic decline, inflation continues unchecked. It is now running at approximately 6 percent annually, and long ago reached the point where every consumer could notice the difference in his return on a dollar.

The Nixon administration has at times attempted a more aggressive policy to keep the lid on inflation and improve unemployment, but these attempts have been fragmentary, and have often singled out one industry, such as construction. However, despite these halting attempts, the administration has refused to give up on the basic tenets of its economic game plan, a game plan which has created an unprecedented state of simultaneous inflation and unemployment.

On June 29, the chief economic spokesman for the administration, Secretary of the Treasury John Connally, told the Nation that the administration is sticking to present economic policies despite unemployment and inflation. Connally told newsmen that administration monetary and fiscal policies are providing substantial stimulation to the economy, and also checking inflation.

To the thousands out of work and to the consumer who sees prices skyrocketing, this statement is of course absurd. The Nation has clearly reached a state of economic emergency, and is in need of unique and emergency measures. In failing to reverse its policies, the administration has failed to come to grips with this reality or has not been able to comprehend it and determine how to solve the problem.

By creating an Emergency Guidance Board, the Congress can and should take the initiative in this field to provide the necessary procedure. This bill recognizes that an economic emergency does exist, and that a novel solution is necessary to rationalize the economy. My bill provides just such a solution.

Basically, the Emergency Guidance Board Act calls for stimulation of the economy through conventional monetary policies, but establishes a wage-price review board to keep the lid on inflation. The board would consist of five members appointed by the President, and would be limited by law to 18 months of service. After consulting with business, labor, and consumer leaders, the board would publish a basic set of wage and price guidelines. These guidelines would be nonmandatory, but those industries and those unions which increased their prices or wages in excess of the guidelines would be required to file an economic justification with the board. The Board would then publicize those increases which were inflationary and therefore harmful to the economy at large.

It is my feeling that both labor and business would cooperate with the Emergency Guidance Board, recognizing its merit as a bulwark against inflation. The board avoids the stigma of mandatory wage-price controls, but would still have substantial clout through the power of publicity. It would in effect be a form of sophisticated jawboning.

The Emergency Guidance Board represents a positive step toward dealing with our present economic difficulties. It is a step which must be taken. Discrediting critics or attempting to second guess the Federal Reserve Board will not stabilize the economy. A change of policy is necessary for inflation and unemployment can be challenged only through new direction, not through mere incantation.

Among the more than 50 cosponsors of the Emergency Guidance Board Act are Members from both sides of the aisle. I am hopeful that other Members will now join us in working for passage of this essential legislation. This bill represents a unique means of halting inflation during an emergency economic period. The board will provide the needed check on rising prices while jobs are created through conventional stimulation of the economy. It deserves passage; and should be the subject of hearings immediately after the recess.

I include several newspaper articles and editorials which support my theme:

[From the New York Times, Aug. 1, 1971]

ECONOMIC CHARADE

The acting out of collective bargaining in the steel industry, which seemed virtually certain to be closed down by a strike today, bears a certain resemblance to that ancient form of Italian dramatic art known as *commedia dell'arte*—a comedy in which masked entertainers improvise their lines and actions from a standard plot outline.

The plot in steel called for the United Steelworkers to hold out for at least the 31 per cent pay increase over three years, plus a cost-of-living escalator clause, that their union had already won in aluminum, cans and copper. It called for management stubbornly to resist and then bow to that demand; despite worries about foreign competition, steel companies are then supposed to put through a price increase. Finally, the plot calls for the Nixon Administration to deplore such a settlement as unconstructive, to issue a post-settlement inflation alert and to think hard about whether to take away the steel industry's voluntary import quotas, without doing it.

What is not known at this point is how many days of output will be lost and what the precise terms of the settlement will be. But, unless the actors are carried away, there will surely be one more turn of the wage-price spiral, and further impetus for building trade barriers against foreign competition.

In the third quarter of 1971, the economy is in the doldrums. Unemployment is still hanging around the 6 per cent level which

it reached early last winter. But despite persistent unemployment, inflation continues and even shows signs of accelerating.

Chairman Arthur F. Burns of the Federal Reserve Board has provoked an angry rebuke from the White House for continuing to insist that the nation needs an incomes policy to restrain inflationary wage and price actions. But the White House has been shaken by the extremely hostile reaction this assault on Dr. Burns evoked from the business and banking community, where support for a stabilization board and noninflationary wage-price standards has greatly increased. A Presidential spokesman sought to undo the damage to business confidence in White House economics by asserting that the assault on Dr. Burns was a low-level mistake.

Anxiety about the state of the economy has in fact deepened throughout the nation. This mood is being registered in the slipping stock market, in the drop of consumers' buying plans, and in the determination of both businessmen and consumers to build up their cash holdings. The root causes of the anxiety are chronic inflation and unemployment—and the Administration's negativism and inaction.

Evidence that the Administration is willing to take decisive action to stop inflation and combat unemployment would do far more to rebuild the nation's morale than endlessly repeated sermons about the need for confidence in the marvelous workings of the unfettered price system and lectures about the healing powers of a growing money supply.

[From the New York Times, Aug. 1, 1971]

THE ECONOMIC BLUES

(By Tom Wicker)

WASHINGTON.—The closing days of July have seen a staggering amount of politically damaging economic news coming out of the Nixon Administration. No wonder the Democrats—despite their own responsibility for much of the situation—believe the economy will be their big gun against the President next year.

Most spectacularly, the official fiscal 1971 budget deficit was announced—$23.2 billion, the second-highest peacetime deficit on record, after an original prediction in January, 1970, of a $1.3-billion surplus, and an estimate as recently as January, 1971, of a deficit of about $19 billion.

It is all very well for the Administration to take the view that this huge deficit is, in reality, a sensible "full-employment surplus" of $2.5 billion over what tax receipts would have been had there been 4 per cent unemployment (technically considered "full employment") instead of 6 per cent. Democratic and conservative Republican opponents will nevertheless insist that a deficit is a deficit, and this one is a whopper; and the general public is unlikely to prefer the sophisticated "full-employment" explanation to these charges.

Also, in recent days, it became more apparent that little headway has been made against inflation, although unemployment continues high; Chairman Arthur Burns of the Federal Reserve Board said so publicly. Yet, Mr. Nixon continues to take no formal action on wages and prices—although the Administration was trying to make itself felt in the current rail and steel labor disputes.

There also were reports that Mr. Nixon had fallen out with Dr. Burns, his own appointee, over the latter's continuing advocacy of some non-mandatory form of wage-price influence. The White House did not really deny these reports, and was the source of unconfirmed leaks that the President was seeking ways of lessening the Reserve Board's independence.

But the bad news kept coming. The June trade deficit exceeded those of April and May, and the second quarter as a whole showed a deficit for the first time since 1946. Secretary of Commerce Stans said there might be a deficit for the whole year, something that has not happened in this century. The stock market was in another downspin, and the index of "leading indicators" of economic activity declined after seven months of struggling upward.

All of this difficulty cannot merely be charged to Mr. Nixon; steel imports, for instance, in anticipation of an American steel strike, were a major factor in the second-quarter trade deficit. And the whole country continues to pay heavily in inflated dollars for the Johnson Administration's reluctance properly to fund the Vietnam war. Moreover, unemployment is increased by thousands of the servicemen Mr. Nixon is bringing home from Vietnam.

Cumulatively, nevertheless, the President who took office in 1969 promising to wring the inflation out of the economy and to balance the budget can hardly look like much of an economic manager to the ordinary voter. Even in the traditionally Republican farm belt, where farmers' hog prices are 25 per cent off with little decline in retail prices, and the parity level has dropped below 70 per cent, Mr. Nixon's economic policies are said to have landed him in deep political trouble.

Yet, with a $25-billion deficit already impending for fiscal 1972, and with the credit markets already strained, it would not be easy for Mr. Nixon to take further stimulative steps, either in spending or tax reduction. Besides, improved consumer income, helped along by Social Security gains, the end of the income tax surcharge, and numerous pay hikes, has not been translating itself into vigorous consumer spending.

But one front on which the President could move immediately and effectively, if he chose, is the wage-price level. He has the authority to act with relative restraint—perhaps by setting up the review board advocated by Dr. Burns—or with stronger effect. Senator George McGovern, the only announced Democratic Presidential candidate, demanded last week a "selective six-month wage and price freeze," and reminded the President that Congress already had authorized him to impose such a freeze.

A sizable body of economic opinion supports the McGovern view, and there are substantial political reasons why it might commend itself to Mr. Nixon. Having already proclaimed himself a Keynesian and presided over the second-largest deficit since World War II, he can have little further economic respectability to lose among orthodox conservatives; and, at the very least, a wage-price move would make it more difficult for the Democrats to charge him with doing nothing.

It might even strike a blow at the inflation Mr. Nixon, as candidate and President, has been denouncing for four years without substantial effect.

ECONOMIC MUDSLINGING

(By Joseph Kraft)

President Nixon has it in him, even as you and I, to blame others when things go wrong. And last week that pattern showed egregiously in the field of economic policy.

A flood of bad news produced a covert White House attack on Chairman Arthur Burns of the Federal Reserve Board. That show of petulance seems to indicate that the President is holding stubbornly to his chosen economic policy—at least for the time being.

The worst bit of news emerged with the latest publication of the leading indicators which the Commerce Department records as a gauge of future economic activities. It was announced that six of the eight indicators fell in the month of June. The composite of all eight indicators fell by 0.5 percent—the first decline since October.

A second blow was news that the deficit in the federal budget for the fiscal year ending June 30 was $23 billion. Except for the $25 billion in 1968, when the Vietnam war was at its most intense level, that is the biggest deficit since World War II. And a similar deficit looms for next year.

A further sign of trouble came in the foreign trade field. In the quarter ending June 30, the United States ran a deficit of more than $800 million—the largest deficit since the Commerce Department began keeping seasonally-adjusted figures back in 1946. According to Commerce Secretary Maurice Stans, there may not be any trade surplus at all this year "for the first time since 1893."

Some of these developments are not nearly as bad as they sound. The foreign trade deficit seems to be tied up with the dock strike on the West Coast. The budgetary deficit has been discounted for months.

All the latest news, moreover, only expresses an underlying condition of inflation (now running at 6 per cent annually) and slow economic growth (with unemployment at nearly 6 per cent). That combination is new in this country's experience, and nobody has a very clear idea about exactly what steps are required to set the economy right.

But some Democrats, including Chairman Wilbur Mills of the House Ways and Means Committee, favor a cut in income tax as a stimulant. Many other officials, including Chairman Burns of the Fed, favor tighter control over prices and wages—it only because it is one thing that is not now being done.

The President has not reacted kindly to these suggestions. A fortnight ago, the White House suddenly denounced Mills for—of all insignificant things—claiming credit for an Italian decision to limit exports on shoes.

Last week Burns came in for the same treatment. A White House aide told a United Press International reporter that the President was "furious" with Burns for advocating a tighter policy on wages and prices and questioning whether any progress had been made in the fight against inflation. It was further intimated that Dr. Burns had no business griping about inflation as he had himself requested a $20,000 rise in his salary at the Fed.

What this petty attack most expresses is a mood of frustration. The President and his advisors know as well as anybody that the economy is not humming along.

What they don't know is exactly what to do about it. Being uncertain, they have elected to sit tight. And as the attacks on Mills and Burns indicate, they resent those who keep trying to push them to new actions.

That mood cannot last forever. Though he has set his face against a change in policy, Mr. Nixon is going to be under growing political pressure to do something—anything—to improve conditions. Unless the economy turns up of its own accord come fall, it will be very hard to resist at least a trial of some more active steps to control wages and prices.

[From the Hartford Courant, July 15, 1971]

GALLUP EXCLUSIVE: WAGE-PRICE CURBS GAIN SUPPORTERS

PRINCETON, N.J.—The recommendation of George Meany, AFL–CIO head, that wage-price controls be imposed comes at a time when public support for such controls is at its highest recorded point since the Korean War. By the ratio of 50 per cent to 39 per cent, persons interviewed in a late June survey favor a freeze in prices and wages.

Departing from the traditional stance of union leaders, Meany recently stated that direct controls are needed to curb inflation. Meany's position wins support with half of rank and file union families reached in the

survey, which was completed prior to Meany's statement.

President Nixon for the present has ruled out wage-price controls, taking the position that the existing economic policy, given time, will work successfully to reduce inflation and unemployment.

Five years ago, in 1966, opinion was fairly evenly divided before those who favored and those who opposed wage price curbs. During 1969 and 1970, as inflationary pressures increased opinion began to shift toward support for a wage-price freeze. The previous high to today's figure 6 in 10 in favor of curbs, was recorded during the Korean War.

LEAST SUPPORT IN SOUTH

Majority support in the East, Midwest and Far West is found for wage-price controls, but opinion is about evenly divided in the South.

Sharp differences in opinion are found in terms of the age of respondents. Older persons, many of whom are now on a fixed income or anticipate being on one in the near future, look more favorably upon control than do younger persons.

Bi-partisan support is found for a freeze, with Republicans and Democrats favoring such action by approximately the same ratio. A majority of persons in clerical work and sales, and farmers, are in favor of controls, while professional or business people and manual workers are fairly closely divided on the issue.

For the latest survey, a total of 1,501 persons, 18 and older, were interviewed in person in 300 scientifically selected localities across the nation during the period June 25–28. Union and non-union families are represented in the sample in their correct proportions.

Following is the question asked:

It has been suggested that prices and wages (salaries) be frozen—that is, kept at their present level, as long as the Vietnam war lasts. Do you think this is a good idea or a poor idea?

The following table shows the results for the nation as a whole and for key groups within the sample:

	Good idea	Poor idea	No opinion
National	50	39	11
Labor union	48	46	6
Nonlabor	50	37	13
East	51	38	11
Midwest	53	36	11
South	43	42	15
Far West	52	40	8
18 to 29 years	44	46	10
30 to 49 years	45	45	10
50 and older	57	29	14
Republicans	49	37	14
Democrats	54	36	10
Independents	45	45	10
Professional and business	41	44	15
Clerical and sales	51	37	12
Skilled workers	47	44	9
Unskilled workers	48	45	7
Farmers	54	92	17

[From the Washington Post, June 6, 1971]

THE ECONOMIC RECOVERY: NO NEWS MAY BE GOOD NEWS

(By Hobart Rowen)

This was a week of accumulated bad economic news for the Nixon administration, all of which suggests that the hoped-for recovery is still on the horizon, just out of reach.

There were three key developments:

The steelworkers union won a three-year, 31 per cent increase for its aluminum workers, foreshadowing a settlement at least that big in the basic steel industry.

Business intentions to spend money for new plant and equipment were cut back from the very modest level projected at the beginning of the year, making even more certain that Mr. Nixon's projection of a $1,065 billion Gross National Product is far too high.

As expected by most private forecasters (but discounted by many Nixon advisers), unemployment rose in May to 6.2 per cent, matching a nine-year high, while wholesale prices took another jump upward.

Thus the twin problem of high unemployment and high inflation continues to plague the Nixon administration, and there is no sign of much early relief.

In fact, there is one basic undercurrent on the present economic scene that suggests real trouble, not only for the small recovery that got under way in the first quarter, but for the stock market.

Interest rates have started to climb again, which Henry Kaufman of Salomon Bros. says is "very unusual for this stage of an economic expansion." In plain language, Kaufman—an expert on bonds and the money markets—suggests that if this trend continues, it could abort the recovery.

In a speech to the New York Society of Security Analysts late last month, Kaufman said that higher interest rates could boost mortgage costs, and clip the incipient housing boom. Higher interest rates would feed the expectation of even higher rates and would "also . . . (be) a very unfavorable omen for stocks."

The turnaround in interest rates can be illustrated by the pattern in high-grade new corporate bonds, which hit a peak yield of 9.5 per cent in June of 1970, fell to a low of 6.90 per cent in January of this year, then rose again to 8⅜ late last month. Last week, the rate was just under 8 per cent. So the yield has recovered about half of the decline, which Kaufman says is "alarming."

Higher costs for money probably help explain the backsliding in plant and equipment spending, despite incentives the Nixon administration is trying to provide.

The way the financial markets appear to be reading events in Washington, the basic reason for higher interest rates in the face of a record growth in the supply of money goes beyond the mere fact that a recovery had been initiated. It relates to the more subtle belief that there is a "political requirement" that 1972 must be a very good year. Put it another way: the markets believe that Mr. Nixon will do whatever he feels necessary to assure re-election in 1972, and that this will spell more inflation.

It seems fair to say that Mr. Nixon lost his chance to control the wage-price spiral; that even if he wanted to do something about big wage settlements, he now no longer can.

Take the forthcoming labor-management collision in steel, whatever Mr. Nixon would prefer, Mr. Abel can hardly ask his steel and copper constituents to take less than he produced for his can and aluminum workers.

But if this wage-price round is over and uncontrollable, how about the next one? It becomes even more essential, as both Federal Reserve Board Chairman Arthur F. Burns and former Johnson adviser Arthur M. Okun say, to develop some kind of a wage-price, or incomes policy, Okun thinks that once the steel settlement is out of the way, Mr. Nixon may have another (and perhaps his last) chance to install some effective controls.

As we head toward the beginning of the new fiscal year on July 1, it is clear that the $11.5 billion budget deficit announced in February has long since been an obsolescent figure. No one in the Budget Office has yet promised a midyear review, but it is easy enough to guess that the real deficit for fiscal 1972 should be projected in the $20 to $22 billion range.

And any way that Mr. Nixon wants to calculate it—regular budget, full employment budget, full employment budget based on the "national income accounts"—that is enough red ink to spell heavy Treasury borrowing and more pressure on interest rates.

There is even another complicating factor: last year, foreign governments invested heavily in Treasury issues. That is to say, they helped to finance the domestic deficit.

This coming year, as one of the by-products of the international crisis, it is doubtful that foreign governments will be investing much in Treasury securities. In fact, foreign governments may unload some of their holdings.

"They (the Nixon administration) have got themselves in a pretty inflexible position," says one analyst. "I'm going to be interested to see how they get out of it." So will everybody else.

[From the New York Times, Mar. 18, 1971]

DISORDERED ECONOMIC POLICY

The decline in industrial production last month and the slowdown of gains in income and construction make it increasingly improbable that the Nixon Administration will see its forecast of a $1,065-billion Gross National Product realized this year.

It is still unclear what the Administration was up to in producing a forecast regarded as so badly out of line by virtually the entire economics fraternity. Was it anticipating a magic resurgence of consumer and business spending? Or was it handing an assignment to the Federal Reserve to reduce unemployment more quickly through monetary devices?

All the evidence points to the latter explanation. Yet, there is no reason to believe that the Fed is going to feed money to the system significantly faster than the 5 to 6 per cent rate of the past twelve months. The Council of Economic Advisers strongly suggests that this is not stimulative enough, although the Office of Management and Budget seems to think that a 6 per cent rate of growth in the money supply is just about right.

Meanwhile, Federal Reserve Chairman Burns continues to lecture the Administration about the need for a stronger incomes policy. The C.E.A., in the person of Herbert Stein, says, "Without any grand announcement, we have now taken on a large number of the ingredients of what is loosely called incomes policy." But many states defy or ignore the President's call for suspension of their support of construction industry wages.

Evidently, the picture of economic policy-making within the Administration is one of disarray. The Administration uses the Federal Reserve as a whipping boy, while doing little itself to realize the $1,065-billion target-cum-forecast that it insists is essential to a reasonably prompt return to full employment. Although the unemployment rate has come down a bit in the past two months, a decline in the labor force is the main reason. Long-term joblessness has continued to rise.

With more stimulus clearly needed, Congress has done the Administration—and the economy—a good turn by raising Social Security benefits 10 per cent, retroactive to the start of this year, while postponing until next year the increase in the amount of income subject to payroll tax. But additional fiscal stimulus is still required if the Administration is to come closer to its goals. Expenditures should be increased for social programs, especially those that would help create jobs for the unemployed.

While moving to a more stimulative fiscal policy, the Administration also needs an incomes policy to tamp down inflation. A wage-price board administering an over-all advisory program designed to gain widespread business, labor and public acceptance of noninflationary behavior would help repair a critical lack in policy.

A firmer incomes approach, coupled with flexible fiscal and monetary policies, will be

essential to deal with what the Administration earlier called "the re-entry problem"—the problem that the economy will meet when it moves closer to full employment with increased danger of a heating up of inflation. The difficult maneuvers necessary to get the economy back to price stability and full employment can scarcely be carried out without stronger Presidential leadership and better integrated policy.

STABILIZATION OF POPULATION IN THE UNITED STATES

(Mr. UDALL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. UDALL. Mr. Speaker, I introduce today with Representative FRANK HORTON and 19 bipartisan cosponsors a resolution to declare it the policy of the United States to achieve a stabilization of population. The resolution is substantially the same Senate Joint Resolution 108, introduced June 2 by Senators CRANSTON and TAFT and more than 30 bipartisan cosponsors.

Although this resolution addresses itself to the question of population growth, by its very nature it will affect much more than the number of Americans there will be 40 to 100 or 200 years from now. In a very real and direct sense, this resolution, if enacted by the Congress, will affect the quality of life those future generations of Americans will enjoy.

I say this, Mr. Speaker, because throughout the Nation there is a growing recognition that the pressure of population growth directly affects our ability to deal with many of our major social and economic problems. Population stabilization—holding total population size relatively constant by encouraging a birth rate that about equals annual deaths—is no panacea. But without population stabilization, it is clear, we will face vastly more difficult tasks in overcoming other problems—in rebuilding our cities, in protecting the environment, in averting a national energy crisis.

President Nixon made this point very well in his population message of July 18, 1969, when he declared:

> Pressing problems are also posed for advanced industrial countries when their populations increase at the rate that the United States, for example, must now anticipate. Food supplies may be ample in such nations, but social supplies—the capacity to educate youth, to provide privacy and living space, to maintain the processes of open, democratic government—may be grievously strained. . . . I believe that many of our present social problems may be related to the fact that we have had only fifty years in which to accommodate the second hundred million Americans.

Projections of population growth in the United States are truly startling. In 1951, for instance, there were 151 million Americans. Today there are about 210 million Americans. And by the year 2000—less than a third of a century from now—that number is expected to grow to roughly 300 million. In short, if present growth patterns continue, the population of the United States will double in the last half of the 20th century. The National Academy of Sciences has already warned us that even a nation as rich as the United States cannot bear such growth. In a study on "The Growth of U.S. Population" in 1965, the Academy reported:

> In the very long run, continual growth of the United States population would become intolerable and then physically impossible.

I am convinced that long before population size becomes intolerable it will have a profound effect on the manner and quality of all our lives. Moreover, I think the evidence is abundantly clear that at some point in the future we will have population stabilization. This must be true in a nation of finite space and resources. The real issue is when and how we will stabilize population.

The resolution I introduce today would establish a national policy of population stabilization while fully respecting the individual rights of all Americans. The resolution does not address itself to specific policies which might lead to a reduced birth rate. However, the sponsors agree completely with Senator CRANSTON, who said when he introduced Senate Joint Resolution 108 that "coercion is totally unacceptable as a means of lowering the birth rate." Rather, we hope that the declaration of a policy of population stabilization will lead to a comprehensive public education program and noncoercive incentives addressed equally to all segments of our society.

Despite the great wealth and size and resources of the United States, it is none too early to begin to move to stabilize our population by voluntary means. According to the best estimates, if tomorrow all American families began to limit themselves to two children, it would take 60 to 70 years to stabilize our population. This is because of the large number of American women who are in, or are about to enter, the prime childbearing years. So adoption of this resolution would cause no sudden, dramatic shift in family living or population patterns. But it would represent a step that eventually must be taken and a realization that if the coming generations of Americans are to enjoy the full fruits of the United States we of this generation must act now to protect the future.

CHIEF GEORGE A. MURPHY OF ONEIDA, N.Y., POLICE DEPARTMENT, PRESIDENT OF THE INTERNATIONAL ASSOCIATION OF CHIEFS OF POLICE, INC.

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, this September, Chief George A. Murphy, of the Oneida, N.Y., Police Department, will assume the presidency of the International Association of Chiefs of Police, Inc.

I am pleased to make this announcement to my colleagues here in the House Chamber today, for a variety of reasons. The first is rather personal: I consider the chief a good friend for whom I have the utmost respect and esteem. Beyond this, it is my privilege to represent him here in the House of Representatives. And last but not least, Chief Murphy is one of the foremost police administrators in the world, as evidenced by his recent election.

On July 12, 1971, Mr. Speaker, the association celebrated the acquisition of its new building and facilities at 11th Firstfield Road, in Gaithersburg, Md. I had the privilege of attending the dedication.

The IACP, founded in 1893, is a professional police membership organization comprised of over 8,000 persons from 63 countries around the free world.

Throughout its 78-year history, the IACP has served the needs of law enforcement by advancing the science and art of police services. Association objectives, as published in the IACP constitution are—

> To develop and disseminate improved administrative, technical, and operational practices and promote their use in police work, to foster police cooperation and the exchange of information and experience among police administrators throughout the world, to bring about recruitment and training in the police profession of qualified persons, and to encourage adherence of all police officers to high professional standards of performance and conduct.

From the original concept of developing methods of cooperation, IACP has been privileged to serve as the catalyst of such law enforcement keystones as the National Fingerprint Identification Bureau, the uniform crime reports, and the International Police Academy.

In 1897, the association established a central clearinghouse for Bertillon records in Chicago. In the early 1900's, the clearinghouse made the transition of fingerprint records and was known as the National Police Bureau of Identification. Up until 1923, the association carried on a sustained effort to persuade Congress to enact legislation for the Federal Government to operate the bureau. In 1924, Federal legislation became effective, creating the Identification Division of the Federal Bureau of Investigation. The fingerprint records maintained by the IACP Bureau and those maintained by the Federal penitentiary at Leavenworth, Kans., were turned over to the FBI.

In 1922, a recommended procedure for classification and recording of crime statistics was issued by the association. The recommendations were widely accepted by police departments throughout the Nation. A study of the subject was continued by the IACP Committee on Uniform Crime Records and their efforts were instrumental in securing a grant from the Spelman Fund to engage a staff of four full-time personnel to compile the uniform crime reports. In 1929, the staff released the first draft of a manual on uniform crime reporting. The association was again successful in having the Federal Bureau of Investigation designated as the clearinghouse for the collection and compilation of national crime statistics. In 1930, a revised Uniform Crime Records Manual was published, and a standing advisory committee was established to cooperate with the FBI in securing wide participation of law enforcement agencies in the national crime reporting system.

In 1955, after entering into a contract with the International Cooperation Ad-

ministration of the Federal Government, now known as the Agency for International Development, an IACP Training Division was established for the purpose of devising training programs for police officers from various countries. That effort culminated in what is known by thousands of police officers from around the world as the International Police Academy, now being operated by the Office of Public Safety of the U.S. State Department.

Today, the IACP services have expanded to include full field management consulting, training courses and materials, publications and textbooks, conferences, workshops and committees. IACP now operates the National Bomb Data Center for the collection and dissemination of data related to bomb incidents; the National Police Weapons Center for the collection, evaluation and dissemination of information relating to police weapons and protective equipment, as well as information concerning attacks on police officers; the National Police Registry, which is developing a program to provide agencies with the names of personnel having special qualifications; the Center for Law Enforcement Research Information for the preparation, collection, evaluation and dissemination of monographs, texts, brochures, and other printed matter on law enforcement practices; and, the Public Safety Aviation Institute to assist law enforcement in adapting aircraft to police services.

In other efforts to serve the needs of law enforcement, Operation Transition provides a manpower bank by training qualified military personnel who are seeking police careers after completing military service. The Training Key program provides police subject matter in capsule form suitable for rollcall training or formal classroom presentation. The Police Reference Notebook is a quick-reference manual of basic principles for use in the field. A modern film library is also available for more formalized training and the Police Chief magazine keeps abreast of changing concepts and mandates which affect police services.

These are some of the ongoing projects of the association. The critical need for improved police services will continue to be professionally served with the recently dedicated new facilities of the IACP.

Mr. Speaker, I salute the association and Chief Murphy.

MRS. CATHARINE O'CONNOR BARRETT, PRESIDENT-ELECT OF THE NATIONAL EDUCATION ASSOCIATION

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, last month the 1.1 million member National Education Association chose as its new president-elect and vice president, one of the most remarkable women it has ever been my pleasure to know, Mrs. Catharine O'Connor Barrett.

Catharine, a teacher in Syracuse, N.Y., received her bachelor's degree from LeMoyne College and later did graduate work at Syracuse University. For years she has been one of the outstanding educators in central New York.

I cannot be too lavish in my praise of Mrs. Barrett, Mr. Speaker, for her accomplishments are manifold. She is a teacher, first and foremost. But she is also a fighter—for teachers. She has been in the forefront of every major battle to establish, maintain, and expand the rights of teachers over the past several decades. This dedication resulted in her election a few years ago to the presidency of the New York State Teachers Association—an election, which incidentally, broke all tradition, because she was the first teacher in the 120-year history of that organization ever to be nominated and elected from the floor of the convention.

Winning has been a way of life with Catharine Barrett, Mr. Speaker, whether it involves dignity for the teachers she represents or a better chance to learn for the children she teaches. And she has taken her winning ways to the places where they count—city hall, the State legislature, and the Congress.

I am far from alone in my feelings about this gracious lady. She has received the Woman of Achievement Award from the Syracuse Post Standard, the Distinguished Service Citation from the Classroom Teachers of New York State, and the Syracuse Teachers Association Award for Outstanding Service. As if these peer awards were not enough, she has also received the Golden Apple Award from the Student Education Association of New York State, and the Pi Sigma Rho Golden Key Award from the Future Teachers of America, indicating the esteem in which the young people hold her.

As she assumes her new duties and responsibilities, I know all my colleagues join me in saluting her. We wish her all the best.

CORTLAND COUNTY AIRPORT NAMED AFTER MAJ. GEN. LEVI CHASE

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. HANLEY. Mr. Speaker, a few days ago, I participated in a memorable program in Cortland, N.Y., in my congressional district. It was a ceremony renaming the Cortland County Airport after one of the area's most distinguished native sons, Maj. Gen. Levi Chase.

For a quarter of a century, General Chase has faithfully served his Nation, both in peace and in war. A truly humble and self-effacing individual, his demeanor belies the toughness which earned him a host of military accolades. During service in World War II, Korea, and Vietnam, General Chase received 27 air medals, the Legion of Merit three Silver Stars, six Distinguished Flying Crosses, the Bronze Star, Purple Heart, two Distinguished Unit Citations two British Distinguished Flying Crosses, a Republic of Korea Presidential Unit Citation, and the French Croix de Guerre.

Yet heroism is far from General Chase's only strength. He is a dedicated student of military affairs and an administrator of note. Between wars, he organized the Air Force's world famous "Thunderbirds" which have thrilled millions of people around the world. He also attended and graduated from both the Air War College at Maxwell Air Force Base and the National Air War College here in Washington.

Mr. Speaker, General Chase is a leader in the truest sense of the word, for he has not only led men in defense of liberty, he has participated in their struggles shoulder to shoulder. Now the Vice Commander of the 9th Air Force, this veteran of three wars flew more combat missions than any other American pilot.

I consider it a great honor to represent the hometown of General Chase and I consider it an even greater honor to have been among the participants at the ceremonies dedicating the Cortland Airport in his honor.

Mr. Speaker, I know all of my colleagues here in the House today join me in offering a heartfelt "thanks" to General Chase for his dedication to the cause of freedom, in extending our warmest regards to his family, and in wishing him many more years of good health and productive service for his country.

MESS AT BATTERY PARK, N.Y.

(Mr. ICHORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ICHORD. Mr. Speaker, more than a month has now passed since I stated on the floor of this House my shock over the litter in Battery Park on a recent trip to take my young daughter to see the Statue of Liberty. At that time I voiced my opinion that something must be done to correct this national disgrace. I must take the floor today to say that I continue to receive reports from officials and citizens in New York City that this sad situation has not been corrected.

Mr. Speaker, I must say that the National Park Service, through the office of Director George Hartzog, has been most responsive to my request. Mr. Jerry D. Wagers, superintendent of the New York City National Park Service has reported to me that he has already had one meeting with Mr. August Hecksher, Commissioner of Parks for New York City, to discuss this subject and that another meeting is planned. Since Battery Park is a unit of the New York City Park system, the National Park Service has no direct jurisdiction; however, the fact that Battery Park serves as an entrance to one of our national memorials establishes a reason for their interest and willingness to cooperate.

On the other hand, the only response that I have had from the office of the mayor of New York City casts blame for this disgraceful mess on "cutbacks in parks department personnel and litter left by tourists." This is in contrast to many responses I have received from

people in New York City who insist that they have been trying to get this park cleaned for years.

Mr. Speaker, I am vitally concerned about getting the mess cleaned up in Battery Park in order that visitors who travel across this country or from a foreign country to see the "torch of freedom" held high by the Statue of Liberty do not receive the impression that we take no pride in our heritage. Therefore, I have notified Mayor Lindsay of New York City that unless he can give me some assurance that this matter can be handled by the New York Park Service group, I intend to introduce remedial legislation. I am having a bill drafted at this time which would authorize and direct the Secretary of the Interior to enter into a cooperative agreement with the New York Park Service group to detail not less than two permament, full-time National Park Service employees to assist in the maintenance of the area of Battery Park leading to the entrance to the Statue of Liberty and authorize an annual expenditure of $20,000 for this purpose.

Mr. Speaker, I introduce for the RECORD at this time a copy of the letter I am sending to Mayor Lindsay.

HOUSE OF REPRESENTATIVES,
Washington, D.C., August 3, 1971.

Hon. JOHN V. LINDSAY,
Mayor of New York City,
City Hall,
New York, N.Y.

DEAR MAYOR LINDSAY: Several weeks have now passed since I made my initial request on the Floor of the House of Representatives that steps be taken to "clean up the mess" in Battery Park in view of the fact that visitors must pass through this area on their way to visit the Statue of Liberty. The reports I continue to receive from New York City indicate that no improvement has been made.

The *New York Times* quoted you as blaming this disgraceful mess on "cutbacks in Parks Department personnel and litter left by tourists" and created the impression that you felt nothing could be done to correct the situation. You were further quoted as urging me to support legislation in Congress "to help all the hard-pressed cities of the nation."

To set the record straight, you should have checked my record—I have frequently supported legislation "to help all the hard-pressed cities of the nation" on the Floor of the House. On the other hand, you might be interested in the fact that we have received many letters from people in New York City explaining that they have been fighting to get the litter picked up in Battery Park for many years. Many of them place a considerable amount of blame on the "peddlers" in the Park. Others point out that it is not primarily the tourists but those who work in the area and use Battery Park as a lunchroom who are mainly responsible for the rubbish. All agree that the City has not taken adequate measures to keep the litter picked up.

The National Park Service has been most responsive to my request that something be done and expressed a willingness to cooperate in correcting the situation. Mr. Jerry D. Wagers, Superintendent of the New York City National Park Service Group, has already held one meeting on this subject with Mr. August Hecksher, Commissioner of Parks for New York City, and has informed me that another meeting is already planned.

John, I know that you have many problems in New York City and I am sympathetic with your plight; however, I insist that Battery Park must be cleaned up in order that visitors to the Statue of Liberty, most of them from foreign countries, will not get the impression that we have no pride in our heritage.

Therefore, if you are unable to give me the assurance that you can handle the trash problem in Battery Park, I intend to introduce legislation in the House of Representatives designed to be of assistance in keeping the park clean. I am having a bill drafted that would authorize and direct the Secretary of the Interior to enter into a cooperative agreement with the New York Park Service Group to detail not less than two permanent, full-time National Park Service employees to assist in the maintenance of the area of Battery Park leading to the entrance to the Statue of Liberty and authorize an annual expenditure of $20,000 for this purpose.

I will be most anxious to receive your reply.

Sincerely,

RICHARD H. ICHORD,
Member of Congress.

THIRD ANNIVERSARY OF CRUSHING OF CZECHOSLOVAKIA'S LIBERAL MOVEMENT

(Mr. GERALD R. FORD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. GERALD R. FORD. Mr. Speaker, it was 3 years ago this month that Russian troops, aided by those of Warsaw Pact allies swept into Czechoslovakia and crushed the liberal movement which had put a human face on communism in one of the Soviet Union's satellites.

Since then we have continued to witness shocking repression in Czechoslovakia, a choking off of the joyous activity which had made life livable in this adjunct of Russia.

The people of Czechoslovakia continue to have our deepest respect. Their courage in the face of the Soviet-led invasion aroused great admiration in us. We cannot believe and we will not believe that the spirit which made the Czechoslovakians stand up to Russian tanks is dead. It lives on and will rise again.

The Russians are fearful of the free Czech spirit. This is why they invaded Czechoslovakia in the first instance. This is why they continue to occupy it.

The Czech experiment in liberal socialism frightened the Russians because it threatened to spread to the Soviets' other puppet states and create great disunity. The Russians could not risk this, and so they crushed the proud Czechs.

I do not believe the Czechs have given up. They are, of course, weary and depressed, but people of their spirit cannot be kept down indefinitely.

As for us, we must continue to express our concern for their struggle and our belief in their ideals. And we must oppose with all our power the cruel and unjust doctrine which was given as an excuse for the Soviet invasion of courageous Czechoslovakia.

The spirit of freedom is not dead in Czechoslovakia. And we must do all we can to fan its flames.

A RESOLUTION AND MEMORIAL FROM FLORIDA

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, two important matters of legislation for this Congress received enthusiastic and significant support from my State in the past few weeks.

The first which I include in the RECORD is a copy of Senate Memorial No. 1357 adopted by the 1971 regular session of the Florida Legislature. This memorial urges this Congress to establish a National Cancer Authority as a priority measure and to provide adequate funds for an "all-out war" on cancer. As you know, I am proud to be the House sponsor of the legislation that passed the Senate recently under the able leadership of Senator EDWARD KENNEDY.

The second matter concerns a resolution adopted by the steering committee of the Dade County Democratic Executive Committee which supports the equal rights amendment in its original form. Members are aware of the efforts underway to dilute and emasculate this bill whose principal author was the Honorable Congresswoman from Michigan, MARTHA GRIFFITHS.

The text of the Florida Senate memorial and the Dade County Democratic Executive Committee resolution follows:

SENATE MEMORIAL No. 1357

(A memorial to the United States Senate expressing the interest of the legislature in the establishment of a National Cancer Authority)

Whereas, more Americans died, the victims of cancer, in 1969 than did in the 4 years of World War II, and

Whereas, of the 200 million Americans alive today, 50 million will develop cancer and approximately 34 million will die of it, and

Whereas, cancer claims the lives of more children under 15 years of age than any other illness, and

Whereas, in 1969, for every man, woman, and child in the United States, our federal government spent only 89¢ on cancer research as compared to $19 on foreign aid, $19 on the space program, and $125 on the war in Vietnam, and

Whereas, the tragedy of the disease of cancer has either directly or indirectly affected millions of Americans, and

Whereas, a nation as great as the United States can not afford to lose such a large portion of its population to any disease without an all out effort to conquer disease; now therefore

Be it resolved by the Legislature of the State Florida:

That the United States Senate is hereby notified of the great interest and concern felt by the citizens of Florida for the need for an all-out war on cancer.

Be it further resolved that the United States Senate is respectfully urged to regard the establishment of a National Cancer Authority as a priority measure, and further, to provide adequate funding for an "all out war" on cancer.

Be it further resolved that copies of this Memorial be dispatched to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, and to each member of Florida's Congressional Delegation.

RESOLUTION

A Resolution by the Steering Committee of the Dade County Democratic Executive Committee to urge support and passage of the Equal Rights Amendment in its original form.

Whereas the Equal Rights Amendment is of vital concern to the women of Dade County, the state of Florida and this country as a whole, and

Whereas equality for all is a premise of the Declaration of Independence and the Constitution of the United States, and

Whereas discrimination based on sex, race, religion or creed cannot be tolerated in a Democratic society, and

Whereas the Equal Rights Amendment would Constitutionally guarantee equality for all women.

Therefore be it resolved, That the Steering Committee of the Dade County Democratic Executive Committee considers the passage of the Equal Rights Amendment as necessary to guarantee equality under the Constitution and strongly urges support for and passage of the Equal Rights Amendment.

Be it further resolved, That copies of this Resolution be sent to U.S. Senator Lawton Chiles, U.S. Senator Edward J. Gurney, Congressman J. Herbert Burke, Congressman Claude R. Pepper and Congressman Dante B. Fascell.

REMARKS OF SENATOR FRED HARRIS BEFORE CONFERENCE OF HOUSING AND DEVELOPMENT OFFICIALS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, on June 21, I had the pleasure and privilege of introducing the Honorable FRED HARRIS before the Southeastern Regional Conference of Housing and Development Officials in Miami.

Senator HARRIS has not only made an enviable record in the Senate but he has been one of the leaders in political thought and action in America since he has been in public life. He is a man of great physical and intellectual drive, of deep idealism and one who knows how to blend the practical and the theoretical. Senator HARRIS spoke movingly to this important conference and I am sure my colleagues and fellow countrymen will profit from observing his remarks which I am pleased to insert in the RECORD:

INTRODUCTION BY CONGRESSMAN CLAUDE PEPPER OF SENATOR FRED R. HARRIS AT SOUTHEASTERN REGIONAL CONFERENCE OF NATIONAL ASSOCIATION OF HOUSING AND DEVELOPMENT OFFICIALS, JUNE 21, 1971, MIAMI BEACH, FLA.

Senator Harris, distinguished guests, ladies and gentlemen, thank you very much Miss West for your generous introduction. I particularly evaluate them highly because they come from a fellow Alabamian and a very lovely and distinguished one as you are. We who are in politics are grateful to one who just turns to us; he doesn't have to be as complimentary as Miss West so graciously was. My wife and I went to the Woodrow Wilson home once a little bit ago and I was reminded of the story I've heard of an incident which occurred in the administration of President Wilson. One morning about 3 o'clock a secret service man knocked loudly upon the President's bedroom door. The President sleepily awoke and he said, "Yes?". The secret serviceman said, "Mr. President, there's a man just insisting on talking to you on the telephone." The President said, "Who is he, and what does he want?" "Well," he said, "he won't say, but he says he's got to talk to you." The President hesitated a minute and said, "Very well," and he sleepily put on his slippers and gown and shuffled on down to the nearest telephone; they didn't have phones in the President's bedroom in those days. He picked up the receiver and said, "This is the President". The man on the other end of the line said, "Mr. President, this is the Assistant Postmaster of New York City." The President said, "Yes, but why are you calling me like this?" "Well," he said, "Mr President, the Postmaster of New York City has died." "Well," he said, "I'm sorry to hear that, but why did you call me like this to tell me that." "Well," he said, "Mr. President, I was just hoping that it would be alright with you if I took the Postmaster's place." The President hesitated a minute and said, "If it's all right with the undertaker, it's all right with me."

I want to congratulate you upon the wisdom of selecting a lovely lady as the President of this great organization. That's the recognition of women's lib, I think, in a very fine way. I want to join in the welcome that's being extended to you by our distinguished Mayor. Naturally, I think you are visiting the finest Congressional District in the United States, which happens to be mine here. We hope you'll enjoy your stay and stay a long time and will come back again soon.

I'm especially pleased to join in welcoming so many of the distinguished officials of our government at the Washington level and also the Atlanta level. Assistant Secretaries Watson and Howard and Dulles are very important men who have much to do with the programs in which we are so vitally interested. And there's Mr. Baxter, who comes to us from his able work in the Regional Office in Atlanta and others who are here associated with us. Are they here? I'm sure all of us can look with confidence upon the fact that they are going to make an announcement binding upon the President that all the money that Congress has appropriated for housing will readily be made available to all of you all over the country. This is great work in which you are engaged. It's hard for a lot of us who are fortunate enough to live in good apartments or good homes to realize what it means to anyone who doesn't have the privilege. Home Sweet Home is something that everyone should be able to say and it not only should be a home that they cherish, it should be a decent home. We are proud of what the federal government has contributed over the years for many more millions of people than would otherwise have been able to enjoy that privilege. We all hope that the State will also take a larger share of responsibility to meet this critical need. I regret that apparently my own legislature at a current special session instead of providing several millions of dollars at least, as was advocated by the very able black lady who's the Chairman of the Community Relations Division of the State of Florida, only appropriated $100,000 for a study. Well, you don't need to study when the people of this country and of this state and this community need decent housing. Right here on South Beach proximate to this great and beautiful part of our area and state and country, there are people living in squalor and in dire poverty and we've had a long struggle to try to get even 200 decent public housing units built in that area where elderly people cry out for the construction of such facilities.

So your work is meaningful and you have chosen today as your principal speaker, one eminently qualified to speak to you on the subject of reality of change. He's forty years of age. He was born in the state of Oklahoma where he graduated from college with Phi Beta Kappa and law school with distinction. After practicing law for a number of years, he became a state Senator where he served with an excellent record for eight years and then in 1964 he was elected to a two-year term as United States Senator and in 1966 he was elected to a full term. He comes up for reelection next year and feeling the wisdom that I do of the people of Oklahoma, I would make the prophecy that he is going to be reelected with a great majority. America needs this man to stay in the United States Senate. He's made an enviable record in the relatively short time that he's been a member of that august body. He is one of those men who went to the United States Senate and didn't get hardening of the spiritual arteries or didn't fall victim to blandishment, the entertainment and the persuasion which is so effusively a member of that body. I can speak from a little experience. Too many have I seen come to the United States Senate with the fire of the people in their heart and plea for the people in their voices, who after a little while begin to accept things as they are always, and are readily intimidated by the possible that they categorized as the impossible and in a little while begin to recline into the sumptuous ease of an honored office. This is not that kind of United States Senator. He says like some of the rest of us, he was born in poverty; his wife, lovely lady that she is, is a member of what might be called a minority group, a Comanche Indian, and proud of it and they have had it in their heart the realization from their own experience that the people, especially the poor and those who were in the minority group, needed a champion and needed a friend and they have been a friend to every man and women, boy and girl, who needed a friend in America.

In 1967, The President appointed this Senator to the Kerner Commission to deal with the causes of riots in the country. He wasn't one who advocated white-washing it or cloaking it and secluding it in a lot of generality. They went to the kernel of the problem and pointed out how relevant racial discrimination was in the riots that had burst forth in many of the cities of our land and the Kerner Report, one of the most courageous public documents ever issued, dealt candidly with the people of America about the things that we have to do to keep America and the future, as it is at present, from being divided unequally, still segregated instead of being one people, one great nation, all children as well as citizens under God. And so he made a great name for himself as an advocate on that Kerner Commission and then he wrote a book on his experiences called *They Long and Hope*, what he learned, what he saw, what he felt and what he believed, as his experience dictated from that Commission membership and that book was very highly regarded and very richly esteemed throughout the country. Then lately he's written another book and I can tell you that a man who's as busy as he is and has time to write two excellent books shows that he is not only an intellectual, but he is a man of great drive and great dedication.

And now he's written another book as I said. Now is the time to put together for the people of this country who want something done, who want to get out of the squalor of the slum, who want to lift all the people of this country out of the chaos and the anguish of poverty, who want to put the Americans in decent homes. They want to give everybody the feeling that they can stand aright and walk as Americans because they have a share in and they're part of this great country of ours. And about that book, a great American, the Mayor of New York City, had this to say, "Fred Harris has written a book that is a lot like he is: tough and brave, incisive and blunt." *Now is the Time*, that's the name of the book, tells us how one of our country's best young Senators is thinking and how more and more Americans

should be active in the difficult, changing years ahead. He was the Chairman of the Democratic National Committee for part of two years in '69 and '70, and he inspired the people of this country who were affiliated with the Democratic Party to reach out and grasp the future of the challenges this great nation so seriously has in the years ahead. He has been a great American, a great student, a great scholar of public affairs, a man whose heart is still aflame with the cause of those who need help, a man who has adorned the office of United States Senator. He has not only been an able Senator, but in the finest sense a true tribune of the people. It is with particular pride and pleasure that I present a friend, a distinguished American who will speak to you today on the reality of change, The Honorable Fred Harris.

SPEECH OF SENATOR FRED R. HARRIS AT SOUTHEASTERN REGIONAL CONFERENCE OF NATIONAL ASSOCIATION OF HOUSING AND DEVELOPMENT OFFICIALS, JUNE 21, 1971, MIAMI BEACH, FLA.

That concudes our program. I accept the nomination. I wish my wife could have heard this. Hearing all those good things about me, I wonder why I'm so dang poor.

I appreciate that introduction, particularly because Claude Pepper is, you know, a man who has great influences for good and continues to be one of the great influences for good in this country. Goodness knows we need more men like him.

It's a pleasure to be here, to be invited to hear that introduction by Mayor Stephen Clark. When I was Chairman of the Democratic National Committee, I set in motion, I think, the processes by which I predict this is going to be the site of the 1972 Democratic Convention, Claude. I'm for it being the site of the '72 convention; I predict it's going to be. This state was awfully nice to me when I was Chairman and it's good to be back here. I thought about some way I could ingratiate myself for this group starting off. I can't even say the whole name; The National Association of Housing and Redevelopment Officials. I can never quite remember what the "O" stands for. So as I was going to say, my fellow National Association of Housing and Redevelopment Officials, that wouldn't be true but that doesn't stop us politicians for trying to ingratiate ourselves in whatever group we're with. Wouldn't say my fellow Rotarians, my fellow Rainbow Girls. I told Martha Lee as I told the rest of you, I've been broken of the habit, however, of trying to ingratiate myself with whatever group it is I'm with.

As Claude said, my wife is a member of the very exclusive organization, the Comanche Indian Tribe. And so, our three children are members of the Comanche Indians. I'm not a member of any tribe. When she and I were going together, there in Oklahoma, I'd read a great deal and heard a lot about the Osage Indians up there in Northeastern Oklahoma, each of whom was reputed to have an oil well and drive a Cadillac. I thought it was that kind of deal I was getting into, but it turned out that the Comanche Indian Tribe is one of the poorer Indian tribes, unfortunately. Uncle Sam hadn't paid very much attention to them until we'd been married several years and finally together with the Kiowa tribe and the Apache tribe got a claim against the federal government for $2½ million dollars.

They decided to divide it up per capita. It came to $45 a head, which was welcome news at our house. We were sitting around the dinner table one night, and I was talking about what we were going to do with the money, and the response of our eldest daughter, Catherine, was sort of like the story they tell about Tonto and the Lone Ranger. They were out riding, and a whole party of Sioux Indians jumped up to the north of them. So they turned back to the south and there was another war party; west another war party; and east another war party; they were surrounded.

The Long Ranger looked over at Tonto and said, "What are we going to do?". Tonto said, "Don't say we to me you crazy white man." So I've been sort of broken of the habit. I will play it for your sympathy. You look at a fellow with a broken rib; I really do have a broken rib. I was playing paddle ball not long ago, and watching it with a fellow that works for me, and clumsily ran into a brick wall. The same afternoon, he and I, the fellow that was playing with me who's on my staff, and I had a meeting wih Dr. Henry Kissenger down at the White House about east-west trade.

I told him the cause of it. He said, "I wouldn't have the nerve to play a physical sport with anybody who works with me." I said, "Well, it's like the old cliche about it only hurts when you laugh," which is true. When I said it shouldn't be too much trouble because there's not too much to laugh about these days, and that's true as well. I think you'd agree that particularly in your job, as close to the people as you are, and as overwhelming as the task is, in trying to redevelop our cities and trying to provide the kind of housing that our people demand in this rich country, terribly rich country compared with our own past history and compared with every other nation in the world. I know it gets awfully discouraging for you, as it does for almost anybody who's in public office these days, or who considers public affairs, and none of us can get away from public affairs with the instantaneous communication, television particularly.

If there's anyway we can get away for a moment from what's happening anywhere else in our own country, for that matter what's happening anywhere else throughout the world. I think without being a Pollyanna about it, there is some help in the firm itself. A lot of us think back to the 1950's as the relative calm and tranquility, when we didn't seem to have the problems we have today, the kind of ferment and concern that we have today. And yet I think it doesn't take much reflection from this kind of knowledgeabe and concerned group to realize that in the 1950's probably precisely because we didn't have the knowledge of the problems which existed at the time, we began to sow the seeds of the terrible harvest that we are now reaping in so many fields. It was precisely because we weren't concerned as much as we should have been, that we began almost an irreversible kind of movement toward the poisoning of our air and water costly to change; precisely because we weren't which we found extremely difficult and as worried about the black-white relations, that we were allowed to fester central and fundamental disease which continues to be the central and fundamental fact of American political life; precisely because we weren't worried enough about our commitments around the world, and the rationale behind them back in that dullest cold war period, that we laid the foundation with a tragedy which has become the Vietnam war that 80% of all Americans now grieve as a terrible mistake.

So as I say without being a Pollyanna about it, I believe there is hope in the concern and ferment which does exist today, if we can turn it inward, if we can channel into the system and the decision-making process and build upon that to change things, this country wants change. A change is going to come whether you and I want change or not. Because the title of my remarks indicate, I was asked to discuss the reality of change. Change is the central reality of our age, perhaps of any age, but certainly of this age with the rapid urbanization, the fantastic increase in technology, the high mobility of our people which has become such a massively new kind, radically new kind of factor in the modern American life; television, the advent of the instantaneous communication, primarily through television. All these things have radically altered our lives. And so the old way, the old solutions, simply will not work, and I think it can be demonstrated throughout America that they are not working.

Not long ago, I spent the better part of an evening in two station houses, police station houses in the Bronx, which is as you know a borough of New York. Just talking with the ordinary policemen and watching what went on in those precincts. I did the same thing shortly thereafter in Tulsa, in my own state. I walked around that night in the 41st precinct. The 41st precinct has more murders every year than the entire city of Boston. They call themselves Fort Apache, because that's how beleaguered they feel in that station house. They showed me a map that had pins where cab robberies had occurred during this year, and already there were cab robberies in virtually every block in that precinct.

I walked around about fourteen blocks, with a young man who was going to night law school at St. John's, and was in civilian clothes, flared blue jeans. It was the third night in a row that he had spent on duty out on the street, despite the fact that he's not required to, because he worries about the people in that precinct and about his own job. We walked past a kind of sleazy little old cafe, at about ten thirty at night. He said that in about thirty more minutes, the junkies will be coming in here to make their connection—their eleven o'clock connection. He said you can't catch them, they make signals to each other and they actually make the transfers elsewhere. But they'll be coming in here. This is one of their major places at about eleven o'clock. And I said, "Will that probably hold them for the night?" And he said, "It depends upon how much the heroin has been cut, and the strength of the man's habit. But most of them will have to make one other connection in order to make the night. After eleven o'clock, one more three-dollar bag or nickel bag in order to make the night.

We walked on around the place—the District Attorney was with me, Burt Roberts—tough, professional. He looked at the garbage. Poor people live with garbage as you know. With garbage up and down those streets, you wonder why if the government can't pick up the garbage, why there is a government. It's a basic kind of service, and people do grow up in that kind of filth, squalor, and rat infested streets and tenements. Burt Roberts said to me, "What sort of chance do these kids have?" We walked along one street, obviously outsiders. Three young boys, nine or ten years old, sitting on a stoop, in the midst of all that garbage up and down that street; terrible hollowed out buildings that had been stripped by junkies, abandoned, boarded up, maybe only two apartments in an entire building being lived in, the rest uninhabitable.

These kids saw that we were outsiders of some kind. I suppose they thought we were narcotics agents. One kid said, "Are you looking for junkies?" There was an old dog laying out on the street. He said, "Are you looking for junkies?" "Everybody on this street is a junkie, even that old dog is a junkie". And that's probably not far wrong. I asked this young policeman I said, "What's your major problem?" And he said, "Narcotics". And I said, "Well, are you making any headway on it?" And he said, "No, it gets worse". I said, "What are you trying to do; what do you do in regard to it?" He said, "We try to deal in terms of education". "But," he said, "these kids out here on the street, by the time they're twelve years old, know more about narcotics than we can teach them. They watch people overdosed, and die right on the block.

"They know people, themselves personally

with seventy-five-dollar-a-day habits. Gotta make seventy-five dollars every morning when they get up". And still he says, "They go into it with their eyes wide open." And I said, "Why do they do it?" And he said, "Because if they don't believe in anything, they don't believe in religion, and they don't believe in anything else". He said, "Senators and Congressmen," and then he smiled kind of embarrased and said, "With all due respect, Senators and Congressmen come down here and people think things are going to change. They don't change, they just continue to get worse. There's a kind of hopelessness which is all pervasive here among these people". And I said, "Do you think that the spread of narcotics into the suburbs is also based upon that kind of hopelessness?" And he said, "Yes, but there's also an element of rebellion. Here it's not so much the rebellion, it's just hopelessness."

I traveled around this country in 1970, prior to the 1970 Congressional and Senatorial Elections. I found that the central hallmark of the American political scene is the belief of an alarmingly increasing number of American people. But it doesn't really make much difference what politician is elected, things are not going to change. As a matter of fact, there's an alarmingly increasing number of people in this country who think things cannot change. I've traveled around the country this year as co-chairman of the Urban Coalition's new commission on the cities in the '70's.

The thing that we found more apparent than any other aspect of our travels is that people are so more articulate now, than they were in 1967 when the Kerner Commission reported. In telling you exactly what's wrong with their lives, far more precise in telling you exactly what has to be done. In 1967, they were most able to discuss the symptoms, most able to give you the diagnosis to describe their pain, and less able to give you the prescription. But now people all over America know what needs to be done. A lady said to me in Atlanta, "We've been telling you politicians these same things for six or seven years and things don't change except for the worse." Hopelessness and despair and cyncism which is all pervasive throughout this country has got to be changed because it's feeding at the vitals of our free society. That means you and I must require that politicians and political parties in the government stop the old wishy-washy, double talking, compromising gradualism which has helped wing us to the kind of urgent crisis which I think exists in almost every aspect of American life.

I'm a populist, and I believe this country needs a strong dose of a kind of new populism which can set it back on the right track. By populism I mean we ought to stand up for the people's interest and some basic kind of ideals in term's of people's lives and against the interests which are entrenched so solidly as up to now to have prevented the kind of urgent action which I believe is desperately required in this country.

One of the first two United States Senators from my home town, was a man named Thomas P. Gore. He was a blind man; a tremendous order in our state. He was elected as a Democrat, but prior to coming to the Senate, he had served in the Territorial Legislature in Oklahoma as a populist. He was a crusty, tough old, man. I think Richard Russell, one of the great men of all time in the Senate, told me that when he went to the Senate, Thomas P. Gore was there, and he served with him almost before I was born.

He said that once on the floor of the Senate, Senator Gore was involved in a very bitter debate on the Senate floor, and as club knows, you can talk sort of under your breath on the Senate without people being able always to hear you in the galleries. Senator Gore was involved in this bitter debate, and the fellow with whom he was debating, under his breath said, "If you weren't blind, I would thrash you within an inch of your life". Senator Gore looked at him as if he could see him almost and said, "Blindfold the rascal and head him in my direction".

I believe that all over this country, if we listen; activists and students, suburban housewives, blue collar workers, black activists, farmers, people of all sorts of disparate backgrounds are saying exactly the same things. They're saying, "I want to have more power over my own life and I want to belong to some effect to be part of some common enterprise which is bigger than I am and which would give me some sort of value and purpose in my own life and in my society.

We had better respond to that, and I believe that that gives the kind of direction around which we can build the sort of populace progressive majority which can move this country. I believe that we can build a negative kind of majority around peoples fears and baser instincts, and that in many ways it is easier to do, by turning some of us against others. But I believe we can also, if we work at it, if we try, and that's our obligation as people concerned about people, put together a positive kind of majority around people's finer kind of ideals and hopes for themselves and for their nation. But to do so, you've got to respond to the fundamental questions which are on peoples minds. "What's going to happen to me when I get old? Where will I live? What sort of life will I have?"

I held hearings in Ada, Oklahoma in my state not long ago about problems of the elderly and how lonely and left out millions of older people in America feel. The need for income, not only for income itself, but also for the feeling that they are part of something; that there is some use for them; that they'll not continue to be excluded from society and put aside without participation. And I found that in my state, as is true all over America, old people are giving up lunch and breakfast in order to buy medicines, because there isn't any way in which they can otherwise get them. What a scandal that is; what a scandal in the richest country in the world.

"What sort of chance would my child have? Would he have a better education; a better chance than I had? What's going to happen to me if I am out of work?" Millions of people are out of work in America. A wretched and heartless policy which has consigned millions of people to the jobless lines in order as it was said to get control of the economy, who wound up not getting control of the economy and condemning a great many people to the terrible, humiliating, dehumanizing effects of joblessness. There isn't any excuse for that. Look at the demand for goods and services in America. Look at all the jobs that need to be done. Health aids, teacher aids, welfare aids, the building of housing, the rebuilding of our cities; I'd say that any civilization that calls itself civilized and tolerates unemployment for those who want to work, is simply not living up to what it calls itself.

The President I think tragically vetoed a rather minor bill last year, which had already been reduced and reduced and reduced in order to try to avoid a veto, to provide additional public service jobs. Because it cost money, because he said it consigned people to WPA type jobs; it didn't consign people to WPA jobs, but what if it did? I had uncles who were in the CCC, and I had uncles who were in the WPA. It didn't pay very much, but it gave them a chance to be self-sufficient, and to feed their families. All over America and in my home town, and in yours, there are stadiums and there are bridges. There are trees planted, there are other kinds of evidences of that kind of good works program. There's no reason why this country right now; especially tragic, that young people graduating from our finest universities and colleges can't find jobs; that engineers and scientists are out of work; that veterans—and this is the awful part of it—coming back from Vietnam, fighting an unpopular war, many of them having been drafted without finishing high school or getting additional skills, coming back to a slack job market unable to find work. There is no reason why that should be so.

"Will my family be safe on the streets and in our home? Will America live at peace so we can turn our attention to these problems? What's going to happen to me if I get sick?" The other day my wife and I were talking to a young, a rather typical couple from Edmund, Oklahoma whose first baby was born with a serious birth defect. In the first forty-eight hours of that baby's life, they owed three thousand dollars with no possible way to pay it. My father's sister, my aunt, her husband just died of a stroke after a long illness. Not poor enough for Medicaid, not old enough for Medicare, he worked all his life for the local gas company, and she works as hard as she can work now selling hamburgers in a little stand across the street from the high school in the small town where I grew up. Both had done everything for themselves all their lives, and yet there's no possible way she could pay those hospital and doctor bills. And I say that's an outrage; an outrage in the richest and most knowledgeable country, most medically knowledgeable country in the world.

"What sort of home will I have? Will my children be able to grow up in a decent home, in a decent neighborhood, in a decent town?" These are basic kinds of peoples questions. You know in your own field, that they're not being answered. And the people know they're not being answered. We have for example these interest rates beginning to climb back up again, which once almost destroyed us. So far as the housing is concerned, which has greatly worsened the worst housing shortage we've seen since the end of World War II, and yet you begin to see these big bankers again coming back to remind me of the Br'er Rabbit saying, "Don't throw me in that briar patch."

Some of those fellows appeared two, three years ago before the Senate Finance Committee saying, "I hope you won't make us raise our interest rates again in order to save the country." I hope that's a discredited policy, because all the time, while tight money and high interest rates were in effect, we were told that it was necessary to strike the obvious illogic of it, to place that kind of burden and restriction throughout our country and throughout our economy without regard to social goals such as the building of housing. The President didn't have to do that, because the Congress granted him the powers to have rationed credit voluntarily or involuntarily to get money where it was most needed as for example in housing. All the time while that policy was in effect, we not only did not curb inflation which continued to go up, but we saw unemployment go up as well to a ten year high. And I don't think we've seen the top of that yet. And now we begin to see those interest rates reaching up again.

The people feel powerless because there's not the sort of concern for building government policies and political policies around these basic kinds of questions. And they feel powerless also because there's not the economic power in the hands of the individual person in this country that there ought to be. But now mal-distribution of wealth and income has always been endemic to our society, and it's got to change. If we're going to put together a progressive coalition that can be a majority in this country, we've got to first of all recognize that the blue collar worker in America for example, has got to be a part of that coalition, and that he has

very legitimate complaints which have not been answered.

A member of the United Auto Workers in Tulsa years ago, as you know a rather well paid union, told me that he was living in a nine thousand dollar house in Tulsa. And that's not a very good house in Tulsa. But he said if he made a thousand dollars less a year, he could get a fifteen thousand dollar house under the 235 Program of which you are familiar. He understandably doesn't think that's the greatest program the Congress ever passed. Because not only is he ineligible for many of the social benefits, which Congress has enacted, but he pays far more than his share of the cost.

Progressive property taxes and sales taxes, which are so characteristic of local and state taxation systems, and under the Federal income tax system and the Social Security tax systems which themselves are progressive and put too much burden on the lower and lower middle income tax payer by allowing a lot of rich people in this country to avoid their fair share of the cost. Now, maldistribtuion of income in America continues unabated. In 1930, prior to all these social programs and other kinds of programs, the upper ⅕ of our population had about 40% of the income. Today it has about 41% of the income. Then, the lower ⅕ of the population had about 5% of the income. Today it has slightly less of the income than it had at that time. That's why the tax revolt in America is real, and that's why it's got to be acted on; tax reform which places the burden fairly. Minimum levels of minimum wages and coverages have got to be raised and broadened because there are millions of Americans who are working full time, who never the less cannot earn enough to get out of poverty. A basic and decent income maintenance system; the people primarily need income.

The notion persists in America that if we'll just continue to give the poor enough advice, they'll quit being poor. But that's not working. This year for the first time, the first time in about nine years, ten years, we have an increase in the number of poor people over the number last year. It's been decreasing, and this year it increased. People have to have a decent income to break out of poverty and the kind of dehumanizing effects of being a little kid and being in a separate line; being pointed with a separate ticket; being rushed off to a different place; if you get a free lunch so that everybody in the school knows it; or seeing your parents standing in those terribly demeaning lines; or held forever in kinds of social services and saying to yourself, "We must not amount to much. We must not be a very good people, if this is the way my parents are treated, or this is the way I'm treated." The kinds of damage, the kinds of negative impact on something which if that's done to millions of young people for generations has got to change not only because it is wrong, because it is impractical, because it costs us more.

You and I have a tremendous obligation because we're rich people. We are terribly privileged and rich people compared with so many of the rest of the people who live in our country, and compared to the people who live all around the world. Change is a reality. Everything is changing. Everything must change. But the ideals upon which this country is founded haven't changed, and they need not change. What is required is that we be called back to the practise of those ideals. There's a poem that said, "The dreamer dies, but never dies the dream. Say never more that dreams are fragile things, what else endures in all this broken world, save only dreams."

Idealism is the pragmatism of our day. People want to be called up to something great. You're involved in that. I commend you for what you are doing. I say keep up what you are doing. Try to enlist others. Try to retard governments and respond to the feelings of powerlessness to allow people to participate, to allow them to be involved in something bigger than themselves. And I believe that in the process, you and I can take as our motto almost, the words of John F. Kennedy who said, "With a good conscience, our sure reward; with history, the final judge of our deeds. Let us go forth to the land we love." Asking his blessing, and his help, but knowing that here on earth, the land we love." Asking His blessing, and His help, but knowing that here on earth, God's work must truly be our own."

THE LOCKHEED CASE

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, several recent additions of "The Janeway Letter" have come to my attention which will be of particular interest in light of the Lockheed controversy and my suggestion that the Government consider reviving the old Reconstruction Finance Corporation. Mr. Eliot Janeway, in these newsletters, traces the history of the old RFC and applies it to the current economic desperation of some very large business firms in the country. I include the observations of "The Janeway Letter" for the familiarization of those Members who may not have been in Congress when the RFC was rescuing near bankrupt firms:

[From the Janeway Letter, Mar. 9, 1971]

BANKRUPTCY BANKING: GOVERNMENT'S BIGGEST NEW BUSINESS

The stage is being set for the Nixon Administration to ask Congress for a whopping budgetary appropriation to revive the old Reconstruction Finance Corporation. The Administration is still reluctant to do so. But it is running out of alternatives as fast as it is running out of time while it dithers. The question is ceasing to be *whether* a government refinancing operation is coming for bankrupts big enough to qualify as Federal charges—and not just business bankrupts: cities, states and Authorities may qualify too! The argument is now about what form it is going to take. The Administration wants the operation to be an arm of the Federal Reserve Board which, however, wants it to be an agency of Congress. I think the Fed will prevail.

The troubled case of Lockheed is setting the terms of debate. It is a three-cornered affair between the Administration, Congress and the Federal Reserve Board. Nowadays, an inside Washington power fight can be regarded as approaching a climax when the White House launches a trial balloon suggesting that the Federal Reserve Board has the power to solve one of its problems. The White House has just done so on the issue of insurance for bad bank loans.

The lines are hardening against a bail-out for Lockheed short of a government refinancing operation, the pre-condition of which assumes a corpus. Up to this point, the Administration and the relevant Congressional Committees have agreed that a mere $600 million would be a stop gap; and that something more like $1 billion would be needed to get any residual Lockheed operation ready for refinancing into a consolidation with another aerospace contractor—in line with the further contraction of the industry the Administration has in mind. But time becomes a more decisive consideration than money as Lockheed runs out of cash (the banks have already shut down on it).

The characteristic new Administration reaction to any problem to do with money is to pass the buck to the Federal Reserve Board. Its solution for the Lockheed crisis is to revive the old RFC and to lodge it with the Federal Reserve Board. But it takes two to tango; and the Burns Board has dug its heels in and is determined to sit this dance out. The only alternative left for the Administration is to eat more crow and to go to Congress with a request for the authority and the money to load the Budget with enough more spending burden to capitalize a reactivated RFC as a government bankruptcy bank for dead and dying defense contractors, transportation companies and, probably, sick cities on the hunt for project capital not to be had from either the tax-exempt market or business. And add marginal companies in sick cities to the stretchable list of claimants for RFC money when it starts flowing.

Congress will reluctantly grant this authority to the Administration—more readily and more generously, as I read its mood—after Lockheed has been put out of its misery. Headquarters for the gigantic refloating operation in prospect will be the Treasury—an unfamiliar port of call for the companies and the pressure groups concerned. The delegation of authority to Treasury Secretary Connally to handle the Lockheed crisis is a prelude to surfacing the RFC move. Because transportation will be the revived RFC's biggest business, Connally will emerge in a matter of months as the commanding figure so far as the endemic sickness in the Department of Transportation, CAB and ICC operations are concerned.

The next new game in Washington will be to figure out how companies with no national defense or public service angles can qualify for RFC money—also how city and state agencies can. It will be the biggest game in town, restricted to players who know how to play the Congressional game. The Administration does not. But Connally does. And he is now installed as the receiver in bankruptcy for the Administration. He is an old pro; and he will play the new RFC money game with Congress instead of trying to perpetuate the Administration's formula for political suicide by trying to go it alone. As he does, he will tighten his grip on political power, just when the list of needy claimants for unbankable distress refinancing bulges. Congress's price for voting an emergency capital fund for transportation and defense bankrupts will be to insist on enough loop-holes through which to slip bail-out money for business constituents shipping water.

The President has made the first move by acknowledging the force of Burns's veto of Fed responsibility for Lockheed, and putting Connally in charge of this test case. The President and Connally are now under pressure to make the next move by asking Congress for the necessary money although it will come hard for the President and his close circle of advisors to acknowledge the Congress has the power to write their ticket. The mendicaments are lining up. The line is long and growing.

[From the Janeway Letter, July 20, 1971]

GOVERNMENT BANKRUPTCY BANKING

Government bankruptcy banking is on its way back for the first time since the Roosevelt era. What started as the Lockheed bail-out Bill is taking the form of a revival of the Reconstruction Finance Corporation; which Hoover started, and which Roosevelt built up into the biggest business in the world. All year long, I have been warning that this would be the only meaningful action on which the Nixon Administration and the Democratic Congress would agree.

The history of 1931 may not be about to repeat itself so far as universal deflation is concerned—I don't think it is! But the $2 bil-

lion authorization written into the pending RFC Bill wants to be taken as merely an opening ante. The magnitude of the operation will be very much greater—and before the government's new bankruptcy banking operation gets very much further along.

The $2 billion start-up authorization was deemed appropriate against a background of presumed recovery. The new RFC Board, however, will be setting up in business along about the time the post-Labor Day inventory recession is accentuating the financial strains produced by the present slump.

The new inventory recession will hit the producer durable and supporting consumer durable sectors with particular severity. The automotive economy—particularly its steel and other supply centers—face massive cutbacks. The busted condition of the cities and states in the vulnerable, industrial heartland of the country most closely approximates that of the Federal government. Consequently, the mayors and governors of the sick mill and factory towns will be outdoing the managements of the busted companies in pressing for RFC accommodation. The extension of the RFC concept to state and local governments will start up the new RFC, holding a broader fireman's net than its predecessor of the depression years. The domino effect of busted companies on their local governments and communities dependent upon them is the reason.

A major policy question for the government has been deliberately blurred over in the transition from a mere Lockheed Bill to a full-fledged RFC Bill. The rationale for the "just" Lockheed Bill started out as being prodefense and ended up antipanic. But from the beginning to the end of the "just" Lockheed phase of the argument, the implied premise was that defense and defense-related public service operations—notably, the commercial airlines—qualify for special protective action by government brankruptcy banking.

But now that the Bill to be enacted has taken form as a broad bankruptcy banking bill, everybody is being positioned to reach for an ornament on the Christmas tree—not just defense industries and the public service transportation industries. Businesses in competitive industries will qualify too, and so will the bond-issuing state and local governments tied in with them. As if this were not enough of a breathtaking rule-changer, a prime condition of the new deal is readying small business bail-out banking to qualify for inclusion. "Cut the corner grocer in too," is an unanswerable cry. This means that the only way to buy off a filibuster is to add a small business clause to the Bill.

Politically speaking, the shortest conceivable distance connects Lockheed to the busted grocery store around the corner. The question raised in everybody's mind on the decision to start with Lockheed is where to draw the line ending the new welfare deal for business. This is reason enough why the $2 billion figure in the initial enabling Act wants to be considered as a penny-ante opener, tried on for size in the tricky and temporary atmosphere of last spring's seasonal business improvement. This is to warn that a new rule book will be written as fast as this rule change takes effect. It is not likely to underwrite peaches and cream for bail-out beneficiaries of the government's new bankruptcy banking operation.

On the contrary, because of the lurid aspects of the Lockheed scandal, and the political blackmail involved in the Administration's demand to bail it out on pain of provoking a panic, stringent restrictions are likely to be the price of RFC accommodation. Certainly the press will be on to impose crack down rules as fast as the spread of distress lengthens the line of applicants. Such restrictions could conceivably go as far as requiring a moratorium on the amortization of debt to private creditors and even, on interest. If only because most competitive candidates for such emergency accommodation become dependent on secondary lending before they approach the brink, this could give headaches to secondary lenders. It is likely to force the city banks to start getting realistic about the very large reserves and write-downs they have been wishful in deferring against loans belonging on the sick list.

The new RFC deal is being taken as insurance for business as usual. Herewith, this warning to take it instead as an added pressure to cut back on marginal credits and to prepare to limit supplier and customer relationships to money-good, credit-worthy accounts. Investment-wise, it portends a sharp downgrading of corporate and local government credit and bond ratings. It will be as much of a shocker as a shock absorber.

THE TIME TO STOP COAL STRIP-MINING IS NOW

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, the increasing gravity of the environmental crisis being created by the ravages of coal stripmining is brought home in dramatic human terms by an article in last Sunday's New York Times. The article points out that, after a few relatively quite years, the resistance of the people of eastern Kentucky to coal strip mining is growing again, as strip mining itself grows—by almost 100 percent in the last year.

Anyone who has visited the hills of eastern Kentucky knows how beautiful the land is and how poor many of the people are. Poor as they are, they are proud and they have a deep love of their land. They watch with rising fury as the bulldozers descend and rip the land apart. They know that, once stripped, the land will never be the same again and that its beauty, character, and fertility will be lost to them and their descendants forever.

Faced with utter lack of response by the State legislature and the inadequacy and often prohibitive cost of the court action, the people are turning to firearms in a desperate attempt to save the land they love. They are also banding together in a new conservation group, Save Our Kentucky. The initials of this organization, SOK, may give some hint of the new mood that the expansion of coal stripmining has aroused in the population. This mood is found not only in Kentucky but in many other parts of the country.

As we all know, the devastation of strip mining is not limited to one State or even to a few States. It has the potential of laying waste vast regions and altering the water courses, the land and even the climate of large sections of the country. It is truly a national disaster. We in Congress cannot sit idly by while the strip mining interests play off one State against another and devour farms, forests, streams, highways and whole towns, leaving in their wake towering highwalls, broken water tables, and huge piles of barren rubble covering thousands of square miles of once beautiful and fertile America.

Bills are now pending before the House which, if adopted, can put a stop to this wanton destruction. The Hechler bill, H.R. 4456, and the Hays bill, H.R. 9736, are two outstanding exemples. The Honorable ED EDMONDSON, chairman of the Subcommittee on Mines and Mining of the Committee on Interior and Insular Affairs, has scheduled hearings on strip-mining for September 20–24.

As the situation described in the New York Times article demonstrates, congressional action can come none to soon. The text of the article follows:

EASTERN KENTUCKY ANGER RISES AS STRIP-MINING OF COAL GROWS

(By George Vecsey)

WHITESBURG, KY.—After a few relatively quiet years, the resistance to coal strip-mining is growing again in the hills of eastern Kentucky as stripping itself grows—by almost 100 per cent in the last year.

In two unrelated incidents recently, rifle-bearing citizens chased bulldozer operators off their land. While no shots were reported fired, and while the two incidents are in small proportion to the vast number of surface mining operations, tempers appear to be returning to the heat of the middle 1960's.

In those days, Mrs. Ollie Combs became famous as "the Widow Combs" for holding off the bulldozers by sitting in their path. Then Dan Gibson, close to 80 years old, pointed a rifle at another operator until the man left. Another time, a few shots fired at bulldozers persuaded William Sturgill that he really did not want to strip Lotts Creek, after all. The state police intervened to prevent possible bloodshed.

HORIZONTAL DRILLING

Within the last year, stripping has taken tremendous chunks out of the hills. A report by the Kentucky Department of Mines and Minerals said that surface mining by bulldozer and shovel had increased by 72 per cent while auger mining, with a huge drill penetrating horizontally into the sides of hills, has grown by 95 per cent. The tonnage of surface-mined coal has nearly doubled.

The increase has been accompanied by heightened militance. In the last year, Mrs. Bessie Smith, a housewife from Clear Creek, and Bill Cohen, the poet of Pippa Passes, have blocked the huge coal trucks and declared war on the strippers. And a new conservation group. Save Our Kentucky, has brought together a number of people who had been smoldering individually in true mountain fashion.

In most cases, the resentment has centered on "broad-form" deeds, documents signed in many cases by long-departed ancestors of the current landowners. The deeds gave away, usually for a few dollars, all future mineral rights to the land.

Since surface mining techniques were improved in the last decade, many land owners have suddenly discovered that their land could be ripped open by holders of broad-form deeds. Only in Kentucky have the courts upheld the mining companies' rights to disturb land under the broad-form deed.

The two recent incidents took place at opposite ends of Letcher County, whose citizens are particularly aware of current events because of the presence of the antistripping lawyer, Harry M. Caudill, and Tom Gish's weekly newspaper, the Whitesburg Mountain Eagle.

In one incident near Blackey, an operator for the McCulloch Consolidated Coal Company was chased by a rifle-bearing man who identified himself as Carl Ashley, the son-in-law of Henry Melton, who has been engaged in legal action concerning his mineral and surface rights.

The other incident near Jenkins involved

Warren Wright, the recently resigned director of the Council of Southern Mountain. Mr. Wright held off the giant Beth-Elkhorn Company several years ago (with the help of his pistol-carrying wife) until the company got a court order to auger (drill) a portion of his land. Recently Mr. Wright heard that the bulldozers were coming back.

"I had to make up my mind whether to go up that hill," he said. "I knew what the consequences could be. Once you go up there you can never back down or they've got you forever."

With two friends backing him up, Mr. Wright watched a bulldozer rip up a hillside before he could reach the site. Perhaps because of the weapon he was carrying, Mr. Wright was able to get the operator to stop long enough for him to explain that the company had no right to disturb the surface of his land.

Later several officials of Beth-Elkhorn explained to Mr. Wright that it was all a mistake, that the operator had just gone too far. But the hill is still torn apart and Mr. Wright is thinking of legal action.

These two incidents of brandished firearms may be symptomatic of the mood of the area. The director of the Hazard Bureau of Kentucky's Department of Reclamation, William Hayes, has said, "There have been more complaints this year than since I started here in 1966."

"If anything goes wrong on the hill, people are affected down in the valley," said Mr. Hayes, who is generally well regarded by conservationists. "And the general public is more aware of ecology than ever before. People are talking and listening."

THE EMERGENCY SCHOOL AID ACT OF 1971

(Mr. WILLIAM D. FORD asked and was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. WILLIAM D. FORD. Mr. Speaker, today I am joined by my colleagues, Mrs. GREEN, Mrs. MINK, Mr. MEEDS, Mr. BIAGGI, Mrs. HICKS, Mr. MAZZOLI, and Mr. THOMPSON of New Jersey, Mr. DENT of Pennsylvania, and Mr. DANIELS of New Jersey in introducing H.R. 10338, entitled the "Emergency School Aid Act of 1971." It is this bill that I hope will be offered in the full Committee following the recess as a substitute to the very narrow bill reported by the subcommittee to the full House Education and Labor Committee to meet only desegregation needs.

In introducing this bill which embodies the provisions of the substitute I hope to enable every educator throughout the United States to evaluate its provisions.

We members of the House Education and Labor Committee who are cosponsoring this bill are prompted by our growing concern, out of years of study of education needs throughout the country, that we must begin now to meet the critical need for improving the quality of education for all children in the Nation's elementary and secondary schools.

We can continue to pay lipservice to this goal through underfunded and piecemeal legislative proposals such as the narrow approach taken by the administration's proposed desegregation legislation.

On the other hand we can confront the tremendous problem thrust upon desegregating school districts by not only meeting this particular burden through Federal aid but also providing funds to go with local and State funds in providing quality education in the classroom.

To me, and to those who have joined in sponsoring this legislation, the Federal responsibility for strengthened educational opportunity throughout the United States cannot be fulfilled simply by buying buses and transporting children. We must provide local educational agencies with the capability of furnishing high quality educational programs at the place that these children get off the bus in the morning.

We believe that the legislation being introduced today is a modest approach to the tremendous need and challenge facing local educational agencies throughout the Nation. At this point, I would like to insert in the RECORD a brief explanation of this legislation followed by the exact text of the bill and a table showing distribution of funds under the legislation:

EMERGENCY SCHOOL AID ACT OF 1971

Grants to local educational agencies to augment State and local funds in improving the quality of education in the elementary and secondary schools and to assist desegregating school districts in financing the additional burdens imposed by such process

PURPOSE OF THE LEGISLATION

The legislation is a Congressional response to evidence presented at hearings to the General Subcommittee on Education conducted in 1969, 1970, and 1971 that local educational agencies throughout the Nation face severe financial difficulties in providing quality educational opportunities to all students. These hearings disclosed that school districts seeking to achieve desegregation of their schools, whether by court order or through voluntary efforts, are confronted with an urgent need for additional funds to augment State and local resources supporting such efforts.

ALLOCATION OF FUNDS

The legislation makes a basic grant to each local educational agency based on the enrollment of all children ages 5 through 17 in the attendance area of such school district. For the fiscal year 1972 the amount of the grant would be 10% of the State average per pupil expenditure for elementary and secondary education or 10% of the national average, whichever is greater for each such pupil. This would increase by 5% each fiscal year for the next four years. Thus for fiscal years 1973 through 1976 the federal grant amount would be 15%, 20%, 25%, and 25%, respectively, of the applicable per pupil expenditure. The estimated amount of Federal funds to be distributed to local educational agencies pursuant to such legislative authorization would be approximately $3,981,000,000. In order to compensate school districts with additional financial burden imposed upon them by concentrations of low-income families in addition to the above sum, approximately $1,326,000,000 would be distributed among local educational agencies according to the relative number of children coming from low income families as an equalization factor. The resulting grant to a local educational agency would be used to improve the quality of education in the school district. While a five-year quality education support program is provided for in the bill, additional Congressional authorizations are required to enable appropriations for fiscal years 1974, 1975 and 1976.

QUALITY EDUCATION

Although the legislation establishes an entitlement for each local educational agency in order for such agency to actually receive payment, applications for uses of the funds would be submitted to and approved by the state educational agency. Such applications would assure that the local educational agency had made a special analysis of the educational needs and attainment of all the children within the district and that the uses of the Federal funds would be directed toward meeting those needs. Programs to enhance educational opportunities for nonpublic school children would be developed by the local public agencies.

GRANTS FOR DESEGREGATION PURPOSES

In addition, the legislation would provide special grants to local educational agencies based upon the relative number of minority group children to enable the school district to meet the additional cost imposed upon it in compliance with court orders to desegregate or in implementing plans voluntarily adopted by the school district to overcome racial isolation or racial imbalance in schools. Approximately $1.3 billion would be authorized for each of the fiscal year 1972 and 1973 for distribution for this purpose.

SECTION-BY-SECTION SUMMARY

Section 1 states the short title of the bill to be "Emergency School Aid Act of 1971."

Section 2 states the purpose of the Act as being the provision of financial assistance to local educational agencies to supplement state and local funds in providing excellent elementary and secondary education for all children and to meet the special needs occasioned by steps taken by the local educational agency to eliminate racial segregation in the school system.

Section 3 authorizes the Secretary to make grants to local educational agencies in accordance with the provisions of the Act and authorizes appropriations for such purposes.

Section 4 contains the formula for the allocation of funds and requirements for local educational agency applications for the use of such funds, provides for state educational agency approval of such applications, provides for agreements between the Secretary and the state educational agency for the administration of the grant provisions, and provides for administrative hearing procedures and judicial review of such. It contains the following language on participation of private school children:

(A) (i) to the extent consistent with the number of children in the school district of such agency who are enrolled in private nonprofit elementary and secondary schools, such agency, after consultation with the appropriate private school officials, will provide for the benefit of such children through such schools secular, neutral, and nonideological services, materials, and equipment including such facilities as necessary for their provision, consistent with subparagraph (B) of this section, or, if such are not feasible or necessary in one or more of such private schools as determined by the local educational agency after consultation with the appropriate private school officials, such other arrangements, as dual enrollments, which will assure adequate participation of such children, and (ii) from the funds received by such agency under the provisions of section (4)(e)(1)(B), such agency will expend for the purposes of fulfilling the requirements of this paragraph, an amount which bears the same ratio to the total amount received under section (4)(e)(1)(B) as the number of children enrolled in private nonprofit schools who are counted for purposes of section (4)(e)(1) (A) & (B) bears to the total number of such children enrolled in elementary and secondary schools in the school district of such agency;

(B) (i) the control of funds provided under this section and title to property acquired therewith shall be in a public agency for the uses and purposes provided in this section, and that a public agency will administer such funds and property; (ii) the provision of services pursuant to subparagraph (A)

shall be provided by employees of such public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services, is independent of such private school and any religious organization, and such employment or contract shall be under the control and supervision of such public agency; (iii) the funds provided under this section shall not be commingled with State or local funds; and (iv) Federal funds made available under this section will be so used as to supplement and, to the extent possible, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs and projects assisted under this section"

In addition this section repeals titles II and III of ESEA and subpart 2 of Part B of EPDA dealing with elementary teacher retraining, title III of the NDEA and the Adult Education Act at such time as this Act is fully funded.

Section 5 specifies the use which may be made of the special allotment of funds to local educational agencies to combat racial segregation, discrimination, and isolation and provides for the approval of such applications which meet the legislative criteria by the Secretary. Provides for 20% of desegregation appropriations to be used by the Secretary (not subject to state allocations) for special programs in such unique problem areas as bilingual education which are designed to make special contributions to the reduction or prevention of racial isolation.

Section 6 provides for pro-rata reduction of local educational agency entitlements for the purposes of the Act in cases where appropriations are insufficient to fully fund such entitlements.

Section 7 defines the terms "current expenditure per public school child," "equipment," "local educational agency" and other terms used by the Act. It also redefines "nonprofit" so as to deny assistance to the so-called white academies.

Section 8 provides a one percent set-aside of the appropriation to the Secretary for evaluation purposes.

Section 9 provides for joint funding of activities in conjunction with other Federal agencies.

Section 10 provides for the establishment of a presidentially appointed National Advisory Council on the Education of Racially Isolated Children.

Section 11 requires the Secretary to make annual reports to the Congress on the administration of the Act.

Section 12 makes applicable the provisions of the General Education Provisions Act applicable to the programs of Federal assistance authorized by the legislation.

Section 13 permits in the courts discretionary payment of attorneys fees (as part of cost) to prevailing party.

H.R. 10338

A bill to assist local educational agencies to provide quality education programs in elementary and secondary schools and to meet special problems incident to desegregation, and to the elimination, reduction, or prevention of racial isolation in elementary and secondary schools, 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 "Emergency School Aid Act of 1971".

PURPOSE

SEC. 2. It is the purpose of this Act to furnish financial assistance to local educational agencies—

(1) to assure that their resources, when supplemented by this Federal assistance, will be adequate to provide an excellent elementary and secondary education for all children, and

(2) to (A) meet the special needs incident to the elimination of racial segregation and discrimination among students and faculty in elementary and secondary schools, and (B) encourage the voluntary elimination, reduction, or prevention of racial isolation in elementary and secondary schools with substantial proportions of minority group children. It is the policy of the United States that guidelines and criteria established pursuant to this Act shall be applied uniformly in all regions of the United States in dealing with conditions of segregation by race, whether de jure or de facto, in the schools of the local educational agencies of any State without regard to the origin or cause of such segregation.

AUTHORIZATION OF PROGRAM AND APPROPRIATIONS

SEC. 3. (a) The Secretary shall carry out a program during the fiscal year 1972, and each of the four succeeding fiscal years, for making grants to States and to local educational agencies as provided in section 4, and shall carry out a program during the fiscal year 1972 and the fiscal year 1973 for making grants to local educational agencies and other public and private organizations and agencies as provided in section 5.

(b) There is authorized to be appropriated for the fiscal year 1972 and the fiscal year 1973, such amount as may be necessary to make the grants provided for in this Act, and for the fiscal year 1974, and each of the two succeeding fiscal years, there may be appropriated for carrying out section 4 only such sums as may hereafter be authorized by law.

PARTNERSHIP ASSISTANCE

SEC. 4. (a)(1) From the amount appropriated under section 3(b) for the fiscal year 1972, the Secretary shall allot to each local educational agency in a State for making grants under this section an amount equal to the aggregate of—

(A) 10 per centum of the product obtained by multiplying the estimated number of children who will be in the membership of elementary and secondary schools in the school district of such agency at the beginning of the school year ending during such fiscal year by the current expenditure per public school child for the State or for all of the States, whichever is the higher, and

(B) an amount which bears the same ratio to one-third of the amount determined for all local educational agencies in the States under clause (A), as the number of children to be counted for purposes of this clause as determined under paragraph (3) bears to the number of children so counted for all local educational agencies in the States.

(2) From any amount appropriated under section 3(b) for the fiscal year 1972 and each of the four succeeding fiscal years, the Secretary shall make an allotment to each local educational agency in a State in the same manner as is provided in paragraph (1), except that the percentage factor to be applied in making determinations under clause (A) of such paragraph shall be 15 per centum for the fiscal year 1973, 20 per centum for the fiscal year 1974, and 25 per centum for the fiscal year 1975 and the fiscal year 1976.

(3) An amount equal to not more than 2 per centum of the amount allotted under paragraph (1) shall be allotted to Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands from the amount so appropriated according to their respective needs for assistance under this section, and the Secretary shall set the maximum amount which their local educational agencies shall be eligible to receive.

(4) The number of children to be counted for purposes of subparagraph (B) of paragraph (1) shall be determined as follows: If the Secretary determines that satisfactory data for that purpose are available, such number shall be the number of children who are aged 5–17, inclusive, in the school district of such agency (based on the latest available data from the Department of Commerce) who are in families having an annual income of less than $3,000, or in families receiving an annual income in excess of $3,000 from payments under the program of Aid to Families with Dependent Children under a State plan approved under title IV of the Social Security Act. In any other case, such number shall be the number of children of such ages in such county or counties in which the school district of the particular agency is located who are described in the preceding sentence, and shall be allocated among those agencies upon such equitable basis as may be determined by the Secretary. In the case of local educational agencies which serve in all or in part the same geographical area, and in the case of a local educational agency which provides free public education for a substantial number of children who reside in the school district of another local educational agency, the Secretary may allocate the number of children among such agencies in such manner as he determines will best carry out the purposes of this section.

(5) For purposes of this subsection and subsection (b) the term "State" does not include Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands.

(b) Any local educational agency in a State which desires to receive for any fiscal year a grant under this section shall submit to the appropriate State educational agency an application which contains—

(1)(A) an analysis of the facilities, curriculum, equipment, teacher preparation, and other related matters of the elementary and secondary schools in the school district of the local educational agency. (B) An assessment of the educational attainment of elementary and secondary school pupils in basic educational subject areas. (C) An analysis of the number of those students who proceed to postsecondary education, those who after completion leave the elementary and secondary education system and find substantial employment, and those who leave school before completion of elementary or secondary education. (D) An analysis of the need for adult education programs. (E) The need for special in-service, teacher-training programs. (F) A detailed description of the proposed use of funds granted under this section with assurance such use of the funds will best enable the local educational agency to meet the educational needs of children and adults in the school district as reflected by the analysis and assessment of the educational needs of such children and adults evidenced in the matters submitted in clauses (A), (B), (C), (D), and (E) above.

(2) an evaluation of the effectiveness, including objective measurements of educational achievement, of programs and projects funded in the preceding fiscal year from funds provided under this section;

(3) such other information as the State educational agency may reasonably need to enable it to perform its duties under this section; and

(4) assurances that—

(A)(i) to the extent consistent with the number of children in the school district of such agency who are enrolled in private nonprofit elementary and secondary schools, such agency, after consultation with the appropriate private school officials, will provide for the benefit of such children in such schools secular, neutral, or nonideological services, materials, and equipment including such facilities as necessary for their provision, consistent with subparagraph (B) of

this section, or, if such are not feasible or necessary in one or more of such private schools, as determined by the local educational agency after consultation with the appropriate private school officials, such other arrangements, as dual enrollments, which will assure adequate participation of such children, and (ii) from the funds received by such agency under the provisions of section (4)(a)(1), such agency will expend for the purposes of fulfilling the requirements of this paragraph, an amount which bears the same ratio to the total amount received under section (4)(a)(1) as the number of children enrolled in private nonprofit schools who are counted for purposes of section (4)(a)(1)(A) and (B) bears to the total number of such children enrolled in elementary and secondary schools in the school district of such agency;

(B)(i) the control of funds provided under this section and title to property acquired therewith shall be in a public agency for the uses and purposes provided in this section, and that a public agency will administer such funds and property; (ii) the provision of services pursuant to subparagraph (A) shall be provided by employees of such public agency or through contract by such public agency with a person, an association, agency, or corporation who or which in the provision of such services, is independent of such private school and any religious organization, and such employment or contract shall be under the control and supervision of such public agency; (iii) the funds provided under this section shall not be commingled with State or local funds; and (iv) Federal funds made available under this section will be so used as to supplement and, to the extent possible, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for the education of pupils participating in programs and projects assisted under this section;

(C) it will keep such records and afford such access thereto as the State educational agency may find necessary to assure the correctness and verification of such applications; and

(D) no more than 25 per centum of the funds received under this section in any fiscal year will be used for capital outlay and debt service.

(c) The State educational agency shall not finally disapprove in whole or in part any application for funds under this section without first affording the local educational agency submitting the application reasonable notice and opportunity for a hearing.

(d) Any State which desires to participate under this section shall submit through its State educational agency to the Secretary an application, in such detail as the Secretary deems necessary, which provides satisfactory assurances that—

(1) except as provided in subsection (e)(2), payments under this section will be used only for programs and projects which have been approved by the State educational agency pursuant to subsection (c) and which meet the applicable requirements of that subsection, and that such agency will in all other respects comply with the provisions of this section, including the enforcement of any obligations imposed upon a local educational agency under subsection (d); and

(2) the State educational agency will make to the Secretary (A) periodic reports (including the results of objective measurements required by subsection (d) evaluating the effectiveness of programs and projects assisted under this section in improving educational attainment), and (B) such other reports as may be reasonably necessary to enable the Secretary to perform his duties under this section (including such reports as he may require to determine the amounts which the local educational agencies of that State are eligible to receive for any fiscal year).

The Secretary shall approve an application which meets the requirements specified in this subsection, and he shall not finally disapprove an application except after reasonable notice and opportunity for a hearing to the State educational agency.

(e)(1)(A) The Secretary shall, subject to the provisions of subsection (f), from time to time pay to each State the amount which the local educational agencies of that State are eligible to receive under this section.

(B) From the funds paid to it pursuant to paragraph (A) each State educational agency shall distribute to each local educational agency of the State which has submitted an application approved pursuant to subsection (c) the amount for which such application has been approved, except that this amount shall not exceed the allotment to that agency pursuant to subsection (a).

(2) The Secretary is authorized to pay to each State amounts equal to the amounts expended by it for the proper and efficient performance of its duties under this section (including technical assistance for the measurements and evaluations required by subsection (b), except that the total of such payments in any fiscal year shall not exceed—

(A) 1 per centum of the total grants made to local educational agencies of such State within that fiscal year; or

(B) $150,000, whichever is the greater, or $25,000 in the case of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands.

(3) No payments shall be made under this section for any fiscal year to a State which has taken into consideration payments under this section in determining the eligibility of any local educational agency in that State for State aid, or the amount of that aid, with respect to the free public education of children during that year or the preceding fiscal year.

(f) Whenever the Secretary, after reasonable notice and opportunity for hearing to any State educational agency, finds that there has been a failure to comply substantially with any assurance set forth in the application of that State approved under subsection (d), the Secretary shall notify the agency that further payments will not be made to the State under this section (or, in his discretion, that the State educational agency shall not make further payments under this section to specified local educational agencies affected by the failure) until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied, no further payments shall be made to the State under this section, or payments by the State educational agency under this section shall be limited to local educational agencies not affected by the failure, as the case may be.

(g)(1) If any State is dissatisfied with the Secretary's final action with respect to the approval of its application submitted under subsection (d) or with his final action under subsection (f), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(2) The findings of fact by the Secretary if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(3) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(h)(1) If the appropriation under section 3(b) for any fiscal year is sufficient to pay in full the allotments under subsection (a) of this section and under section 5(a), then, effective with respect to appropriations for that fiscal year, the following statutes and parts of statutes are repealed:

(A) Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 821–827);

(B) Title III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 841–848);

(C) Title III of the National Defense Education Act of 1958 (20 U.S.C. 441–455); and

(D) Subpart 2 of part B of title V of the Higher Education Act of 1965 (20 U.S.C. 1108–1110c).

(2) In a fiscal year in which paragraph (1) is applicable, the Adult Education Act is amended, effective with respect to appropriations for that fiscal year, by—

(A) striking out in section 309(a) "reserved in section 304(a) for purposes of this section" and inserting in lieu thereof "appropriated pursuant to section 312(a)", and

(B) striking out sections 304, 305, 306, 307, 308, and 310 and subsection (b) of section 312.

(3) The Secretary shall submit to the Congress within ninety days after the date of enactment of this Act recommendations for the repeal or amendment by July 1, 1976 of all unnecessary, duplicative, or obsolete programs, including State grant and discretionary grant programs, which are administered by the Office of Education. These recommendations for repeal and amendment must include proposals to assure that no local educational agency will receive less under this Act than it is presently receiving under Federal programs for preschool, elementary, and secondary education.

ASSISTANCE TO COMBAT RACIAL SEGREGATION, DISCRIMINATION, AND ISOLATION

SEC. 5 (a)(1) From the amount appropriated under section 3(b), the Secretary shall utilize an amount equal to one-third of the amounts determined for all local educational agencies in the States under section 4(a)(1)(A) for making grants under this section. The Secretary shall allot 80 per centum of such amount among the local educational agencies in the States by allotting to each such agency an amount which bears the same ratio to such 80 per centum of such sums as the aggregate number of children aged 5 to 17, inclusive, in the State who are Negroes, American Indians, Spanish-surnamed Americans, or members of other racial minority groups such as native Alaskans, native Hawaiians, and orientals, as determinded by the Secretary (determined in accordance with such regulations as he may prescribe), bears to the number of such children in all local educational agencies in the States. The remainder of such sums may be expended by the Secretary as he may find necessary or appropriate (but only for activities described in subsection (c) and in accordance with the other provisions of this section) for grants or contracts to carry out the purpose stated in section 2(2)(A) and (B). The number of such children in each local educational agency and in all local educational agencies shall be determined by the

Secretary on the basis of the most recent available data satisfactory to him.

(2) (A) If the allotment of a local educational agency (after any reduction under section 6) is more than the amount the Secretary determines such agency will use in carrying out programs and projects under this section, the excess amount shall be realloted first to other local educational agencies in the State which the Secretary determines are in need of such amounts for carrying out such programs and projects. In the event excess amounts remain after carrying out the proceeding sentence, such excess amounts shall be reallotted to local educational agencies in other States which are in need of such amounts for carrying out such programs and projects.

(B) In order to afford ample opportunity for all eligible applicants in a State to submit applications for assistance under this section, the Secretary shall not fix a date for reallotment, pursuant to this paragraph, of any portion of any allotment to a local educational agency for a fiscal year which date is earlier than sixty days prior to the end of such fiscal year.

(C) Notwithstanding the provisions of paragraph (2)(A) of this subsection, no portion of any allotment to a local educational agency for a fiscal year shall be available for reallotment pursuant to this paragraph unless the Secretary determines that the application for assistance under this section which has been filed by such agency does not meet the requirements of this section, as set forth in subsections (c), (d), and (e).

(b)(1) The Secretary shall provide financial assistance by grant upon application therefor approved in accordance with this Act to a local educational agency—

(A) which is implementing a plan—

(i) which has been undertaken pursuant to a final order issued by a court of the United States, or a court of any State, or other duly authorized judicial authority, and which requires the desegregation of racially segregated students or faculty in the elementary and secondary schools of such agency, or otherwise requires the elimination of reduction of racial isolation in such schools; or

(ii) which has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of racially segregated students or faculty in such schools;

(B) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this section, adopt and implement, a plan for the complete elimination of racial isolation in all the racially isolated schools in the school district of such agency;

(C) which has adopted and is implementing, or will, if assistance is made available to it under this section, adopt and implement, a plan—

(i) to eliminate or reduce racial isolation in one or more of the racially isolated schools in the school district of such agency.

(ii) to reduce the total number of Negro, American Indian, or Spanish-surnamed American children, or children of other racial minority groups as determined by the Secretary under subsection (a), who are in racially isolated schools in such district, or

(iii) to prevent racial isolation reasonably likely to occur (in the absence of assistance under this section) in any school in such district in which school at least 10 per centum, but not more than 50 per centum, of the enrollment consists of such children; or

(D) which, without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under subsection (b), adopt and implement a plan to enroll and educate in the schools of such agency children who would not otherwise be eligible for enrollment because of nonresidence in the school district of such agency, where such enrollment would make a significant contribution toward reducing racial isolation in one or more of the school districts to which such plan relates; or

(E) which, upon a determination by the Secretary—

(i) that more than 50 per centum of the number of children in attendance at the schools of a local educational agency is Negro, American Indian, or Spanish-surnamed American children, or children of other racial minority groups as determined by the Secretary under subsection (a), and

(ii) that such local educational agency has applied for and will receive at least an equal amount of assistance under paragraph (2),

has established or will establish one or more stable, quality integrated schools. For the purposes of this paragraph, an integrated school shall be a school with (i) an enrollment in which a substantial proportion of the children is from educationally advantaged backgrounds, and in which the Secretary determines that the number of children who are not in groups described in clause (i) of the first sentence constitutes that proportion of the enrollment which will achieve stability, in no event more than 70 per centum thereof, and (ii) a faculty which is representative of the persons who are Negroes, American Indians or Spanish-surnamed Americans, or members of other minority groups as determined by the Secretary under subsection (a) and persons who are not members of such groups in the population of the larger community in which it is located, or, whenever the Secretary determines that the local educational agency concerned is attempting to increase the proportions of minority group teachers, supervisors, and administrators in its employ, a faculty which is representative of the minority group and nonminority group faculty employed by the local educational agency.

(2) the Secretary is authorized to make grants to, or contracts with, local educational agencies, which are eligible under subsection (b)(1), for unusually promising pilot programs or projects designed to overcome the adverse effects of racial isolation by improving the academic achievement of children in one or more racially group isolated schools, if he determines that the local educational agency had a number of children in the groups described in paragraph (1)(E)(i) enrolled in its schools, for the fiscal year preceding the fiscal year for which assistance is to be provided, (A) which is at least 15,000, or (B) which constitutes more than 50 per centum of the total number of children enrolled in such schools.

(3)(A) No local educational agency shall be eligible for assistance under this section if it has, after the date of enactment of this Act—

(i) transferred (directly or indirectly by gift, lease, loan, sale, or other means) real or personal property to, or made any services available to, any nonpublic school or school system (or any organization controlling, or intending to establish, such a school or school system) without prior determination by such agency that such nonpublic school or school system is not operated on a racially segregated basis as an alternative for children seeking to avoid attendance in desegregated public schools, and does not otherwise practice discrimination on the basis of race, color, or national origin in the operation of any school activity;

(ii) had in effect any practice, policy, or procedure which results in the disproportionate demotion or dismissal of instructional or other personnel from groups composed of Negroes, American Indians, or Spanish-surnamed Americans, or of members of other minority groups as determined by the Secretary under subsection (a) in conjunction with desegregation or the conduct of an activity described in subsection (b), or otherwise engaged in discrimination based upon race, color, or national origin in the hiring, promotion, or assignment of employees of the agency (or other personnel for whom the agency has any administrative responsibility);

(iii) in conjunction with desegregation or the conduct of an activity described in subsection (b), had in effect any procedure for the assignment of children to or within classes which results in the separation of groups (a) from nonminority group children;

(iv) had in effect any other practice, policy, or procedure, such as limiting curricular or extracurricular activities (or participation therein by children) in order to avoid the participation of minority group children in such activities, which discriminates among children on the basis of race, color, or national origin;

except that, in the case of any local educational agency which is ineligible for assistance by reason of clause (i), (ii), (iii), or (iv), such agency may make application for a waiver of ineligibility, which application shall specify the reason for its ineligibility, contain such information and assurances as the Secretary shall require by regulation in order to insure that any practice, policy, or procedure, or other activity resulting in the ineligibility has ceased to exist or occur and include such provisions as are necessary to insure that such activities do not reoccur after the submission of the application.

(B) All determinations pursuant to this paragraph shall be carried out in accordance with criteria and investigative procedures established by regulations of the Secretary for the purpose of compliance with this paragraph.

(C) All determinations and waivers pursuant to this subsection shall be in writing.

(3) In cases in which the Secretary finds that it would effectively carry out the purpose stated in section 2(2) (A) and (B), he may assist by grant or contract any public or private nonprofit agency, institution, or organization (other than a local educational agency) to carry out programs or projects designed to support the development or implementation of a plan or activity described in paragraph (1).

(c) Financial assistance under this section shall be available for programs or projects which would not otherwise be funded and which involve activities designed to carry out the purpose stated in section 2(2) (A) and (B), including—

(1) remedial and other services to meet the special needs of children (including gifted and talented children) in schools which are affected by a plan or activity described in subsection (a) or a program described in subsection (f)(2), when such services are deemed necessary to the success of such plan, activity, or program;

(2) the provision of additional professional or other staff members (including staff members specially trained in problems incident to desegregation or the elimination, reduction, or prevention of racial isolation) and the training and retraining of staff for such schools;

(3) comprehensive guidance, counseling, and other personal services for such children;

(4) development and employment of new instructional techniques and materials designed to meet the needs of such children;

(5) educational programs using shared facilities for career education and other specialized activities;

(6) innovative interracial educational programs or projects involving the joint participation of Negro, American Indian, or Spanish-surnamed American children, or children of other racial minority groups as determined by the Secretary under subsection (a), and other children attending dif-

ferent schools, including extracurricular activities and cooperative exchanges or other arrangements between schools within the same or different school districts;

(7) repair or minor remodeling or alteration of existing school facilities (including the acquisition, installation, modernization, or replacement of equipment) and the lease or purchase of mobile classroom units or other mobile educational facilities;

(8) community activities, including public education efforts, in support of a plan or activity described in subsection (b) or a program described in subsection (f)(2);

(9) special administrative activities, such as the rescheduling of students or teachers, or the provision of information to parents and other members of the general public, incident to the implementation of a plan or activity described in subsection (b) or a program described in subsection (f)(2);

(10) planning and evaluation activities; and

(11) other specially designed programs or projects which meet the purpose stated in section 2(2) (A) and (B).

(d) In approving applications submitted under this section (except for those submitted under subsection (f)(2)), the Secretary shall approve only if he determines that—

(1) there is need for assistance, taking into account such factors as—

(A) the extent of racial isolation (including the number of racially isolated children and the relative concentration of such children) in the school district to be served,

(B) the financial need of such school district,

(C) the expense and difficulty of effectively carrying out a plan or activity described in subsection (b) in such school district, and

(D) the degree to which there are measurable deficiencies in the quality of public education afforded in such school district;

(2) the plan or activity described in subsection (b), and the program or project to be assisted, are likely to effect a decrease in racial isolation in racially isolated schools, or in the case of applications submitted under subsection (b)(1)(C)(iii), are likely to prevent racial isolation from occurring or increasing (in the absence of assistance under this section);

(3) the extent to which the plan or activity described in subsection (b) constitutes a comprehensive districtwide approach to the elimination of racial isolation, to the maximum extent practicable, in the schools of such school district;

(4) the program or project to be assisted affords promise of achieving the purpose stated in section 2(2) (A) and (B);

(5) (except in the case of an application submitted under subsection (f)(2)) the amount necessary to carry out effectively the program or project does not exceed the amount available in the agency's allotment; and

(6) the plan or activity described in subsection (b) involves to the fullest extent practicable the total educational resources, both public and private, of the community to be served.

(e)(1) An application submitted for approval under subsection (b) shall contain such information as the Secretary may prescribe and shall contain assurances that—

(A) the appropriate State educational agency has been given reasonable opportunity to offer recommendations to the applicant and to submit comments to the Secretary;

(B) the applicant has adopted effective procedures, including provisions for such objective measurements of educational and other change to be effected by subsection (b) as the Secretary may require, for the continuing evaluation of programs or projects under subsection (b) including their effectiveness in achieving clearly stated program goals, their impact on related programs or projects and upon the community served, and their structure and mechanisms for the delivery of services, and including, where appropriate, comparisons with proper control groups composed of persons who have not participated in such programs or projects;

(C) the applicant will provide such other information as the Secretary may require to carry out the purpose stated in section 2(2)(A) and (B);

(D) the applicant is not reasonably able to provide, out of non-Federal sources, the assistance for which the application is made; and

(E) staff members of the applicant who work directly with children, and professional staff of such applicant who are employed on the administrative level, will be hired, assigned, promoted, paid, demoted, dismissed, or otherwise treated without regard to their membership in a minority group, except that no assignment pursuant to a court order or a plan approved under title VI of the Civil Rights Act of 1964 or otherwise adopted under subsection (b) will be considered as being in violation of this subsection.

(2) An application for assistance under subsection (b) submitted by a local educational agency shall, in addition to meeting the requirements of subsection (a), contain satisfactory assurances that—

(A) to the extent consistent with the number of children, teachers, and other educational staff in the school district of such agency enrolled or employed in private nonprofit elementary and secondary schools whose participation would assist in achieving the purpose stated in section 2(2) (A) and (B), such agency (after consultation with the appropriate private school officials) has made provisions for their participation on an equitable basis;

(B) such agency has not reduced its fiscal effort for the provision of free public education for children in attendance at the schools of such agency for the fiscal year for which assistance is sought under subsection (b) to less than that of the second preceding fiscal year;

(C) the current expenditure per public school child (as defined in section 7(a)) which such agency makes from revenues derived from its local sources for the academic year for which assistance under subsection (b) will be made available to such agency is not less than the current expenditure per public school child which such agency made from such revenues for (i) the academic year preceding the academic year during which the implementation of a plan described in subsection (b) was commenced, or (ii) the third academic year preceding the academic year for which such assistance will be made available, whichever is later;

(D) the plan with respect to which such agency is seeking assistance (as specified in subsection (b)(1)(A)) does not involve freedom of choice as a means of desegregation, unless the Secretary determines that freedom of choice has achieved, or will achieve, the complete elimination of a dual school system in the school district of such agency;

(E) for each academic year for which assistance is made available to the applicant under subsection (b), such agency has taken or is in the process of taking practicable steps to avail itself of all assistance for which it is determined to be eligible under any program administered by the Commissioner of Education;

(F) such agency will not have in effect any practice, policy, or procedure prohibited by clause (ii) or (iv) of subsection (b)(3)(A);

(G) such agency will not engage in a transaction described in subsection (b)(3)(A); and

(H) such agency will carry out, and comply with, all provisions, terms, and conditions of any plan or activity (as described in subsection (b)) upon which a determination of its eligibility for assistance under this Act is based.

(3) The Secretary shall not finally disapprove in whole or in part any application for funds submitted by a local educational agency without first notifying the local educational agency of the specific reasons for his disapproval and without affording the agency a reasonable time to modify its application.

(4) The Secretary may, from time to time, set dates by which applications shall be filed.

(5) In the case of an application by a combination of local educational agencies for jointly carrying out a program or project under this section, at least one such agency shall be an agency described in subsection (b)(1) or subsection (f) and any one or more such agencies joining in such application may by authorized to administer such program or project.

(f)(1) From the funds available to him under the third sentence of subsection (a)(1) the Secretary is authorized to make grants to eligible local educational agencies to carry out model or demonstration programs related to the purpose stated in section 2(2) (A) and (B) if in the Secretary's judgment these programs make a special contribution to the development of methods, techniques, or programs designed to eliminate racial segregation or to eliminate, reduce, or prevent racial isolation in elementary and secondary schools.

(2) From the funds available to him under the third sentence of subsection (a)(1) the Secretary is also authorized to make grants to local education agencies to carry out programs for children who are from environments where the dominant language is other than English and who, (A) as a result of limited English-speaking ability, are educationally deprived, (B) have needs similar to other children participating in programs or projects assisted under this section, and (C) attend a school in which they constitute more than 50 per centum of the enrollment.

(g)(1) Upon his approval of an application for assistance under this section, the Secretary shall reserve from the applicable allotment (including any applicable reallotment) available therefore the amount fixed for such application.

(2) The Secretary shall pay to the applicant such reserved amount, in advance or by way of reimbursement and in such installments consistent with established practice, as he may determine.

(3)(A) In the case of an application to be funded under section 4 or the first sentence of subsection (a)(1) which is submitted by a local educational agency which is located in a State in which no State agency is authorized by law to provide, or in the case in which there is a substantial failure by a local educational agency approved for a program, activity, or project under this section to provide, for effective participation on an equitable basis in programs, activities, or projects authorized under section 4 as this section by children enrolled in, or by teachers or other educational staff of, any one or more private nonprofit elementary or secondary schools located in the school district of such agency, the Secretary shall arrange for the provision, on an equitable basis, of such programs or projects and shall pay the costs thereof for any fiscal year out of that local educational agency's allotment. The Secretary may arrange for such programs through contracts with institutions of higher education, or other competent nonprofit institutions or organizations.

(B) In determining the amount to be withheld from any local educational agency's allotment for the provision of such programs or projects, the Secretary shall take into account the number of children, teachers, and other educational staff who

are excluded from participation therein, and who, except for such exclusion, might reasonably have been expected to participate.

(4) After making a grant or contract under this section, the Secretary shall notify the appropriate State educational agency of the name of the approved applicant and of the amount approved.

(5) The amount of financial assistance to a local educational agency under this section may not exceed those net additional costs which are determined by the Secretary, in accordance with regulations prescribed by him, to be the result of the implementation of a plan or activity under subsection (b) (1) or (2).

REDUCTIONS NECESSITATED BY INSUFFICIENT APPROPRIATIONS

SEC. 6. If for any fiscal year the amount appropriated under section 3(b) is insufficient to make to local educational agencies the full amount of the allotments provided for in section 4(a) and section 5(a), then the amount of each such agency's allotment under each such section shall be reduced by a percentage (which shall be uniform for each such agency and both of such sections) which will result in allotments which do not exceed the appropriations available therefor.

DEFINITIONS

SEC. 7. As used in this Act, except when otherwise specified—

(a) The term "current expenditure per public school child" for a State or for all the States means (1) the expenditures for free public education, including expenditures for administration, instruction, attendance and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds granted under such Federal program of assistance as the Secretary may prescribe, divided by (2) the number of children in average daily attendance to whom local educational agencies in the State or in all the States provided free public education during the year for which the computation is made.

(b) The term "equipment" includes machinery, utilities, and built-in equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the provision of education services, such as instructional equipment and necessary furniture, printed, published, and audiovisual instructional materials and other related material.

(c) The term "gifted and talented children" means, in accordance with objective criteria prescribed by the Secretary, children who have outstanding intellectual ability or creative talent.

(d) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control, or direction, of public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools, or a combination of local educational agencies; and includes any other public institution or agency having administrative control and direction of a public elementary or secondary school; and where responsibility for the control and direction of the activities in such schools which are to be assisted under this Act is vested in an agency subordinate to such a board or other authority, the Secretary may consider such subordinate agency as a local educational agency for purposes of this Act.

(e) The term "nonprofit" as applied to an agency, organization, or institution means an agency, organization, or institution owned or operated by one or more nonprofit corporations or associations no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual, and which is exempt from taxation under section 501 of the Internal Revenue Code of 1954, and charitable contributions to which are deductible under section 170 of such Code.

(f) The terms "racially isolated school" and "racial isolation" in reference to a school mean a school and condition, respectively, in which Negro, American Indian, or Spanish-surnamed American children, or children who are members of other racial minority groups as determined by the Secretary under subsection (a), constitute more than 50 per centum of the enrollment of a school.

(g) The terms "elementary and secondary school" and "school" mean a school which provides elementary or secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(h) The term "Secretary" means the Secretary of Health, Education, and Welfare.

(i) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if there is no such officer or agency, an officer or agency designated by the Governor or by State law for this purpose.

(j) The term "State" means (1) one of the fifty States and the District of Columbia, and (2) for purposes of section 4 and 5(f), includes Puerto Rico, Guam, American Samoa, the Virgin Islands, and the Trust Territory of the Pacific Islands.

EVALUATION

SEC. 8. Such portion as the Secretary may determine, but not more than 1 per centum, of any available for section 5 for any fiscal year shall be available to him for evaluation (directly or by grants or contracts) of the programs and projects authorized by section 5, and in the case of allotments from any such appropriation, the amount available for allotment shall be reduced accordingly.

JOINT FUNDING

SEC. 9. Pursuant to regulations prescribed by the President, where funds are advanced by the Department of Health, Education, and Welfare and one or more other Federal agencies for any program, project, or activity funded in whole or in part under section 5, any one Federal agency may be designated to act for all in administering the funds advanced.

NATIONAL ADVISORY COUNCIL

SEC. 10. (a) There is hereby established a National Advisory Council on Equality of Educational Opportunity, consisting of fifteen members, at least one-half of whom shall be representatives of Negroes, American Indians, or Spanish-surnamed Americans, or members of other minority groups as determined by the Secretary under section 5(a), appointed by the President, which shall—

(1) advise the Secretary with respect to the operation of the program authorized by section 5, including the preparation of regulations and the development of criteria for the approval of applications;

(2) review the operation of the program (A) with respect to its effectiveness in achieving its purposes as stated in section 2(2) (A) and (B), and (B) with respect to the Secretary's conduct in the administration of the program;

(3) meet not less than four times in the period during which the program is authorized, and submit through the Secretary, to the Congress at least two interim reports, which reports shall include a statement of its activities and of any recommendations it may have with respect to the operation of the program; and

(4) not later than December 1, 1973, submit to the Congress a final report on the operation of the program.

(b) The Secretary shall submit an estimate under the authority of section 401(c) and part C of the General Education Provisions Act to the Congress for the appropriations necessary for the Council created by subsection (a) to carry out its function.

REPORTS

SEC. 11. The Secretary shall make periodic detailed reports concerning his activities in connection with the program authorized by this Act and the program carried out with appropriations under the paragraph headed "Emergency School Assistance" in the Office of Education Appropriations Act, 1971 (Public Law 91-380), and the effectiveness of programs and projects assisted under this Act in achieving the purposes of this Act. Such reports shall contain such information as may be necessary to permit adequate evaluation of the program authorized by this Act, and shall include a copy of each rule, regulation, or guideline and a copy (unexecuted) of each application or other form used or in effect during the period covered by the report. The report shall be submitted to the President and to the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives. The first report submitted pursuant to this section shall be submitted no later than ninety days after the enactment of this Act. Subsequent reports shall be submitted no less often than two times annually.

GENERAL PROVISIONS

SEC. 12. (a) The provision of parts B and C of the General Education Provisions Act (title IV of Public Law 247 (Ninetieth Congress) as amended by title IV of Public Law 230 (Ninety-first Congress)) shall apply to the program of Federal assistance authorized under this Act as if such program were an applicable program under such General Education Provisions Act, and the Secretary shall have the authority vested in the Commissioner of Education by such parts with respect to such program.

(b) Section 422 of such General Education Provisions Act is amended by inserting "the Emergency School Aid Act of 1971;" after "the International Education Act of 1966;".

ATTORNEY FEES

SEC. 13. Upon the entry of a final order by a court of the United States in litigation against a local educational agency, a State (or any agency thereof), or the United States (or any agency thereof), seeking compliance with any provision of this Act or alleging discrimination on the basis of race, color, or national origin in violation of title VI of the Civil Rights Act of 1964, or the fourteenth amendment to the Constitution of the United States as they pertain to elementary and secondary education, the court, in its discretion, may allow the prevailing party, other than the United States a reasonable attorney's fee as part of the cost upon a finding that the proceedings were necessary to bring about compliance. Where the prevailing party is the defendant and is a local educational agency, a State (or any agency thereof) or the United States (or any agency thereof) the court, in its discretion, may allow such prevailing party a reasonable attorney's fee as part of the cost upon a finding that the proceedings were unnecessary to bring about compliance.

State	Distribution based on number of school aged children	Distribution based on equalization factor	Distribution based on number of minority group students	Total for State
Alabama	$71,880,838	$43,928,717	$42,187,464	$157,997,199
Alaska	5,847,632	1,459,866	1,473,446	8,780,944
Arizona	27,944,980	9,555,491	15,972,308	53,472,779
Arkansas	37,958,158	26,675,747	16,837,640	81,471,545
California	300,338,535	111,746,164	164,207,484	576,292,183
Colorado	35,159,031	929,006	14,178,699	50,266,706
Connecticut	59,457,900	10,749,927	10,718,593	80,926,420
Delaware	9,000,674	2,256,157	3,802,043	15,058,874
Florida	90,908,515	28,666,474	57,267,024	151,042,013
Georgia	84,449,542	43,530,572	49,596,989	176,842,013
Hawaii	15,309,591	3,317,878	165,750	18,793,219
Idaho	14,927,158	2,787,018	854,053	18,568,229
Illinois	222,485,582	56,536,658	74,733,300	353,755,540
Indiana	92,437,349	18,580,122	18,851,841	129,869,312
Iowa	55,519,590	16,456,679	1,921,934	73,898,203
Kansas	42,065,091	11,015,358	6,335,694	59,416,143
Kentucky	58,306,553	40,079,978	10,053,615	108,440,146
Louisiana	71,118,938	38,354,681	50,063,962	159,537,581
Maine	19,126,010	6,237,612	476,214	25,839,836
Maryland	68,805,706	19,509,128	31,906,705	120,221,539
Massachusetts	97,570,954	24,817,734	8,747,157	131,135,845
Michigan	188,626,266	41,539,845	47,793,952	277,960,063
Minnesota	79,198,904	20,039,989	2,847,263	102,086,156
Mississippi	50,040,068	45,786,730	35,124,445	130,951,243
Missouri	79,218,963	28,666,474	21,943,947	129,829,384
Montana	14,224,210	3,317,878	944,126	18,486,214
Nebraska	27,311,782	8,361,055	2,645,341	38,318,181
Nevada	$5,267,200	$1,061,721	$2,392,979	$8,721,900
New Hampshire	11,464,465	1,858,012	165,750	13,488,227
New Jersey	142,004,220	35,036,802	39,922,936	216,963,958
New Mexico	21,694,447	9,422,776	20,113,026	51,230,249
New York	497,272,917	125,150,395	116,353,378	738,776,690
North Carolina	99,318,074	62,243,409	57,436,207	289,165,807
North Dakota	13,888,042	4,910,460	346,352	19,144,854
Ohio	189,301,884	45,255,869	47,653,908	282,211,661
Oklahoma	45,558,315	20,172,704	11,985,418	77,716,437
Oregon	39,180,288	8,891,915	2,430,418	50,502,621
Pennsylvania	221,362,627	65,030,428	43,983,294	330,376,349
Rhode Island	17,424,912	4,379,600	1,359,875	23,164,387
South Carolina	55,187,417	37,691,105	37,384,116	130,262,638
South Dakota	14,373,618	6,901,188	2,692,807	23,967,613
Tennesee	73,332,694	39,681,832	29,036,101	142,050,627
Texas	197,252,501	79,496,380	139,236,283	415,985,164
Utah	20,445,348	3,981,454	2,377,000	26,803,802
Vermont	7,819,884	2,123,442	165,750	10,109,076
Virginia	79,556,512	37,160,244	38,849,972	155,566,728
Washington	58,195,238	14,333,237	6,355,587	78,884,062
West Virginia	40,176,332	21,664,743	3,253,299	65,094,374
Wisconsin	86,801,410	17,252,970	7,836,553	111,890,933
Wyoming	6,974,107	1,194,436	1,134,455	9,302,998
District of Columbia	14,883,630	5,839,467	21,883,793	42,606,890
Total	3,981,454,793	1,326,268,954	1,326,016,575	663,740,322

TAKE PRIDE IN AMERICA

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MILLER of Ohio. Mr. Speaker, today we should take note of America's great accomplishments and in so doing renew our faith and confidence in ourselves as individuals and as a nation.

The typical citizen of the U.S.S.R. must labor three times as long as his American counterpart to buy a pound of bread, five times as long to obtain a pound of cabbage or a pound of potatoes, six times as long for a pound of fish, 10 times as long for a pound of pork, 12 times as long for a man's suit or a pound of butter, 20 times as long for a pound of coffee, and 30 times as long for a pound of sugar, depicting the wide gulf between the economic well-being of the American and Soviet consumer.

Reported by "The World's Nations—An Economic and Regional Geography."

THE KILLING OF THE BALD AND GOLDEN EAGLES

(Mr. GUDE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GUDE. Mr. Speaker, a Senate subcommittee has been told of the killing of nearly 500 bald and golden eagles last winter over ranches in Wyoming and Colorado.

James O. Vogan testified before the Senate environmental appropriations subcommittee that he ferried sharpshooters on helicopter flights from which they shot the eagles—and were paid for shooting them by area ranchers.

What an irony that this testimony to the meanness of man toward his fellow creatures on this earth should come at a time of great triumph for Apollo 15's exploration of the moon.

I am pleased that the Interior Department is now in Wyoming with subpenas in this case and that Secretary Rogers C. B. Morton has promised to "take all possible steps to criminally prosecute those found responsible for the alleged slaughter of these regal birds."

BANGLA DESH

(Mr. RYAN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RYAN. Mr. Speaker, the name "Bangla Desh" is a new one in the world community. Bangla Desh—East Pakistan—is a land where a massive tragedy continues, despite the world community's horror at what is happening in Asia.

East Pakistan is today, according to all accounts, a disaster area. The Pakistani Army—or more accurately, the West Pakistani Army—has levied a virtual pogrom against the people of East Pakistan. Towns have been leveled, children and women have been slaughtered. The enormity of the cruelty almost escapes comprehension.

It is estimated that more than 250,000 East Pakistanis, or Bengalis, have died. More than 7 million have fled as refugees to India, which simply does not have the resources to aid them. Some understanding of the tragedy in East Pakistan is provided by a quotation from the August 2, 1971, issue of Newsweek magazine:

> It seemed a routine request. Assembling the young men of the village of Haluaghat in East Pakistan, a Pakistani Army major informed them that his wounded soldiers urgently needed blood. Would they be donors? The young men lay down on makeshift cots, needles were inserted in their veins—and then slowly the blood was drained from their bodies until they died.

This illustrates the planned action which is being undertaken.

There is very little dispute any more. The Government of Pakistan—the government dominated by West Pakistanis—is converting what has hitherto been its economic and political stepchild—East Pakistan into an economic and political colony. In doing so, no act has been too heinous. Violence and brutality have supplanted reason.

In undertaking this course, the official Pakistani Government has sought to justify its initial actions by the claim that East Pakistan intended to dissolve the union between the western and eastern halves of Pakistan. To the contrary, the evidence shows that in the national parliamentary elections held prior to the disaster, which has now been visited upon East Pakistan, the East Pakistanis achieved what would have been a majority control of the government. This is in fact what apparently inspired the subsequent actions.

Thus, East Pakistan is becoming a wasteland. This situation holds little promise of improving. Famine threatens in East Pakistan. According to Mr. Abulmal A. Muhith—economic adviser to the Pakistani Embassy here and former Deputy Secretary to President Yahya Kahn's Cabinet—who has defected an joined the forces of Bangla Desh, up to 15 million Bengalis may die of starvation in the next 3 months. Meanwhile, India is being overwhelmed by refugees, and this refugee population may be expected to grow.

At the same time, tensions between India and Pakistan continue to mount, and these two traditionally hostile neighbors may well reach a point of outright war. The ominous implications for the great powers in such a development are frightening.

The horror of Bangla Desh must not be permitted to continue. Some affirmative steps have apparently been taken by the administration, and I commend them. On Sunday, August 1, it was announced that an international group of 156 civilians constituting a relief and rehabilitation force were to be sent to East Pakistan under United Nations auspices.

This group will include 73 monitors to be stationed at four area offices in Dacca, Chittagong, Rajshahi Khulna, and 69 other locations. Their purpose will be to report on local conditions. Hopefully,

their presence will help abate the violence and reprisals. In addition, the United Nations-sponsored force will concern itself with helping the Pakistani authorities alleviate the threat of starvation and disease, and with rehabilitating homes and shelter for the millions who are now homeless. Insofar as the U.S. Government has been instrumental in launching this effort, I believe it has acted wisely and properly.

However, other actions by the administration cannot be countenanced.

The administration has failed to halt arms shipments to Pakistan, and it apparently has sought to deceive the American public concerning its actions. On April 12, a Department of State spokesman claimed that there had been "an embargo since 1965" on military assistance to Pakistan, and a followup statement of April 15 by a Department spokesman said:

In short, no arms have been provided to the Government of Pakistan since the beginning of this crisis, and the question of deliveries will be kept under review in light of developments.

On April 23, Assistant Secretary of State David Abshire wrote the chairman of the Senate Foreign Relations Committee, Senator FULBRIGHT, and stated:

We have been informed by the Department of Defense that no military items had been provided to the Government of Pakistan or its agents since the outbreak of fighting in East Pakistan on March 25 and nothing is now scheduled for delivery.

On May 6, Assistant Secretary Abshire wrote again to the chairman of the Senate Foreign Relations Committee claiming:

As you know, we terminated all grant military assistance to Pakistan and India, as a consequence of the 1965 Indo-Pakistan war. We have provided no weapons to either country since then. The only measure of grant military assistance which we have reinstituted since 1965 has been a modest program of military training. With respect to military supply, as the Department's spokesman announced on April 15, the Department of Defense has informed us that no spare parts and ammunition have been provided since the beginning of the crisis and the question of deliveries is under review.

Yet, at the same time that the State Department was claiming that no arms were being shipped to Pakistan, that is, the West Pakistan Government, arms were in fact being shipped. And, in fact, it is now acknowledged that future shipments will be made, supposedly because the agreement to provide the arms being sent was made prior to March 25, the day fighting broke out.

Thus, while the State Department was denying that there was military assistance to the West Pakistan Government, arms were on their way.

Once again, military assistance is being provided by the United States to support repression and violence. Once again, political expediency—and I take it that that is what in fact is motivating this administration, since clearly humanitarianism cannot justify its actions—is the prevailing basis for policy.

These shipments must immediately be halted. No paper agreement, arrived at some magic date prior to March 25, can justify the supply of arms, many of which no doubt will be used to continue the violence leveled at East Pakistan.

To achieve this end, I have joined in cosponsoring House Joint Resolution 765, which calls for the suspension of "all military assistance, and all sales and deliveries of military equipment and weapons," to Pakistan, as well as the suspension of "all licenses for military sales including those already approved" for a period of 365 days "unless the President determines that such assistance, sales, or deliveries are required for reasons of overriding national interest and so reports to the Congress." This bill deserves immediate passage.

I am pleased to note that the Foreign Assistance Act of 1971, H.R. 9910, does in fact suspend aid to Pakistan. This is an extremely important action by the House Foreign Affairs Committee. I would have only hoped that the language of the bill could have been stronger, inasmuch as it now has language allowing abrogation of the suspension if East Pakistani refugees have been allowed, "to the extent feasible," to return to their homes and to reclaim their lands and properties. However, even with this caveat, this provision still provides excellent opportunity for the Congress to accomplish what the administration has failed to do.

I would also note that the Foreign Assistance Act of 1971, H.R. 9910, authorizes $100 million for relief for East Pakistani refugees, and this is particularly commendable. Other steps, as well, must be taken. The U.S. Government must clearly express its abhorrence of the actions taken by the Pakistani Government. It must clearly articulate our discountenance of the abrogation of the elections which occurred earlier this year. It must encourage a massive relief effort by the United Nations, and support that effort.

An article by Lee Lescaze, published in the July 24, 1971, edition of the Washington Post and entitled "U.S. Arms Aid to Pakistan Bewilders Fearful Bengalis," quoted a Bengali as stating that—

The cradle of democracy . . . is against us.

All too sadly, that is not an inaccurate assessment of the public posture the Administration has assumed. Ambivalence in the face of the human horror of Bangla Desh is the present position of the U.S. Government. That must be changed.

Following are three articles detailing the tragedy of East Pakistan. Two of them are by Lee Lescaze, and appeared in the Washington Post. The third, by Khushwant Singh, appeared in the August 1, 1971, New York Times Magazine.

[From the Washington Post, July 19, 1971]

EAST PAKISTAN: A FRIGHTENED LAND

(By Lee Lescaze)

DACCA.—Almost four months after the Pakistani army attacked in Dacca, East Pakistan is a frightened land.

Murder is commonplace, men are arrested and never seen again, guerrillas snipe at the army and millions of people have been uprooted—an estimated 7 million are refugees in India and at least an equal number are hiding within East Pakistan.

The central government insists that normality has returned, but a visit to Dacca and a dozen other towns and villages in East Pakistan last week was a tour of ruined buildings, partially neglected fields, roads without traffic, looted shops and industries without workers.

Many are afraid to be seen talking to a foreigner and turn away, but some risked furtive meetings in which they whispered of their fear and what they have lived through since violence seized this region March 25.

Those Pakistani army officers here who concede that some opposition exists among East Pakistan's 75 million people ascribe it to "miscreants," "anti-elements," "anti-state forces," or a handful of other phrases implying small groups of habitual criminals of Indian-guided infiltrators.

India certainly gives considerable material as well as moral support to guerrillas fighting against the army. But, at the same time, the guerrillas appear to have the sympathy of almost all East Pakistanis nowadays, a small-town Bengali lawyer said.

Although Bengalis, particularly, Hindus, have suffered most, the violence that erupted in March has made everyone here vulnerable. As the civil war goes on, old scores unrelated to politics are being settled and some now kill in order to loot—often with military encouragement. The response to "How are you?" one Bengali remarked, is now most frequently: "I'm still alive." It is not said jokingly.

No one knows how many people have been killed since March. Estimates run from 200,000 to 1 million. The bloodshed, which springs from three main racial and religious animosities, is far from over.

The hatreds now unleashed have existed since Pakistan was carved out of British India and became an independent Moslem nation in 1947.

They divide West Pakistanis from East Pakistani Bengalis and within East Pakistan they divide the Bengalis and about 1.5 million non-Bengali Moslems generally called Biharis. In addition, about 10 million Bengali Hindus lived in East Pakistan, getting on not too badly with Bengali Moslems, worse with Biharis and regarded for the most part as pro-India and therefore anti-Pakistan by the army and authorities in West Pakistan.

TEMPTATION TO KILL

In this desperately overcrowded land where the population has more than doubled since independence and is believed to double again in 23 years, the temptation to kill for profit, to gain by being on the winning side of a fight and to take advantage of chaos to steal is enormous.

Before the army succeeded in occupying all East Pakistan's towns, Bengalis sought to eliminate Biharis. Now, the wheel has turned and Biharis help the army hunt Bengalis.

"Everyone here has someone who wants to kill him," one man remarked. These are the voices of some Bengalis, West Pakistani soldiers and Biharis. Since each Bengali who spoke critically of the central government committed an offense punishable by death, none is named.

"This is the first time in three months that I have come out in the daytime," a Hindu Bengali businessman said.

For his first daylight trip, he carried a black umbrella low over his head and preferred to talk in the shelter of a building where he could not be seen from a nearby dirt path.

"They are looking for me," he said of the army. "But only a few friends know where I am living now."

His own house has been destroyed and a non-Hindu friend has taken him in. Ironically, a month before he had to go underground, the Hindu hid two Biharis in his house while gangs of Bengalis looked for them.

Hindus are difficult to find here now. As the special targets of the army, almost all have fled to India, gone into hiding in rural villages, or been killed. The army attacks on Hindus have been so widespread that few here doubt they were ordered by Pakistan's government—an order that many West Pakistan officers and soldiers appear to have obeyed with enthusiasm.

An army captain approached a teen-age Hindu girl recently in a town not far from where the businessman is hiding. "Are you a Hindu?" he asked. Then, he held out his automatic rifle. "Feel the barrel," he ordered. "It's still warm from killing Hindus."

To identify Hindus, the army sometimes relies on the newly formed Peace Committees—small groups of army supporters who, one major put it, "supply very valuable information." Since all Moslems are circumsized, a simpler and widely popular method is to lift the men's sarongs and shoot the uncircumsized.

A second major army target has been the leadership of the Awami League, Sheikh Mujibur Rahman's Bengali political party that won last December's elections. The sheikh is now called a traitor and imprisoned, his party is outlawed and the government says that they would have declared independence for East Pakistan rather than settle for the program of greater regional autonomy on which he campaigned.

Many of his supporters deny that Mujibur wanted to secede from Pakistan and the debate can continue endlessly for the army attack ended Mujibur's leadership and any chance that he would reach an agreement with the military government on the distribution of power.

"We're 100 per cent Awami League here," a doctor said in one relatively large town. "The army has burned many homes and arrested many people."

"We are afraid to speak the truth," he said. "Those who speak the truth are punished and the only punishment is death."

The doctor was compelled to open his small clinic or have it taken away. He says that his family still hides in a village while, although he is a Moslem, he is growing a beard to look more old-fashioned and orthodox like the people of the Peace Committee whom the Army trusts.

"I never had a beard before," he said.

GREATEST FEAR

His greatest fear is that the army will discover he served five years in the Pakistan army. "They are killing all former Bengali officers," he said.

But he has many other fears. Last week the army came to him with a list of the town's college students and pointed to the names of his two younger brothers. The soldiers ordered him to sign and guarantee as their guardian that they would show up when colleges are scheduled to reopen in August.

The doctor lied and said he was not his brothers' guardian. He knows that they will be too frightened to attend classes, because students are also an army target.

"The people of East Pakistan have been misguided. They are very simple and uneduated," a Peace Committee member in another town said. "Especially the ranks of students."

"Classes are to begin Aug. 2," a teacher at one campus said. "But the army troops are occupying two of our dormitories. I wouldn't tell my son to come back."

Some students have joined the Mukti Fauj (liberation army) but more have simply gone into hiding.

A college student explained that he has obtained a forged identity cards which does not say he is a student. He has been stopped occasionally by soldiers. "I show them my card and they let me go," he said. Once a soldier remarked to him: "We never find any students here."

More than 70,000 students were supposed to sit for the nationwide final high school examination last Thursday. About 20 per cent are believed to have appeared.

In one town, the "liberation army" scrawled: "Don't take the examination or you'll be killed" on the wall of the examination hall. The army rushed to the building after the guerrillas had left, but the building caretaker who tried to run away was shot dead. Attendance in that town was very low.

"I would have been killed by my subordinates if the army had not come," a Bihari banker said. "The Bengalis wanted the best jobs in businesses, factories and the government," he said. "Everything is returning to normal now."

Like other Biharis, the banker spoke of "our army," and "our government" while most Bengalis speak of "them."

"It made your blood boil," an army major said, describing the killing of almost 1,000 Biharis by Bengalis before his troops arrived to occupy Ushurdi town.

"I could show you where they killed them and pushed the bodies in the river," he added. One girl who had survived has been raped, had her right hand cut off, her neck slashed and had gone mad, the major said.

KINGDOM OF GUNMEN

"This became the kingdom of the man who had a gun," the officer said of the lawlessness before his troops arrived.

Ushardi's marketplace and many of its houses were burned down by Biharis in retaliation for the massacres by Bengalis. Now the major is trying to make the two groups cooperate.

"The Bengalis aren't afraid of us," he said. "But they were afraid of the Biharis.

He stood on a ferry crossing the Ganges and every man who had to squeeze by him on the narrow deck bowed his head in salute. The Bengalis crowded on the other side of the boat from the major and his foreign visitors.

"I don't think that any real battle had taken place here for hundreds of years," Maj. Gen. Rao Farman Ali Khan said.

An elderly Bihari, whose English is a remnant of his British army days, described the events since March with politically neutral disgust. "The army and the Biharis killed many Bengali buggers and the Hindu buggers ran away." On the other hand, he said, "Many Bengalis killed many Bihari buggers."

An elderly man knocked on a friend's door one evening last week looking for his son. The boy was there and the father sat down for tea. "Parents get anxious when their sons aren't home by dusk," he explained. High schools and elementary schools are already open, but attendance in six towns seemed to be between 20 and 40 per cent of normal.

LIBERATION ARMY

Not only are students afraid of the army, but the "liberation army" has been trying to disrupt classes to demonstrate its influence.

[From the Washington Post, July 24, 1971]

U.S. ARMS AID TO PAKISTAN BEWILDERS FEARFUL BENGALIS

(By Lee Lescaze)

DACCA.—The approach to Americans is double-barreled in East Pakistan. First, Bengalis want to describe their fear and the killing they have seen.

Then, they ask: "Why are you sending the army more guns?"

The United States is not at the bottom of the East Pakistanis' list thanks to China's outspoken support of the Pakistani army repression since March 25, but many find it difficult to understand why the United States continues arms shipments to an army they see as already well-equipped and murderous.

"The cradle of democracy and Mao's so-called center of revolution are both against us," an educated Bengali remarked.

Neither is the United States the most disliked foreign power in the eyes of army officers and their sympathizers. They see Britain, which has cut off aid until peace returns here, as the chief villain.

But Washington is widely distrusted. "Yes, you are helping us," a pro-army banker said last week, "but it is for your own reasons." He argued, without supporting evidence, that Washington has aided Sheikh Mijibur Rahman's Awami League before the military crackdown and was therefore partly responsible for the present crisis.

Like the banker, many army officers yield to the temptation to describe what has happened here in terms of a conspiracy. "We must not trust anyone too much," a major said. "China has proved a good friend to us," he added, but he declined to extend the same praise to America.

"You tie strings to everything," he said, "and your policy can change very abruptly."

"The United States is doing enough to earn the enmity of the Bengalis," one source said, "but not enough to win West Pakistan's friendship."

Foreign radio stations provide most of the news here where English is quite widely spoken and the local press is tightly controlled.

KENNEDY A HERO

In one town after another young men could recite the names of U.S. senators who have spoken in favor of halting aid to Pakistan. Sen. Edward M. Kennedy is a particular hero.

A guerrilla leader speaking in the village from which his small band harasses the army, praised Kennedy, but asked what the American people would do to help him.

The radio keeps men in small towns amazingly well-informed. "We heard last night that two more American ships are bringing ammunition for the army," a young Bengali said. "It makes us very sad if it is true."

Washington has repeatedly stressed that no new military shipments have been authorized since fighting began here March 25. However, U.S. officials acknowledge that about $36 million was scheduled for delivery before that date.

If the present pattern of shiploads carrying well below $2 million worth of military supplies each continues, the radio may carry news of more than 20 additional arms ships leaving American ports in the next months.

The ships would be able to sail even if the full Congress upholds the House Foreign Affairs Committee's July 15 decision to suspend all military and economic aid to Pakistan.

Military aid dominates the attitudes toward the United States of army officers and their opponents—most of East Pakistan's 75 million people.

But military supplies will have less effect than economic aid on the long-term solution here. Pakistan's economy in both west and east is heavily dependent on foreign aid and the government was angered when an international aid consortium announced last month that it would not meet to discuss Pakistan's needs until a more normal situation prevailed here.

However, aside from the international consortium, one expert argues that an attempt by any foreign power to bring political pressure by cutting economic aid would be unlikely to have an immediate effect on Pakistan's government policy.

The United States appears to agree. When presidential adviser Henry Kissinger visited Pakistan early this month, one well-informed source says, he said Washington would consider altering its policy if it could be demonstrated that a new U.S. policy would bring a solution in East Pakistan much sooner than the present course.

Kissinger reportedly said he was not interested in hearing that American action might cut a ten-year problem down to a five-year problem. Would it bring a solution in two years or less, he asked.

No one, according to reports of the meeting, ventured to assure him of such a rapid end to the crisis here and Kissinger left Pakistan for his China trip apparently determined to leave policy toward Pakistan unchanged.

Exactly what the policy is, however, puzzles outsiders in Dacca as well as Washington. Almost all economic aid has been suspended—in part for technical reasons—but the State Department has announced it hopes the House Foreign Affairs Committee aid veto will be reversed.

"Our policy is better than it looks," one source said. He pointed out that all but a handful of U.S. technical assistance advisers have been withdrawn, rural public works projects have been halted since March for security reasons, there have been loans for commodity imports approved in recent months and shipments of PL480 foodgrains have been stopped. Warehouses at East Pakistan's Chittagong port are full and with rail and road communications disrupted there is no way to distribute the grain.

PL480 shipments, financed by excess counterpart funds, will be resumed when the port can handle them. No one is certain which other parts of the U.S. aid program will be resumed or when.

Meanwhile, although all foreign observers in Dacca appear convinced that the army will eventually be forced to withdraw from East Pakistan, America is seen by Bengalis here as staunchly supporting their foe and that is yet one more disappointment they live with in East Pakistan's terrorized, army-occupied towns.

[From the New York Times Magazine, Aug. 1, 1971]

WHY THEY FLED PAKISTAN—AND WON'T GO BACK

(By Khushwant Singh)

(NOTE.—Khushwant Singh, editor of The Illustrated Weekly of India, is author of a novel about the partition of India, "Train to Pakistan.")

"It is going to be hell for us."—INDIRA GANDHI.

CALCUTTA.—This is my third visit to the India-Pakistan border 60 miles east of Calcutta. The countryside has not changed. It is the same lush, emerald green of the paddy and the darker green of the jute, the stretches of swamp with snow-white egrets hunting for frogs and the limpid ponds encircled with hyacinth or bright with pink water lillies. It is the same avenue, flanked on either side by massive banyan and rain trees loud with the chatter of mynas and the dulcet notes of magpie robins. The only evidence of conflict on this peaceful, drowsy landscape is slogans painted on tree trunks: "Long Live Mao," read some, and "Long Live Indira," the others.

Then there is the almost unbroken succession of thatched huts, tents and shelters made of bricks and canvas that line the road on either side. Every town and village I pass through is crammed with people. Schools, colleges and other public buildings have been turned into reception offices, ration depots, clinics or homes for a large number of the seven million refugees from East Pakistan who have streamed into the country in the last four months. The monsoon season normally brings material benefits to India. This year it brings tides of hungry newcomers—and with them the threat of epidemics, communal violence and war.

I ask the cab driver to pull up at a small encampment near the village of Mandalpara. As soon as I step out of the car a crowd collects around me. They tell me they are about a thousand families of fisherfolk and thatchmakers from the Jessore and Khulna Districts of East Pakistan. I start with the question I had put to the refugees when I came this way in 1957 and 1964: "Why did you leave Pakistan?"

They are very eager to tell of their experiences. "Yahya's soldiers raided our village, killed many young men and burned our huts. . . . Biharis [people from the Indian state of Bihar who migrated to Pakistan] looted our homes and took our cattle. . . . My daughter was raped in front of me and I was told if I did not get out they would rape my wife and mother as well."

My eye falls on a fair, doe-eyed girl being pushed toward me by an old women. "What happened to you?" I ask her. The girl continues to gape at me without replying. "This is my daughter-in-law, Tarabala Dasi," said the old woman behind her. "We are from Village Murari Kalbi, Police Station Kalarua, District Khulna." One of their fellow villagers takes up her tale. "It was on a Sunday afternoon when the Pakistani soldiers came for her. When we heard the sound of jeeps approaching, we told our daughters to run away and hide in the fields. The soldiers surrounded our village and ordered us out of our huts. 'Where are all the girls?' they asked. 'Where is that Tarabala?'

"You see, they had heard of her. How could we suffer them to dishonor any one of our daughters? We told them that Tarabala had gone out with her friends into the fields. They did not believe us. They beat us with the butts of their guns. They stuck bayonets into our chests. They set fire to our huts. They picked six of our boys, including Tarabala's husband, Anil, tied their hands behind their backs and made them stand in a line. Then they mowed them down with their guns."

Tarabala Dasi, who has listened without showing a trace of emotion, begins to tear her hair and beat her breast. "I did it! I did it!" she screams. "It was all because of me." Her mother-in-law soothes the girl in her arms. The crowd pushes them back.

A young Moslem, sprouting a goatee, steps in front. He is Anees Mian, a brickmaker from the village of Bhukti in Jessore. He shows me a gash across his chest inflicted, he says, by the bayonet of a Pakistani soldier. "'*Shala!* [a term of abuse insinuating that a man has had sex with his sister]. You voted for Mujibur Rahman!' the soldier shouted. 'You are a *namak haram* [a person false to his salt] and *haram jada* [bastard].' With each insult he slapped me. I said I had not voted for *Banga Bandhu* [Bengal's friend, a term of affection for the captive East Pakistan leader, Sheik Mujibur Rahman]. That made him mad. 'This is for your *Banga Bandhu!*' And he cut me with his bayonet."

A Hindu lad of 11 from the same village holds up a crooked arm that he says has been fractured by the butt end of a gun. Mandhari Dasi, also from the village of Bhukti, sobs as she tells me how the soldiers first raped her in front of her husband and then killed him. She holds up her 1-year-old child and asks, "Who will look after her now?" Women cover their faces when they are unable to talk of what happened to them. Some say they have been ravished by four or five men; some have had their nipples bitten off. Almost every one has been beaten, punched and spat upon. Those who escaped manhandling were terror-stricken. When they saw what the soldiers and their Bihari collaborators had done to the others, they fled because of *bhoy*—fear. In the four days I am with the refugees, I hear that one word, *bhoy*, a thousand times.

As we proceed along the road toward Petrapole, we pass truckloads of Sikh soldiers going in the same direction. At many places there are military encampments, with their eastern approaches guarded by trenches. Armored cars and antiaircraft guns are concealed under camouflage nettings.

The car pulls up at a barricade. A sentry in the uniform of the Indian Border Security Force walks up to us. "You can't go any further. That's Pakistan," he says, pointing the muzzle of his Sten gun toward a yellow building a couple of hundred yards away. "The border is sealed."

I step out of the car and look over a scene that is as lush green and peaceful as the one I had passed. No barbed-wire fences separate the two countries which have waged cold war (and twice hot ones) for the 24 years of their existence as independent states. I cannot detect any sign of troop movements on the other side, only bulbous clouds floating in a blue sky and the monotonous crying of barbets in banyan trees. A peasant is driving his cattle along the road toward Pakistan. "Where is he going?" I ask the sentry.

"His home. His land is on our side of the partition line. Nothing is very clear here. People come and go as they please."

Similar confusion prevails all along India's border with East Pakistan, which is 1,750 miles long and touches on five Indian states—West Bengal, Bihar, Assam, Megnalaya and Tripura. At some places, it is demarcated by rivers, but, for the most part only stones mark a paddy or jute field in one country from cropland next to it in the other. The boundary crosses dense tropical jungles, swamps and mountains, and runs through the habitations of aboriginal tribesmen who are more conscious of tribal loyalties than of being Indian or Pakistani. On the Indian side, the only guardians of the frontier are the 70 battalions (about 70,000 men) of the Border Security Force, a paramilitary organization equipped with small arms. The B.S.F. not only guards this frontier but the entire stretch of more than 9,000 miles of India's borders, extending from Sind and the Punjab in the west, Kashmir and Chinese-occupied Tibet in the north, to East Pakistan and Burma in the east.

Petrapole and Hasnabad, a village a few miles away, are on the most favored routes taken by refugees fleeing from East Pakistan, because they are the shortest way to Calcutta. I had been told that on certain days more than 100,000 people had come by these routes. This day there is not a soul to be seen anywhere; only the peasant driving his cattle toward Pakistan.

"The Pakistani Army has blocked the roads," the sentry explains. "But they come all the same—over fields and across the rivers. I don't know how many have come. The radio first said 70 lacs [7 million], then 50 lacs; now it says 60 lacs. You work out how many that makes per day, spread out over four months."

Surveying the tranquil landscape again, I note: "The papers say you have been trading shots with the Pakistanis. It looks very peaceful."

"It flares up suddenly and as suddenly dies down. But something goes on every day. Yesterday we had quite a *tamasha* [show]. Bombs fell right across that field," he says, pointing to a spot not far from where we stand. The *Mukti Fauj* [literally, Salvation Army of the Bangla Liberation Movement] tickles Yahya's Pakistanis and the trouble begins. The Pakistanis have tanks and automatic weapons; the Banglas only have small arms they have captured. Pakistanis chase the Banglas to our border and, when they can't get them, they start firing at us. They shoot. We shoot. A bullet is the only answer to a bullet, isn't it? You look like an educated man. You tell me what else one can do with a man who shoots at you."

I parry his question. "One bullet for one may be all right. But a hundred bullets for a hundred becomes a battle. You think there will be a war?"

"How should I know?" he replies truculently. "I am only a sentry. And I am not sup-

posed to talk to strangers. You come back when the *tamasha* begins in right earnest."

"When will that be?"

"That is known only to Yahya Khan and Indiraji." Pointing to the sky, he suggests that another consideration is Indradev, the rain god. "When the monsoon breaks right and proper, and the Pakistanis are asleep in their tents and their tanks can't move, these Banglas will fix them. It rains a lot here, you know."

We adjourn for tea to the shed of the ubiquitous *chaiwala*. Saint Ranjan Ghosh has had his tea stall on the border post for the last 24 years. He has made enough money serving cups of tea for a little over a cent apiece to the B.S.F. boys and the incoming refugees to buy a small house and half an acre of land on which he grows bananas and vegetables.

"I can't recall a day since partition when there weren't some refugees coming out of Pakistan," he recalls. "At first they came, saw conditions here and went back. But for the last 20 years it has been one-way traffic—from Pakistan into India. One autumn, I think it was in 1952, more than a thousand came by this route every day. I know because I am the first *chaiwala* on the Indian side."

"Good business!"

He points to the thatched roof above him. "*Bhagwan* [God] gives. I only take money from those who have money to give. I never refuse a cup of tea to anyone—money or no money. And I have never refused shelter to anyone who asks for it. In 1955 there was another big influx of refugees. I had whole families squatting on my land. I have three families staying with me now—one of them is Moslem. And I am a *baidya* [one of the upper Hindu castes, who would normally shun contact with Moslems].

Other men take up the theme. "No difference between Hindus and Moslems this time," says one. "We are Bengalis; they are one of us."

This is new to me: All previous migrations had been triggered by Hindu-Moslem conflicts. I recall that from 1949 to 1957 more than four million Bengali Hindus had fled East Pakistan—each wave following discriminatory action or agitation against Hindus, or actual violence. In 1955, for example, the exodus was due to the imposition of Urdu, which few Bengali Hindus can speak, as the national language of Pakistan, followed by the adoption of a Constitution declaring Pakistan an Islamic state. In 1964, Pakistani Moslems were agitated over the theft of the Prophet's hair from a shrine in Srinagar, India. Once more, there were rioting and forcible evictions. This time the migrants who crossed into the Indian State of Assam included large numbers of Christians and Buddhists.

Likewise, anti-Moslem riots in several cities of India, chiefly Calcutta and Ranchi in Bihar and some towns in Madhya Pradesh, forced thousands of Indian Moslems to flee to the eastern wing of Pakistan, which was nearer to them than the western wing. But, beginning last March, for the first time in the history of Indo-Pakistan refugee movements, migration was taking place not because of riots between Hindus and Moslems but because of the violent suppression of a democratic movement by the Pakistani Army. And thousands of Moslems from the Islamic state of Pakistan were seeking sanctuary in predominantly Hindu India.

What made the Moslems and Hindus of East Pakistan overcome their traditional religious animosity toward each other was exploitation by West Pakistan. Although East Pakistan had a larger population—72 million against West Pakistan's 58 million—and earned most of the country's foreign exchange, West Pakistan pre-empted 70 per cent of the foreign-air imports and 80 per cent of the funds set aside for development. Consequently, the Westerner, who was always richer than the Easterner, more than doubled the income gap in two decades: His per capita income, which was 17.9 per cent higher than an East Pakistani's in 1949–50, was 37.9 per cent higher by 1969–70. West Pakistanis controlled all the big industries and held most of the senior executive posts in business and the bureaucracy. The army was almost entirely drawn from the West; the Bengali was considered fit only to serve in the armed constabulary or the police (both of which eventually went over to the Bangla Desh revolutionaries). A strong factor in the unification of East Pakistani Moslems and Hindus was their common language, Bengali. Sheik Mujib's fervent support of Bengali against Urdu as the language of East Pakistan was an important factor in his emergence as leader of the move-a demand for an autonomous homeland. Once when Mujibur Rahman was asked why he wanted to break away from a Moslem tani nationalism, which soon crystallized as a demand for an autonomous homeland. Once when Mujibur Rahman was asked why he wanted to break away from a Moslem state, he is reported to have replied: "If the only reason for our continuing to be with West Pakistan is that we are both Moslem, why shouldn't we join some other Moslem state, like Kuwait, from which we might get more money?"

Bangla Desh nationalism isolated non-Bengali residents of East Pakistan. Indian Moslems who had fled from India in the wake of anti-Moslem riots in Calcutta and towns in Bihar and Central India found themselves living in separate colonies in big cities such as Dacca, Chittagong and Khulna. Their language was Urdu, and they never bothered to learn Bengali. In their new country they threw in their lot with such linguistic minorities as the Punjabis, Pathans, Sindhis and Indian Moslems from Uttar Pradesh, groups that were well established in businesses, the civil service and senior echelons of the police. All these non-Bengali minorities were lumped together and described as "Biharis." (Their total number is hard to determine, though estimates range from about half a million to around two million.)

The "Biharis" did not participate in the movement for an autonomous Bangla Desh. They did not support Sheik Mujib's Awami League, which demanded an end to the economic exploitation of East Pakistan and the loosening of its relationship to West Pakistan. After a sweeping victory of the Awami League in last December's general elections (it won 167 of the 169 seats assigned to East Pakistan in the National Assembly), tension between Biharis and Bengalis exploded into violence in many cities. The Biharis took a terrible beating. Not until the army took full control of the situation and the Awami League was outlawed did the Biharis come out in the streets to settle their scores. While the West Pakistan army cracked down on the Awami League's leaders and Bengali intellectuals, the chief target of the Biharis were Hindus—who had enthusiastically supported the Awami League.

The Bengalis considered their grievances mainly political, but the Pakistani Army was soon giving the rebellion a religious twist. The military began concentrating on ridding the country of only Hindu Bengalis. (Hindus make up 90 per cent of the seven million refugees.)

Will the refugees ever return to East Pakistan? Most of those I met were landless peasants, shopkeepers, fisherfolk, thatch-makers, potters, weavers, cobblers, iron-smiths or just unskilled laborers. The holdings of those who had land was seldom more than one acre. And this they know had been acquired by the Pakistani Army and given away to Moslem peasants to win their support. I asked all those I interviewed whether they would go back to Pakistan. The Moslems replied, "Yes, when Bangla Desh is liberated." Hardly any of the Hindus thought of returning. They have nothing to return to. India's promise of one square meal a day and a tent over their heads is more than they expect to get in Pakistan. Even if Bangla Desh comes into being, it will take a lot to persuade the locals to part with properties grabbed by them, and for the Hindus to feel secure enough to return. "Why should we go back?" many replied. "This is our country." To the Pakistani Hindu, India has always been *Amar Desh*—"my homeland."

Eventually, it is estimated, that refugee migration will add a total of nine million to India's teeming population. Mrs. Gandhi was right when she said in Parliament: "It is going to be hell for us." But she was being wishful when she added, "We are not going to allow them to stay here."

On the way back to Calcutta we stop at many refugee camps and hear the tales of violence, rape, killing, looting and vandalism. Most people seem to be in a daze, not knowing what the future holds for them. Men spend many hours a day queuing up for the family ration of a few handfuls of coarse rice and vegetables; women cook, feed their families and brood; children play as if on an endless vacation from school and homework. But in every camp the most common sight is men and women sitting on their haunches in groups, looking vacantly into space and sighing.

We stop on the outskirts of Barasat, 12 miles short of Calcutta. It is a warm afternoon and a passing monsoon shower has washed everything clean. At the roadside, three fishermen sit hunched under broad-brimmed straw hats, their lines suspended motionless in a pond. In the same pond are a couple of water buffaloes eyeing the fishermen. I ask the men if they have had a bite. One looks up and dolefully wags his head in a negative gesture. I watch them for a while. Suddenly the silence is broken by the muezzin's call to prayer, *"Allah-ho-Akbar*—God is great". A heron raises its head in alarm and flies away, the fishermen rouse themselves, wind their reels and pick up baskets to go to the mosque. They are Moslems. I accost them:

"Are you from Barasat? I heard there was some trouble there last week."

They eye me suspiciously; on the subject of religious confrontations, Moslems distrust Sikhs like me as much as they distrust Hindus. I encourage them:

"Hindus refugees occupied your mosque?"

"It is the house of God. It's meant for prayer." answers one.

"If they had been Moslem refugees, would you have let them stay?"

They fidget uneasily. Then one answers: "It was not like this at all. These fellows forced their way in and told us to get out and go to Pakistan. Why should we go to Pakistan? We are Indians. They should go back to wherever they come from. Besides, how can we be sure they won't defile our mosque by cooking unclean food? If they had come and like gentlemen asked for shelter, do you think we would refuse them?"

Barasat is one town where an ugly situation was averted by the police. This very week newspapers have reported outbreaks of communal violence between locals and refugees in towns in Assam and Meghlaya. Many Hindus of the right-wing Jan Sangh party have begun to say openly that they will not let the refugee migration be a one-way traffic. "If Pakistan dumps nine million Hindus on us, we should dump nine million Moslems on them," said one party member. "We have 50 million Moslems in India. What right have they to stay here if Pakistan throws out all its Hindus, Christians and

Buddhists?" Communal tensions will be yet another legacy of the refugee influx.

The next morning I visit a hospital with a maximum capacity of 230 patients that has been stretched to more than 600. Every bed has one patient on top and at least two lying on the floor underneath. All verandas are crammed with the sick. Those who have died of cholera in the morning are laid in a corner with only their faces covered. In the clinic I see a doctor pour the remains of white powder from a bottle marked "cholera" into the open mouth of a woman. A few minutes later I see her throw up and collapse in her husband's arms. She is laid alongside the corpses, which by now include a dead child with his eyes open. The morning papers give the official figure of cholera deaths as 5,000. Another thousand or two have died of dysentery or typhoid or fatigue. As I leave the encampment, a three-wheeler minitruck called a "tempo" is being loaded with the corpses of three adults and three children, piled on top of one another.

Shahara Camp next to Calcutta's Dum Dum Airport has more than 40,000 refugees under tarpaulin, tent, thatch and open sky. The camp, which is well below the level of the road, is known to turn into a lake after a heavy downpour. I see men and women defecating in the open and ask the social worker on duty why he has not forbidden this. "How can I?" he pleads. "The pit latrines are full. One smart shower and all the night soil will be floating into the tents." He covers his nose with his handkerchief. "When the monsoon breaks, there will be real disaster."

On the last day of my visit, I call on officials in the Bengal state government who are entrusted with the handling of the refugees. Nirmal Sen Gupta, chief secretary of the government, exclaims: "Our tragedy is that as soon as we begin to make headway in any direction, we are pulled back by some catastrophe or other. No sooner have we made plans to supply villages with drinking water and more schools than we have to put them in cold storage and make arrangements for refugees. For the last four months we have done nothing except feed, clothe and house these refugees. The refugees are costing us more than $13 million a day. We have no money left for anything else.

"In 8 of our 16 border districts the number of refugees is higher than that of local inhabitants. It is the same in the border districts of Assam; the Assamese don't like Bengalis. And in Meghalaya the tribals don't like any outsiders. Tripura has doubled its population in two months. This creates a real law-and-order problem. You must have read of the trouble we had in Barasat and with the tribals in Assam and Meghalaya. When the monsoon forces the refugees to seek shelter in temples, mosques and churches, there will be more trouble. For the first time, pray that there be no rain."

"How long do you think we will be able to go on like this? Do you think it will lead to war?"

He waves his hand in despair. "War is a luxury we cannot afford. Our best bet is a political solution which will force Pakistan to take back these people. That only the big powers can do. You think Pakistan could last a single day if the United States and the United Kingdom withdrew their support?"

A few rooms away in the secretariat building of the state government is Dr. Zainul Abedin, until recently Minister in Charge of Relief and Rehabilitation. A Moslem, he is like most Indian Moslems, inclined to express his loyalty to India through verbal abuse of Pakistan: "Barbarous savages, uncivilized brutes who spared neither Moslem nor Christian, neither Buddhist nor Hindu. Never, never, has the world seen such *bonyata* [the Bengali word for savagery]."

He draws a graph of the refugee exodus, rising from 25,000 in March to 200,000 a day in the last week of May. "It is difficult to explain why," he admits. "It is like a river. When the summer comes, snow melts on the mountains. It takes a few days before the flood gets to the lower reaches of the river. People living in the interior were subjected to violence. As they trekked toward the frontiers, other villages joined them. By the time they crossed to India, it was like the bursting of a dam."

"What do you think will happen? Will there be a war?"

Dr. Abedin is a doctor but has a lawyer's habit of listing his points: "First, we must remember that except for a mild protest from Soviet Russia, the world has remained indifferent to our plight. Second, we Indians were so scared of world opinion that we failed to interfere when we could have done so in the earlier stages. Third, knowing that China will support West Pakistan, how can we now use force on them and risk a world war?" And he too ends with a note of warning: "India has not yet seen the last of the refugees; the worst is yet to come."

In the afternoon, I call on Mr. Hossein Ali, who defected from the Pakistan Government and is now the chief representative of Bangla Desh in India. He is ensconced in a massive, three-story mansion which was once the office of the Deputy High Commissioner of Pakistan. The green-and-gold flag of Bangla Desh now flies from the mast.

"*Joy Bangla*—victory to Bangla Desh," I say upon meeting him. He gracefully acknowledges the greeting. "It will be so soon, *Inshallah*—if Allah wills. We are giving our liberation forces extensive military training. We'll throw out the Pakistani Army," he says with confidence. He is discreet and does not tell me how many are being trained, where and by whom. But I have picked up the information from my journalist friends, who report that 15,000 are undergoing regular army training and many more are being put through a three-week course in guerrilla tactics—how to dynamite bridges and roads, how to throw hand grenades, and so on. The target is a force of 50,000 in a few months.

"When will your forces go into action?"

"They harry the Pakistanis all the time. Go to any point on the border and you'll hear sounds of rifle and mortar fire. Now the monsoon is on and Pakistani tanks are immobilized. Our liberation forces have stepped up their operations. It won't be too long—*Inshallah*."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ESHLEMAN (at the request of Mr. GERALD R. FORD), on account of hospitalization.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PUCINSKI, for 60 minutes, on August 4.

(The following Members (at the request of Mr. YOUNG of Florida), to revise and extend their remarks and to include extraneous matter:)

Mr. ANDERSON of Illinois, today, for 30 minutes.

Mr. ARCHER, today, for 15 minutes.

Mr. WHALLEY, today, for 30 minutes.

Mr. DERWINSKI, today, for 5 minutes.

Mr. HORTON, today, for 5 minutes.

Mr. MCCLURE, today, for 5 minutes.

(The following Members (at the request of Mr. DAVIS of South Carolina), to revise and extend their remarks and to include extraneous matter:)

Mr. ADAMS, today, for 30 minutes.

Mr. MCFALL, today, for 30 minutes.

Mr. GONZALEZ, today for 10 minutes.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. MILLER of California, and to include extraneous matter.

Mr. MICHEL and to include extraneous matter in two instances.

Mr. HALL, during consideration of H.R. 9910, to revise and extend his remarks, and to include extraneous material following Mr. MORGAN'S remarks on Mr. Dow's amendment at page 2, line 20, of the bill.

(The following Members (at the request of Mr. YOUNG of Florida) and to include extraneous matter:)

Mr. BOB WILSON.

Mr. RUTH in two instances.

Mr. HUNT.

Mr. QUIE.

Mr. REID of New York.

Mr. HOSMER in two instances.

Mr. WYMAN in two instances.

Mr. ROUSSELOT.

Mr. FISH.

Mr. KEMP.

Mr. BROYHILL of Virginia.

Mr. MYERS.

Mr. SHRIVER in two instances.

Mr. SCHWENGEL.

Mr. ROBISON of New York.

Mr. KEATING in two instances.

Mr. GOLDWATER.

Mr. BAKER in two instances.

Mr. HALPERN.

Mr. STEIGER of Wisconsin in two instances.

Mr. MILLER of Ohio.

(The following Members (at the request of Mr. DAVIS of South Carolina) to include extraneous matter:)

Mr. HARRINGTON in three instances.

Mr. MONTGOMERY in two instances.

Mr. BURTON.

Mr. EDWARDS of California in three instances.

Mr. BEVILL in two instances.

Mr. MEEDS.

Mr. ROYBAL in two instances.

Mr. BEGICH.

Mr. Dow in four instances.

Mr. MAZZOLI in three instances.

Mr. HAMILTON in three instances.

Mr. HELSTOSKI in two instances.

Mr. RARICK in three instances.

Mr. STOKES.

Mr. FRASER in two instances.

Mr. JACOBS.

Mr. BRASCO.

Mr. GONZALEZ in three instances.

Mr. FOUNTAIN in two instances.

Mr. LINK in five instances.

Mr. LEGGETT.

Mr. DINGELL in two instances.

Mr. WOLFF.

Mr. PICKLE.

Mr. HUNGATE in two instances.

Mr. STUBBLEFIELD in two instances.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bills and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 18. An act to amend the U.S. Information and Educational Exchange Act of 1948 to provide assistance to Radio Free Europe and Radio Liberty; to the Committee on Foreign Affairs.

S. 74. An act to provide for the conveyance of certain real property of the United States to the University of North Dakota, State of North Dakota; to the Committee on Interior and Insular Affairs.

S. 447. An act to modify the boundaries of the Santa Fe, Gila, Cibola, and Carson National Forests in the State of New Mexico, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 602. An act to provide for the disposition of judgments, when appropriated, recovered by the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont., in paragraphs 7 and 10, docket numbered 50233, U.S. Court of Claims, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 959. An act to designate the Pine Mountain Wilderness, Prescott and Tonto National Forests, in the State of Arizona; to the Committee on Interior and Insular Affairs.

S. 960. An act to designate the Sycamore Canyon Wilderness, Coconino, Kaibab, and Prescott National Forests, State of Arizona; to the Committee on Interior and Insular Affairs.

S. Con. Res. 38. Concurrent resolution commending the President for initiating a proposed "journey for peace"; to the Committee on Foreign Affairs.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2591. An act to amend section 8 of the act approved March 4, 1913 (37 Stat. 974), as amended, to standardize procedures for the testing of utility meters; to add a penalty provision in order to enable certification under section 5(a) of the Natural Gas Pipeline Safety Act of 1968, and to authorize cooperative action with State and Federal regulatory bodies on matters of joint interest;

H.R. 2594. An act to amend chapter 19 of title 20 of the District of Columbia Code to provide for distribution of a minor's share in a decedent's personal estate where the share does not exceed the value of $1,000;

H.R. 2894. An act to incorporate the Paralyzed Veterans of America;

H.R. 5638. An act to extend the penalty for assault on a police officer in the District of Columbia to assaults on firemen, to provide criminal penalties for interfering with firemen in the performance of their duties, and for other purposes;

H.R. 6638. An act to amend the act of August 9, 1955, relating to school fare subsidy for transportation of schoolchildren within the District of Columbia;

H.R. 7960. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes;

H.R. 8432. An act to authorize emergency loan guarantees to major business enterprises;

H.R. 9388. An act to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes;

H.R. 9417. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1972, and for other purposes; and

H.R. 9667. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1972, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 943. An act to provide mortgage protection life insurance for service-connected disabled veterans who have received grants for specially adapted housing;

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;

H.R. 6239. An act to amend the maritime lien provisions of the Ship Mortgage Act of 1920;

H.R. 9181. An act to amend the Northwest Atlantic Fisheries Act of 1950;

H.R. 9382. An act making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1972, and for other purposes;

HR. 9417. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1972, and for other purposes; and

H.R. 9667. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1972, and for other purposes.

ADJOURNMENT

Mr. DAVIS of South Carolina. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 22 minutes p.m.), the House adjourned until tomorrow, Wednesday, August 4, 1971, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1018. A communication from the President of the United States, requesting a supplemental appropriation for fiscal year 1972 for the General Services Administration (H. Doc. No. 92–151); to the Committee on Appropriations and ordered to be printed.

1019. A letter from the Secretary of Transportation, transmitting a report of the financial condition of the Central Railroad Co., of New Jersey as of May 31, 1971, pursuant to section 10 of the Emergency Rail Services Act of 1970; to the Committee on Interstate and Foreign Commerce.

1020. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in the cases of certain aliens found admissible to the United States, pursuant to section 212(a)(28)(I)(ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

1021. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, together with a list of the persons involved, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

1022. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation, together with a list of the persons involved, pursuant to section 244(a)(1) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1023. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Vicente Aguilar-Munoz, pursuant to section 244(a)(2) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1024. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered under the authority contained in section 13(c) of the act of September 11, 1957, pursuant to section 13(b) of the act; to the Committee on the Judiciary.

1025. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated October 15, 1970, submitting a report, together with accompanying papers and illustrations, on Mississippi River at Winona, Minn., in partial response to two resolutions adopted September 18, 1944, by the Committee on Flood Control of the House of Representatives, and in partial response to section 208 of the Flood Control Act of 1965 (H. Doc. No. 92–152); to the Committee on Public Works and ordered to be printed with illustration.

1026. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated November 5, 1970, submitting a report together with accompanying papers and illustrations, on Frio River in the vicinity of Three Rivers, Tex., authorized by Public Law 88–367, 88th Congress, approved July 9, 1964 (H. Doc. No. 92–153); to the Committee on Public Works and ordered to be printed with illustrations.

1027. A letter from the Secretary of Health, Education, and Welfare, transmitting the second annual report on services provided to families receiving aid to families with dependent children under title IV of the Social Security Act, pursuant to section 402(c) of the act; to the Committee on Ways and Means.

1028. A letter from the Secretary of Commerce, transmitting the seventh in the series of interim reports stemming from the metric studies prepared by the National Bureau of Standards, pursuant to Public Law 90–472; to the Committee on Science and Astronautics.

1029. A letter from the Secretary of Health, Education, and Welfare, transmitting information in response to House Resolution 539 (H. Doc. No. 92–154); to the Committee on Education and Labor and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. MAHON: Committee on Appropriations. House Joint Resolution 833. Joint resolution making an appropriation for the Department of Labor for the fiscal year 1972, and for other purposes (Rept. No. 92–440). Referred to the Committee of the Whole House on the State of the Union.

Mr. SISK: Committee on Rules. House Resolution 577. A resolution providing for the consideration of House Joint Resolution 833. Joint resolution making an appropriation for the Department of Labor for the fiscal year 1972, and for other purposes (Rept. No. 92–441). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 578. A resolution waiving points of order against consideration of the conference report on H.R. 6531. An act to amend the Military Selective Service Act of 1967; to increase military pay; to authorize military active duty strengths for fiscal year 1972; and for other purposes (Rept. No. 92–442). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H.R. 10309. A bill to amend the Internal Revenue Code of 1954 to provide that the depletion allowance shall apply in the case of recycled materials; to the Committee on Ways and Means.

By Mr. HOSMER (for himself, Mr. ANDERSON of California, Mr. BELL, Mr. CORMAN, Mr. DEL CLAWSON, Mr. DON H. CLAUSEN, Mr. DANIELSON, Mr. GOLDWATER, Mr. JOHNSON of California, Mr. LEGGETT, Mr. MCCLOSKEY, Mr. MAILLIARD, Mr. PETTIS, Mr. VAN DEERLIN, Mr. VEYSEY, Mr. WIGGINS, and Mr. BOB WILSON):

H.R. 10310. A bill to establish the Seal Beach National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. BOW:

H.R. 10311. A bill to establish a National Historical Museum Park, to designate the study center authorized under section 2(a) of the act of August 30, 1961, as the Dwight D. Eisenhower Institute for Historical Research; to the Committee on House Administration.

By Mr. BURKE of Florida:

H.R. 10312. A bill to create a five-member panel within the Interstate Commerce Commission to arbitrate claims against common carriers by motor vehicle for loss and damage arising out of the moving of household goods, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CORMAN:

H.R. 10313. A bill to amend section 453 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. FRASER:

H.R. 10314. A bill to create a Congressional Office of Foreign Policy and National Security; to the Committee on Foreign Affairs.

By Mr. HARRINGTON (for himself, Mr. KOCH, Mr. COUGHLIN, Mr. HAWKINS, Mrs. MINK, Mr. MOSS, Mr. PODELL, Mr. REID of New York, and Mr. ROYBAL):

H.R. 10315. A bill to amend section 16 of the act of March 3, 1899 (30 Stat. 1121, 1153, ch. 425; 33 U.S.C. 411 and 412); to the Committee on Public Works.

By Mr. HELSTOSKI:

H.R. 10316. A bill to amend section 1905 of title 44 of the United States Code relating to depository libraries; to the Committee on House Administration.

By Mr. HOWARD:

H.R. 10317. A bill to amend title XVIII of the Social Security Act to provide payment for chiropractors' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mr. KOCH (for himself, Mr. HARRINGTON, Mr. COUGHLIN, Mr. HAWKINS, Mr. LENT, Mrs. MINK, Mr. MOORHEAD, Mr. MOSS, Mr. PODELL, Mr. REID of New York, Mr. ROUSH, Mr. ROYBAL, and Mr. THONE):

H.R. 10318. A bill to amend the act of March 3, 1899, commonly referred to as the Refuse Act, relating to the issuance of certain permits; to the Committee on Public Works.

By Mr. MOLLOHAN:

H.R. 10319. A bill to provide for orderly trade in iron, iron ore, and steel products; to the Committee on Ways and Means.

By Mr. MONAGAN:

H.R. 10320. A bill to require the establishment, on the basis of the 19th and subsequent decennial censuses, of congressional districts composed of contiguous and compact territory for the election of Representatives, and for other purposes; to the Committee on the Judiciary.

By Mr. MONAGAN (for himself, Mr. MCFALL, Mr. CARTER, Mr. RANGEL, Mr. ABOUREZK, Mr. FOUNTAIN, Mr. NIX, Mr. MEEDS, Mr. DELLUMS, Mr. RONCALIO, Mr. MCKAY, Mr. ROSENTHAL, Mr. VAN DEERLIN, Mr. JAMES V. STANTON, Mr. ALEXANDER, and Mr. BERGLAND):

H.R. 10321. A bill to establish a temporary emergency guidance board to facilitate economic recovery with minimum inflation by establishing price and wage guidelines and encouraging voluntary adherence thereto; to the Committee on Banking and Currency.

By Mr. MONAGAN (for himself, Mr. MCFALL, Mr. GUBSER, Mr. DINGELL, Mr. HAWKINS, Mr. REES, Mr. DENT, Mr. MILLER of California, Mr. TIERNAN, Mr. BRADEMAS, Mr. ROYBAL, Mr. ULLMAN, Mr. DONOHUE, Mr. BOLAND, and Mr. SIKES):

H.R. 10322. A bill to establish a temporary emergency guidance board to facilitate economic recovery with minimum inflation by establishing price and wage guidelines and encouraging voluntary adherence thereto; to the Committee on Banking and Currency.

By Mr. MONAGAN (for himself, Mr. MCFALL, Mr. FRENZEL, Mr. DOWNING, Mr. ROUSH, Mr. BLANTON, Mr. COLLINS of Illinois, Mr. PIKE, Mr. EILBERG, Mrs. GRASSO, Mr. WRIGHT, Mr. NEDZI, Mr. MOSS, and Mrs. HANSEN of Washington):

H.R. 10323. A bill to establish a temporary emergency guidance board to facilitate economic recovery with minimum inflation by establishing price and wage guidelines and encouraging voluntary adherence thereto; to the Committee on Banking and Currency.

By Mr. MONAGAN (for himself, Mr. MCFALL, Mr. MORSE, Mr. SISK, Mr. BURKE of Massachusetts, Mr. HECHLER of West Virginia, Mr. MIKVA, Mr. HARRINGTON, Mr. LEGGETT, Mr. MCCORMACK, Mr. HANNA, Mr. WILLIAM D. FORD, Mr. ASPIN, Mr. YATES, and Mr. RODINO):

H.R. 10324. A bill to establish a temporary emergency guidance board to facilitate economic recovery with minimum inflation by establishing price and wage guidelines and encouraging voluntary adherence thereto; to the Committee on Banking and Currency.

By Mr. PICKLE:

H.R. 10325. A bill to amend the Internal Revenue Code of 1954 to provide that the valuation of a decendent's interest in a ranch, farm, or closely held business may at the election of the executor be determined, for estate tax purposes, solely by reference to its value for such use; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.R. 10326. A bill to amend the Airport and Airway Development Act of 1970 to increase the United States share payable on account of project costs incurred to acquire certain safety equipment required for airport certification, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 10327. A bill to amend the Internal Revenue Code of 1954 to provide income tax simplification, reform, and relief for small business; to the Committee on Ways and Means.

By Mr. RARICK:

H.R. 10328. A bill to provide that the appointment of law clerks to Justices of the Supreme Court shall be confirmed by the Senate and the House of Representatives; to the Committee on the Judiciary.

By Mr. VANDER JAGT:

H.R. 10329. A bill to amend the Agricultural Fair Practices Act to require that handlers of agricultural products bargain in good faith with respect to the price, terms of sale, compensation for commodities produced under contract, and other contract provisions, with associations of producers of such products, and for other purposes; to the Committee on Agriculture.

By Mr. ABOUREZK:

H.R. 10330. A bill to provide for the distribution of judgment funds to the Cheyenne River Sioux Tribe; to the Committee on Interior and Insular Affairs.

By Mr. ADAMS (for himself, Mr. FOLEY, Mr. HANSEN of Idaho, Mr. HICKS of Washington, Mr. MCCLURE, Mr. MCCORMACK, Mr. RONCALIO, and Mr. WYATT):

H.R. 10331. A bill to amend the Natural Gas Act to secure adequate and stable supplies of natural gas at the lowest possible cost to the consumer, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ADAMS:

H.R. 10332. A bill to amend the Federal Power Act by increasing Federal research and development activities; to the Committee on Interstate and Foreign Commerce.

H.R. 10333. A bill to amend section 14 of the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California:

H.R. 10334. A bill for the relief of Soviet Jews; to the Committee on the Judiciary.

By Mr. BETTS:

H.R. 10335. A bill relating to the tax on self-employment income in the case of retired partners; to the Committee on Ways and Means.

By Mr. BIAGGI:

H.R. 10336. A bill to provide for the protection of children against injury caused or threatened by the persons responsible for their care through a program of grants to States for the development of child abuse prevention programs (including the enactment and enforcement of child abuse laws and the punishment of child abusers); to the Committee on Ways and Means.

By Mr. BOW (for himself and Mr. ROBINSON of Virginia):

H.R. 10337. A bill to continue the expansion of international trade and thereby promote the general welfare of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. WILLIAM D. FORD (for himself, Mrs. GREEN of Oregon, Mrs. MINK, Mr. MEEDS, Mr. BIAGGI, Mrs. HICKS of Massachusetts, Mr. MAZZOLI, Mr. THOMPSON of New Jersey, Mr. DENT, and Mr. DANIELS of New Jersey):

H.R. 10338. A bill to assist local educational agencies to provide quality education programs in elementary and secondary schools and to meet special problems incident to desegregation, and to the elimination, reduction, or prevention of racial isolation in elementary and secondary schools, and for other purposes; to the Committee on Education and Labor.

By Mr. FULTON of Pennsylvania:

H.R. 10339. A bill to amend the Federal Aviation Act of 1958 in order to provide for more effective control of aircraft noise; to the Committee on Interstate and Foreign Commerce.

By Mr. HORTON (for himself and Mr. MCCORMACK):

H.R. 10340. A bill to limit the sale or distribution of mailing lists by Federal agencies; to the Committee on Government Operations.

By Mr. JOHNSON of Pennsylvania:

H.R. 10341. A bill to continue the expansion of international trade and thereby promote the general welfare of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. KEATING:

H.R. 10342. A bill to strengthen interstate reporting and interstate services for parents of runaway children, to provide for the development of a comprehensive program for the transient youth population for the establishment, maintenance, and operation of temporary housing and psychiatric, medical, and other counseling services for transient youth, and for other purposes; to the Committee on the Judiciary.

By Mr. LENT:

H.R. 10343. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired law enforcement officers shall not be subject to income tax; to the Committee on Ways and Means.

By Mr. LINK (for himself and Mr. HUNGATE):

H.R. 10344. A bill to authorize the District of Columbia to enter into the interstate compact on mental health; to the Committee on the District of Columbia.

By Mr. MCCLURE (for himself, Mr. BRASCO, Mr. BUCHANAN, Mr. BURTON, Mr. DON H. CLAUSEN, Mr. DULSKI, Mr. KYL, Mr. LONG of Maryland, Mr. WHITEHURST, and Mr. WINN):

H.R. 10345. A bill to prohibit the manufacture or importation of coin replicas unless such replicas are manufactured in accordance with standards prescribed by the Secretary of Commerce, and for other purposes; to the Committee on Banking and Currency.

H.R. 10346. A bill to prohibit the alteration of coins in use and circulation for any purpose; to the Committee on the Judiciary.

By Mr. MCCLURE (for himself, Mr. CONABLE, Mr. DELLENBACK, Mr. FRELINGHUYSEN, Mr. KEMP, and Mr. TERRY):

H.R. 10347. A bill to encourage States to establish motor vehicle disposal programs and to provide for federally guaranteed loans and tax incentives for the acquisition of automobile scrap processing equipment; to the Committee on Ways and Means.

By Mr. MELCHER:

H.R. 10348. A bill to amend title 39, United States Code, as enacted by the Postal Reorganization Act, to facilitate direct communication between officers and employees of the U.S. Postal Service and Members of Congress, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MIKVA (for himself, Mr. BADILLO, Mr. BURTON, Mrs. CHISHOLM, Mr. COLLINS of Illinois, Mr. DELLUMS, Mrs. GRASSO, Mr. HARRINGTON, Mr. HAWKINS, Mr. KOCH, Mr. MITCHELL, Mr. MORSE, Mr. NIX, Mr. RANGEL, Mr. ROSENTHAL, Mr. ROYBAL, Mr. RYAN, Mr. STOKES, Mrs. ABZUG, and Mr. SCHEUER):

H.R. 10349. A bill to establish and protect the rights of day laborers; to the Committee on Education and Labor.

By Mr. MOLLOHAN:

H.R. 10350. A bill to create a National Agricultural Bargaining Board to provide standards for the qualification of associations of producers, to define the mutual obligation of handlers and associations of producers to negotiate regarding agricultural products, and for other purposes; to the Committee on Agriculture.

By Mr. PERKINS (for himself, Mr. QUIE, Mr. THOMPSON of New Jersey, Mr. DENT, Mr. DANIELS of New Jersey, Mr. BRADEMAS, Mr. HAWKINS, Mr. WILLIAM D. FORD, Mrs. MINK, Mr. SCHEUER, Mr. MEEDS, Mr. GAYDOS, Mr. CLAY, Mr. BIAGGI, Mrs. GRASSO, Mr. BELL, Mr. REID of New York, Mr. ERLENBORN, Mr. DELLENBACK, Mr. STEIGER of Wisconsin, and Mr. HANSEN of Idaho):

H.R. 10351. A bill to provide for the continuation of programs authorized under the Economic Opportunity Act of 1964, and for other purposes; to the Committee on Education and Labor.

By Mr. RUNNELS:

H.R. 10352. A bill to provide for the disposition of judgment funds on deposit to the credit of the pueblo of Laguna in Indian Claims Commission docket No. 27, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RUPPE:

H.R. 10353. A bill to authorize the Secretary of the Interior to conduct a research and development program in rapid underground excavation technology; to the Committee on Interior and Insular Affairs.

By Mr. VEYSEY (for himself, Mr. ANDERSON of California, Mr. BELL, Mr. BURTON, Mr. DON H. CLAUSEN, Mr. CORMAN, Mr. DELLUMS, Mr. EDWARDS of California, Mr. GOLDWATER, Mr. GUBSER, Mr. HANNA, Mr. HAWKINS, Mr. HOSMER, Mr. LEGGETT, Mr. MCFALL, and Mr. MATHIAS of California):

H.R. 10354. A bill to amend the Clean Air Act to clarify California's right to enforce its own stringent motor vehicle emission standards; to the Committee on Interstate and Foreign Commerce.

By Mr. VEYSEY (for himself, Mr. MAILLIARD, Mr. PETTIS, Mr. REES, Mr. ROYBAL, Mr. SMITH of California, Mr. SISK, Mr. TALCOTT, Mr. TEAGUE of California, Mr. WALDIE, Mr. BOB WILSON, Mr. CHARLES H. WILSON, and Mr. ROUSSELOT):

H.R. 10355. A bill to amend the Clean Air Act to clarify California's right to enforce its own stringent motor vehicle emission standards; to the Committee on Interstate and Foreign Commerce.

By Mr. HELSTOSKI:

H.R. 10356. 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; to the Committee on Ways and Means.

By Mr. MAHON:

H.J. Res. 833. Joint resolution making an appropriation for the Department of Labor for the fiscal year 1972, and for other purposes to the Committee on Appropriations.

By Mr. CASEY of Texas:

H.J. Res. 834. Joint resolution asking the President of the United States to declare the fourth Saturday of each September "National Hunting and Fishing Day"; to the Committee on the Judiciary.

By Mr. LENT (for himself, Mr. GROVER and Mr. WYDLER):

H.J. Res. 835. Joint resolution authorizing the President to proclaim the first day of January of each year as "Appreciate America Day"; to the Committee on the Judiciary.

By Mr. REID of New York:

H.J. Res. 836. Joint resolution instructing the Secretary of State to call for an international moratorium of 10 years on the killing of all species of porpoises and dolphins, and for related purposes; to the Committee on Foreign Affairs.

By Mr. UDALL (for himself, Mr. HORTON, Mr. BADILLO, Mr. ANDERSON of Illinois, Mr. FOLEY, Mr. CLEVELAND, Mrs. GREEN of Oregon, Mr. DELLENBACK, Mr. HARRINGTON, Mr. GUDE, Mr. HICKS of Washington, Mr. HALPERN, Mr. LEGGETT, Mr. MORSE, Mr. PREYER of North Carolina, Mr. ROBISON of New York, Mr. SCHEUER, Mr. STAFFORD, Mr. WALDIE, and Mr. VANDER JAGT):

H.J. Res. 837. Joint resolution to declare a U.S. policy of achieving population stabilization by voluntary means; to the Committee on Government Operations.

By Mr. WIDNALL:

H.J. Res. 838. Joint resolution to defer until January 1, 1974, the effective date of an amendment to section 5219 of the Revised Statutes relating to the taxation of national banks by the States; to the Committee on Banking and Currency.

By Mr. ANDERSON of Illinois (for himself, Mr. ANDREWS of North Dakota, Mr. DON H. CLAUSEN, Mr. DANIELSON, Mr. DOWNING, Mr. FORSYTHE, Mr. FRENZEL, Mr. FUQUA, Mr. GROVER, Mr. GUBSER, Mr. HASTINGS, Mr. MAILLIARD, Mr. MOSHER, Mr. J. WILLIAM STANTON, Mr. THONE, Mr. SMITH of New York, and Mr. WHITEHURST):

H. Con. Res. 386. Concurrent resolution: Vietnam Disengagement Act; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ANNUNZIO:

H.R. 10357. A bill for the relief of Mr. Giovanni Chiarello and Mrs. Morana Chiarello; to the Committee on the Judiciary.

H.R. 10358. A bill for the relief of Zena Alicia Estella; to the Committee on the Judiciary.

By Mr. BADILLO:

H.R. 10359. A bill for the relief of Merlyn Ruth Bennett; to the Committee on the Judiciary.

H.R. 10360. A bill for the relief of Suad Rizvanbegovic; to the Committee on the Judiciary.

By Mr. EDMONDSON (by request):

H.R. 10361. A bill for the relief of Eliza Backwater Proctor; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 10362. A bill for the relief of Francisco M. del Rosario; to the Committee on the Judiciary.

By Mr. PIKE:

H.R. 10363. A bill for the relief of Herbert Improte to the Committee on the Judiciary.